



CreditRiskMonitor's assessment of Cumulus Media Inc.'s ("Cumulus Media") "high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Cumulus Media Inc. (NASDAQ:CMLS) at a **1**, the highest probability of bankruptcy in the next 12 months.

Business Name	2016	2016	2016	2016	2016	2016	2016	2016	2016	2017	2017	2017	2017
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Cumulus Media Inc.	1	1	1	1	1	1	1	1	1	1	1	1	1

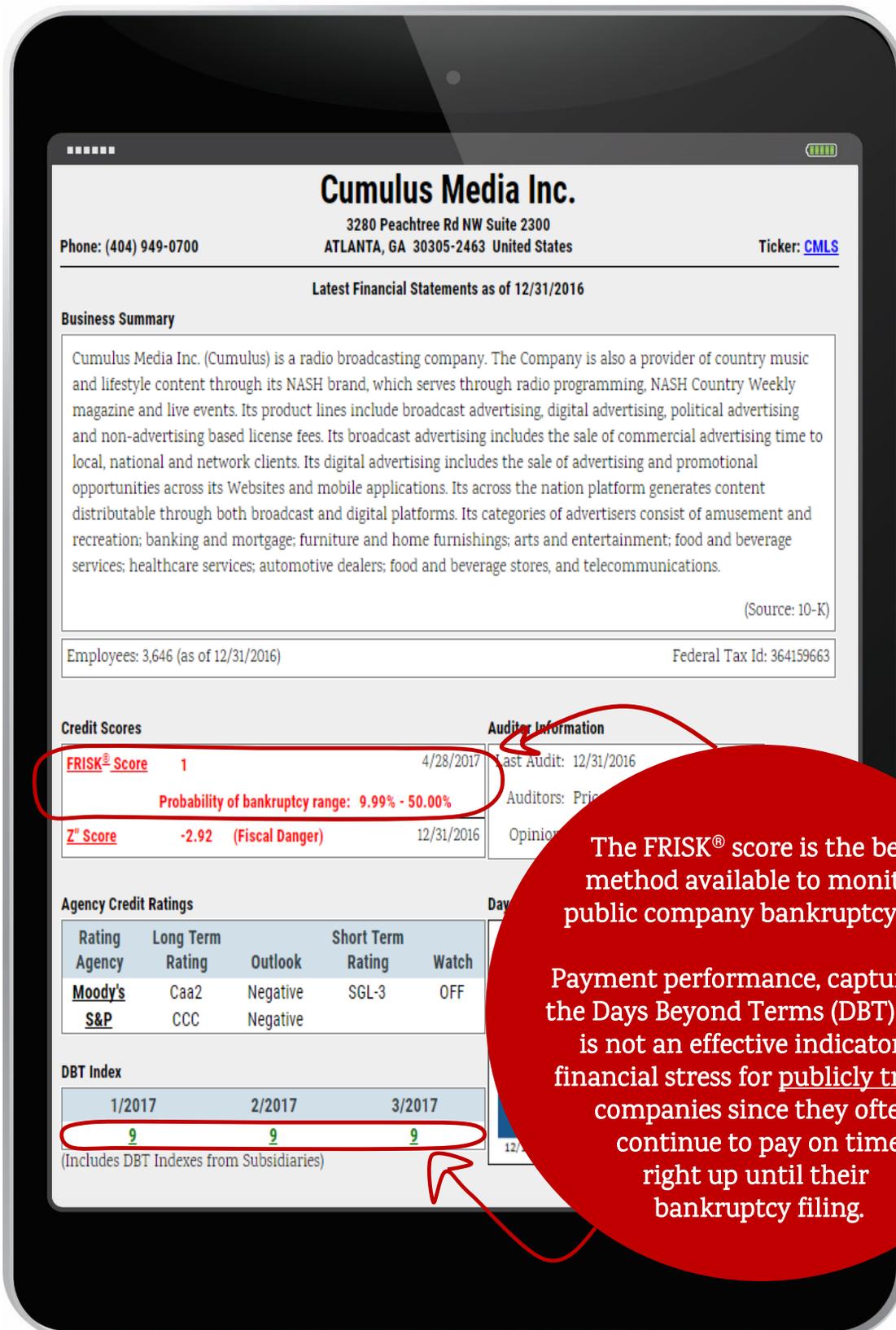
The FRISK® score is 96% accurate in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

