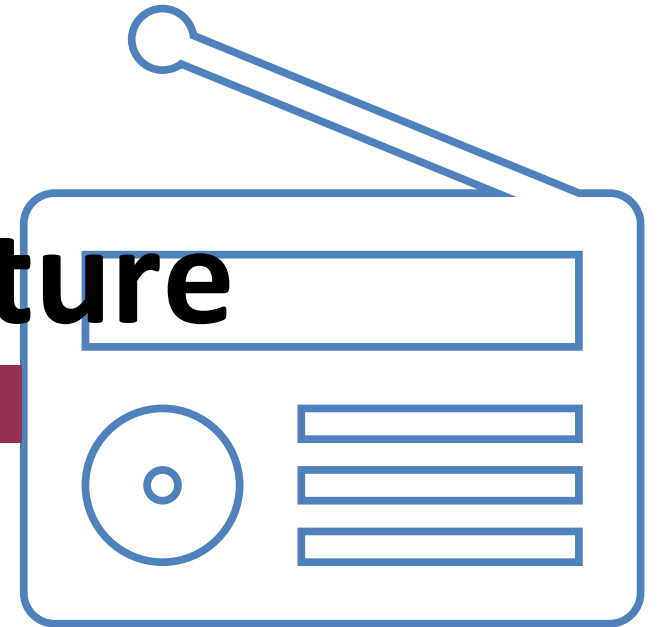


Maximizing Radio's Impact: Strategic Investments for the Future

MARCH 6, 2025

A Public Media Company webinar | www.publicmedia.co



WEBINAR LOGISTICS

1. All microphones are muted and cameras off
2. We welcome conversation – please use chat function to share questions and thoughts
3. Please fill out the online survey if you have expanded your broadcast footprint
4. Webinar being recorded and posted on PMC website:
www.publicmedia.co/webinars

**Maximizing
Radio's Impact:
Strategic
Investments for
the Future**

**PUBLIC
MEDIA
CO.**

WEBINAR PRESENTERS



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ABOUT PUBLIC MEDIA COMPANY

Public Media Company is a nonprofit consulting firm dedicated to serving public media. We leverage our business expertise to increase public media's impact across the country.



Public Media Company works in partnership with stations in urban and rural communities to find innovative solutions and grow local impact. We have worked with nearly **400 public media organizations in all 50 states**

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PURPOSE OF TODAY

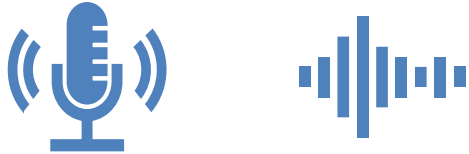


**BROADCAST RADIO CONTINUES TO
BE RELEVANT**



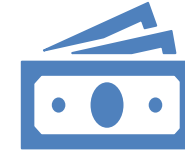
**HOW DO YOU MAXIMIZE AND
GROW YOUR BROADCAST RADIO
CAPACITY?**

BROADCAST RADIO TODAY



Remains a significant medium for Americans

- Audio accounts for 20% of daily media time (3 hours and 54 minutes)
- Traditional AM/FM radio dominates the time spent with audio (67%), followed by podcasts (18%), and streaming (11%)
- Dominates in-car listening (70%)
- **Will still be relevant for the foreseeable future**



Still a significant revenue source (but revenues declining)

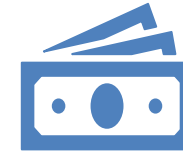
- Commercial broadcasters generate **75%** of their revenues from broadcast
- For public radio, membership from digital accounts for only **15%**

PUBLIC RADIO TODAY



Remains the primary source of local news and cultural programming in many markets

