

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2021

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number

001-38987

IHEARTMEDIA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

26-0241222
(I.R.S. Employer Identification No.)

20880 Stone Oak Parkway
San Antonio, Texas
(Address of principal executive offices)

78258
(Zip Code)

(210) 822-2828
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Class A Common Stock

Trading Symbol(s)
IHRT

Name of each exchange on which registered
The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 1, 2021
Class A Common Stock, \$.001 par value	120,189,029
Class B Common Stock, \$.001 par value	21,622,510

IHEARTMEDIA, INC.
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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

IHEARTMEDIA, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share data)

	September 30, 2021 (Unaudited)	December 31, 2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 369,094	\$ 720,662
Accounts receivable, net of allowance of \$29,881 in 2021 and \$38,777 in 2020	857,970	801,380
Prepaid expenses	98,204	79,508
Other current assets	30,748	17,426
Total Current Assets	1,356,016	1,618,976
PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment, net	769,769	811,702
INTANGIBLE ASSETS AND GOODWILL		
Indefinite-lived intangibles - licenses	1,778,045	1,770,345
Other intangibles, net	1,729,365	1,924,492
Goodwill	2,313,824	2,145,935
OTHER ASSETS		
Operating lease right-of-use assets	747,707	825,887
Other assets	115,888	105,624
Total Assets	<u>\$ 8,810,614</u>	<u>\$ 9,202,961</u>
CURRENT LIABILITIES		
Accounts payable	\$ 190,125	\$ 149,333
Current operating lease liabilities	96,830	76,503
Accrued expenses	298,679	265,651
Accrued interest	69,820	68,054
Deferred revenue	126,108	123,488
Current portion of long-term debt	725	34,775
Total Current Liabilities	782,287	717,804
Long-term debt	5,736,650	5,982,155
Series A Mandatorily Redeemable Preferred Stock, par value \$0.001, authorized 60,000 shares, 60,000 shares issued in 2021 and 2020	60,000	60,000
Noncurrent operating lease liabilities	721,126	764,491
Deferred income taxes	633,805	556,477
Other long-term liabilities	78,725	71,217
Commitments and contingent liabilities (Note 6)		
STOCKHOLDERS' EQUITY		
Noncontrolling interest	8,274	8,350
Preferred stock, par value \$.001 per share, 100,000,000 shares authorized, no shares issued and outstanding	—	—
Class A Common Stock, par value \$.001 per share, authorized 1,000,000,000 shares, issued 119,669,831 and 64,726,864 shares in 2021 and 2020, respectively	119	65
Class B Common Stock, par value \$.001 per share, authorized 1,000,000,000 shares, issued 22,505,661 and 6,886,925 shares in 2021 and 2020, respectively	23	7
Special Warrants, 5,304,430 and 74,835,899 issued and outstanding in 2021 and 2020, respectively	—	—
Additional paid-in capital	2,870,394	2,849,020
Accumulated deficit	(2,074,449)	(1,803,620)
Accumulated other comprehensive income (loss)	(193)	194
Cost of shares (383,847 in 2021 and 254,066 in 2020) held in treasury	(6,147)	(3,199)
Total Stockholders' Equity	798,021	1,050,817
Total Liabilities and Stockholders' Equity	<u>\$ 8,810,614</u>	<u>\$ 9,202,961</u>

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)

(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 928,051	\$ 744,406	\$ 2,496,321	\$ 2,012,688
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	325,766	270,862	939,094	808,925
Selling, general and administrative expenses (excludes depreciation and amortization)	390,086	333,095	1,105,056	1,018,258
Depreciation and amortization	108,100	99,379	343,408	299,494
Impairment charges	11,647	—	49,391	1,733,235
Other operating expense, net	12,341	1,675	27,491	3,247
Operating income (loss)	80,111	39,395	31,881	(1,850,471)
Interest expense, net	82,481	85,562	252,489	257,614
Gain (loss) on investments, net	(10,367)	62	39,468	(8,613)
Equity in loss of nonconsolidated affiliates	(1,056)	(58)	(1,115)	(653)
Other expense, net	(9,681)	(1,177)	(10,851)	(10,295)
Loss before income taxes	(23,474)	(47,340)	(193,106)	(2,127,646)
Income tax benefit (expense)	27,147	15,228	(77,237)	209,481
Net income (loss)	3,673	(32,112)	(270,343)	(1,918,165)
Less amount attributable to noncontrolling interest	493	—	486	—
Net income (loss) attributable to the Company	\$ 3,180	\$ (32,112)	\$ (270,829)	\$ (1,918,165)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(131)	267	(387)	455
Other comprehensive income (loss), net of tax	(131)	267	(387)	455
Comprehensive income (loss)	3,049	(31,845)	(271,216)	(1,917,710)
Less amount attributable to noncontrolling interest	—	—	—	—
Comprehensive income (loss) attributable to the Company	\$ 3,049	\$ (31,845)	\$ (271,216)	\$ (1,917,710)
Net income (loss) attributable to the Company per common share:				
Basic	\$ 0.02	\$ (0.22)	\$ (1.85)	\$ (13.15)
Weighted average common shares outstanding - Basic	147,040	146,152	146,591	145,911
Diluted	\$ 0.02	\$ (0.22)	\$ (1.85)	\$ (13.15)
Weighted average common shares outstanding - Diluted	150,397	146,152	146,591	145,911

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(In thousands, except share data)

	Common Shares ⁽¹⁾			Non-controlling Interest	Controlling Interest					Total
	Class A Shares	Class B Shares	Special Warrants		Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	
Balances at June 30, 2021	118,261,575	23,636,512	5,365,128	\$ 7,968	\$ 142	\$ 2,863,657	\$ (2,077,629)	\$ (62)	\$ (5,231)	\$ 788,845
Net income				493	—	—	3,180	—	—	3,673
Vesting of restricted stock and other	216,707			—	(1)	745	—	—	(916)	(172)
Share-based compensation				—	—	5,993	—	—	—	5,993
Conversion of Special Warrants to Class A and Class B Shares	60,698		(60,698)	—	1	(1)	—	—	—	—
Conversion of Class B Shares to Class A Shares	1,130,851	(1,130,851)		—	—	—	—	—	—	—
Other				(187)	—	—	—	—	—	(187)
Other comprehensive loss				—	—	—	—	(131)	—	(131)
Balances at September 30, 2021	119,669,831	22,505,661	5,304,430	\$ 8,274	\$ 142	\$ 2,870,394	\$ (2,074,449)	\$ (193)	\$ (6,147)	\$ 798,021

(1) The Company's Preferred Stock is not presented in the data above as there were no shares issued and outstanding in 2021.

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(In thousands, except share data)

	Common Shares ⁽¹⁾			Non-controlling Interest	Controlling Interest					Total
	Class A Shares	Class B Shares	Special Warrants		Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Treasury Stock	
Balances at June 30, 2020	61,432,341	6,900,195	78,038,412	\$ 9,123	\$ 68	\$ 2,835,005	\$ (1,774,974)	\$ (562)	\$ (3,018)	\$ 1,065,642
Net loss				—	—	—	(32,112)	—	—	(32,112)
Vesting of restricted stock	21,270			—	—	—	—	—	(34)	(34)
Share-based compensation				—	—	5,885	—	—	—	5,885
Conversion of Special Warrants to Class A and Class B Shares	1,986,278	704	(1,986,982)	—	2	(2)	—	—	—	—
Conversion of Class B Shares to Class A Shares	7,263	(7,263)		—	—	—	—	—	—	—
Other comprehensive income				—	—	—	—	267	—	267
Balances at September 30, 2020	63,447,152	6,893,636	76,051,430	\$ 9,123	\$ 70	\$ 2,840,888	\$ (1,807,086)	\$ (295)	\$ (3,052)	\$ 1,039,648

(1) The Company's Preferred Stock is not presented in the data above as there were no shares issued and outstanding in 2020.

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(In thousands, except share data)

	Common Shares ⁽¹⁾			Non-controlling Interest	Controlling Interest					Total
	Class A Shares	Class B Shares	Special Warrants		Common Stock	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	
Balances at December 31, 2020	64,726,864	6,886,925	74,835,899	\$ 8,350	\$ 72	\$ 2,849,020	\$ (1,803,620)	\$ 194	\$ (3,199)	\$ 1,050,817
Net income (loss)				486	—	—	(270,829)	—	—	(270,343)
Vesting of restricted stock and other	1,027,252			—	—	3,863	—	—	(2,948)	915
Share-based compensation				—	—	17,581	—	—	—	17,581
Conversion of Special Warrants to Class A and Class B Shares	47,197,139	22,337,312	(69,534,451)	—	70	(70)	—	—	—	—
Conversion of Class B Shares to Class A Shares	6,718,576	(6,718,576)		—	—	—	—	—	—	—
Other			2,982	(562)	—	—	—	—	—	(562)
Other comprehensive loss				—	—	—	—	(387)	—	(387)
Balances at September 30, 2021	119,669,831	22,505,661	5,304,430	\$ 8,274	\$ 142	\$ 2,870,394	\$ (2,074,449)	\$ (193)	\$ (6,147)	\$ 798,021

(1) The Company's Preferred Stock is not presented in the data above as there were no shares issued and outstanding in 2021 or 2020.

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

(In thousands, except share data)

	Common Shares ⁽¹⁾			Non-controlling Interest	Controlling Interest					Total
	Class A Shares	Class B Shares	Special Warrants		Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Treasury Stock	
Balances at December 31, 2019	57,776,204	6,904,910	81,046,593	\$ 9,123	\$ 65	\$ 2,826,533	\$ 112,548	\$ (750)	\$ (2,078)	\$ 2,945,441
Net loss				—	—	—	(1,918,165)	—	—	(1,918,165)
Vesting of restricted stock	667,493			—	—	(23)	—	—	(974)	(997)
Share-based compensation				—	—	14,383	—	—	—	14,383
Conversion of Special Warrants and Class B Shares to Class A Shares	4,990,132	2,049	(4,992,181)	—	5	(5)	—	—	—	—
Conversion of Class B Shares to Class A Shares	13,323	(13,323)		—	—	—	—	—	—	—
Other			(2,982)	—	—	—	(1,469)	—	—	(1,469)
Other comprehensive income				—	—	—	—	455	—	455
Balances at September 30, 2020	63,447,152	6,893,636	76,051,430	\$ 9,123	\$ 70	\$ 2,840,888	\$ (1,807,086)	\$ (295)	\$ (3,052)	\$ 1,039,648

(1) The Company's Preferred Stock is not presented in the data above as there were no shares issued and outstanding in 2019 or 2020.

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In thousands)

	Nine Months Ended September 30,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (270,343)	\$ (1,918,165)
Reconciling items:		
Impairment charges	49,391	1,733,235
Depreciation and amortization	343,408	299,494
Deferred taxes	64,520	(214,615)
Provision for doubtful accounts	2,919	23,593
Amortization of deferred financing charges and note discounts, net	4,508	3,000
Share-based compensation	17,581	14,383
Loss on disposal of operating and other assets	22,771	704
(Gain) Loss on investments	(39,468)	8,613
Equity in loss of nonconsolidated affiliates	1,115	653
Barter and trade income	(9,418)	(7,500)
Other reconciling items, net	8,660	775
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
(Increase) decrease in accounts receivable	(37,776)	224,044
Increase in prepaid expenses and other current assets	(33,486)	(7,228)
Increase in other long-term assets	(7,392)	(165)
Increase (decrease) in accounts payable and accrued expenses	74,534	(31,343)
Increase (decrease) in accrued interest	1,766	(13,959)
Increase in deferred income	2,500	1,919
Increase in other long-term liabilities	803	18,723
Cash provided by operating activities	196,593	136,161
Cash flows from investing activities:		
Business combinations	(245,462)	(12,656)
Proceeds from sale of other investments	50,757	—
Purchases of property, plant and equipment	(101,335)	(58,523)
Proceeds from disposal of assets	36,330	1,742
Change in other, net	(188)	(1,735)
Cash used for investing activities	(259,898)	(71,172)
Cash flows from financing activities:		
Proceeds from long-term debt and credit facilities	—	779,750
Payments on long-term debt and credit facilities	(288,484)	(525,362)
Change in other, net	366	(5,751)
Cash provided by (used for) financing activities	(288,118)	248,637
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(244)	(115)
Net increase (decrease) in cash, cash equivalents and restricted cash	(351,667)	313,511
Cash, cash equivalents and restricted cash at beginning of period	721,187	411,618
Cash, cash equivalents and restricted cash at end of period	\$ 369,520	\$ 725,129
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$ 247,513	\$ 270,963
Cash paid for income taxes	7,900	5,263

See Notes to Consolidated Financial Statements

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – BASIS OF PRESENTATION

Preparation of Interim Financial Statements

All references in this Quarterly Report on Form 10-Q to the “Company,” “we,” “us” and “our” refer to iHeartMedia, Inc. and its consolidated subsidiaries. The accompanying consolidated financial statements were prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and, in the opinion of management, include all normal and recurring adjustments necessary to present fairly the results of the interim periods shown. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The financial statements contained herein should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.

As of January 1, 2021, the Company began reporting based on three reportable segments:

- the iHeartMedia Multiplatform Group, which includes the Company's Broadcast radio, Networks and Sponsorships and Events businesses;
- the iHeartMedia Digital Audio Group, which includes all of the Company's Digital businesses, including Podcasting; and
- the Audio & Media Services Group, which includes Katz Media Group (“Katz Media”), a full-service media representation business, and RCS Sound Software (“RCS”), a provider of scheduling and broadcast software and services.

These reporting segments reflect how senior management operates the Company and align with certain leadership and organizational changes implemented in the first quarter 2021. This structure provides improved visibility into the underlying performances, results, and margin profiles of our distinct businesses and enables senior management to better monitor trends at the operational level and address opportunities or issues as they arise via regular review of segment-level results and forecasts with operational leaders.

Additionally, as of January 1, 2021, Segment Adjusted EBITDA is the segment profitability metric reported to the Company's Chief Operating Decision Maker for purposes of making decisions about allocation of resources to, and assessing performance of, each reportable segment. Segment Adjusted EBITDA is calculated as Revenue less operating expenses, excluding restructuring expenses and share-based compensation expenses. Restructuring expenses primarily include severance expenses incurred in connection with cost saving initiatives, as well as certain expenses, which, in the view of management, are outside the ordinary course of business or otherwise not representative of the Company's operations during a normal business cycle.

The corresponding current and prior period segment disclosures have been recast to reflect the current segment presentation. See Note 9, *Segment Data*.

The consolidated financial statements include the accounts of the Company and its subsidiaries. Also included in the consolidated financial statements are entities for which the Company has a controlling interest or is the primary beneficiary. Investments in companies which the Company does not control, but exercises significant influence over operating and financial policies of the company are accounted for under the equity method. All significant intercompany transactions are eliminated in the consolidation process.

COVID-19

Our business has been adversely impacted by the novel coronavirus pandemic (“COVID-19”), its impact on the operating and economic environment and related, near-term advertiser spending decisions. The Company's revenue in the latter half of the month ended March 31, 2020, through the remainder of 2020 and into 2021 was significantly and negatively impacted as a result of a decline in advertising spend driven by COVID-19, and the Company's management took proactive actions during 2020, which are continuing into 2021, to expand the Company’s financial flexibility by reducing expenses and preserving cash as a result of such impact. Although our results for the third quarter of 2021 continued to be impacted by the effects of the COVID-19 pandemic, our revenue for both the three months ended June 30, 2021 and September 30, 2021 increased

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

significantly compared to the three months ended June 30, 2020 and September 30, 2020, including revenue from our Multiplatform segment, which includes our broadcast radio, networks and sponsorship and events businesses.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (“CARES Act”) was signed into law. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. The provisions of the CARES Act resulted in an increase to allowable interest deductions of \$179.4 million during 2020. In addition, the Company was able to defer the payment of \$29.3 million in certain employment taxes during 2020, half of which will be due on December 31, 2021 and the other half will be due on December 31, 2022. As of September 30, 2021, the Company has claimed \$12.4 million in refundable payroll tax credits related to the CARES Act provisions.