Probability of bankruptcy within 12 months			
FRISK®	From	To	
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	1	9.99%	50.00%

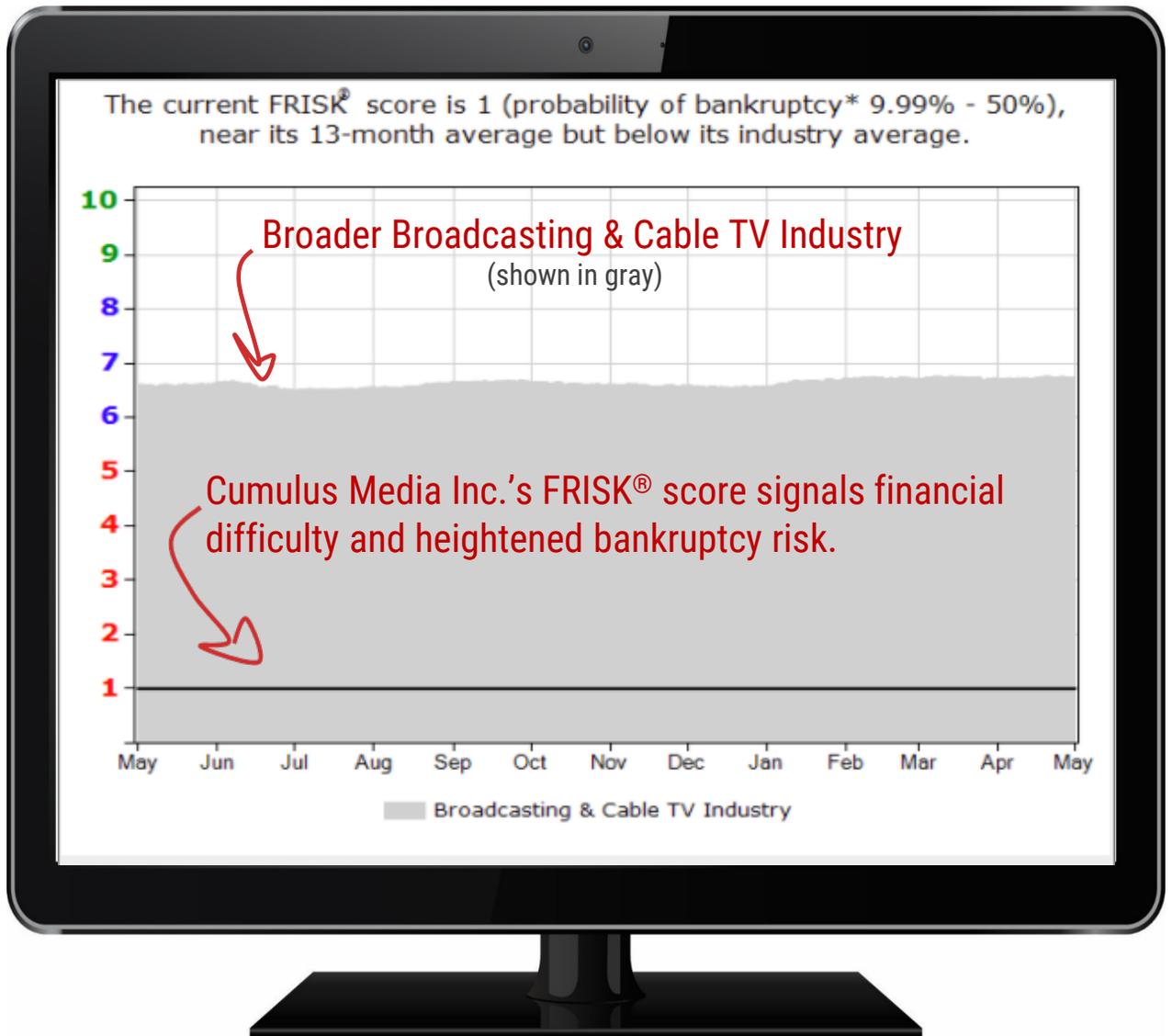
While the percentage risk of bankruptcy varies at each FRISK® score level, 96% of all public companies that eventually go bankrupt enter the FRISK® "red zone" prior to their bankruptcy. A FRISK® score of 5 or less is an important warning sign.