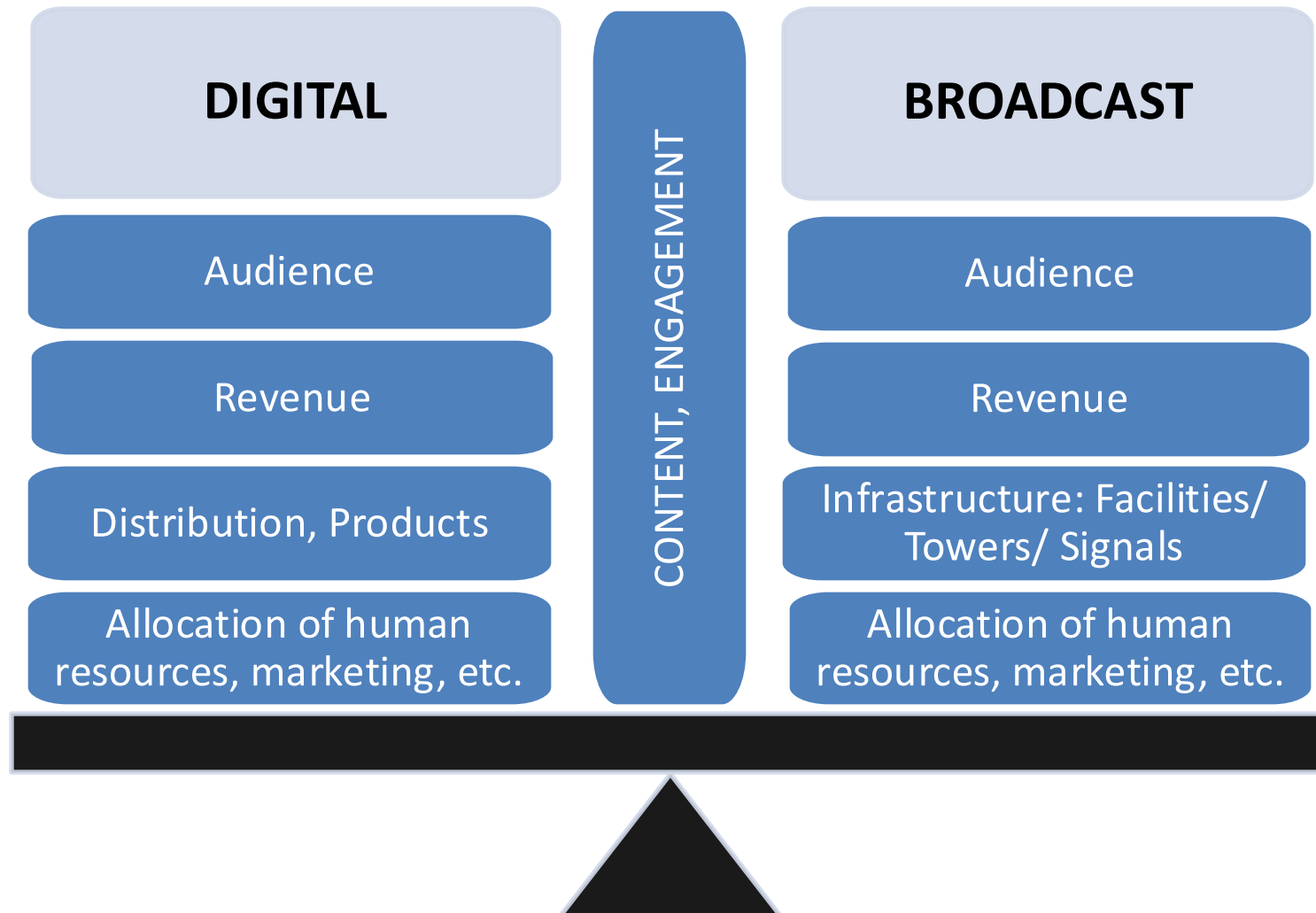
- Reaches close to 20 million people (12+) weekly, even with recent declines
- Serves a vast majority of the U.S. population (NPR affiliates alone have 1,000+ stations)
- Average listener age increased from 63.3 in 2021 to 65.5 in 2024



Despite decline in broadcast listening, total revenues are flat

- Individual giving continues to increase through higher giving
- Sustainer and major giving help grow revenues
- Number of contributors are declining
- Underwriting is stable or declining

WHERE DOES BROADCAST RADIO FIT INTO YOUR SUSTAINABILITY PLAN?



WHERE DOES BROADCAST RADIO FIT INTO YOUR SUSTAINABILITY PLAN

Audience and Revenue

Preserve and grow broadcast audience and revenue

Maximize Current Potential:

- Audience data and insights to optimize your programming and services
- Marketing and promotions to increase awareness
- Sustainer giving, major giving, planned giving, events

Grow Audience and Revenue when Opportunities arise:

- Single – split format strategy
- Signal expansion
- Signal upgrades

SINGLE AND SPLIT FORMAT STRATEGY

Stations began moving away from mixed formats in 2000s, to grow audience and revenue.

