



## **Second Quarter 2025 Earnings Call Script**

Roy Nir, VP, Financial Reporting and Investor Relations:

Good afternoon everyone, and welcome to Entravision's second quarter 2025 earnings call.

I am Roy Nir, Vice President of Financial Reporting and Investor Relations.

Joining me today are Michael Christenson, our Chief Executive Officer, and Mark Boelke, our Chief Financial Officer.

Before we begin, I would like to inform you that this call will contain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ. Please refer to Entravision's SEC filings for a list of risks and uncertainties that could impact actual results.

The press release is available on the Company's Investor Relations page and was filed with the SEC on Form 8-K.

I will now turn the call over to Michael Christenson.



Michael Christenson, CEO

Thanks Roy, and thank you, to all of you for joining our call today.

As you saw in our press release, on a consolidated basis Entravision increased revenue 22% to \$101 million in 2Q25 compared to 2Q24, and we had an operating loss of just under \$1 million.

As we have discussed on prior calls, we are committed to growing our businesses and earning a profit, so we do acknowledge that we have work to do to improve our operating performance and profitability.

As you all know, this year we report our results for two segments: Media and Advertising Technology and Services. What we call ATS.

For our media segment revenue declined 8% in 2Q25 compared to 2Q24. We had fewer active local advertisers in 2Q25 compared to 2Q24, and our advertisers cited economic uncertainty and the impact of federal immigration enforcement actions for their decisions to pull back from Spanish language media.

Now, although we had fewer active local advertisers in 2Q25 compared to 2Q24, the average spend per average local advertiser was up slightly in 2Q25 compared to 2Q24, but not enough to make it a positive growth number. And the number of active local advertisers in 2Q25 was higher than 1Q25, and our local revenue has increased each month in 2025. We saw similar trends and pressures in our national business.

In terms of operating expenses and profitability, as we have discussed in the past, we are making a number of important investments in our media business in 2025. We are adding capacity to our



local sales teams - more sellers; and, we are adding digital sales specialists and digital sales operations capabilities, so we can sell more digital solutions.

When we analyze our local markets and our local advertiser base, we see an opportunity to increase revenue by adding sales capacity. In addition, in virtually all of our local advertising customers they are advertising in digital channels: search, social, streaming video and streaming audio, and we believe we can serve their needs in digital channels as well as our traditional broadcast video and audio channels.

The increase in operating expenses in our media segment, these investments, was a little less than \$2 million in 2Q25 compared to 2Q24, or about \$8 million on an annualized basis.

So the combination of lower revenue and increased operating expenses reduced the operating profit of our media segment to \$354 thousand in 2Q25 compared to \$6 million in 2Q24.

Moving on to Advertising Technology and Services. ATS revenue was 66% higher in 2Q25 compared to 2Q24. We had more customers and higher spend per customer. We continued to invest in our ATS segment in 2Q25 to grow revenue and operating profits. We are investing in our engineering team to continue to improve our technology and to build more powerful AI capabilities into our platform. And we are investing to increase the capacity of our sales organization and our customer operations in ATS.

In addition, our infrastructure costs, primarily cloud computing costs, will grow as our revenue grows. They are currently growing at a slightly higher pace than the revenue growth, but as this business gets larger we expect to see some operating leverage. So these costs will grow at a slightly lower pace than revenue.



The combination of these investments, again investments in increased operating expenses, resulted in operating expenses for ATS that is direct operating expenses plus selling, general and administrative expenses, mostly selling expenses in that line that were \$6 million higher in 2Q25 compared to 2Q24, or \$24 million higher on an annualized basis.

Operating profit in ATS was \$5 million in 2Q25. This was almost three times higher than our operating profit in 2Q24. Now as you will see in our numbers, it was slightly lower than our operating profit in 1Q25. This sequential decline, slight sequential decline from 1Q25 to 2Q25 for ATS was really just the timing of certain expenses, not a change in trend.

Finally, we have funded these operating expense investments for both media and ATS, in part by reducing our corporate expenses. We reduced our corporate expenses by \$4 million in 2Q25 compared to 2Q24, nearly \$18 million on an annualized basis.

So, to summarize: In media, we are investing to increase our local sales capacity and to expand our digital sales and digital sales operations capabilities. More sellers and more digital.

In ATS, we are investing to add more engineers to advance our technology and to increase our sales capacity. More technology, better technology, and more sellers.

We believe that these investments will help us build a stronger company.

So, with that I will ask Mark to share with you more details of our financial results for 2Q25. Mark?



Mark Boelke, CFO

Thank you Mike.

Let's start by reviewing revenue performance. On a consolidated basis, revenue for second quarter 2025 was \$100.7 million, up 22% compared to second quarter 2024.

In our Media segment, second quarter revenue was \$45.4 million, which was down 8% compared to the second quarter. As Mike noted, our Media business began the year slowly, in part due to advertiser uncertainty in a new political climate and the impact of federal immigration enforcement actions. And in addition, there was political advertising in 2024 that was not significantly present in 2025. However, we've seen sequential monthly and quarterly improvements as we move through 2025, and we're seeing progress and momentum on executing our sales strategies, including hiring additional sales and digital marketing staff and growing local digital sales.

In our Ad Tech & Services segment, second quarter revenue was \$55.3 million, which was up 66% compared to second quarter 2024. We believe we've had success executing our strategies in this business so far during 2025, including expanding the sales team and geographic sales coverage, and strengthening our platform technology and AI capabilities.