As of September 30, 2021, the Company had approximately \$369.1 million in cash and cash equivalents. While the Company expects COVID-19 to continue to negatively impact the results of operations, cash flows and financial position of the Company, the related financial impact cannot be reasonably estimated at this time. Based on current available liquidity, the Company expects to be able to meet its obligations as they become due over the coming year.

Reclassifications and New Segment Presentation

Certain prior period amounts have been reclassified to conform to the 2021 presentation. In connection with the organization and leadership changes resulting in the realignment of its reportable segments as discussed above, the Company also determined that all selling, general and administrative expenses incurred by its reportable segments and by its corporate functions would be reported together as Selling, general and administrative expenses. Amounts presented in prior years as Corporate expenses have been reclassified as Selling, general and administrative expenses to conform to the current presentation.

Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the Consolidated Balance Sheets to the total of the amounts reported in the Consolidated Statements of Cash Flows:

<i>(In thousands)</i>	September 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 369,094	\$ 720,662
Restricted cash included in:		
Other current assets	426	—
Other assets	—	525
Total cash, cash equivalents and restricted cash in the Statement of Cash Flows	<u>\$ 369,520</u>	<u>\$ 721,187</u>

Certain Relationships and Related Party Transactions

From time to time, certain companies in which the Company holds minority equity interests, purchase advertising in the ordinary course. None of these ordinary course transactions have a material impact on the Company.

New Accounting Pronouncements Recently Adopted

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848) - Facilitation of the Effects of the Interbank Offered Rate Transition on Financial Reporting to provide optional relief from applying generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform. In addition, in January 2021, the FASB issued ASU No. 2021-01, Reference Rate Reform (Topic 848) – Scope, to clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. The guidance is effective upon issuance and generally can be applied through December 31, 2022. The Company is currently evaluating the future impact of adoption of this standard.

IHEARTMEDIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 2 – REVENUE

Disaggregation of Revenue

The following tables show revenue streams for the three and nine months ended September 30, 2021 and 2020:

<i>(In thousands)</i>	Multiplatform Group	Digital Audio Group	Audio & Media Services Group	Eliminations	Consolidated
Three Months Ended September 30, 2021					
Revenue from contracts with customers:					
Broadcast Radio ⁽¹⁾	\$ 483,456	\$ —	\$ —	\$ —	\$ 483,456
Networks ⁽²⁾	127,920	—	—	—	127,920
Sponsorship and Events ⁽³⁾	42,663	—	—	—	42,663
Digital, excluding Podcast ⁽⁴⁾	—	141,573	—	(1,475)	140,098
Podcast ⁽⁵⁾	—	64,196	—	—	64,196
Audio & Media Services ⁽⁶⁾	—	—	66,078	(1,188)	64,890
Other ⁽⁷⁾	4,636	—	—	(112)	4,524
Total	658,675	205,769	66,078	(2,775)	927,747
Revenue from leases ⁽⁸⁾	304	—	—	—	304
Revenue, total	<u>\$ 658,979</u>	<u>\$ 205,769</u>	<u>\$ 66,078</u>	<u>\$ (2,775)</u>	<u>\$ 928,051</u>
Three Months Ended September 30, 2020					
Revenue from contracts with customers:					
Broadcast Radio ⁽¹⁾	\$ 404,460	\$ —	\$ —	\$ —	\$ 404,460
Networks ⁽²⁾	118,982	—	—	—	118,982
Sponsorship and Events ⁽³⁾	28,898	—	—	—	28,898
Digital, excluding Podcast ⁽⁴⁾	—	93,574	—	—	93,574
Podcast ⁽⁵⁾	—	22,626	—	—	22,626
Audio & Media Services ⁽⁶⁾	—	—	75,039	(1,762)	73,277
Other ⁽⁷⁾	2,180	—	—	(168)	2,012
Total	554,520	116,200	75,039	(1,930)	743,829
Revenue from leases ⁽⁸⁾	577	—	—	—	577
Revenue, total	<u>\$ 555,097</u>	<u>\$ 116,200</u>	<u>\$ 75,039</u>	<u>\$ (1,930)</u>	<u>\$ 744,406</u>

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<i>(In thousands)</i>	Multiplatform Group	Digital Audio Group	Audio & Media Services Group	Eliminations	Consolidated
Nine Months Ended September 30, 2021					
Revenue from contracts with customers:					
Broadcast Radio ⁽¹⁾	\$ 1,293,134	\$ —	\$ —	\$ —	\$ 1,293,134
Networks ⁽²⁾	366,592	—	—	—	366,592
Sponsorship and Events ⁽³⁾	93,641	—	—	—	93,641
Digital, excluding Podcast ⁽⁴⁾	—	405,276	—	(4,547)	400,729
Podcast ⁽⁵⁾	—	155,976	—	—	155,976
Audio & Media Services ⁽⁶⁾	—	—	182,390	(5,053)	177,337
Other ⁽⁷⁾	8,226	—	—	(447)	7,779
Total	1,761,593	561,252	182,390	(10,047)	2,495,188
Revenue from leases ⁽⁸⁾	1,133	—	—	—	1,133
Revenue, total	<u>\$ 1,762,726</u>	<u>\$ 561,252</u>	<u>\$ 182,390</u>	<u>\$ (10,047)</u>	<u>\$ 2,496,321</u>
Nine Months Ended September 30, 2020					
Revenue from contracts with customers:					
Broadcast Radio ⁽¹⁾	\$ 1,110,155	\$ —	\$ —	\$ —	\$ 1,110,155
Networks ⁽²⁾	349,889	—	—	—	349,889
Sponsorship and Events ⁽³⁾	73,055	—	—	—	73,055
Digital, excluding Podcast ⁽⁴⁾	—	242,479	—	—	242,479
Podcast ⁽⁵⁾	—	59,724	—	—	59,724
Audio & Media Services ⁽⁶⁾	—	—	174,517	(5,352)	169,165
Other ⁽⁷⁾	7,284	—	—	(503)	6,781
Total	1,540,383	302,203	174,517	(5,855)	2,011,248
Revenue from leases ⁽⁸⁾	1,440	—	—	—	1,440
Revenue, total	<u>\$ 1,541,823</u>	<u>\$ 302,203</u>	<u>\$ 174,517</u>	<u>\$ (5,855)</u>	<u>\$ 2,012,688</u>

- (1) Broadcast Radio revenue is generated through the sale of advertising time on the Company's domestic radio stations.
- (2) Networks revenue is generated through the sale of advertising on the Company's Premiere and Total Traffic & Weather network programs and through the syndication of network programming to other media companies.
- (3) Sponsorship and events revenue is generated through local events and major nationally-recognized tent pole events and include sponsorship and other advertising revenue, ticket sales, and licensing, as well as endorsement and appearance fees generated by on-air talent.
- (4) Digital, excluding Podcast revenue is generated through the sale of streaming and display advertisements on digital platforms and through subscriptions to iHeartRadio streaming services.
- (5) Podcast revenue is generated through the sale of advertising on the Company's podcast network.
- (6) Audio & Media Services revenue is generated by services provided to broadcast industry participants through the Company's Katz Media and RCS businesses. As a media representation firm, Katz Media generates revenue via commissions on media sold on behalf of the radio and television stations that it represents, while RCS generates revenue by providing broadcast and webcast software and technology and services to radio stations, television music channels, cable companies, satellite music networks and Internet stations worldwide.
- (7) Other revenue represents fees earned for miscellaneous services, including on-site promotions, activations, and local marketing agreements.
- (8) Revenue from leases is primarily generated by the lease of towers to other media companies, which are all categorized as operating leases.

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Trade and Barter

Trade and barter transactions represent the exchange of advertising spots for merchandise, services, advertising and promotion or other assets in the ordinary course of business. The transaction price for these contracts is measured at the estimated fair value of the non-cash consideration received unless this is not reasonably estimable, in which case the consideration is measured based on the standalone selling price of the advertising spots promised to the customer. Trade and barter revenues and expenses, which are included in consolidated revenue and selling, general and administrative expenses, respectively, were as follows:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Trade and barter revenues	\$ 49,200	\$ 41,430	\$ 127,654	\$ 113,861
Trade and barter expenses	33,955	44,109	101,998	116,182

The Company recognized barter revenue of \$4.9 million and \$2.3 million during the three months ended September 30, 2021 and 2020, respectively, and \$9.4 million and \$7.5 million during the nine months ended September 30, 2021 and 2020, respectively, in connection with investments made in companies in exchange for advertising services. The following tables show the Company's deferred revenue balance from contracts with customers:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Deferred revenue from contracts with customers:				
Beginning balance ⁽¹⁾	\$ 149,731	\$ 178,030	\$ 145,493	\$ 162,068
Revenue recognized, included in beginning balance	(52,406)	(79,261)	(84,375)	(86,419)
Additions, net of revenue recognized during period, and other	56,799	73,352	93,006	96,472
Ending balance	<u>\$ 154,124</u>	<u>\$ 172,121</u>	<u>\$ 154,124</u>	<u>\$ 172,121</u>

⁽¹⁾ Deferred revenue from contracts with customers, which excludes other sources of deferred revenue that are not related to contracts with customers, is included within deferred revenue and other long-term liabilities on the Consolidated Balance Sheets, depending upon when revenue is expected to be recognized.

The Company's contracts with customers generally have terms of one year or less; however, as of September 30, 2021, the Company expects to recognize \$220.5 million of revenue in future periods for remaining performance obligations from current contracts with customers that have an original expected duration greater than one year, with substantially all of this amount to be recognized over the next five years. Commissions related to the Company's media representation business have been excluded from this amount as they are contingent upon future sales.

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Revenue from Leases

As of September 30, 2021, the future lease payments to be received by the Company are as follows:

(In thousands)

2021	\$	277
2022		910
2023		759
2024		579
2025		394
Thereafter		1,828
Total	\$	<u>4,747</u>

NOTE 3 – LEASES

The Company enters into operating lease contracts for land, buildings, structures and other equipment. Arrangements are evaluated at inception to determine whether such arrangements contain a lease. Operating leases primarily include land and building lease contracts and leases of radio towers. Arrangements to lease building space consist primarily of the rental of office space, but may also include leases of other equipment, including automobiles and copiers. Operating leases are reflected on the Company's balance sheet within Operating lease right-of-use assets ("ROU assets") and the related short-term and long-term liabilities are included within Current and Noncurrent operating lease liabilities, respectively.

The Company's finance leases are included within Property, plant and equipment with the related liabilities included within Long-term debt.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the respective lease term. Lease expense is recognized on a straight-line basis over the lease term.

The Company tests for impairment of assets whenever events and circumstances indicate that such assets might be impaired. During the nine months ended September 30, 2021, the Company recognized non-cash impairment charges of \$49.4 million, including \$38.0 million related to ROU assets, and \$11.4 million related to leasehold improvements as a result of proactive decisions by management to abandon and sublease a number of operating leases in connection with strategic actions to streamline the Company's real estate footprint as part of the Company's modernization initiatives.

The implicit rate within the Company's lease agreements is generally not determinable. As such, the Company uses the incremental borrowing rate ("IBR") to determine the present value of lease payments at the commencement of the lease. The IBR, as defined in ASC 842, is *"the rate of interest that a lessee would have to pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment."*

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The following table provides supplemental cash flow information related to leases for the periods presented:

<i>(In thousands)</i>	Nine Months Ended September 30,	
	2021	2020
Cash paid for amounts included in measurement of operating lease liabilities	\$ 100,815	\$ 99,634
Lease liabilities arising from obtaining right-of-use assets ⁽¹⁾	35,317	41,982

⁽¹⁾ Lease liabilities from obtaining right-of-use assets include new leases entered into during the nine months ended September 30, 2021 and 2020, respectively.

The Company reflects changes in the lease liability and changes in the ROU asset on a net basis in the Statements of Cash Flows. The non-cash operating lease expense was \$75.8 million and \$78.2 million for the nine months ended September 30, 2021 and September 30, 2020, respectively.

NOTE 4— PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND GOODWILL

Acquisitions

On March 31, 2021, the Company acquired Triton Digital, a global leader in digital audio and podcast technology and measurement services, from The E.W. Scripps Company for \$228.5 million in cash. The assets acquired as part of this transaction consisted of \$69.4 million in current and fixed assets, consisting primarily of accounts receivable and technology, and \$191.5 million in intangible assets, consisting primarily of customer relationships, along with \$168.2 million in goodwill (of which \$6.9 million is tax-deductible). The Company also assumed liabilities of \$32.4 million, consisting primarily of accounts payable and deferred tax liabilities. The assessment of fair value of assets acquired and liabilities assumed is preliminary and is based on information that was available to management at the time these consolidated financial statements were prepared. The finalization of the Company's acquisition accounting assessment could result in changes in the valuation of assets acquired and liabilities assumed, which could be material.

Property, Plant and Equipment

The Company's property, plant and equipment consisted of the following classes of assets as of September 30, 2021 and December 31, 2020, respectively:

<i>(In thousands)</i>	September 30, 2021	December 31, 2020
Land, buildings and improvements	\$ 337,696	\$ 386,980
Towers, transmitters and studio equipment	174,461	169,788
Computer equipment and software	489,027	398,084
Furniture and other equipment	31,711	45,711
Construction in progress	64,769	25,073
	1,097,664	1,025,636
Less: accumulated depreciation	327,895	213,934
Property, plant and equipment, net	\$ 769,769	\$ 811,702

Indefinite-lived Intangible Assets

The Company's indefinite-lived intangible assets consist of FCC broadcast licenses in its Multiplatform Group segment.

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The Company performs its annual impairment test on goodwill and indefinite-lived intangible assets, including FCC licenses, as of July 1 of each year. The impairment tests for indefinite-lived intangible assets consist of a comparison between the fair value of the indefinite-lived intangible asset at the market level with its carrying amount. If the carrying amount of the indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized equal to that excess. After an impairment loss is recognized, the adjusted carrying amount of the indefinite-lived asset is its new accounting basis. The fair value of the indefinite-lived asset is determined using the direct valuation method as prescribed in ASC 805-20-S99. Under the direct valuation method, the fair value of the indefinite-lived assets is calculated at the market level as prescribed by ASC 350-30-35. The Company engaged a third-party valuation firm to assist it in the development of the assumptions and the Company's determination of the fair value of its indefinite-lived intangible assets.

The application of the direct valuation method attempts to isolate the income that is attributable to the indefinite-lived intangible asset alone (that is, apart from tangible and identified intangible assets and goodwill). It is based upon modeling a hypothetical "greenfield" build-up to a "normalized" enterprise that, by design, lacks inherent goodwill and whose only other assets have essentially been paid for (or added) as part of the build-up process. The Company forecasts revenue, expenses, and cash flows over a ten-year period for each of its markets in its application of the direct valuation method. The Company also calculates a "normalized" residual year which represents the perpetual cash flows of each market. The residual year cash flow was capitalized to arrive at the terminal value of the licenses in each market.

Under the direct valuation method, it is assumed that rather than acquiring indefinite-lived intangible assets as part of a going concern business, the buyer hypothetically develops indefinite-lived intangible assets and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flow model which results in value that is directly attributable to the indefinite-lived intangible assets.

The key assumptions used in applying the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs and losses incurred during the build-up period, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average FCC license within a market.

No impairment was recognized as a result of the Company's annual impairment test on indefinite-lived intangible assets.

In addition, the Company tests for impairment of intangible assets whenever events and circumstances indicate that such assets might be impaired. As a result of the COVID-19 pandemic and the economic downturn starting in March 2020, the Company performed an interim impairment test as of March 31, 2020 on its indefinite-lived FCC licenses, resulting in a non-cash impairment charge of \$502.7 million on its FCC licenses.

Other Intangible Assets

Other intangible assets consists of definite-lived intangible assets, which primarily include customer and advertiser relationships, talent and representation contracts, trademarks and tradenames and other contractual rights, all of which are amortized over the shorter of either the respective lives of the agreements or over the period of time that the assets are expected to contribute directly or indirectly to the Company's future cash flows. The Company periodically reviews the appropriateness of the amortization periods related to its definite-lived intangible assets. These assets are recorded at amortized cost.