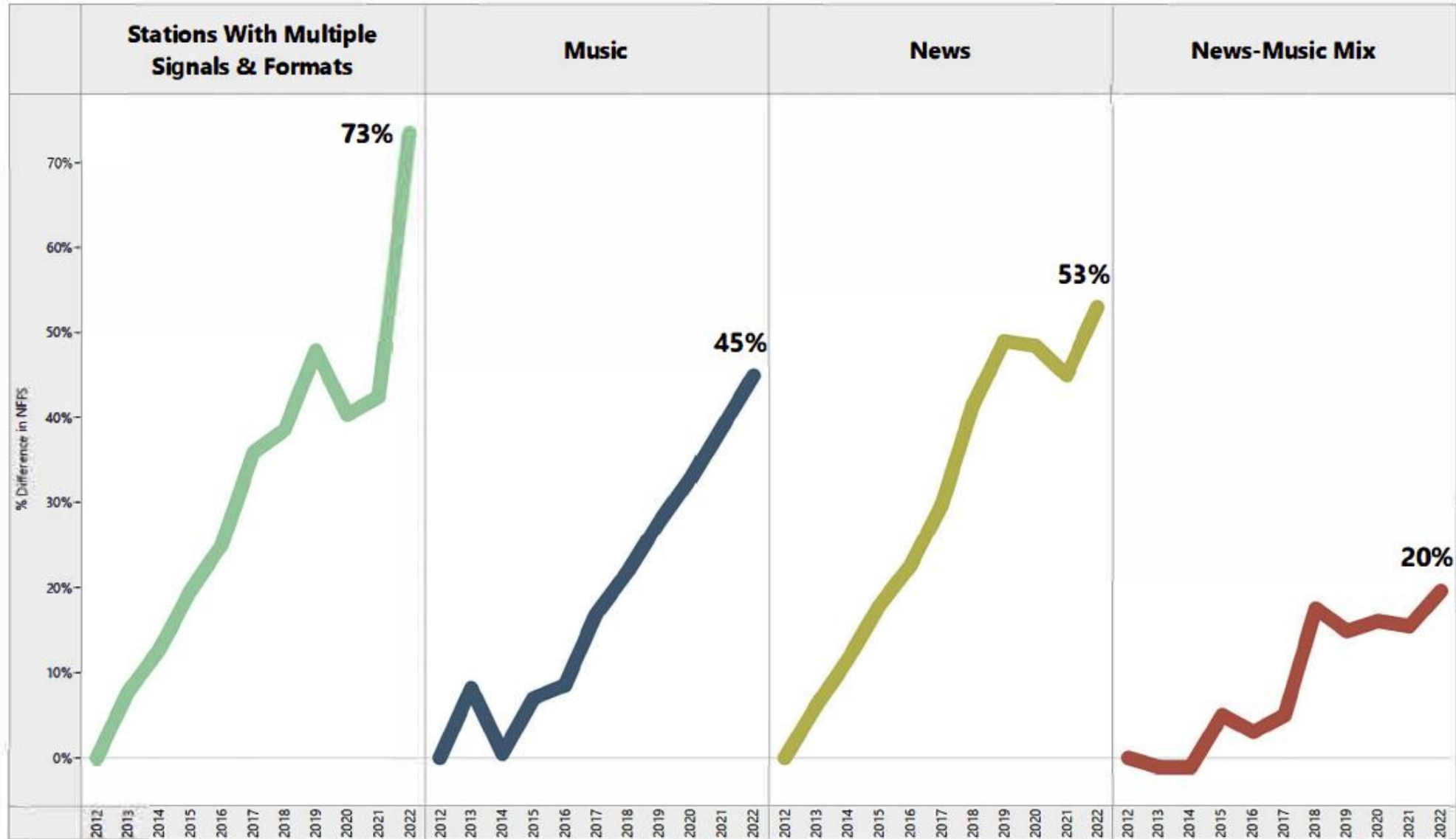
- Many well-known stations had mixed formats: **Michigan Radio** ('96) **WUNC** ('01) **WFAE** ('96) **OPB** ('97) **WNPR** ('06) **WGBH** ('09) **WMUK** ('20)
- Early on, there was little advance messaging; loyal listeners were shocked that their listening habits were disrupted and objected loudly
- Overtime, best practices emerged: A second signal would be acquired for the music format, and the community would be told of the benefit in advance

