Second Quarter 2026 Earnings Call Transcript

Roy Nir, VP, Financial Reporting and Investor Relations:

Good afternoon everyone, and welcome to Entravision's second quarter 2026 earnings call.

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

Joining me today to discuss our results are Michael Christenson, our Chief Executive Officer and Chair of the Board, and Mark Boelke, our Chief Financial Officer and Chief Operating 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. Additional information may also be found on our quarterly report on Form 10-Q, which was also filed today.

If you would like to ask a question, please use the Q&A function on your screen, indicate your name and company, and submit your question. We will try to answer any questions that relate to the topics contained in today's call.

I will now turn the call over to Michael Christenson.

Michael Christenson, CEO

Thank you Roy, and thank you for joining this call today. We appreciate your interest in Entravision and your support.

As you saw in our press release, on a consolidated basis Entravision revenue increased 126% to $228 million in 2Q26 compared to 2Q25. We produced operating income of $37 million in 2Q26 compared to operating income of $6 million in 2Q25.

We report our results for two segments, Media and Advertising Technology and Services.

For those of you new to Entravision, this is our third year with this segment reporting. We started with the third quarter of 2024.

Media Segment

Now for our media segment, our revenue decreased 1% to $45 million in 2Q 26 compared to 2Q25. Our media segment incurred an operating loss of $3 million in 2Q26 compared to a breakeven result in 2Q25. Our 2Q26 results included a 1% increase in local advertising revenue and a 19% decrease in national advertising revenue. These numbers exclude political revenue.

Local advertising revenue is from our sellers working with local advertisers selling broadcast and digital marketing solutions. National advertising revenue is produced by our partners,

primarily TelevisaUnivision, selling our broadcast to national advertisers and agencies.

Our local advertising operations had 3% higher monthly active advertisers in 2Q26 compared to 2Q25 but a 1% decrease in revenue per monthly active advertiser.

Our operational priorities for our media segment are to grow monthly active advertisers and revenue per monthly active advertiser. Let me provide some additional context for these media results.

We have been executing several important revenue-focused operational initiatives during 2025 and that have continued through the first half of 2026 and will continue through the second half of 2026.

First, we increased the size of our local sales team. Our analysis convinced us that we could increase revenue with a larger team on the field.

Second, we developed the capability of our local sales team to sell digital marketing solutions to local advertisers. Search, social, streaming video, streaming audio and our own digital properties. And this required extensive training and the addition of digital product specialists.

Third, we expanded the amount of local news programming that we produce. This is the most important way we can serve our local audience.

And then finally, fourth, we developed a direct sales capability for political campaign advertising.

In addition, as we discussed on prior calls we had two additional new business projects underway in 2Q26. Our Altavision multi-cast television network and our partnership with Hemisphere Media For our WAPA Orlando station.

All of these initiatives require investments. Our team has worked hard to fund these investments by reducing expenses in areas other than direct selling and content production including corporate expenses. So although we produced an operating loss in our media segment in 2Q26 our media operating expenses in 2Q26 were less than $2 million higher than our media operating expenses in 2Q25 and they were lower than our media operating expenses in 4Q24.

Nevertheless, as we have discussed on prior calls we are committed to growing our media business and earning a profit, so we acknowledge that we have more work to do to improve our operating performance and profitability in our media business.

Now, let me answer two questions that come up in all of our discussions with shareholders and analysts.

First, our political revenue outlook. There are 85 days until election day, and we are working hard to directly engage with campaigns to convince them that they must win the latino vote to win their race, and that Entravision is the best way to communicate with the Latino voter. We have many important races underway across all of our markets but there are 9 critical races where the Latino vote will clearly determine the outcome and where we, Entravision, are very well positioned. There are the TX US Senate race, the Governors races in California, Nevada, and Texas, and the House races in TX 15, TX 23, TX 28, TX 34 and FL 9. The total spend on these 9 races and the allocation of that spend to Spanish language media will determine how well we do compared to prior election years.

The second question is on the status of our TelevisaUnivision affiliation renewal. There is nothing new to report at this time. The agreement runs through December 31, 2026, so we still have time. We have been partners for three decades and our goal is to renew this agreement.

ATS

Now turning to our Advertising and Technology Services segment. ATS revenue was $183 million in 2Q26 compared to $55 million in 2Q25. We had more monthly active customers and more revenue per monthly active customer. We continued to invest in our ATS segment in 2Q26 to grow revenue and operating profits.

Our number one priority for our ATS segment, a strategic and operational priority which has been the number one priority really for 2024, 2025 and now 2026 has been to invest to build more powerful AI capabilities into our platform. We continue to invest in our product team and our engineering team to continue to improve the technology.

In addition, we continue to invest in our infrastructure capabilities. Our infrastructure costs will grow as our revenue grows but we are very focused on generating operating leverage so that infrastructure costs will grow at a lower pace than revenue.