The Company tests for possible impairment of other intangible assets whenever events and circumstances indicate that they might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. When specific assets are determined to be unrecoverable, the cost basis of the asset is reduced to reflect the current fair market value.

The Company performed interim impairment tests as of March 31, 2020 on its other intangible assets as a result of the COVID-19 pandemic and economic slowdown. Based on the Company's test of recoverability using estimated undiscounted future cash flows, the carrying values of the Company's definite-lived intangible assets were determined to be recoverable, and no impairment was recognized.

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The following table presents the gross carrying amount and accumulated amortization for each major class of other intangible assets as of September 30, 2021 and December 31, 2020, respectively:

(In thousands)

	September 30, 2021		December 31, 2020	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer / advertiser relationships	\$ 1,636,357	\$ (415,720)	\$ 1,620,509	\$ (286,066)
Talent and other contracts	338,900	(106,266)	375,900	(84,065)
Trademarks and tradenames	335,861	(79,714)	326,061	(54,358)
Other	27,994	(8,047)	31,351	(4,840)
Total	<u>\$ 2,339,112</u>	<u>\$ (609,747)</u>	<u>\$ 2,353,821</u>	<u>\$ (429,329)</u>

Total amortization expense related to definite-lived intangible assets for the Company for the three months ended September 30, 2021 and 2020 was \$64.3 million and \$64.5 million, respectively. Total amortization expense related to definite-lived intangible assets for the Company for the nine months ended September 30, 2021 and 2020 was \$218.0 million and \$193.0 million, respectively.

As acquisitions and dispositions occur in the future, amortization expense may vary. The following table presents the Company's estimate of amortization expense for each of the five succeeding fiscal years for definite-lived intangible assets:

(In thousands)

2022	\$ 254,720
2023	246,014
2024	244,589
2025	213,396
2026	201,474

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Goodwill

The following table presents the changes in the carrying amount of goodwill:

(In thousands)

	Audio	Audio & Media Services	Consolidated
Balance as of December 31, 2019	\$ 3,221,468	\$ 104,154	\$ 3,325,622
Impairment	(1,224,374)	—	(1,224,374)
Acquisitions	44,606	—	44,606
Dispositions	(164)	—	(164)
Foreign currency	—	245	245
Balance as of December 31, 2020	<u>\$ 2,041,536</u>	<u>\$ 104,399</u>	<u>\$ 2,145,935</u>

(In thousands)

	Multiplatform Group	Digital Audio Group	Audio & Media Services Group	Consolidated
Balance as of January 1, 2021	\$ 1,462,217	\$ 579,319	\$ 104,399	\$ 2,145,935
Acquisitions	1,267	168,224	—	169,491
Dispositions	(1,446)	—	—	(1,446)
Foreign currency	—	—	(156)	(156)
Balance as of September 30, 2021	<u>\$ 1,462,038</u>	<u>\$ 747,543</u>	<u>\$ 104,243</u>	<u>\$ 2,313,824</u>

As a result of the leadership and organizational changes implemented in the first quarter 2021, as described in Note 1, *Basis of Presentation*, the Company re-evaluated its reporting units and allocated goodwill to these new reporting units. Refer to Note 9, *Segment Data*, for additional information on our segments. Goodwill was allocated to these new reporting units based on the relative fair values of these reporting units. Fair value was calculated using the expected present value of future cash flows, and included estimates, judgments and assumptions consistent with those of a market participant that management believes were appropriate in the circumstances. The estimates and judgments that most significantly affect the fair value calculations are assumptions related to long-term growth rates, expected profit margins and discount rates. The Company did not recast prior-period goodwill balances to the new reporting units as it was impractical to do so.

Goodwill Impairment

The Company performs its annual impairment test on goodwill as of July 1 of each year. The Company also tests goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired.

The goodwill impairment test requires measurement of the fair value of the Company's reporting units, which is compared to the carrying value of the reporting units, including goodwill. Each reporting unit is valued using a discounted cash flow model which requires estimating future cash flows expected to be generated from the reporting unit, discounted to their present value using a risk-adjusted discount rate. Terminal values are also estimated and discounted to their present value. Assessing the recoverability of goodwill requires estimates and assumptions about sales, operating margins, growth rates and discount rates based on budgets, business plans, economic projections, anticipated future cash flows and marketplace data. As with the impairment testing performed on the Company's FCC licenses described above, the significant deterioration in market conditions and uncertainty in the markets impacted the assumptions used to estimate the discounted future cash flows of the

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Company's reporting units for purposes of performing the interim goodwill impairment test. There are inherent uncertainties related to these factors and management's judgment in applying these factors.

The Company engaged a third-party valuation firm to assist it in the development of the assumptions and the Company's determination of the fair value of its reporting units as of July 1 as part of the annual impairment test. No impairment was recognized as a result of the Company's annual impairment test on goodwill.

As a result of the changes in the Company's management structure and its reportable segments effective at the beginning of 2021, the Company performed an interim impairment test on goodwill as of January 1, 2021. No impairment charges were recorded in the first quarter of 2021 in connection with the interim impairment test.

The Company performed an interim impairment test on goodwill in the first quarter of 2020 and recognized a non-cash impairment charge of \$1.2 billion to reduce goodwill as a result of the COVID-19 pandemic and its adverse effect on the U.S. economy.

NOTE 5 – LONG-TERM DEBT

Long-term debt outstanding for the Company as of September 30, 2021 and December 31, 2020 consisted of the following:

<i>(In thousands)</i>	September 30, 2021	December 31, 2020
Term Loan Facility due 2026	\$ 1,864,032	\$ 2,080,259
Incremental Term Loan Facility due 2026	401,220	447,750
Asset-based Revolving Credit Facility due 2023 ⁽¹⁾	—	—
6.375% Senior Secured Notes due 2026	800,000	800,000
5.25% Senior Secured Notes due 2027	750,000	750,000
4.75% Senior Secured Notes due 2028	500,000	500,000
Other secured subsidiary debt ⁽²⁾	5,369	22,753
Total consolidated secured debt	4,320,621	4,600,762
8.375% Senior Unsecured Notes due 2027	1,450,000	1,450,000
Other unsecured subsidiary debt	—	6,782
Original issue discount	(14,156)	(18,817)
Long-term debt fees	(19,090)	(21,797)
Total debt	5,737,375	6,016,930
Less: Current portion	725	34,775
Total long-term debt	\$ 5,736,650	\$ 5,982,155

(1) As of September 30, 2021, the senior secured asset-based revolving credit facility (the "ABL Facility") had a facility size of \$450.0 million, no outstanding borrowings and \$28.5 million of outstanding letters of credit, resulting in \$421.5 million of borrowing base availability.

(2) Other secured subsidiary debt consists of finance lease obligations maturing at various dates from 2022 through 2045.

The Company's weighted average interest rate was 5.4% and 5.5% as of September 30, 2021 and December 31, 2020, respectively. The aggregate market value of the Company's debt based on market prices for which quotes were available was approximately \$5.9 billion and \$6.2 billion as of September 30, 2021 and December 31, 2020, respectively. Under the fair value hierarchy established by ASC 820-10-35, the market value of the Company's debt is classified as either Level 1 or Level 2.

On July 16, 2021, iHeartCommunications, Inc. ("iHeartCommunications") entered into an amendment to the credit agreement governing its Term Loan credit facilities. The amendment reduced the interest rate of its Incremental Term Loan Facility due 2026 to a Eurocurrency Rate of LIBOR plus a margin of 3.25% and floor of 0.50% (from LIBOR plus a margin of 4.00% and floor of 0.75%). The Base Rate interest amount was reduced to Base Rate plus a margin of 2.25% and floor of 1.50%. In connection with the amendment, iHeartCommunications voluntarily prepaid \$250.0 million of borrowings outstanding under

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the Term Loan credit facilities with cash on hand, resulting in a reduction of \$44.3 million of the existing Incremental Term Loan Facility due 2026 and \$205.7 million of the Term Loan Facility due 2026.

Under the terms of the Term Loan Facility Credit Agreement, iHeartCommunications made quarterly principal payments of \$6.4 million during the three months ended March 31, 2021, June 30, 2021 and September 30, 2020, and previously made payments of \$5.25 million during the three months ended March 31, 2020 and June 30, 2020. Following the prepayment of \$250.0 million of borrowings outstanding under the Term Loan credit facilities on July 16, 2021, iHeartCommunications is no longer required to make such quarterly payments.

Mandatorily Redeemable Preferred Stock

As previously disclosed, on March 14, 2018, the Company, iHeartCommunications and certain of the Company's direct and indirect domestic subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Bankruptcy Court"). On April 28, 2018, the Company and the other Debtors filed a plan of reorganization (as amended, the "Plan of Reorganization") and a related disclosure statement with the Bankruptcy Court. On January 22, 2019, the Plan of Reorganization was confirmed by the Bankruptcy Court.

On May 1, 2019 (the "Effective Date"), in accordance with the Plan of Reorganization, iHeart Operations issued 60,000 shares of its Series A Perpetual Preferred Stock, par value \$0.001 per share (the "iHeart Operations Preferred Stock"), having an aggregate initial liquidation preference of \$60.0 million for a cash purchase price of \$60.0 million. The iHeart Operations Preferred Stock was purchased by a third party investor. As of September 30, 2021, the liquidation preference of the iHeart Operations Preferred Stock was \$60.0 million. The iHeart Operations Preferred Stock was mandatorily redeemable for cash at a date certain and therefore is classified as a liability in the Company's balance sheet.

On October 27, 2021, iHeart Operations repurchased all of the iHeart Operations Preferred Stock with cash on hand for an aggregate price of \$64.4 million ("Redemption Price"), including accrued dividends, upon obtaining consent from the third party investor. The Redemption Price included a negotiated make-whole premium as the redemption occurred prior to the optional redemption date set forth in the Certificate of Designation governing the iHeart Operations Preferred Stock. Subsequent to the transaction, the preferred shares were retired and cancelled and are no longer outstanding.

Holders of the iHeart Operations Preferred Stock were entitled to receive, as declared by the board of directors of iHeart Operations, in respect of each share, cumulative dividends accruing daily and payable quarterly. Dividends were payable on March 31, June 30, September 30 and December 31 of each year (or on the next business day if such date is not a business day). During the three months ended September 30, 2021 and 2020 the Company recognized \$2.3 million and \$2.7 million, respectively, of interest expense related to dividends on mandatorily redeemable preferred stock. During the nine months ended September 30, 2021 and 2020 the Company recognized \$6.9 million and \$6.9 million, respectively, of interest expense related to dividends on mandatorily redeemable preferred stock.

Surety Bonds, Letters of Credit and Guarantees

As of September 30, 2021, the Company and its subsidiaries had outstanding surety bonds, commercial standby letters of credit and bank guarantees of \$8.8 million, \$28.9 million and \$0.2 million, respectively. These surety bonds, letters of credit and bank guarantees relate to various operational matters including insurance, lease and performance bonds as well as other items.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Company and its subsidiaries are involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in the Company's assumptions or the effectiveness of its strategies related to these proceedings. Additionally, due to the inherent uncertainty of

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litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on the Company's financial condition or results of operations.

Although the Company is involved in a variety of legal proceedings in the ordinary course of business, a large portion of the Company's litigation arises in the following contexts: commercial/contract disputes; defamation matters; employment and benefits related claims; intellectual property claims; real estate matters; governmental investigations; and tax disputes.

Alien Ownership Restrictions and FCC Petitions for Declaratory Ruling

The Communications Act and FCC regulation prohibit foreign entities and individuals from having direct or indirect ownership or voting rights of more than 25 percent in a corporation controlling the licensee of a radio broadcast station unless the FCC finds greater foreign ownership to be in the public interest. Under the Plan of Reorganization, the Company committed to file a petition for declaratory ruling (the "PDR") requesting the FCC to permit the Company to be up to 100% foreign-owned.

On November 5, 2020, the FCC issued a declaratory ruling granting the relief requested by the PDR (the "Declaratory Ruling"), subject to certain conditions, as described further in Note 8, *Stockholder's Equity* below.

On November 9, 2020, the Company notified the holders of Special Warrants of the commencement of an exchange process (the "Exchange Notice"). On January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into Class A common stock or Class B common stock, in compliance with the Declaratory Ruling, the Communications Act and FCC rules (the "Exchange"). Following the Exchange, the Company's remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock. See "Item 1. Business – Regulation of Our Business, Alien Ownership Restrictions" of our Annual Report on Form 10-K for the year ended December 31, 2020 and "Part II, Item 1A. Risk Factors - Regulatory, Legislative and Litigation Risks, Regulations imposed by the Communications Act and the FCC limit the amount of foreign individuals or entities that may invest in our capital stock without FCC approval" in this Quarterly Report on Form 10-Q for additional information.

On March 8, 2021, the Company filed a remedial petition for declaratory ruling (the "Remedial PDR") with the FCC. The Remedial PDR relates to the acquisition by Global Media & Entertainment Investments Ltd (f/k/a Honeycomb Investments Limited) ("Global Investments") of the Company's Class A Common Stock. Specifically, on February 5, 2021, Global Investments, The Global Media & Entertainment Investments Trust (the "GMEI Trust"), James Hill (as trustee of the GMEI Trust), Simon Groom (as trustee of the GMEI Trust) and Michael Tabor (as beneficiary of the GMEI Trust) (together with Global Investments and any affiliates or third parties to whom they may assign or transfer any of their rights or interests, the "GMEI Investors") filed a Schedule 13D with the SEC, in which the GMEI Investors disclosed beneficial ownership of 9,631,329 shares of the Company's Class A Common Stock, which at that time represented approximately 8.7% of the Company's outstanding Class A Common Stock. This ownership interest is inconsistent with the FCC's foreign ownership rules and the Declaratory Ruling issued by the FCC relating to the Company's foreign ownership on November 5, 2020, both of which limit a foreign investor in the GMEI Investors' position to holding no more than 5% of the Company's voting equity or total equity without prior FCC approval. The Remedial PDR, which was filed pursuant to the rules and regulations of the FCC, seeks (a) specific approval for the more than 5% equity and voting interests in the Company presently held by the GMEI Investors and (b) as amended, advance approval for the GMEI Investors to increase their equity and voting interest in the Company up to any non-controlling amount not to exceed 14.99%. The Remedial PDR remains pending before the FCC.

On March 26, 2021, the FCC conditioned the approval of applications by the Company to acquire certain radio stations, which were pending prior to the GMEI Investors' Schedule 13D filing, on the Company taking certain actions with respect to the GMEI Investors' rights as stockholders of the Company. On that same date, and in order to implement the conditions required by the FCC, the Company's Board of Directors (the "Board") resolved to take certain actions to limit the rights of the GMEI Investors, including, but not limited to, suspending all voting rights of GEMI Investors until and unless the FCC releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold more than 5 percent of the equity and/or voting interests of the Company.

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Tax Matters Agreement

On the Effective Date, the Company emerged from Chapter 11 and effectuated a series of transactions through which Clear Channel Outdoor Holdings, Inc. ("CCOH"), its parent Clear Channel Holdings, Inc. ("CCH") and its subsidiaries (collectively with CCOH and CCH, the "Outdoor Group") were separated from, and ceased to be controlled by, the Company and its subsidiaries (the "Separation").

In connection with the Separation, the Company entered into the Tax Matters Agreement by and among iHeartMedia, iHeartCommunications, iHeart Operations, Inc., CCH, CCOH and Clear Channel Outdoor, Inc., to allocate the responsibility of iHeartMedia and its subsidiaries, on the one hand, and CCOH and its subsidiaries, on the other, for the payment of taxes arising prior and subsequent to, and in connection with, the Separation.