The FRISK® financial risk score shows that Cumulus is facing **significant financial distress**.

COMPANY REPORT DETAIL



FRISK® DEEP DIVE



The FRISK® score relative to the broader Broadcasting & Cable TV industry raises a red flag and signals **immediate attention is required**.

Crowdsourcing has enhanced the FRISK® score's accuracy since this new factor was added to the score. The types of inquiries our subscribers (including credit and purchasing managers at over 35% of the Fortune 1000) made about Cumulus Media on our service helps signal heightened risk.

[Learn more about CreditRiskMonitor's crowdsourcing method.](#)

ADJUSTED PRICE VOLATILITY



One of the inputs of the FRISK[®] score is a company's stock price volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

Rank	Business Name	Country	FRISK Score
1	Cumulus Media Inc.	United States	1
2	Emmis Communications Corporation	United States	1
3	iHeartCommunications Inc	United States	1
4	iHeartMedia Inc	United States	1
5	Spanish Broadcasting System Inc	United States	1
6	EST MEDIA Vagyonkezelo Nyrt	Hungary	2
7	... Corp	United States	2
8	... Network Limited	United States	2

FRISK® Stress Index - SIC classification: Radio broadcasting stations

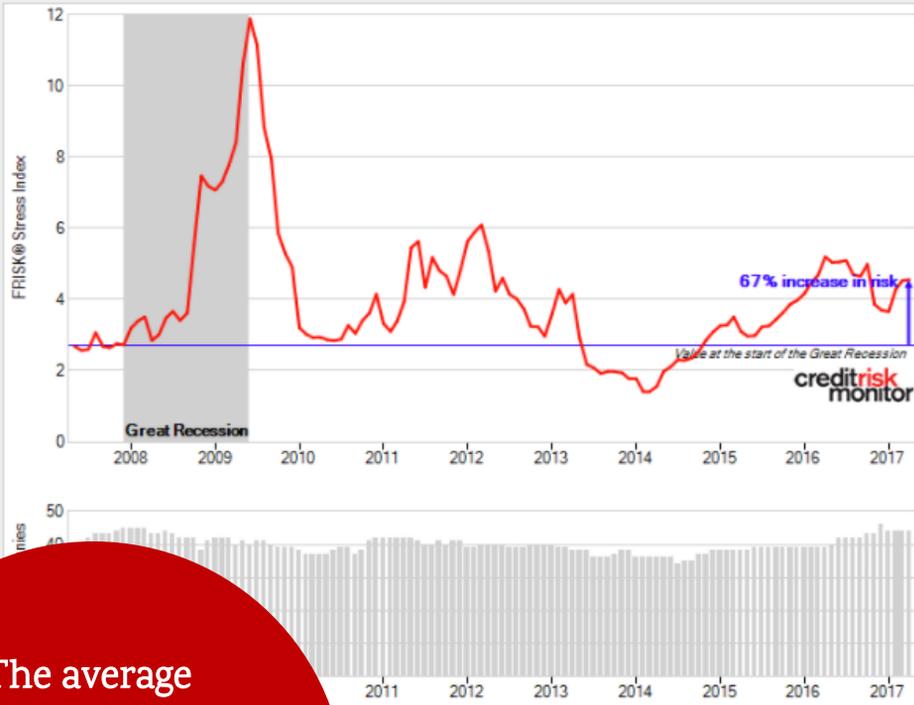
Primary industry codes only
 Primary and secondary industry codes

Businesses From: All Businesses CLEAR
 In Industry: SIC 4832: Radio broadcasting stations
 Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months: 70