One of our goals is to optimize our organizational structure and the expense of support services, in order to align them with revenue. With that in mind, let's look at total operating expenses for each of our segments - and this refers to the sum of direct operating expenses and selling, general and administrative expenses, or SG&A, as those two line items are reported in our Segment Results.



For our Media segment, total operating expenses in second quarter 25 increased 5%, about \$1.9 million, compared to second quarter 24.

Looking back at 3rd quarter 24, we reorganized our business units and reallocated \$4 million of expense, on an annualized basis, from corporate expense to Media operating expense. This was the expense of personnel and resources that, following the reorganization, were focused entirely on the Media business. For second quarter 2025 the amount of re-allocated expense was \$700 thousand, or about 2% of the 5% total increase.

We continue to evaluate the organizational structure of our Media business in order to provide compelling content, drive sales and minimize the expense of supporting services. For example, we've made investments in our local and digital sales teams, although we also reorganized the management of our local sales teams to reduce one layer of management, while also at the same time adding more sales staff on the street. We expect these changes will result in more sales activity, a stronger sales organization, and approximately \$1 million in annual savings, beginning primarily in Q3 2025. We are continuing to evaluate ways to streamline our organizational structure.

Total operating expenses in our Ad Tech & Services segment increased by 60% in the second quarter of 2025 compared to 2024. The ATS expense increase was primarily related to the increase in revenue. For example, as Mike mentioned, the expense of cloud computing services increased as a result of processing more transactions and using stronger AI capabilities that have been built into the ad tech platform over the past year and a half. There was an increase in sales commissions and performance compensation, as a result of the revenue increase and achievement of other performance metrics. And the ATS business has also hired additional sales,



engineering and ad operations staff since Q2 24, in order to drive ATS growth and expand into new geographic areas. An additional contributor to expense in Q2 was the timing of accruals for annual sales performance compensation, which should even out on an annualized basis.

The combination of these investments resulted in an increase in total operating expenses of \$6.1 million in Q2 25 compared to Q2 24, or \$24 million on an annualized basis.

ATS revenue grew faster than total operating expenses, in terms of percentage and in terms of absolute dollars. As Mike noted, as this business gets larger, going forward we expect to generate positive operating leverage in the growth of revenue relative to expense, including through greater efficiencies in the use of cloud computing services and the benefits of the additional staff that have been hired.

Another one of our goals is to be profitable in each of our operating segments and on an overall consolidated basis.

Media segment operating profit was positive \$350 thousand. This represented a decrease of 94% vs. Q2 2024, due to a combination of lower revenue and increased operating expenses, but again this was a sequential improvement vs. Q1 2025. We continue to focus on our initiatives to grow revenue and reduce expense in the Media segment.

Ad Tech & Services operating profit was \$5.2 million, an increase of 190% vs. Q2 24. Once again, we expect this business to generate positive operating leverage, and the ATS revenue increase did exceed the expense increase in terms of percentage and absolute dollars.



Combining the operations of both segments generated a consolidated segment operating profit of 5 and a half million dollars. This was a 28% decrease compared to second quarter 2024, attributable to the decrease in media segment operating profit discussed earlier.

We achieved an operating profit for each segment in Q2, although we incurred an overall operating loss of \$800 thousand dollars. This was an improvement over 2nd quarter 2024 and also a sequential improvement from 1st quarter 2025. Our goal is to be profitable for each segment and generate a consolidated operating profit, and we have additional work to do, and we remain focused on growing revenue, reducing operating expense and reducing corporate expense throughout the remainder of 2025 and beyond.

Regarding corporate expense, we have taken significant steps to reduce corporate expense, which was \$6.4 million for second quarter 2025. This was a decrease of 41% compared to second quarter 2024, or about \$4.4 million in reduced corp ex. The decrease was primarily due to a reduction in personnel, a reduction in compensation paid to our executive team, including reduced salary, bonus and non-cash stock comp, and decreased general professional services and rent expense. As I discussed earlier, we reorganized our business units and operating segments in the 3rd quarter of 2024, and approximately \$700 thousand of the corporate expense decrease in Q2 was due to re-allocation of expense to the Media segment.

Entravision's balance sheet remains strong, with over \$69 million dollars in cash and marketable securities at the end of second quarter. We're proud of our strong balance sheet, which we believe sets us apart from others in the industry.

Our strategy regarding allocation of excess cash is:



First, reduce debt and maintain low leverage.

Second, return capital to our shareholders, primarily through dividends.

Consistent with that strategy, during the second quarter we made a voluntary debt prepayment of \$10 million, reducing our credit facility indebtedness to about \$178 million as of June 30.

Shortly after the end of the quarter, we entered into an amendment to our credit facility. The amendment was a proactive and strategic move to accelerate debt reduction and provide more financial stability and flexibility under our credit agreement to navigate changes in the media industry and economic environment, focus on our business priorities and long term goals, and build shareholder value.

In addition, we paid \$4.5 million in dividends to stockholders in the second quarter, or 5 cents per share. For the third quarter, our Board of Directors has approved a 5 cent dividend per share, payable on September 30 to stockholders of record as of September 16, for a total payment of approximately \$4.5 million.

We'd like to thank you for joining our call today. We welcome our investors to connect with us through the Investor Relations page on our corporate website [entravision.com](http://entravision.com), where you will have access to a transcript of this call, the press release containing our financial results and a copy of our Form 10-Q quarterly report filed with the SEC.

At this time, Mike and I would like to open the call for questions from the investment community.

Operator, I'll turn it back over to you.