The Tax Matters Agreement requires that iHeartMedia and iHeartCommunications indemnify CCOH and its subsidiaries, and their respective directors, officers and employees, and hold them harmless, on an after-tax basis, from and against certain tax claims related to the Separation. In addition, the Tax Matters Agreement requires that CCOH indemnify iHeartMedia for certain income taxes paid by iHeartMedia on behalf of CCOH and its subsidiaries.

NOTE 7 – INCOME TAXES

On March 11, 2021 the President signed into law the American Rescue Plan Act, which included provisions on taxes, health care, unemployment benefits, direct payments, state and local funding and other issues. The tax provisions will not have a material impact on the Company's tax provision calculations.

The Company's income tax benefit (expense) for the three and nine months ended September 30, 2021 and the three and nine months ended September 30, 2020 consisted of the following components:

<i>(In thousands)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Current tax expense	\$ (7,651)	\$ (1,698)	\$ (12,717)	\$ (5,134)
Deferred tax benefit (expense)	34,798	16,926	(64,520)	214,615
Income tax benefit (expense)	<u>\$ 27,147</u>	<u>\$ 15,228</u>	<u>\$ (77,237)</u>	<u>\$ 209,481</u>

The effective tax rates for the three and nine months ended September 30, 2021 were 115.6% and (40.0)%, respectively. The effective tax rates were primarily impacted by the forecasted increase in valuation allowance against certain deferred tax assets, related primarily to disallowed interest expense carryforwards, due to uncertainty regarding the Company's ability to utilize those assets in future periods.

The effective tax rates for the three and nine months ended September 30, 2020 were 32.2% and 9.8%, respectively. The effective tax rate for the nine months ended September 30, 2020 was primarily impacted by the impairment charges to non-deductible goodwill. The deferred tax benefit primarily consists of \$125.5 million related to the FCC license impairment charges recorded during the period.

NOTE 8 – STOCKHOLDER'S EQUITY

Pursuant to the Company's 2019 Equity Incentive Plan (the "2019 Plan"), the Company historically granted restricted stock units and options to purchase shares of the Company's Class A common stock to certain key individuals. On April 21, 2021, our 2021 Long-Term Incentive Award Plan (the "2021 Plan") was approved by stockholders and replaced the 2019 Plan. Pursuant to our 2021 Plan, we will continue to grant restricted stock units and options to purchase shares of the Company's Class A common stock to certain key individuals.

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Share-based Compensation

Share-based compensation expenses are recorded in Selling, general and administrative expenses and were \$6.0 million and \$5.9 million for the Company for the three months ended September 30, 2021 and the three months ended September 30, 2020, respectively. Share-based compensation expenses are recorded in Selling, general and administrative expenses and were \$17.6 million and \$14.7 million for the Company for the nine months ended September 30, 2021 and September 30, 2020, respectively.

In August 2020, the Company issued performance-based restricted stock units ("Performance RSUs") to certain key employees. Such Performance RSUs vest upon the achievement of critical operational (cost savings) improvements and specific environmental, social and governance initiatives, which are being measured over an approximately 18-month period from the date of issuance. In the three and nine months ended September 30, 2021, the Company recognized \$0.4 million and \$1.4 million in relation to these Performance RSUs. In the three and nine months ended September 30, 2020, the Company recognized \$1.1 million in relation to these Performance RSUs.

As of September 30, 2021, there was \$45.0 million of unrecognized compensation cost related to unvested share-based compensation arrangements with vesting based on service conditions. This cost is expected to be recognized over a weighted average period of approximately 2.3 years. In addition, as of September 30, 2021, there was \$0.3 million of unrecognized compensation cost related to unvested share-based compensation arrangements that will vest based on certain performance conditions.

Common Stock and Special Warrants

The Company is authorized to issue 2,100,000,000 shares, consisting of (a) 1,000,000,000 shares of Class A Common Stock, par value \$0.001 per share (the "Class A Common Stock"), (b) 1,000,000,000 shares of Class B Common Stock, par value \$0.001 per share (the "Class B Common Stock"), and (c) 100,000,000 shares of preferred stock, par value \$0.001 per share (the "Preferred Stock").

The following table presents the Company's Class A Common Stock, Class B Common Stock and Special Warrants issued and outstanding as of September 30, 2021:

	September 30, 2021 (Unaudited)
Class A Common Stock, par value \$.001 per share, 1,000,000,000 shares authorized	119,669,831
Class B Common Stock, par value \$.001 per share, 1,000,000,000 shares authorized	22,505,661
Special Warrants	5,304,430
Total Class A Common Stock, Class B Common Stock and Special Warrants issued	147,479,922

During the three and nine months ended September 30, 2021, stockholders converted 1,130,851 and 6,718,576 shares of the Class B common stock into Class A common stock. During the three and nine months ended September 30, 2020, stockholders converted 7,263 and 13,323 shares of the Class B common stock into Class A common stock.

Special Warrants

Each Special Warrant issued under the special warrant agreement entered into in connection with the Reorganization may be exercised by its holder to purchase one share of Class A common stock or Class B common stock at an exercise price of \$0.001 per share, unless the Company in its sole discretion believes such exercise would, alone or in combination with any other existing or proposed ownership of common stock, result in, subject to certain exceptions, (a) such exercising holder owning more than 4.99 percent of the Company's outstanding Class A common stock, (b) more than 22.5 percent of the Company's capital stock or voting interests being owned directly or indirectly by foreign individuals or entities, (c) the Company exceeding any other applicable foreign ownership threshold or (d) violation of any provision of the Communications Act or restrictions on ownership or transfer imposed by the Company's certificate of incorporation or the decisions, rules and policies of the FCC. Any holder exercising Special Warrants must complete and timely deliver to the warrant agent the required exercise forms and

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certifications required under the special warrant agreement. The Communications Act and FCC regulations prohibit foreign entities or individuals from indirectly (i.e., through a parent company) owning or voting more than 25 percent of a licensee's equity, unless the FCC determines that greater indirect foreign ownership is in the public interest. As described further in Note 6 above, on July 25, 2019, the Company filed a PDR requesting FCC consent to exceed the 25 percent foreign ownership and voting benchmarks. On November 5, 2020, the FCC issued the Declaratory Ruling granting the relief requested by the PDR.

On November 9, 2020, the Company sent Exchange Notices to the holders of Special Warrants, notifying them of the Exchange process. On January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into Class A common stock or Class B common stock, in compliance with the Declaratory Ruling, the Communications Act and FCC rules. Following the Exchange, the Company's remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock. See "Part II, Item 1A. Risk Factors - Regulations imposed by the Communications Act and the FCC limit the amount of foreign individuals or entities that may invest in our capital stock without FCC approval" of this Quarterly Report on Form 10-Q and "Part I, Item 1. Business – Regulation of Our Business, Alien Ownership Restrictions" of our Annual Report on Form 10-K for the year ended December 31, 2020 for additional information.

During the three and nine months ended September 30, 2021, stockholders exercised 60,698 and 47,197,139 Special Warrants for an equivalent number of shares of Class A common stock, respectively. There were no Special Warrants exercised for an equivalent number of shares of Class B common stock during the three months ended September 30, 2021. During the nine months ended September 30, 2021, stockholders exercised 22,337,312 Special Warrants for an equivalent number of shares of Class B common stock. During the three and nine months ended September 30, 2020, stockholders exercised 1,986,278 and 4,990,132 Special Warrants for an equivalent number of shares of Class A common stock. During the three and nine months ended September 30, 2020, stockholders exercised 704 and 2,049 Special Warrants for an equivalent number of shares of Class B common stock.

As further described in Note 6, Commitments and Contingencies above, on March 26, 2021, the Company's Board resolved to take certain actions to limit the rights of the GMEI Investors in order to implement certain conditions required by the FCC. Such actions, included, but are not limited to, suspending all voting rights of GMEI Investors until and unless the FCC releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold more than 5% of the equity and/or voting interests of the Company.

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Computation of Loss per Share

(In thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
NUMERATOR:				
Net income (loss) attributable to the Company – common shares	\$ 3,180	\$ (32,112)	\$ (270,829)	\$ (1,918,165)
DENOMINATOR⁽¹⁾:				
Weighted average common shares outstanding - basic	147,040	146,152	146,591	145,911
Stock options and restricted stock ⁽²⁾ :	3,357	—	—	—
Weighted average common shares outstanding - diluted	150,397	146,152	146,591	145,911
Net income (loss) attributable to the Company per common share:				
Basic	\$ 0.02	\$ (0.22)	\$ (1.85)	\$ (13.15)
Diluted	\$ 0.02	\$ (0.22)	\$ (1.85)	\$ (13.15)

⁽¹⁾ All of the outstanding Special Warrants are included in both the basic and diluted weighted average common shares outstanding of the Company for the three and nine months ended September 30, 2021 and 2020.

⁽²⁾ Outstanding equity awards representing 0.3 million and 9.6 million shares of Class A common stock of the Company for the three months ended September 30, 2021 and 2020, respectively, and 10.6 million and 8.5 million for the nine months ended September 30, 2021 and 2020, respectively, were not included in the computation of diluted earnings per share because to do so would have been antidilutive.

On May 5, 2021, the Company's short-term stockholder rights plan expired in accordance with its terms and the rights are no longer outstanding.

NOTE 9 – SEGMENT DATA

As discussed in Note 1, in connection with certain leadership and organizational changes implemented in the first quarter 2021, the Company revised its segment reporting as of January 1, 2021. The corresponding current and prior period segment disclosures were recast to reflect the current segment presentation. Segment Adjusted EBITDA is the segment profitability metric reported to the Company's Chief Operating Decision Maker for purposes of decisions about allocation of resources to, and assessing performance of, each reportable segment.

The Company's primary businesses are included in its Multiplatform Group and Digital Audio Group segments. Revenue and expenses earned and charged between Multiplatform Group, Digital Audio Group, Corporate and the Company's Audio & Media Services Group are eliminated in consolidation. The Multiplatform Group provides media and entertainment services via broadcast delivery and also includes the Company's events and national syndication businesses. The Digital Audio Group provides media and entertainment services via digital delivery. The Audio & Media Services Group provides other audio and media services, including the Company's media representation business (Katz Media) and its provider of scheduling and broadcast software (RCS). Corporate includes infrastructure and support, including executive, information technology, human resources, legal, finance and administrative functions for the Company's businesses. Share-based payments are recorded in Selling, general and administrative expense.

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The following tables present the Company's segment results for the Company for the three and nine months ended September 30, 2021 and 2020:

	Segments			Corporate and other reconciling items	Eliminations	Consolidated
	Multiplatform Group	Digital Audio Group	Audio & Media Services Group			
(In thousands)						
Three Months Ended September 30, 2021						
Revenue	\$ 658,979	\$ 205,769	\$ 66,078	\$ —	\$ (2,775)	\$ 928,051
Operating expenses ⁽¹⁾	450,549	138,646	43,656	67,762	(2,775)	697,838
Segment Adjusted EBITDA ⁽²⁾	\$ 208,430	\$ 67,123	\$ 22,422	\$ (67,762)	\$ —	\$ 230,213
Depreciation and amortization						(108,100)
Impairment charges						(11,647)
Other operating expense, net						(12,341)
Restructuring expenses						(12,021)
Share-based compensation expense						(5,993)
Operating income						\$ 80,111
Intersegment revenues	\$ 112	\$ 1,475	\$ 1,188	\$ —	\$ —	\$ 2,775
Capital expenditures	\$ 35,082	\$ 6,223	\$ 3,967	\$ 5,002	\$ —	\$ 50,274
Share-based compensation expense	\$ —	\$ —	\$ —	\$ 5,993	\$ —	\$ 5,993

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	Segments			Corporate and other reconciling items	Eliminations	Consolidated
(In thousands)	Multiplatform Group	Digital Audio Group	Audio & Media Services Group			
Nine Months Ended September 30, 2021						
Revenue	\$ 1,762,726	\$ 561,252	\$ 182,390	\$ —	\$ (10,047)	\$ 2,496,321
Operating expenses ⁽¹⁾	1,268,107	399,828	124,148	197,317	(10,047)	1,979,353
Segment Adjusted EBITDA ⁽²⁾	\$ 494,619	\$ 161,424	\$ 58,242	\$ (197,317)	\$ —	\$ 516,968
Depreciation and amortization						(343,408)
Impairment charges						(49,391)
Other operating expense, net						(27,491)
Restructuring expenses						(47,216)
Share-based compensation expense						(17,581)
Operating income						<u>\$ 31,881</u>
Intersegment revenues	\$ 447	\$ 4,547	\$ 5,053	\$ —	\$ —	\$ 10,047
Capital expenditures	\$ 66,522	\$ 17,934	\$ 6,158	\$ 10,721	\$ —	\$ 101,335
Share-based compensation expense	\$ —	\$ —	\$ —	\$ 17,581	\$ —	\$ 17,581

	Segments			Corporate and other reconciling items	Eliminations	Consolidated
(In thousands)	Multiplatform Group	Digital Audio Group	Audio & Media Services Group			
Nine Months Ended September 30, 2020						
Revenue	\$ 1,541,823	\$ 302,203	\$ 174,517	\$ —	\$ (5,855)	\$ 2,012,688
Operating expenses ⁽¹⁾	1,265,094	231,589	127,774	120,906	(5,855)	1,739,508
Segment Adjusted EBITDA ⁽²⁾	\$ 276,729	\$ 70,614	\$ 46,743	\$ (120,906)	\$ —	\$ 273,180
Depreciation and amortization						(299,494)
Impairment charges						(1,733,235)
Other operating expense, net						(3,247)
Restructuring expenses						(72,947)
Share-based compensation expense						(14,728)
Operating loss						<u>\$ (1,850,471)</u>
Intersegment revenues	\$ 503	\$ —	\$ 5,352	\$ —	\$ —	\$ 5,855
Capital expenditures	\$ 34,843	\$ 10,714	\$ 2,473	\$ 10,493	\$ —	\$ 58,523
Share-based compensation expense	\$ —	\$ —	\$ —	\$ 14,728	\$ —	\$ 14,728

⁽¹⁾ Consolidated operating expenses consist of Direct operating expenses and Selling, general and administrative expenses and exclude Restructuring expenses, share-based compensation expenses and depreciation and amortization.

⁽²⁾ For a definition of Adjusted EBITDA for the consolidated company and a reconciliation to Operating income, the most closely comparable GAAP measure, and to Net income (loss), please see "Reconciliation of Operating Loss to Adjusted EBITDA" and "Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA" in Item 2 of this Quarterly Report on Form 10-Q. Beginning on January 1, 2021, Segment Adjusted EBITDA became the segment profitability metric reported to the Company's Chief Operating Decision Maker for purposes of making decisions about allocation of resources to, and assessing performance of, each reportable segment.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Format of Presentation

Management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with the consolidated financial statements and related footnotes contained in Item 1 of this Quarterly Report on Form 10-Q of iHeartMedia, Inc. (the "Company," "iHeartMedia," "we," or "us").

Beginning on January 1, 2021, we began reporting based on three reportable segments:

- the iHeartMedia Multiplatform Group, which includes our Broadcast radio, Networks and Sponsorships and Events businesses;
- the iHeartMedia Digital Audio Group, which includes our Digital businesses, including Podcasting; and
- the Audio & Media Services Group, which includes Katz Media Group ("Katz Media"), our full-service media representation business, and RCS Sound Software ("RCS"), a provider of scheduling and broadcast software and services.

These reporting segments reflect how senior management operates the Company and align with certain leadership and organizational changes implemented in the first quarter of 2021. This structure provides improved visibility into the underlying performances, results, and margin profiles of our distinct businesses and enables senior management to better monitor trends at the operational level and address opportunities or issues as they arise via regular review of segment-level results and forecasts with operational leaders.

Additionally, beginning on January 1, 2021, Segment Adjusted EBITDA became the segment profitability metric reported to the Company's Chief Operating Decision Maker for purposes of making decisions about allocation of resources to, and assessing performance of, each reportable segment. Segment Adjusted EBITDA is calculated as Revenue less operating expenses, excluding Restructuring expenses (as defined below) and share-based compensation expenses.