The average probability of failure for SIC code 4832 (Radio Broadcasting Stations) has increased 67%

Cumulus Media Inc. is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS

Cumulus Media demonstrates bottom quartile ranking in key performance and debt ratios (shown in red) vs. its Radio Broadcasting Stations industry peers

CreditRiskMonitor can drill down to show a ranking of a company's competitors, which can help provide alternate suppliers or new customers

Company	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Low	Median	Peer Group
Group: 373						
	110	124	-2.92	-651.31	1.94	
(in thousands of U.S. Dollars)	9	28	299,541.00	0.00	116,538.00	14,784,000
Gross Margin % Of Sales	36	111	61.52	-97.14	45.63	100.45
Gross Margin % Of Sales -- TTM	37	117	62.52	-16.34	45.60	101.22
SG&A % Of Sales	90	115	43.07	1.76	27.58	9,839.94
SG&A % Of Sales -- TTM	94	122	46.07	3.15	29.10	18,264.19
Operating Margin % Of Sales	128	132	-187.14	-9,739.94	11.42	152
Operating Margin % Of Sales TTM	121	133	-35.11	-24,812.61	10.29	
EBITDA Margin Of Sales	79	81	-180.57	-4,669.53	20.16	
EBITDA Margin Of Sales -- TTM	90	95	-27.29	-4,042.47	18.85	
Net Profit Margin % Of Sales	127	132	-181.50	-11,756.04	5.00	
Net Profit Margin % Of Sales - TTM	123	133	-44.75	-21,624.87	3.86	
Pre-tax Income % Of Sales	127	132	-198.55	-11,756.04	7.77	
Effective Tax Rate	48	130	8.59	-1,131.82	20.07	
Depreciation % Of Prop/Plant/Equipment	108	121	47.41	0.00	18.45	
Capital Expense % Of Prop/Plant/Equipment	38	102	15.60	0.01	19.53	
Interest Coverage	74	75	-13.57	-63.17	3.99	9,572.06
Interest Coverage -- TTM	85	90	-2.25	-306.98	5.30	1,258.29
Liquidity ratios:						
Cash Ratio	20	123	1.30	0.00	0.34	
Quick Ratio	10	118	3.65	0.00	1.05	
Current Ratio	9	125	4.36	0.02	1.33	
Efficiency ratios:						
Accounts Receivable Turnover	67	127	5.19	0.69	5.37	
Days Sales Outstanding	72	132	70.36	0.00	66.54	
% of Inventory Financed by Vendors	N/A	79	N/A	0.00	521.98	
% of Inventory Financed by Vendors -- TTM	N/A	87	N/A	0.00	407.11	
Inventory Turnover	N/A	99	N/A	-11.80	11.92	17,200
Inventory Turnover TTM	N/A	101	N/A	-2.30	15.02	12,116.00
Days Sales in Inventory	N/A	84	N/A	-30.92	20.06	446.96
Inventory to Working Capital	N/A	93	N/A	-5.45	0.04	22.13
Accounts Payable Turnover	4	112	99.07	-0.12	2.94	2,700
Accounts Payable Turnover -- TTM	4	113	94.10	-0.09	2.80	
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	99	N/A	0.00	0.47	
Debt to Tangible Equity Ratio	N/A	60	N/A	0.00	0.38	
Total Debt to Assets Ratio	109	116	0.99	0.00	0.26	
Short-Term Debt % of Total Debt	N/A	108	N/A	0.00	27.73	
Short-Term Debt % of Working Capital	N/A	109	N/A	-3,636.35	6.10	
Liabilities to Net Worth Ratio	N/A	68	N/A	0.03	1.09	
Total Liabilities to Equity Ratio	N/A	108	N/A	0.03	1.06	
TTM - trailing 12 months						
N/A - Not Available						

- Company Name
- 1 APN News and Media Limited
 - 2 Beasley Broadcast Group Inc
 - 3 Mahaka Radio Integra Tbk PT
 - 4 Egyptian Satellite Co SAE
 - 5 Emmis Communications Corporation
 - 6 Liberated Syndication Inc
 - 7 Newfoundland Capital Corporation Limited