Single-format generally works better than mixed-format because:

- It provides a consistent programming stream
- Listeners know what to expect throughout the day
- Within that programming stream, stations should still think about how to diversity their audiences

Non-Federal Financial Support (NFFS) % Growth by Public Radio Format

**10-YEAR
REVENUE
GROWTH
TREND**



SIGNAL EXPANSION

OPPORTUNITIES

Helps expand your services into new markets

Brings new audiences

Additional revenue

KEY CONSIDERATIONS

Revenue upside is limited without local presence

Investment in local drives costs up

Pricing and coverage area population determine the return on investment

Acquisition versus operating agreement/lease, full-power station versus translator

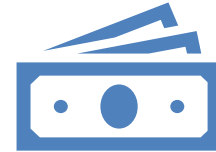
IS THIS THE RIGHT TIME TO INVEST IN A NEW SIGNAL?



Commercial broadcasters are abandoning formats that are not commercially viable



Big networks are struggling with large debt (iHeart, Cumulus), filing for bankruptcies (Audacy), and offloading their underperforming assets (Salem, Townsquare)

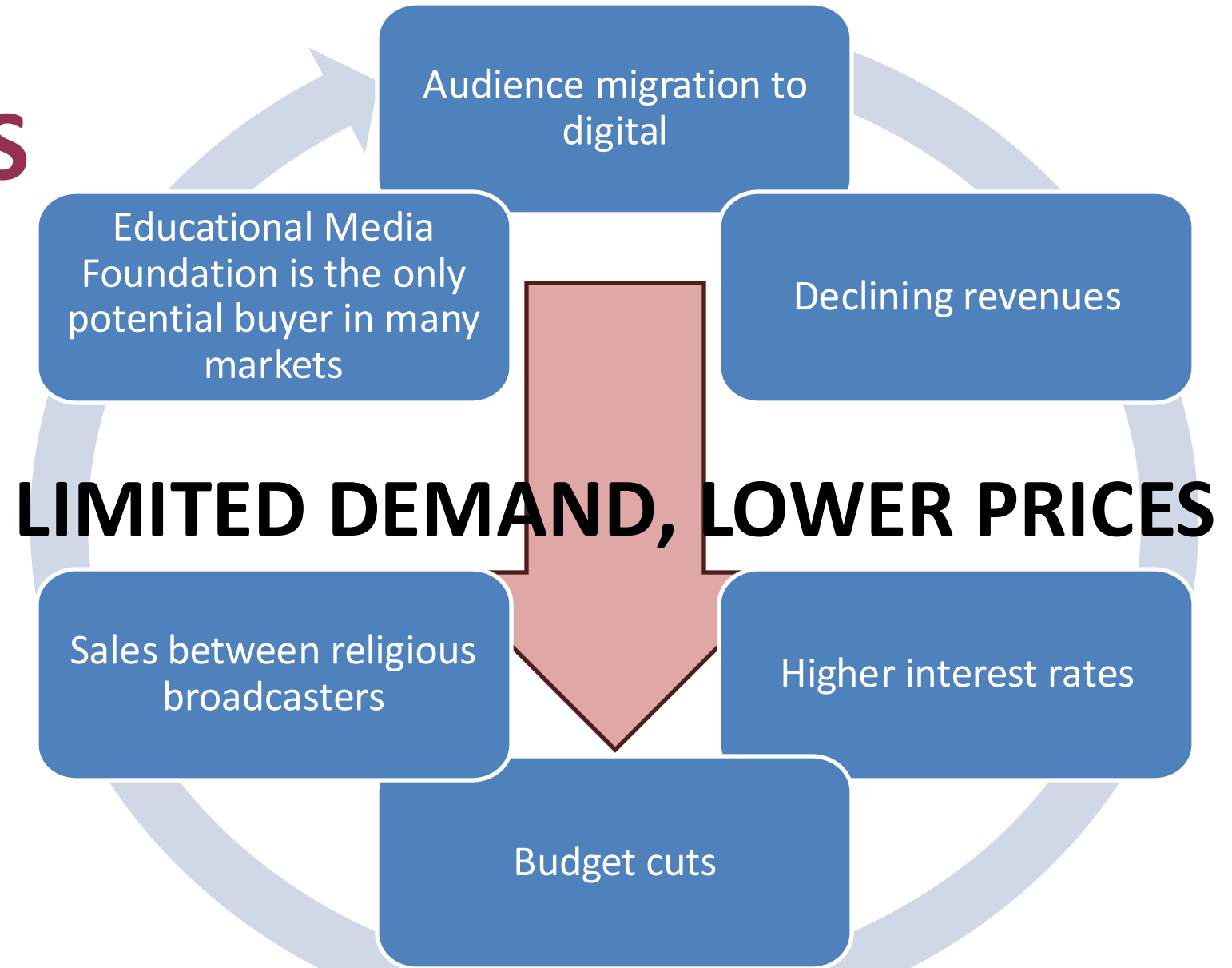


Commercial owners might entertain an offer within your budget or might be open to donating their signals for tax write offs



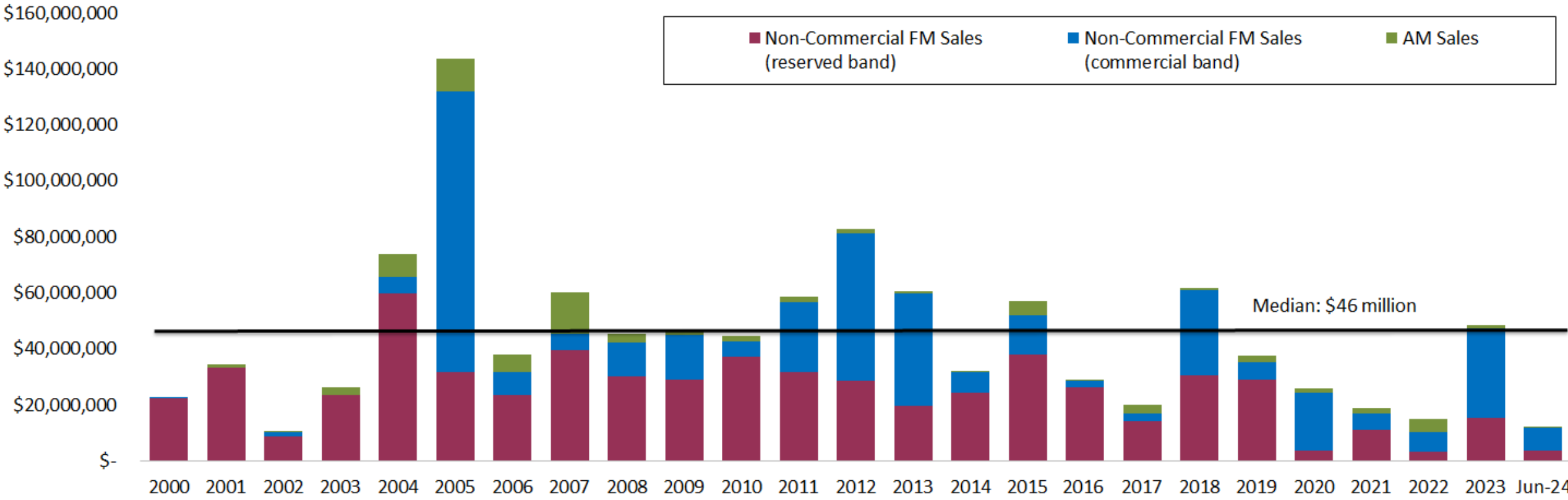
Noncommercial, institutional owners are facing budget cuts, and they might consider operating agreements or partnerships