Over the past ten years, we have transitioned our business from a single platform radio broadcast operator to a company with multiple platforms including digital, podcasting, networks and events, as well as ad technology capabilities. We have also invested in numerous technologies and businesses to increase the competitiveness of our inventory with our advertisers and our audience. We believe the presentation of our results by segment provides additional insight into our broadcast radio business and our fast-growing digital business. We believe that our ability to generate cash flow from operations from our business initiatives and our current cash on hand will provide sufficient resources to fund and operate our business, fund capital expenditures and other obligations and make interest payments on our long-term debt for at least the next twelve months.

Description of our Business

Our strategy centers on delivering entertaining and informative content where our listeners want to find us across our Multiplatform Group, including broadcast and events, and our Digital Audio Group, including podcasting and streaming services. The primary source of revenue for our Multiplatform Group is from selling local and national advertising time on our radio stations, with contracts typically less than one year in duration. The programming formats of our radio stations are designed to reach audiences with targeted demographic characteristics. We work closely with our advertising and marketing partners to develop tools and leverage data to enable advertisers to effectively reach their desired audiences. Our Multiplatform Group also generates revenue from network syndication, nationally recognized events and other miscellaneous transactions. Through our Digital Audio Group, we continue to expand the choices for listeners and we derive revenue by delivering our content and selling advertising across multiple digital distribution channels, including via our iHeartRadio mobile application, our station websites and other digital platforms which reach national, regional and local audiences. Audio & Media Services Group revenue is generated by services provided to broadcast industry participants through our Katz Media and RCS businesses. As a media representation firm, Katz Media generates revenue via commissions on media sold on behalf of the radio and television stations that it represents, while RCS generates revenue by providing broadcast and webcast software and technology and services to radio stations, television music channels, cable companies, satellite music networks and Internet stations worldwide.

Our advertising revenue is highly correlated to changes in gross domestic product ("GDP") as advertising spending has historically trended in line with GDP. A recession or downturn in the U.S. economy could have a significant impact on the Company's ability to generate revenue. As a result of the impact of the coronavirus pandemic ("COVID-19") and the resulting impact on the U.S. economy, our revenue for the nine months ended September 30, 2021 was negatively impacted. Beginning

in March 2020 and continuing in the following months, we saw a sharp decline in each of our Broadcast radio, Networks and Sponsorships revenue streams. Although our results for the third quarter of 2021 continued to be impacted by the effects of the COVID-19 pandemic, our revenue for both the three months ended June 30, 2021 and September 30, 2021 increased significantly compared to the three months ended June 30, 2020 and September 30, 2020. Although revenues significantly increased in the nine months ended September 30, 2021 compared to the prior year for our Broadcast radio, Networks and Sponsorships revenue streams of our Multiplatform Group, revenue from these revenue streams has not fully recovered from the impact of COVID-19. Our Digital Audio Group revenues, including podcasting, have continued to grow each quarter year-over-year during the COVID-19 pandemic.

As the business environment continues to build positive momentum, we expect that the traditional promotional use of radio to be a strong benefit to us. As businesses continue to recover, we believe that we are advantaged by our unparalleled reach and the live and local trusted voices that advertisers need to get their messages out quickly.

In January 2020, we announced key modernization initiatives designed to take advantage of the significant investments that the Company has made in new technologies to build an improved operating infrastructure to upgrade products and deliver incremental cost efficiencies. This modernization is a multi-pronged set of strategic initiatives that we believe positions the Company for sustainable long-term growth, margin expansion, and value creation for stockholders.

Our investments in modernization delivered approximately \$50 million of in-year savings in 2020 and remain on track to achieve the target of \$100 million of cost savings in 2021.

In April 2020, we announced approximately \$200 million of incremental in-year operating-expense-saving initiatives in response to the weaker economic environment caused by the COVID-19 pandemic. As previously announced, the Company has implemented plans to make the majority of the savings permanent. For more information, please see the *Liquidity and Capital Resources - Anticipated Cash Requirements* section below.

Impairment Charges

As part of our operating-expense-savings initiatives, we have taken proactive steps to streamline our real estate footprint and reduce related structural lease expenses incurred by the Company. These strategic actions typically result in impairment charges due to the write-down of the affected right-of-use assets and related fixed assets, including leasehold improvements. For the nine months ended September 30, 2021, we recognized non-cash impairment charges of \$49.4 million as a result of these cost-savings initiatives.

We perform our annual impairment test on goodwill and indefinite-lived intangible assets, including FCC licenses, as of July 1 of each year. No impairment was required as part of the 2021 annual impairment testing. As a result of the COVID-19 pandemic and the economic downturn starting in March 2020, the Company performed interim impairment tests as of March 31, 2020 on its indefinite-lived FCC licenses and goodwill, resulting in non-cash impairment charges of \$502.7 million and \$1.2 billion on its FCC licenses and goodwill, respectively. For more information, see Note 4, Property, Plant and Equipment, Intangible Assets and Goodwill to the consolidated financial statements located in Item 1 of this Quarterly Report on Form 10-Q for a further description of the impairment charges and annual impairment tests.

While we believe we made reasonable estimates and utilized reasonable assumptions to calculate the fair values of our long-lived assets, indefinite-lived FCC licenses and reporting units, it is possible a material change could occur to the estimated fair value of these assets. If our actual results are not consistent with our estimates, we could be exposed to future impairment losses that could be material to our results of operations.

Executive Summary

Although our results for the third quarter of 2021 continued to be impacted by the effects of the COVID-19 pandemic, our revenues increased significantly, including revenue from our Multiplatform segment, which includes our broadcast radio, networks and sponsorship and events businesses. Digital revenue, including podcasting, continued to grow year-over-year.

The key developments that impacted our business during the quarter are summarized below:

- Consolidated Revenue of \$928.1 million increased \$183.6 million, or 24.7% during the quarter ended September 30, 2021 compared to Revenue of \$744.4 million in the prior year's third quarter.
- Revenue and Segment Adjusted EBITDA from our Multiplatform Group increased \$103.9 million and \$69.5 million compared to the prior year's third quarter, respectively.
- Revenue and Segment Adjusted EBITDA from our Digital Audio Group increased \$89.6 million and \$32.0 million compared to the prior year's third quarter, respectively.
- Revenue and Segment Adjusted EBITDA from our Audio & Media Services Group decreased \$9.0 million and \$6.4 million compared to the prior year's third quarter, respectively.
- Operating income of \$80.1 million was up from \$39.4 million in the prior year's third quarter.
- Net income of \$3.7 million compared to a Net loss of \$32.1 million in the prior year's third quarter.
- Adjusted EBITDA⁽¹⁾ of \$230.2 million, was up \$68.1 million from \$162.1 million in prior year's third quarter.
- Cash flows provided by operating activities of \$95.7 million increased from Cash flows provided by operating activities of \$33.3 million in the prior year's third quarter.
- Free cash flow⁽²⁾ of \$45.5 million improved from \$14.3 million in the prior year's third quarter.

The table below presents a summary of our historical results of operations for the periods presented:

(In thousands)

	Three Months Ended September 30,		% Change
	2021	2020	
Revenue	\$ 928,051	\$ 744,406	24.7 %
Operating income	\$ 80,111	\$ 39,395	103.4 %
Net income (loss)	\$ 3,673	\$ (32,112)	NM
Cash provided by operating activities	\$ 95,736	\$ 33,252	187.9 %
Adjusted EBITDA ⁽¹⁾	\$ 230,213	\$ 162,124	42.0 %
Free cash flow ⁽²⁾	\$ 45,462	\$ 14,275	218.5 %

⁽¹⁾ For a definition of Adjusted EBITDA and a reconciliation to Operating income (loss), the most closely comparable GAAP measure, and to Net income (loss), please see "Reconciliation of Operating Income (Loss) to Adjusted EBITDA" and "Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA" in this MD&A.

⁽²⁾ For a definition of Free cash flow and a reconciliation to Cash provided by operating activities, the most closely comparable GAAP measure, please see "Reconciliation of Cash provided by operating activities to Free cash flow" in this MD&A.

Results of Operations

The tables below present the comparison of our historical results of operations for the three and nine months ended September 30, 2021 to the three and nine months ended September 30, 2020:

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Revenue	\$ 928,051	\$ 744,406	\$ 2,496,321	\$ 2,012,688
Operating expenses:				
Direct operating expenses (excludes depreciation and amortization)	325,766	270,862	939,094	808,925
Selling, general and administrative expenses (excludes depreciation and amortization)	390,086	333,095	1,105,056	1,018,258
Depreciation and amortization	108,100	99,379	343,408	299,494
Impairment charges	11,647	—	49,391	1,733,235
Other operating expense, net	12,341	1,675	27,491	3,247
Operating income (loss)	80,111	39,395	31,881	(1,850,471)
Interest expense, net	82,481	85,562	252,489	257,614
Gain (loss) on investments, net	(10,367)	62	39,468	(8,613)
Equity in loss of nonconsolidated affiliates	(1,056)	(58)	(1,115)	(653)
Other expense, net	(9,681)	(1,177)	(10,851)	(10,295)
Loss before income taxes	(23,474)	(47,340)	(193,106)	(2,127,646)
Income tax benefit (expense)	27,147	15,228	(77,237)	209,481
Net income (loss)	3,673	(32,112)	(270,343)	(1,918,165)
Less amount attributable to noncontrolling interest	493	—	486	—
Net income (loss) attributable to the Company	\$ 3,180	\$ (32,112)	\$ (270,829)	\$ (1,918,165)

The tables below present the comparison of our revenue streams for the three and nine months ended September 30, 2021 to the three and nine months ended September 30, 2020:

(In thousands)

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2021	2020		2021	2020	
Broadcast Radio	\$ 483,456	\$ 404,460	19.5 %	\$ 1,293,134	\$ 1,110,155	16.5 %
Networks	127,920	118,982	7.5 %	366,592	349,889	4.8 %
Sponsorship and Events	42,663	28,898	47.6 %	93,641	73,055	28.2 %
Other	4,940	2,757	79.2 %	9,359	8,724	7.3 %
Multiplatform Group	658,979	555,097	18.7 %	1,762,726	1,541,823	14.3 %
Digital, excluding Podcast	141,573	93,574	51.3 %	405,276	242,479	67.1 %
Podcast	64,196	22,626	183.7 %	155,976	59,724	161.2 %
Digital Audio Group	205,769	116,200	77.1 %	561,252	302,203	85.7 %
Audio & Media Services Group	66,078	75,039	(11.9)%	182,390	174,517	4.5 %
Eliminations	(2,775)	(1,930)		(10,047)	(5,855)	
Revenue, total	\$ 928,051	\$ 744,406	24.7 %	\$ 2,496,321	\$ 2,012,688	24.0 %

Consolidated results for the three and nine months ended September 30, 2021 compared to the consolidated results for the three and nine months ended September 30, 2020 were as follows:

Revenue

Consolidated revenue increased \$183.6 million during the three months ended September 30, 2021 compared to the same period of 2020. The increase in Consolidated revenue is attributable to the continued recovery from the macroeconomic effects of COVID-19 and the continuing growth of our operating businesses. Multiplatform revenue increased \$103.9 million, or 18.7%, primarily resulting from strengthening demand for broadcast advertising compared to the third quarter of 2020, partially offset by lower political advertising revenue compared to the same period of 2020, which was a presidential election year. Digital Audio revenue increased \$89.6 million, or 77.1%, driven primarily by continuing increases in demand for digital advertising and the continued growth of podcasting. Audio & Media Services revenue decreased \$9.0 million due to lower political advertising revenue, partially offset by the continued recovery from the impact of COVID-19.

Consolidated revenue increased \$483.6 million during the nine months ended September 30, 2021 compared to the same period of 2020. The increase in Consolidated revenue is attributable to the continued recovery from the macroeconomic effects of COVID-19 and the continuing growth of our operating businesses. Multiplatform revenue increased \$220.9 million, primarily resulting from strengthening demand for broadcast advertising. Digital Audio revenue increased \$259.0 million, driven primarily by continuing increases in demand for digital advertising, including continued growth in podcasting. Audio & Media Services revenue increased \$7.9 million primarily due to the continued recovery from the impact of COVID-19, partially offset by decreases in political advertising revenue.

Direct Operating Expenses

Consolidated direct operating expenses increased \$54.9 million during the three months ended September 30, 2021 compared to the same period of 2020, primarily as a result of the expenses directly associated with the significant increase in revenue. The increase in direct operating expenses was driven primarily by higher content and talent and profit sharing expenses, third-party digital costs, and costs related to the return of local and national live events. The increase in Consolidated direct operating expenses was partially offset by lower employee compensation and other expenses resulting from our modernization and cost-reduction initiatives executed in 2020 and 2021.

Consolidated direct operating expenses increased \$130.2 million during the nine months ended September 30, 2021 compared to the same period of 2020. The increase in Direct operating expenses was driven primarily by higher variable expenses, along with higher third-party digital costs and talent and profit sharing expenses due to higher revenue. In addition, variable operating expenses, including music license and performance royalty fees, also increased as a result of higher revenue. Variable expenses related to events also increased as a result of the return of live events. The increase in Consolidated direct operating expenses was partially offset by lower employee compensation and other expenses resulting from our modernization and cost-reduction initiatives executed in 2020 and early 2021.

Selling, General and Administrative ("SG&A") Expenses

Consolidated SG&A expenses increased \$57.0 million during the three months ended September 30, 2021 compared to the same period of 2020. The increase in Consolidated SG&A expenses was driven primarily by increased employee compensation expenses resulting primarily from higher variable bonus expense based on financial performance and higher sales commission expenses as a result of higher revenue. In the prior year the Company did not pay bonuses to the vast majority of employees. In addition, increased headcount resulting from investments in our digital businesses contributed to the increase in Consolidated SG&A expenses. These increases were partially offset by lower trade expense due to the timing of expenses incurred in connection with the iHeartRadio Music Festival, as well as decreases in employee compensation and other expenses resulting from modernization and cost-reduction initiatives taken in response to the COVID-19 pandemic.

Consolidated SG&A expenses increased \$86.8 million during the nine months ended September 30, 2021 compared to the same period of 2020. The increase in SG&A expenses was driven primarily by higher employee compensation expenses resulting from higher variable bonus accruals based on financial performance as well as an increase in headcount resulting from investments in our digital businesses. Sales commission expenses also increased as a result of higher revenue. These increases were partially offset by lower bad debt expense, lower trade expense due to the timing of expenses incurred in connection with the iHeartRadio Music Festival, as well as decreases in employee compensation and other expenses resulting from modernization and cost-reduction initiatives taken in response to the COVID-19 pandemic.

Depreciation and Amortization

Depreciation and amortization increased \$8.7 million and \$43.9 million during the three and nine months ended September 30, 2021 compared to the same periods of 2020, primarily as a result of increased capital expenditures and the impact of acquired businesses, and accelerated amortization of certain intangible assets.

Impairment Charges

We perform our annual impairment test on our goodwill and FCC licenses as of July 1 of each year. In addition, we test for impairment of intangible assets whenever events and circumstances indicate that such assets might be impaired. As part of our operating expense-savings initiatives, we have taken strategic actions to streamline our real estate footprint and related expenses, resulting in impairment charges due to the write-down of right-of-use assets and related fixed assets, including leasehold improvements. During the three and nine months ended September 30, 2021, we recognized non-cash impairment charges of \$11.6 million and \$49.4 million related to certain of our right-of-use assets and leasehold improvements as a result of these cost-savings initiatives. No impairment charges were recorded in the third quarter of 2021 or 2020 in connection with our annual impairment testing of goodwill and FCC licenses. In the nine months ended September 30, 2020, we recognized non-cash impairment charges to our goodwill and FCC licenses of \$1.7 billion as a result of the adverse effects caused by the COVID-19 pandemic on estimated future cash flows in the first quarter of 2020.

Other Operating Expense, Net

Other operating expense, net of \$12.3 million and \$1.7 million for the three months ended September 30, 2021 and 2020, respectively, and Other operating expense, net of \$27.5 million and \$3.2 million for the nine months ended September 30, 2021 and 2020, respectively, relate primarily to net losses recognized on asset disposals in connection with our real estate optimization initiatives.