- Company Name
- 1 TAEGU BROADCASTING CORP
 - 2 NRJ Group SA
 - 3 SBS Media Holdings
 - 4 Atresmedia Crprcn de Mds de Cmncn SA
 - 5 RTL Group S.A.
 - 6 Transpacfic Broadcast Group Int, Inc.
 - 7 Asian Television Network International

- Company Name
- 1 TAEGU BROADCASTING CORP
 - 2 ASAHI BROADCASTING CORPORATION
 - 3 MCOT Public Company Limited
 - 4 SBS Media Holdings
 - 5 Telegraaf Media Groep NV
 - 6 NRJ Group SA
 - 7 Transpacfic Broadcast Group Int, Inc.

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

QUARTERLY PERFORMANCE RATIOS

Operating margin and net income turn negative

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2016	3 mos 9/30/2016	6 mos 6/30/2016	3 mos 3/31/2016	3 mos 12/31/2015
Net Sales \$	\$299,541	\$286,136	\$555,723	n/a	\$308,825
% change	4.68%	n/a	n/a	n/a	6.70%
Gross Margin \$	\$184,287	\$170,788	\$358,545	n/a	\$199,054
% change	7.90%	n/a	n/a	n/a	2.28%
% of sales	61.52%	59.69%	64.52%	n/a	64.46%
change as % of incremental sales	100.70%	n/a	n/a	n/a	22.92%
SG&A \$	\$129,019	\$129,828	\$267,025	n/a	\$142,646
% change	-0.62%	n/a	n/a	n/a	-6.36%
% of sales	43.07%	45.37%	48.05%	n/a	46.19%
change as % of incremental sales	-6.04%	n/a	n/a	n/a	-49.96%
Operating margin \$	(\$560,568)	\$113,017	\$46,779	n/a	\$42,043
% change	-596.00%	n/a	n/a	n/a	107.41%
% of sales	-187.14%	39.50%	8.42%	n/a	13.61%
change as % of incremental sales	-5,024.88%	n/a	n/a	n/a	3,143.09%
EBITDA \$	(\$540,883)	\$135,856	\$93,561	n/a	\$69,170
% change	-498.13%	n/a	n/a	n/a	112.77%
% of sales	-180.57%	47.48%	16.84%	n/a	22.40%
change as % of incremental sales	-5,048.41%	n/a	n/a	n/a	3,152.02%
Pre-tax income \$	(\$594,736)	\$79,109	(\$21,247)	n/a	\$8,081
% change	-851.79%	n/a	n/a	n/a	101.34%
% of sales	-198.55%	27.65%	-3.82%	n/a	2.62%
change as % of incremental sales	-5,026.82%	n/a	n/a	n/a	3,152.68%
Net income (loss) \$	(\$543,678)	\$46,321	(\$13,363)	n/a	(\$4,599)
% change	-1,273.72%	n/a	n/a	n/a	99.15%
% of sales	-181.50%	16.19%	-2.40%	n/a	-1.49%
change as % of incremental sales	-4,401.34%	n/a	n/a	n/a	2,773.32%
Tax expense \$	(\$51,058)	\$32,788	(\$7,884)	n/a	
Effective tax rate	8.59%	41.45%	37.11%		
Depreciation expense \$	\$19,244	\$21,957	\$46,066		
% of sales	6.42%	7.67%	8.29%		
% of capital expenses	303.87%	418.87%	401.90%		
% of PP&E, net (annualized)	47.41%	53.60%	55.73%		
Capital expenditures \$	\$6,333	\$5,242	\$11,462		
% change	20.81%	n/a	n/a		
% of PP&E, net (annualized)	15.60%	12.80%	13.87%		
% of working capital (annualized)	7.44%	7.14%	9.72%		
Interest coverage ratio	(15.57)	3.89	1.36		
% change	-500.32%	n/a	n/a		
Free cash flow \$	(\$2,867)	\$2,027	\$13,548	\$29,024	(\$9,176)
% change	-241.44%	n/a	n/a	416.30%	-117.81%
Source:	10-K 3/16/2017	10-Q 11/8/2016	10-Q 11/8/2016	10-Q 11/8/2016	10-K 3/10/2016