RADIO VALUATIONS



RADIO VALUATIONS

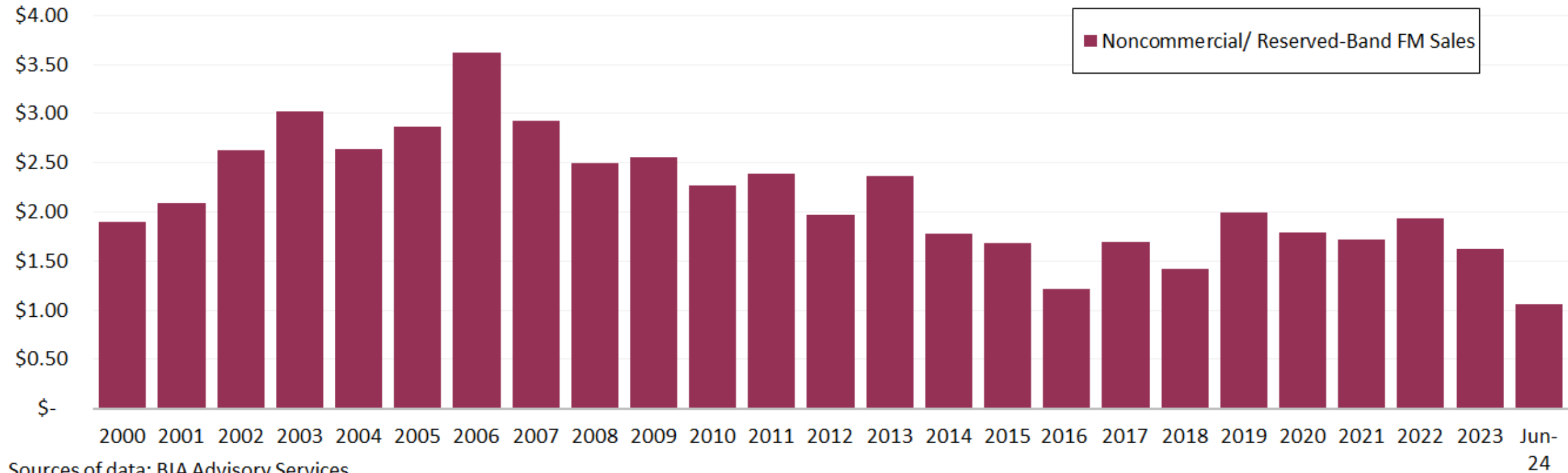
Sales Volume/ Station Demand is Down



Sources of data: BIA Advisory Services
Notes: Data includes noncommercial licensed FM sales.

RADIO VALUATIONS

Valuation multiples (price per person) are down



Sources of data: BIA Advisory Services

Notes: Data includes noncommercial licensed FM sales. Population estimates based upon Longley-Rice propagation model within 60dBu at 9.1m antenna height AG. Excludes outliers.

DECISION ABOUT A NEW SIGNAL INVESTMENT: KEY QUESTIONS

Are there any upgrade opportunities for your existing signals (tower location/ height, power, antenna)?

Are you currently airing a mixed format and looking for ways to provide distinct services?

Are there any station owners in your market or in the target markets that are known to have financial difficulties?

What are your investment parameters (upfront costs, deficit funding during start-up)?
What are the sources of funding?

Do you have any signals that are marginal and not contributing to the bottom line that can be sold or used as part of a swap?

Have you considered all your options?
Acquisition versus lease or a public service operating agreement

RECAP

- While the focus has been on digital, radio continues to be the primary source of audience and revenue for broadcasters
- Allocating station resources between digital and broadcast is a balancing act to ensure sustainability
 - A dynamic process based on market factors
- Two-tiered strategy for broadcast:
 - Maximize current capacity
 - Act on opportunities to expand coverage and/or services, and create capacity
- Radio prices have come down significantly and even the larger signals might now be within your reach

**INSIGHTS
FROM ETHAN ON
SIGNAL
EXPANSION**



WHERE DOES BROADCAST RADIO FIT INTO YOUR SUSTAINABILITY PLAN

Infrastructure

Maximize the use of broadcast infrastructure

- Signal upgrades
- Automation and workflows
- Signal upgrades/ divestitures
- Partnerships to drive down costs
- Lease excess capacity (facilities, towers, trucks, studios, studio equipment)
- Tower ownership versus lease

INSIGHTS FROM ROB ON INFRASTRUCTURE



Public Media Company Webinars

Public Media Company has begun hosting a series of informational webinars for public media General Managers and station leaders to help them stay on top of our ever-evolving media landscape.

Webinar will be available on PMC website for all to view

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THANK YOU!



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