Interest Expense

Interest expense decreased \$3.1 million during the three months ended September 30, 2021 compared to the same period of 2020, primarily as a result of the interest rate reduction of our amended incremental term loan facility and the \$250.0 million voluntary repayment made in July 2021 on our term loan credit facilities in connection with the repricing transaction.

Interest expense decreased \$5.1 million during the nine months ended September 30, 2021 compared to the same period of 2020, primarily as a result of the impact of lower LIBOR rates and the \$250.0 million voluntary repayment of our term loan facilities and amended incremental term loan facility in July 2021, partially offset by the issuance of incremental term loans in the third quarter of 2020.

Gain (Loss) on Investments, Net

During the three months ended September 30, 2021, we recognized a loss on investments, net of \$10.4 million in connection with estimated credit losses and declines in the value of our investments. During the nine months ended September 30, 2021, we recognized a gain of \$39.5 million, primarily related to the sale of our investment in the San Antonio Spurs. In the three months ended September 30, 2020 we recognized a gain of \$0.1 million. In the nine months ended September 30, 2020 we recognized a loss of \$8.6 million primarily in connection with estimated credit losses and declines in the value of our investments.

Other Expense, Net

Other expense, net was \$9.7 million and \$1.2 million for the three months ended September 30, 2021 and 2020, respectively, and \$10.9 million and \$10.3 million for the nine months ended September 30, 2021 and 2020, respectively. Other expense, net for the three and nine months ended September 30, 2021 related primarily to the write-off of unamortized debt issuance costs upon our voluntary partial prepayment of our Term Loan Facilities in July 2021, and finance lease termination payments. Other expense, net for the nine months ended September 30, 2020 related primarily to costs incurred to amend our Term Loan Facility and professional fees.

Income Tax Benefit (Expense)

The effective tax rate for the Company for the three and nine months ended September 30, 2021 was 115.6% and (40.0)%, respectively. The effective tax rates were primarily impacted by the forecasted increase in valuation allowance against certain deferred tax assets, related primarily to disallowed interest expense carryforwards, due to uncertainty regarding the Company's ability to utilize those assets in future periods.

The effective tax rate for the three and nine months ended September 30, 2020 was 32.2% and 9.8%, respectively. The effective tax rate for the nine months ended September 30, 2020 was primarily impacted by the impairment charges discussed above. The deferred tax benefit primarily consisted of \$125.5 million related to the FCC license impairment charges recorded during the period.

Net Income (Loss) Attributable to the Company

Net income attributable to the Company increased \$35.3 million to Net income attributable to the Company of \$3.2 million during the three months ended September 30, 2021 compared to a Net loss attributable to the Company of \$32.1 million during the three months ended September 30, 2020, primarily as a result of the increase in revenue from the continuing recovery from the macroeconomic effects of the COVID-19 pandemic and the continuing growth of our operating businesses.

Net loss attributable to the Company decreased \$1,647.3 million to \$270.8 million during the nine months ended September 30, 2021 compared to Net loss attributable to the Company of \$1,918.2 million during the nine months ended September 30, 2020, primarily as a result of the impairment charge recognized during the first quarter of 2020 and the increase in revenue from the continuing recovery from the macroeconomic effects of the COVID-19 pandemic and the continuing growth of our operating businesses.

Multiplatform Group Results

<i>(In thousands)</i>	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
	2021	2020		2021	2020	
Revenue	\$ 658,979	\$ 555,097	18.7 %	\$ 1,762,726	\$ 1,541,823	14.3 %
Operating expenses ⁽¹⁾	450,549	416,131	8.3 %	1,268,107	1,265,094	0.2 %
Segment Adjusted EBITDA	\$ 208,430	\$ 138,966	50.0 %	\$ 494,619	\$ 276,729	78.7 %
Segment Adjusted EBITDA margin	31.6 %	25.0 %		28.1 %	17.9 %	

⁽¹⁾ Operating expenses consist of Direct operating expenses and Selling, general and administrative expenses, excluding Restructuring expenses.

Three Months

Revenue from our Multiplatform Group increased \$103.9 million compared to the prior year, primarily as a result of the continued recovery from the negative impact of the COVID-19 pandemic in 2020. Broadcast revenue grew \$79.0 million, or 19.5%, year-over-year, while Networks grew \$8.9 million, or 7.5%, year-over-year. Revenue from Sponsorship and Events increased by \$13.8 million, or 47.6%, year-over-year, primarily as a result of the return of live events. These increases were partially offset by a \$15.1 million decrease in political revenue compared to the same period in 2020, which was a presidential election year.

Operating expenses increased \$34.4 million, driven primarily by higher variable employee compensation expenses, including commission and bonus expense, as well as higher talent and profit-sharing fees, both as a result of higher revenue, and higher expenses related to the return of live events, which were partially offset by lower trade expenses resulting from the timing of expenses incurred in connection with the iHeartRadio Music Festival. These increases were partially offset by lower employee compensation and other expenses resulting from our modernization and cost-reduction initiatives executed in 2020 and early 2021.

Nine Months

Revenue from our Multiplatform Group increased \$220.9 million compared to the comparative period in the prior year, primarily as a result of the continued recovery from the negative impact of the COVID-19 pandemic on our traditional radio business. Broadcast revenue increased \$183.0 million, or 16.5%, year-over-year, while Networks grew \$16.7 million, or 4.8%, year-over-year. Revenue from Sponsorship and Events increased by \$20.6 million, or 28.2%, year-over-year, primarily as a result of the return of live events.

Operating expenses increased \$3.0 million, driven primarily by higher variable employee compensation expense including commission and bonus expense, as well as higher talent and profit share fees, both driven by higher revenue, and higher expenses related to the return of live events. The increase was partially offset by lower bad debt expense as well as lower employee compensation and other expenses resulting from our modernization and cost-reduction initiatives.

Digital Audio Group Results

(In thousands)	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
	2021	2020		2021	2020	
Revenue	\$ 205,769	\$ 116,200	77.1 %	\$ 561,252	\$ 302,203	85.7 %
Operating expenses ⁽¹⁾	138,646	81,042	71.1 %	399,828	231,589	72.6 %
Segment Adjusted EBITDA	\$ 67,123	\$ 35,158	90.9 %	\$ 161,424	\$ 70,614	128.6 %
Segment Adjusted EBITDA margin	32.6 %	30.3 %		28.8 %	23.4 %	

⁽¹⁾ Operating expenses consist of Direct operating expenses and Selling, general and administrative expenses, excluding Restructuring expenses.

Three Months

Revenue from our Digital Audio Group increased \$89.6 million compared to the prior year, including growth from Digital, excluding Podcast revenue, which grew \$48.0 million, or 51.3%, year-over-year, driven by increased demand for digital advertising, and Podcast revenue which increased by \$41.6 million, or 183.7%, year-over-year, driven by higher revenues from the development of new podcasts as well as growth from existing podcasts. Digital Audio Group revenue increased as a result of general increased demand for digital advertising, the growing popularity of podcasting, the continued addition of premium content to our industry-leading podcast business and our improving ability to monetize our digital audiences and inventory utilizing our sales force and advertising technology platforms, partially driven by leveraging our prior strategic investments in the digital space.

Operating expenses increased \$57.6 million in connection with our Digital Audio Group's significant revenue growth, including the impact of higher variable employee compensation expense, variable content and third-party digital costs due to higher revenue and the development of new podcasts. In addition, operating expenses increased due to increased headcount resulting from our investments in key infrastructure to support our growing digital operations, as well as higher variable compensation expenses including sales commissions and bonus arrangements.

Nine Months

Revenue from our Digital Audio Group increased \$259.0 million compared to the prior year, led by Digital, excluding Podcast revenue, which grew \$162.8 million, or 67.1%, year-over-year, driven by increased demand for digital advertising. Podcast revenue also increased by \$96.3 million, or 161.2%, year-over-year, driven by higher revenues from the development of new podcasts and growth from existing podcasts. Digital Audio Group revenues increased as a result of general increased demand for digital advertising, the growing popularity of podcasting, the continued addition of premium content to our industry-leading podcast business and our improving ability to monetize our digital audiences and inventory utilizing our sales force and advertising technology platforms, partially driven by investments in the digital space.

Operating expenses increased \$168.2 million in connection with our Digital Audio Group's significant revenue growth, including the impact of variable employee compensation expense, variable content and talent costs and third-party digital costs due to higher revenue, as well as increased content and production costs primarily resulting from the development of new podcasts. In addition, operating expenses increased due to additional headcount resulting from investments in the digital space, as well as higher variable compensation expenses including sales commissions and bonus arrangements.

Audio & Media Services Group Results

(In thousands)	Three Months Ended September 30,		%	Nine Months Ended September 30,		%
	2021	2020		2021	2020	
Revenue	\$ 66,078	\$ 75,039	(11.9)%	\$ 182,390	\$ 174,517	4.5 %
Operating expenses ⁽¹⁾	43,656	46,247	(5.6)%	124,148	127,774	(2.8)%
Segment Adjusted EBITDA	\$ 22,422	\$ 28,792	(22.1)%	\$ 58,242	\$ 46,743	24.6 %
Segment Adjusted EBITDA margin	33.9 %	38.4 %		31.9 %	26.8 %	

⁽¹⁾ Operating expenses consist of Direct operating expenses and Selling, general and administrative expenses, excluding Restructuring expenses.

Three Months

Revenue from our Audio & Media Services Group decreased \$9.0 million compared to the comparative period in the prior year due to lower political advertising revenue compared to 2020, which was a presidential election year, partially offset by the continued recovery from the impact of the COVID-19 pandemic.

Operating expenses decreased \$2.6 million primarily as a result of lower expenses due to our modernization and cost-reduction initiatives.

Nine Months

Revenue from our Audio & Media Services Group increased \$7.9 million compared to the comparative period in the prior year as a result of the continued recovery from the negative impact of the COVID-19 pandemic, partially offset by lower political advertising revenue.

Operating expenses decreased \$3.6 million primarily as a result of lower expenses due to our modernization and cost-reduction initiatives.

Reconciliation of Operating Income (Loss) to Adjusted EBITDA

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating income (loss)	\$ 80,111	\$ 39,395	\$ 31,881	\$ (1,850,471)
Depreciation and amortization	108,100	99,379	343,408	299,494
Impairment charges	11,647	—	49,391	1,733,235
Other operating expense, net	12,341	1,675	27,491	3,247
Share-based compensation expense	5,993	5,885	17,581	14,728
Restructuring expenses	12,021	15,790	47,216	72,947
Adjusted EBITDA ⁽¹⁾	\$ 230,213	\$ 162,124	\$ 516,968	\$ 273,180

Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 3,673	\$ (32,112)	\$ (270,343)	\$ (1,918,165)
Income tax (benefit) expense	(27,147)	(15,228)	77,237	(209,481)
Interest expense, net	82,481	85,562	252,489	257,614
Depreciation and amortization	108,100	99,379	343,408	299,494
EBITDA	\$ 167,107	\$ 137,601	\$ 402,791	\$ (1,570,538)
Loss (gain) on investments, net	10,367	(62)	(39,468)	8,613
Other expense, net	9,681	1,177	10,851	10,295
Equity in loss of nonconsolidated affiliates	1,056	58	1,115	653
Impairment charges	11,647	—	49,391	1,733,235
Other operating expense, net	12,341	1,675	27,491	3,247
Share-based compensation expense	5,993	5,885	17,581	14,728
Restructuring expenses	12,021	15,790	47,216	72,947
Adjusted EBITDA ⁽¹⁾	\$ 230,213	\$ 162,124	\$ 516,968	\$ 273,180

- (1) We define Adjusted EBITDA as consolidated Operating income (loss) adjusted to exclude restructuring expenses included within Direct operating expenses and SG&A expenses, and share-based compensation expenses included within SG&A expenses, as well as the following line items presented in our Statements of Operations: Depreciation and amortization, Impairment charges and Other operating expense, net. Alternatively, Adjusted EBITDA is calculated as Net income (loss), adjusted to exclude Income tax (benefit) expense, Interest expense, net, Depreciation and amortization, Loss (gain) on investments, net, Other expense, net, Equity in loss of nonconsolidated affiliates, net, Impairment charges, Other operating expense, net, Share-based compensation expense, and restructuring expenses. Restructuring expenses primarily include expenses incurred in connection with cost-saving initiatives, as well as certain expenses, which, in the view of management, are outside the ordinary course of business or otherwise not representative of the Company's operations during a normal business cycle. We use Adjusted EBITDA, among other measures, to evaluate the Company's operating performance. This measure is among the primary measures used by management for the planning and forecasting of future periods, as well as for measuring performance for compensation of executives and other members of management. We believe this measure is an important indicator of our operational strength and performance of our business because it provides a link between operational performance and operating income. It is also a primary measure used by management in evaluating companies as potential acquisition targets. We believe the presentation of this measure is relevant and useful for investors because it allows investors to view performance in a manner similar to the method used by management. We believe it helps improve investors' ability to understand our operating performance and makes it easier to compare our results with other companies that have different capital structures or tax rates. In addition, we believe this measure is also among the primary measures used externally by our investors, analysts and peers in our industry for purposes of valuation and comparing our operating performance to other companies in our industry. Since Adjusted EBITDA is not a measure calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, operating income or net income (loss) as an indicator of operating performance and may not be comparable to similarly titled measures employed by other companies. Adjusted EBITDA is not necessarily a measure of our ability to fund our cash needs. Because it excludes certain financial information compared with operating income and compared with consolidated net income (loss), the most directly comparable GAAP financial measures, users of this financial information should consider the types of events and transactions which are excluded.

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow

(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Cash provided by operating activities	\$ 95,736	\$ 33,252	\$ 196,593	\$ 136,161
Purchases of property, plant and equipment	(50,274)	(18,977)	(101,335)	(58,523)
Free cash flow ⁽¹⁾	\$ 45,462	\$ 14,275	\$ 95,258	\$ 77,638

- (1) We define Free cash flow ("Free Cash Flow") as Cash provided by operating activities less capital expenditures, which is disclosed as Purchases of property, plant and equipment in the Company's Consolidated Statements of Cash Flows. We use Free Cash Flow, among other measures, to evaluate the Company's liquidity and its ability to generate cash flow. We believe that Free Cash Flow is meaningful to investors because we review cash flows generated from operations after taking into consideration capital expenditures due to the fact that these expenditures are considered to be a necessary component of ongoing operations. In addition, we believe that Free Cash Flow helps improve investors' ability to compare our liquidity with other companies. Since Free Cash Flow is not a measure calculated in accordance with GAAP, it should not be considered in isolation of, or as a substitute for, Cash provided by operating activities and may not be comparable to similarly titled measures employed by other companies. Free Cash Flow is not necessarily a measure of our ability to fund our cash needs.

Share-Based Compensation Expense

Historically, we had granted restricted shares of the Company's Class A common stock to certain key individuals.

Pursuant to our 2019 Equity Incentive Plan (the "2019 Plan"), we historically granted restricted stock units and options to purchase shares of the Company's Class A common stock to certain key individuals. On April 21, 2021, our 2021 Long-Term Incentive Award Plan (the "2021 Plan") was approved by stockholders and replaced the 2019 Plan. Pursuant to our 2021 Plan, we will continue to grant restricted stock units and options to purchase shares of the Company's Class A common stock to certain key individuals.

Share-based compensation expenses are recorded in SG&A expenses and were \$6.0 million and \$5.9 million for the three months ended September 30, 2021 and 2020, respectively, and \$17.6 million and \$14.7 million for the nine months ended September 30, 2021 and 2020, respectively.