Free cash flow deteriorates

QUARTERLY LEVERAGE RATIOS

Total debt in relation to tangible net worth indicates heightened financial risk

Stockholders' equity turns negative

Cumulus Media Inc

3280 Peachtree Rd NW Suite 2300
ATLANTA, GA 30305-2463 United States

Phone: (404) 949-0700

Ticker: [CMLS](#)

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2016	9/30/2016	6/30/2016	3/31/2016	12/31/2015
Total debt \$	\$2,384,157	\$2,410,083	\$2,407,665	\$2,405,279	\$2,402,901
% change	-1.08%	0.10%	0.10%	0.10%	-3.43%
Stockholders' equity \$	(\$491,738)	\$51,395	\$4,339	\$2,484	\$16,032
% change	-1,056.78%	1,084.49%	74.68%	-84.51%	-18.39%
Total debt to equity ratio	n/a	46.89	554.89	968.31	149.88
% change	n/a	-91.55%	-42.70%	546.05%	18.32%
Tangible net worth \$	(\$2,283,634)	(\$2,357,392)	(\$2,418,478)	(\$2,438,340)	(\$2,439,918)
% change	3.13%	2.53%	0.81%	0.06%	0.56%
Total assets \$	\$2,412,691	\$3,051,264	\$2,966,508	\$2,986,672	\$3,002,388
% change	-20.93%	2.86%	-0.68%	-0.52%	-3.88%
Total debt to assets ratio	0.99	0.79	0.81	0.81	0.80
% change	25.10%	-2.67%	0.78%	0.62%	0.46%
Tangible assets \$	\$620,795	\$642,477	\$543,691	\$545,848	\$546,438
% change	-3.37%	18.17%	-0.40%	-0.11%	-16.00%
Total liabilities \$	\$2,904,429	\$2,999,869	\$2,962,169	\$2,984,188	\$2,986,356
% change	-3.18%	1.27%	-0.74%	-0.07%	-3.79%
Total liabilities to equity ratio	n/a	58.37	682.68	1,201.36	186.27
% change	n/a	-91.45%	-43.17%	544.94%	17.88%
Source:	10-K 3/16/2017	10-Q 11/8/2016	10-Q 8/4/2016	10-Q 5/5/2016	10-K 3/16/2017

Negative tangible net worth suggests that the company has exhausted all of its loanable collateral

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Tuesday, May 16, 2017

QUARTERLY RATES OF RETURN

Cumulus Media Inc

3280 Peachtree Rd NW Suite 2300
ATLANTA, GA 30305-2463 United States

Phone: (404) 949-0700

Ticker: [CMLS](#)

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2016	3 mos 9/30/2016	6 mos 6/30/2016	3 mos 3/31/2016	3 mos 12/31/2015
Return on equity	-1,057.84%	1,067.55%	-537.96%	n/a	-23.41%
% change	-199.09%	n/a	n/a	n/a	76.27%
Return on total assets	-19.90%	1.54%	-0.45%	0.00%	-0.15%
% change	-1,392.66%	n/a	n/a	100.00%	99.05%
Return on tangible assets	-86.07%	7.81%	-2.45%	0.00%	-0.77%
% change	-1,202.08%	n/a	n/a	100.00%	99.08%
Source:	10-K 3/16/2017	10-Q 11/8/2016	10-Q 11/8/2016	10-Q 11/8/2016	10-K 3/10/2016

NOTE: For certain periods *% change* and/or *change as % of incremental sales* are not calculated where there is either (1) a change in accounting standard, (2) a change in currency, or (3) a significant variance in period length between the period in question and the preceding period.

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Tuesday, May 16, 2017

Unable to
generate
positive
returns

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor has been researching public company credit since 1999 and counts over 35% of the Fortune 1000 as customers.

Its proprietary FRISK[®] score predicts bankruptcy risk over the coming 12-month period with 96% accuracy.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK[®] score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personal Demo and Risk Assessment](#)

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