As of September 30, 2021, there was \$45.0 million of unrecognized compensation cost related to unvested share-based compensation arrangements with vesting based on service conditions. This cost is expected to be recognized over a weighted average period of approximately 2.3 years. In addition, as of September 30, 2021, there was \$0.3 million of unrecognized compensation costs related to unvested share-based compensation arrangements that will vest based on performance conditions.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following discussion highlights cash flow activities during the periods presented:

(In thousands)	Nine Months Ended September 30,	
	2021	2020
Cash provided by (used for):		
Operating activities	\$ 196,593	\$ 136,161
Investing activities	\$ (259,898)	\$ (71,172)
Financing activities	\$ (288,118)	\$ 248,637
Free Cash Flow ⁽¹⁾	\$ 95,258	\$ 77,638

⁽¹⁾ For a definition of Free cash flow from operations and a reconciliation to Cash provided by operating activities from operations, the most closely comparable GAAP measure, please see “Reconciliation of Cash provided by operating activities from operations to Free cash flow from operations” in this MD&A.

Operating Activities

Cash provided by operating activities increased from \$136.2 million in the nine months ended September 30, 2020 to \$196.6 million in the nine months ended September 30, 2021 primarily as a result of an increase in cash flows generated from higher revenues and operating profitability as the Company's businesses continue to recover from the impact of the COVID-19 pandemic. The increase in cash provided by operating activities was partially offset by changes in working capital balances, particularly accounts receivable, which was impacted by the timing of collections.

Investing Activities

Cash used for investing activities of \$259.9 million during the nine months ended September 30, 2021 primarily reflects the net cash payment made to acquire Triton Digital for \$228.5 million. In addition, \$101.3 million in cash was used for capital expenditures. We spent \$66.5 million for capital expenditures in our Multiplatform Group segment primarily related to our real estate optimization initiatives, and \$17.9 million in our Digital Audio Group segment primarily related to IT infrastructure, \$6.2 million in our Audio & Media Services Group segment, primarily related to software and \$10.7 million in Corporate primarily related to equipment and software purchases. Cash used for investing activities was partially offset by cash provided by investing activities primarily related to proceeds of \$50.8 million received from the sale of our investment in the San Antonio Spurs.

Cash used for investing activities of \$71.2 million during the nine months ended September 30, 2020 primarily reflects \$58.5 million in cash used for capital expenditures. We spent \$34.8 million for capital expenditures in our Multiplatform Group segment primarily related to IT infrastructure, \$10.7 million in our Digital Audio Group segment primarily related to investments in our digital platform, \$2.5 million in our Audio & Media Services Group segment, primarily related to acquired software and \$10.5 million in Corporate primarily related to equipment and software purchases.

Financing Activities

Cash used for financing activities of \$288.1 million during the nine months ended September 30, 2021 primarily resulted from the \$250.0 million voluntary repayment of our term loan credit facilities in connection with the repricing transaction, and required quarterly principal payments made on our Term Loan Facility and repayment of a subsidiary note payable. As a result of our voluntary prepayment, our Term Loan Facility no longer requires quarterly principal payments.

Cash provided by financing activities of \$248.6 million during the nine months ended September 30, 2020 primarily resulted from the net proceeds of \$425.8 million from the issuance of incremental term loan commitments, offset by the \$150.0 million prepayment on our Term Loan Facility in the first quarter of 2020, along with required quarterly principal payments made on the Term Loan Facility.

Anticipated Cash Requirements

Our primary sources of liquidity are cash on hand, which consisted of cash and cash equivalents of \$369.1 million as of September 30, 2021, cash flow from operations and borrowing capacity under our \$450.0 million ABL Facility. As of September 30, 2021, iHeartCommunications had no amounts outstanding under the ABL Facility, a facility size of \$450.0 million and \$28.5 million in outstanding letters of credit, resulting in \$421.5 million of borrowing base availability. Together with our cash balance of \$369.1 million as of September 30, 2021 and our borrowing capacity under the ABL Facility, our total available liquidity¹ was approximately \$791 million.

On July 16, 2021, we amended the Term Loan credit facilities and voluntarily prepaid \$250.0 million of borrowings outstanding under these facilities using cash on hand. On October 27, 2021, iHeart Operations repurchased all of the iHeart Operations Preferred Stock with cash on hand for an aggregate price of \$64.4 million (“Redemption Price”), including accrued dividends, upon obtaining consent from the third party investor. The Redemption Price included a negotiated make-whole premium as the redemption occurred prior to the optional redemption date set forth in the Certificate of Designation governing the iHeart Operations Preferred Stock. Subsequent to the transaction, the preferred shares were retired and cancelled and are no longer outstanding.

We continue to evaluate the ongoing impact of COVID-19 on our business. The challenges that COVID-19 has created for advertisers and consumers have had a significant impact on our revenue for the nine months ended September 30, 2021 and have created a business outlook that is less clear in the near term. Although our results continued to be impacted by the effects of the COVID-19 pandemic, our revenue for both the three months ended June 30, 2021 and September 30, 2021 increased significantly compared to the three months ended June 30, 2020 and September 30, 2020. We believe that we have sufficient liquidity to continue to fund our operations for at least the next twelve months.

We expect that our primary anticipated uses of liquidity will be to fund our working capital, make interest payments, fund capital expenditures, pursue certain strategic opportunities and maintain operations and other obligations. We anticipate that we will have approximately \$81 million of cash interest payments in the remainder of 2021 and \$312 million of cash interest payments in 2022.

Over the past several years, we have transitioned our business from a single-platform radio broadcast operator to a company with multiple platforms, including digital, podcasting, networks and live and virtual events. In January 2020, we announced key modernization initiatives designed to take advantage of the significant investments that we have made in new technologies to build an improved operating infrastructure to upgrade products and deliver incremental cost efficiencies. This modernization is a multi-pronged set of strategic initiatives that we believe positions the Company for sustainable long-term growth, margin expansion, and value creation for stockholders.

Our investments in modernization delivered approximately \$50 million of in-year savings in 2020 and remain on track to achieve the target of \$100 million of cost savings.

In April 2020, we announced approximately \$200 million of incremental in-year operating-expense-saving initiatives in response to the weaker economic environment caused by the COVID-19 pandemic. As previously announced, we have implemented plans to make the majority of these savings permanent.

We believe that our cash balance, our cash flow from operations and availability under our ABL Facility provide us with sufficient liquidity to fund our core operations, maintain key personnel and meet our other material obligations for at least the next twelve months. In addition, none of our long-term debt includes maintenance covenants that could trigger early

¹ Total available liquidity is defined as cash and cash equivalents plus available borrowings under the ABL Facility. We use total available liquidity to evaluate our capacity to access cash to meet obligations and fund operations.

repayment. We fully appreciate the unprecedented challenges posed by the COVID-19 pandemic, however, we remain confident in our business, our employees and our strategy. We believe that our ability to generate cash flow from operations from our business initiatives, our current cash on hand and availability under the ABL Facility will provide sufficient resources to continue to fund and operate our business, fund capital expenditures and other obligations and make interest payments on our long-term debt. If these sources of liquidity need to be augmented, additional cash requirements would likely be financed through the issuance of debt or equity securities; however, there can be no assurances that we will be able to obtain additional debt or equity financing on acceptable terms or at all in the future.

We frequently evaluate strategic opportunities, and we expect from time to time to pursue acquisitions or dispose of certain businesses, which may or may not be material. For example, on March 31, 2021, we used a portion of our cash on hand to acquire Triton Digital, a global leader in digital audio and podcast technology and measurement services, from The E.W. Scripps Company for \$228.5 million in cash, excluding transaction costs.

Tax Matters Agreement

In connection with the separation (the "Separation") of Clear Channel Outdoor Holdings, Inc. ("CCOH") as part of the Company's plan of reorganization (the "Plan of Reorganization") for emergence from Chapter 11 bankruptcy, we entered into the Tax Matters Agreement by and among iHeartMedia, iHeartCommunications, iHeart Operations, Inc., Clear Channel Holdings, Inc., CCOH and Clear Channel Outdoor, Inc., to allocate the responsibility of iHeartMedia and its subsidiaries, on the one hand, and CCOH and its subsidiaries, on the other, for the payment of taxes arising prior and subsequent to, and in connection with, the Separation.

The Tax Matters Agreement requires that iHeartMedia and iHeartCommunications indemnify CCOH and its subsidiaries, and their respective directors, officers and employees, and hold them harmless, on an after-tax basis, from and against certain tax claims related to the Separation. In addition, the Tax Matters Agreement requires that CCOH indemnify iHeartMedia for certain income taxes paid by iHeartMedia on behalf of CCOH and its subsidiaries.

Summary Debt Capital Structure

As of September 30, 2021 and December 31, 2020, we had the following debt outstanding, net of cash and cash equivalents:

<i>(In thousands)</i>	September 30, 2021	December 31, 2020
Term Loan Facility due 2026 ¹	\$ 1,864,032	\$ 2,080,259
Incremental Term Loan Facility due 2026 ¹	401,220	447,750
Asset-based Revolving Credit Facility due 2023	—	—
6.375% Senior Secured Notes due 2026	800,000	800,000
5.25% Senior Secured Notes due 2027	750,000	750,000
4.75% Senior Secured Notes due 2028	500,000	500,000
Other Secured Subsidiary Debt	5,369	22,753
Total Secured Debt	\$ 4,320,621	\$ 4,600,762
8.375% Senior Unsecured Notes due 2027	1,450,000	1,450,000
Other Subsidiary Debt	—	6,782
Purchase accounting adjustments and original issue discount	(14,156)	(18,817)
Long-term debt fees	(19,090)	(21,797)
Total Debt	\$ 5,737,375	\$ 6,016,930
Less: Cash and cash equivalents	369,094	720,662
	<u>\$ 5,368,281</u>	<u>\$ 5,296,268</u>

¹ On July 16, 2021, iHeartCommunications, Inc. ("iHeartCommunications") entered into an amendment to the credit agreement governing its Term Loan credit facilities. The amendment reduces the interest rate of its Incremental Term Loan Facility due 2026 to a Eurocurrency Rate of LIBOR plus a margin of 3.25% and floor of 0.50% (from LIBOR plus a margin of 4.00% and floor of 0.75%). The Base Rate interest amount was reduced to Base Rate plus a margin of 2.25% and floor of 1.50%. In connection with the amendment, iHeartCommunications voluntarily prepaid \$250.0 million of borrowings outstanding under the Term Loan credit facilities with cash on hand, resulting in a reduction of \$44.3 million of the existing Incremental Term Loan Facility due 2026 and \$205.7 million of the Term Loan Facility due 2026. We expect to save \$12.7 million in annual interest payments as a result of the repricing and repayment.

For additional information regarding our debt refer to Note 5, Long-Term Debt.

Exchange of Special Warrants

On July 25, 2019, the Company filed a petition for declaratory ruling ("PDR") with the Federal Communications Commission (the "FCC") to permit up to 100% of the Company's voting stock to be owned by non-U.S. individuals and entities. On November 5, 2020, the FCC issued a declaratory ruling granting the relief requested by the PDR (the "Declaratory Ruling"), subject to certain conditions set forth in the Declaratory Ruling.

On January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into 45,133,811 shares of iHeartMedia Class A common stock, the Company's publicly traded equity, and 22,337,312 Class B common stock in compliance with the Declaratory Ruling, the Communications Act and FCC rules. Following the Exchange, the Company's remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock. There were 120,189,029 shares of Class A common stock, 21,622,510 shares of Class B common stock and 5,304,430 Special Warrants outstanding on November 1, 2021.

Supplemental Financial Information under Debt Agreements

Pursuant to iHeartCommunications' material debt agreements, Capital I, the parent guarantor and a subsidiary of iHeartMedia, is permitted to satisfy its reporting obligations under such agreements by furnishing iHeartMedia's consolidated financial information and an explanation of the material differences between iHeartMedia's consolidated financial information, on the one hand, and the financial information of Capital I and its consolidated restricted subsidiaries, on the other hand. Because neither iHeartMedia nor iHeartMedia Capital II, LLC, a wholly-owned direct subsidiary of iHeartMedia and the parent of Capital I, have any operations or material assets or liabilities, there are no material differences between iHeartMedia's consolidated financial information for the three and nine months ended September 30, 2021, and Capital I's and its consolidated restricted subsidiaries' financial information for the same periods.

Commitments, Contingencies and Guarantees

We are currently involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued our estimate of the probable costs for resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. Please refer to "Legal Proceedings" in Part II, Item 1 of this Quarterly Report on Form 10-Q.

SEASONALITY

Typically, our businesses experience their lowest financial performance in the first quarter of the calendar year. We expect this trend to continue in the future. Due to this seasonality and certain other factors, the results for the interim periods may not be indicative of results for the full year. In addition, our Multiplatform Group and our Audio & Media Services Group are impacted by political cycles and generally experience higher revenues in congressional election years, and particularly in presidential election years. This cyclical nature may affect comparability of results between years.

MARKET RISK

We are exposed to market risks arising from changes in market rates and prices, including movements in interest rates and inflation.

Interest Rate Risk

A significant amount of our long-term debt bears interest at variable rates. Accordingly, our earnings will be affected by changes in interest rates. As of September 30, 2021, approximately 40% of our aggregate principal amount of long-term debt bore interest at floating rates. Assuming the current level of borrowings and assuming a 50% change in LIBOR, it is estimated that our interest expense for the nine months ended September 30, 2021 would have changed by \$0.8 million.

In the event of an adverse change in interest rates, management may take actions to mitigate our exposure. However, due to the uncertainty of the actions that would be taken and their possible effects, the preceding interest rate sensitivity analysis assumes no such actions. Further, the analysis does not consider the effects of the change in the level of overall economic activity that could exist in such an environment.

Inflation

Inflation is a factor in the economies in which we do business and we continue to seek ways to mitigate its effect. Inflation has affected our performance in terms of higher costs for wages, salaries and equipment. Although the exact impact of inflation is indeterminable, we believe we have offset these higher costs by increasing the effective advertising rates of most of our broadcasting stations in our Multiplatform operations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. On an ongoing basis, we evaluate our estimates that are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of expenses that are not readily apparent from other sources. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such difference could be material. Our significant accounting policies are discussed in the notes to our consolidated financial statements included in Note 1 of Item 8, Financial Statements and Supplementary Data of our Annual Report on Form 10-K for the year ended December 31, 2020. Management believes that the following accounting estimates are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. The following narrative describes these critical accounting estimates, the judgments and assumptions and the effect if actual results differ from these assumptions.

The Company performs its annual impairment test on goodwill and indefinite-lived intangible assets as of July 1 of each year.

Indefinite-lived Intangible Assets

In connection with our Plan of Reorganization, we applied fresh start accounting as required by ASC 852 and recorded all of our assets and liabilities at estimated fair values, including our FCC licenses, which are included within our Multiplatform Group reporting unit. Indefinite-lived intangible assets, such as our FCC licenses, are reviewed annually for possible impairment using the direct valuation method as prescribed in ASC 805-20-S99. Under the direct valuation method, the estimated fair value of the indefinite-lived intangible assets was calculated at the market level as prescribed by ASC 350-30-35. Under the direct valuation method, it is assumed that rather than acquiring indefinite-lived intangible assets as a part of a going concern business, the buyer hypothetically obtains indefinite-lived intangible assets and builds a new operation with similar attributes from scratch. Thus, the buyer incurs start-up costs during the build-up phase which are normally associated with going concern value. Initial capital costs are deducted from the discounted cash flows model, which results in value that is directly attributable to the indefinite-lived intangible assets.

Our key assumptions using the direct valuation method are market revenue growth rates, market share, profit margin, duration and profile of the build-up period, estimated start-up capital costs, the risk-adjusted discount rate and terminal values. This data is populated using industry normalized information representing an average asset within a market.

On July 1, 2021, we performed our annual impairment test in accordance with ASC 350-30-35 and we concluded no impairment of the indefinite-lived intangible assets was required. In determining the fair value of our FCC licenses, the following key assumptions were used:

- Revenue forecasts published by BIA Financial Network, Inc. ("BIA"), varying by market, and revenue growth projections made by industry analysts were used for the initial four-year period;
- 2.0% revenue growth was assumed beyond the initial four-year period;
- Revenue was grown proportionally over a build-up period, reaching market revenue forecast by year 3;
- Operating margins of 8.0% in the first year gradually climb to the industry average margin in year 3 of up to 20.2%, depending on market size; and
- Assumed discount rates of 8.0% for the 15 largest markets and 8.5% for all other markets.

While we believe we have made reasonable estimates and utilized appropriate assumptions to calculate the fair value of our indefinite-lived intangible assets, it is possible a material change could occur. If future results are not consistent with our assumptions and estimates, we may be exposed to impairment charges in the future. The following table shows the decrease in

the fair value of our indefinite-lived intangible assets that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

(In thousands)

Description	Revenue Growth Rate	Profit Margin	Discount Rate
FCC licenses	\$ 405,630	\$ 213,548	\$ 459,449

The estimated fair value of our FCC licenses at July 1, 2021 was \$2.2 billion, while the carrying value was \$1.8 billion. Given the difference between the carrying values of our FCC licenses and their estimated fair values, an increase in discount rates or a decrease in revenue growth rates or profit margins could result in an impairment to our FCC licenses.

Goodwill

Upon application of fresh start accounting in accordance with ASC 852 in connection with our emergence from bankruptcy, we recorded goodwill of \$3.3 billion, which represented the excess of estimated enterprise fair value over the estimated fair value of our assets and liabilities. Goodwill was further allocated to our reporting units based on the relative fair values of our reporting units as of May 1, 2019. As a result of the changes in the Company's management structure and its reportable segments, we performed interim impairment tests on goodwill as of January 1, 2021. No impairment charges were recorded in the first quarter of 2021 in connection with the interim impairment test.

We test goodwill at interim dates if events or changes in circumstances indicate that goodwill might be impaired. The fair value of our reporting units is used to apply value to the net assets of each reporting unit. To the extent that the carrying amount of net assets would exceed the fair value, an impairment charge may be required to be recorded.

The discounted cash flow approach we use for valuing goodwill involves estimating future cash flows expected to be generated from the related assets, discounted to their present value using a risk-adjusted discount rate. Terminal values are also estimated and discounted to their present value.

On July 1, 2021, we performed our annual impairment test in accordance with ASC 350-30-35, resulting in no impairment of goodwill. In determining the fair value of our reporting units, we used the following assumptions:

- Expected cash flows underlying our business plans for the periods 2021 through 2025. Our cash flow assumptions are based on detailed, multi-year forecasts performed by each of our operating reporting units, and reflect the current advertising outlook across our businesses.
- Cash flows beyond 2025 are projected to grow at a perpetual growth rate, which we estimated at 2.0% for our Multiplatform and RCS Reporting units, 3% for our Digital Audio Reporting unit, and 2.0% for our Katz Media reporting unit (beyond 2029).
- In order to risk adjust the cash flow projections in determining fair value, we utilized discounts rates between 11% and 14% for each of our reporting units.

Based on our annual assessment using the assumptions described above, a hypothetical 5% reduction in the estimated fair value in each of our reporting units would not result in a material impairment condition.

While we believe we have made reasonable estimates and utilized appropriate assumptions to calculate the estimated fair value of our reporting units, it is possible a material change could occur. If future results are not consistent with our assumptions and estimates, we may be exposed to impairment charges in the future. The following table shows the decline in the fair value of each of our reporting units that would result from a 100 basis point decline in our discrete and terminal period revenue growth rate and profit margin assumptions and a 100 basis point increase in our discount rate assumption:

(In thousands)

Description	Revenue Growth Rate	Profit Margin	Discount Rate
Multiplatform	\$ 670,000	\$ 240,000	\$ 650,000
Digital	\$ 330,000	\$ 100,000	\$ 270,000
Katz Media	\$ 60,000	\$ 20,000	\$ 50,000
Other	\$ 30,000	\$ 10,000	\$ 20,000

An increase in discount rates or a decrease in revenue growth rates or profit margins could result in impairment charges being required to be recorded for one or more of our reporting units.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. This report contains various forward-looking statements which represent our expectations or beliefs concerning future events, including, without limitation, our future operating and financial performance, the anticipated impacts of and recovery from the COVID-19 pandemic on our business, financial position and results of operations, our expected costs, savings and timing of our modernization initiatives and other capital and operating expense reduction initiatives, expected interest rate savings from our amendment to and \$250 million voluntary prepayment on our Term Loan credit facilities, our business plans, strategies and initiatives, benefits of acquisitions, our expectations about certain markets, expected cash interest payments and our anticipated financial performance and liquidity. Statements expressing expectations and projections with respect to future matters are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We caution that these forward-looking statements involve a number of risks and uncertainties and are subject to many variables which could impact our future performance. These statements are made on the basis of management's views and assumptions, as of the time the statements are made, regarding future events and performance. There can be no assurance, however, that management's expectations will necessarily come to pass. Actual future events and performance may differ materially from the expectations reflected in our forward-looking statements. We do not intend, nor do we undertake any duty, to update any forward-looking statements.

A wide range of factors could materially affect future developments and performance, including but not limited to:

- risks associated with weak or uncertain global economic conditions and their impact on the level of expenditures for advertising;
- the impact of the COVID-19 pandemic on our business, financial position and results of operations;
- intense competition including increased competition from alternative media platforms and technologies;
- dependence upon the performance of on-air talent, program hosts and management as well as maintaining or enhancing our master brand;
- fluctuations in operating costs;
- technological changes and innovations;
- shifts in population and other demographics;
- the impact of our substantial indebtedness;
- the impact of future acquisitions, dispositions and other strategic transactions;
- legislative or regulatory requirements;
- the impact of legislation or ongoing litigation on music licensing and royalties;
- regulations and consumer concerns regarding privacy and data protection, and breaches of information security measures;
- risks associated with our emergence from the Chapter 11 Cases;
- risks related to our Class A common stock, including our significant number of outstanding warrants;
- regulations impacting our business and the ownership of our securities; and

- certain other factors set forth in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020, as updated by “Part II, Item 1A, “Risk Factors” in this Quarterly Report on Form 10-Q, and other filings with the Securities and Exchange Commission (“SEC”).

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative and is not intended to be exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Required information is presented under “Market Risk” within Item 2 of this Part I.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of September 30, 2021.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II -- OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We currently are involved in certain legal proceedings arising in the ordinary course of business and, as required, have accrued an estimate of the probable costs for the resolution of those claims for which the occurrence of loss is probable and the amount can be reasonably estimated. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. Additionally, due to the inherent uncertainty of litigation, there can be no assurance that the resolution of any particular claim or proceeding would not have a material adverse effect on our financial condition or results of operations.

We are involved in a variety of legal proceedings in the ordinary course of business and a large portion of our litigation arises in the following contexts: commercial/contract disputes; defamation matters; employment and benefits related claims; intellectual property claims; real estate matters; governmental investigations; and tax disputes.

Alien Ownership Restrictions and FCC Petition for Declaratory Ruling

The Communications Act and FCC regulation prohibit foreign entities and individuals from having direct or indirect ownership or voting rights of more than 25 percent in a corporation controlling the licensee of a radio broadcast station unless the FCC finds greater foreign ownership to be in the public interest. Under the Plan of Reorganization, the Company committed to file the PDR requesting the FCC to permit the Company to be up to 100% foreign-owned.

On November 5, 2020, the FCC issued a declaratory ruling (the "Declaratory Ruling") granting the relief requested by the PDR, subject to certain conditions.

On November 9, 2020, the Company notified the holders of Special Warrants of the commencement of an exchange process. On January 8, 2021, the Company exchanged a portion of the outstanding Special Warrants into Class A common stock or Class B common stock, in compliance with the Declaratory Ruling, the Communications Act and FCC rules (the "Exchange"). Following the Exchange, the Company's remaining Special Warrants continue to be exercisable for shares of Class A common stock or Class B common stock.

On March 8, 2021, the Company filed for declaratory ruling (the "Remedial PDR") with the FCC. The Remedial PDR relates to the acquisition by Global Media & Entertainment Ltd (f/k/a Honeycomb Investments Limited) ("Global Investments") of the Company's stock. Specifically, on February 5, 2021, Global Investments, The Global Media & Entertainment Investments Trust (the "GMEI Trust"), James Hill (as trustee of the GMEI Trust), Simon Groom (as trustee of the GMEI Trust) and Michael Tabor (as beneficiary of the GMEI Trust) (together with Global Investments and any affiliates or third parties to whom they may assign or transfer any of their rights or interests, the "GMEI Investors") filed a Schedule 13D with the SEC, in which the GMEI Investors disclosed beneficial ownership of 9,631,329 shares of the Company's Class A Common Stock, representing approximately 8.7% of the Company's outstanding Class A Common Stock. This ownership interest is inconsistent with the FCC's foreign ownership rules and the declaratory ruling issued by the FCC relating to the Company's foreign ownership on November 5, 2020, both of which limit a foreign investor in the GMEI Investors' position to holding no more than 5% of the Company's voting equity or total equity without prior FCC approval. The Remedial PDR, which was filed pursuant to the rules and regulations of the FCC, seeks (a) specific approval for the more than 5% equity and voting interests in the Company presently held by the GMEI Investors and (b) as amended, advance approval for the GMEI Investors to increase their equity and voting interest in the Company up to any non-controlling amount not to exceed 14.99%. The Remedial PDR remains pending before the FCC.

On March 26, 2021, the FCC conditioned the approval of applications by the Company to acquire certain radio stations, which were pending prior to the GMEI Investors' Schedule 13D filing, on the Company taking certain actions with respect to the GMEI Investors rights as stockholders of the Company. On that same date, and in order to implement the conditions required by the FCC, our Board of Directors resolved to take certain actions to limit the rights of the GMEI Investors, including, but not limited to, suspending all voting rights of GEMI Investors until and unless the FCC releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold more than 5% of the equity and/or voting interests of the Company.

ITEM 1A. RISK FACTORS

Other than as described below, there have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020.

Regulations imposed by the Communications Act and the FCC limit the amount of foreign individuals or entities that may invest in our capital stock without FCC approval.

The Communications Act and FCC regulations prohibit foreign entities or individuals from indirectly (i.e., through a parent company) owning or voting more than 25 percent of the equity in a corporation controlling the licensee of a radio broadcast station unless the FCC determines greater indirect foreign ownership is in the public interest. The FCC generally will not make such a determination absent favorable executive branch review.

The FCC calculates foreign voting rights separately from equity ownership, and both must be at or below the 25 percent threshold absent a foreign ownership declaratory ruling. To the extent that our aggregate foreign ownership or voting percentages exceeds 25 percent, any individual foreign holder of our common stock whose ownership or voting percentage would exceed 5 percent or 10 percent (with the applicable percentage determined pursuant to FCC rules) will additionally be required to obtain the FCC's specific approval.

On November 5, 2020, the FCC issued the Declaratory Ruling which authorizes us to have aggregate foreign ownership and voting percentages of up to 100 percent and specifically approves certain of our stockholders that are deemed to be foreign under FCC rules, subject to certain conditions. Among those conditions is a requirement that we comply with a letter of agreement that we entered into with the U.S. Department of Justice. The Declaratory Ruling also requires us to take our Special Warrants into account in determining our foreign ownership compliance. A direct or indirect owner of our securities that is deemed to be foreign under FCC rules could require us to take action under the Declaratory Ruling and the FCC's foreign ownership rules if that owner acquires more than 5 percent, or more than 10 percent for certain "passive" investors, of our voting equity or total equity (including the Special Warrants on an as-exercised basis), without obtaining specific approval from the FCC through a new petition for declaratory ruling.

On March 8, 2021, the Company filed the Remedial PDR related to the acquisition by Global Investments of the Company's stock with the FCC. Specifically, on February 5, 2021, the GMEI Investors filed a Schedule 13D with the SEC, in which the GMEI Investors disclosed beneficial ownership of 9,631,329 shares of the Company's Class A Common Stock, representing approximately 8.7 percent of the Company's outstanding Class A Common Stock. This ownership interest is inconsistent with the FCC's foreign ownership rules and the declaratory ruling issued by the FCC relating to the Company's foreign ownership on November 5, 2020, both of which limit a foreign investor in the GMEI Investors' position to holding no more than 5 percent of the Company's voting equity or total equity without prior FCC approval. The Remedial PDR, which was filed pursuant to the rules and regulations of the FCC, seeks (a) specific approval for the more than 5 percent equity and voting interests in the Company presently held by the GMEI Investors and (b) as amended, advance approval for the GMEI Investors to increase their equity and voting interest in the Company up to any non-controlling amount not to exceed 14.99 percent. The Remedial PDR remains pending before the FCC.

On March 26, 2021, the FCC conditioned the approval of applications by the Company to acquire certain radio stations, which were pending prior to the GMEI Investors' Schedule 13D filing, on the Company taking certain actions with respect to the GMEI Investors' rights as stockholders of the Company. On that same date, and in order to implement the conditions required by the FCC, our Board of Directors resolved to take certain actions to limit the rights of the GMEI Investors, including, but not limited to, suspending all voting rights of GEMI Investors until and unless the FCC releases a declaratory ruling granting specific approval for each of the GMEI Investors to hold more than 5 percent of the equity and/or voting interests of the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth our purchases of shares of our Class A common stock made during the quarter ended September 30, 2021:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 through July 31	1,716	\$ 26.07	—	\$ —
August 1 through August 31	37,019	23.09	—	—
September 1 through September 30	690	24.44	—	—
Total	39,425	\$ 23.24	—	\$ —

- (1) The shares indicated consist of shares of our Class A common stock tendered by employees to us during the three months ended September 30, 2021 to satisfy the employees' tax withholding obligation in connection with the vesting and release of restricted stock, which are repurchased by us based on their fair market value on the date the relevant transaction occurs.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Description
2.1	<u>Modified Fifth Amended Joint Chapter 11 Plan of Reorganization of iHeartMedia, Inc. and its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code, dated January 22, 2019 (incorporated by reference Exhibit 2.1 of iHeartMedia Inc.'s Current Report on Form 8-K filed on January 28, 2019).</u>
3.1	<u>Fifth Amended and Restated Certificate of Incorporation of iHeartMedia, Inc. (incorporated by reference to Exhibit 3.1 of iHeartMedia, Inc.'s Current Report on Form 8-K filed on May 2, 2019).</u>
3.2	<u>Third Amended and Restated Bylaws of iHeartMedia, Inc. (incorporated by reference to Exhibit 3.2 of iHeartMedia, Inc.'s Annual Report on Form 10-K filed on February 25, 2021).</u>
10.1	<u>Amendment No. 3, dated as of July 16, 2021, by and among iHeartCommunications, Inc., iHeartMedia Capital I, LLC, certain subsidiary guarantors party thereto, Bank of America, N.A. as administrative agent and collateral agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 of iHeartMedia Inc.'s Current Report on Form 8-K filed on July 19, 2021).</u>
31.1*	<u>Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2*	<u>Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1**	<u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2**	<u>Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IHEARTMEDIA, INC.

November 4, 2021

/s/ SCOTT D. HAMILTON

Scott D. Hamilton

Senior Vice President, Chief Accounting Officer and Assistant Secretary

EXHIBIT 31.1 - CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert W. Pittman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of iHeartMedia, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2021

/s/ Robert W. Pittman

Robert W. Pittman

Chairman and Chief Executive Officer

EXHIBIT 31.2 - CERTIFICATION PURSUANT TO RULES 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard J. Bressler, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of iHeartMedia, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2021

/s/ Richard J. Bressler

Richard J. Bressler

President and Chief Financial Officer

EXHIBIT 32.1 – CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”) of iHeartMedia, Inc. (the “Company”). The undersigned hereby certifies that to his knowledge, the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 4, 2021

By: /s/ Robert W. Pittman
Name: Robert W. Pittman
Title: Chairman and Chief Executive Officer

EXHIBIT 32.2 – CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and accompanies the Quarterly Report on Form 10-Q for the quarter ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Form 10-Q”) of iHeartMedia, Inc. (the “Company”). The undersigned hereby certifies that to his knowledge, the Form 10-Q fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 4, 2021

By: /s/ Richard J. Bressler
Name: Richard J. Bressler
Title: President and Chief Financial Officer