We have also invested to increase the capacity of our sales and customer service organizations.

The combination of these investments in ATS increased operating expenses by $14 million in 2Q26 compared to 2Q25. That is $56 million on an annualized basis.

Operating profit for ATS was $40 million in 2Q26 compared to $5 million in 2Q25.

So to summarize, in media, we are investing in revenue-focused initiatives. We increased our local sales capacity and we expanded our digital sales and digital sales operations capabilities. More sellers; More digital.

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

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

So now I would like to ask Mark to share more details with you about our financial results in 2Q26.

Mark Boelke, CFO

Thank you, Mike.

I'll start by reviewing the performance of each of our two reporting segments: Media and Advertising Technology & Services.

Media

In our Media segment, second quarter revenue was $45.1 million dollars, which was down 1% compared to the second quarter of 2025. This decrease was primarily due to decreases in broadcast advertising revenue and spectrum usage rights revenue, partially offset by increases in digital advertising revenue and retransmission consent revenue. We have undertaken initiatives focused on increasing our Media advertising revenue, and we are seeing progress in these initiatives, particularly in local digital ad sales and national television ad sales, and an increase in the number of monthly active advertisers.

Let's look at total operating expenses for the Media business, which is the sum of direct operating expenses, plus selling, general and administrative expenses, as those two line items are reported in our Segment Results.

Media segment total operating expense in the 2nd quarter, increased $1.6 million dollars compared to 2nd quarter 25, an increase of 4%, primarily due to increased compensation expense vs. the prior year period.

The Media segment had an operating loss of $3.3 million dollars in Q2 26. This was compared to an operating profit of $0.4 million in Q2 25, and an operating loss of $5.2 million dollars in the previous quarter, Q1 26.

One of our goals in the Media segment is to optimize our organizational structure and expenses, to be aligned with revenue and to generate profit, as Mike noted. We continue to work on achieving this goal and we remain focused on providing compelling content, growing revenue, and increasing operational efficiency to reduce operating expenses during 2026 and beyond.

ATS

Now I'll turn to our Ad Tech & Services segment, or ATS. Second quarter revenue for the ATS business was $182.8 million dollars. This was an increase of 230% compared to second quarter 25, and a sequential increase of 18% from the prior quarter, 1st quarter of 26. We had a higher number of monthly active accounts and higher revenue per monthly active account. We have had success executing our strategies in the ATS business, including strengthening the AI capabilities that are a core part of our technology platform, and expanding the ATS sales team and geographic sales coverage.

ATS total operating expenses increased 85% in the second quarter 26 compared to second quarter 25, as Mike indicated, an increase of $13.9 million dollars. The ATS expense increase was primarily related to the increase in revenue. For example, the expense of cloud computing services has increased, as a result of processing more transactions on additional revenue, as well as our investment in stronger AI capabilities in our ad tech platform. 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 in recent quarters, in order to drive future growth and expand into new geographic territories. One of our goals for the ATS business is to continue to grow revenue and generate positive operating leverage, and the ATS revenue increase exceeded the expense increase in terms of percentage and absolute dollars.

Operating profit for the ATS segment was $40.0 million dollars in Q2 26. This was an increase of 673% vs. Q2 25, and a sequential increase of 17% from the previous quarter, Q1 26.

Let’s talk about second quarter ATS results in the context of full-year 2026.

As we stated, ATS revenue in Q2 increased 230% vs Q2 25 and 18% vs Q1 26. Q2 performance was exceptional.

We do not expect to repeat this same level of performance over the next two quarters of 2026, and we currently expect a decrease in revenue sequentially from Q2 to Q3.

We do expect Q3 and Q4 to have significant year over year growth. More than 100% growth.

However, one of our priorities is to win larger clients. That will lead to some variability in ATS quarterly results. Ad spend on our platforms by our largest clients can be variable for various reasons, and these clients can have a meaningful impact on ATS results in any given quarter.

We believe our core ATS business is strong, and we continue to see overall growth in the number of active monthly accounts, and revenue per account, as we execute on our strategic and operational priorities in the ATS business.

Consolidated Results

Combining our two operating segments, on a consolidated basis, revenue for second quarter 2026 was $227.9 million dollars, up 126% compared to second quarter 2025.

The two segments together generated a consolidated segment operating profit of $36.7 million dollars in Q2 26, compared to $5.5 million dollars in Q2 25. The increase was a result of operating profit in the ATS segment, partially offset by an operating loss in the Media segment.

We had a consolidated operating income of $30.0 million dollars in Q2 26, compared to an operating loss of $0.8 million dollars in Q2 25.

Corporate Expenses

Corporate expenses in 2nd quarter 26 were $6.6 million, a 3% increase compared to 2nd quarter 25, or about $0.2 million dollars, primarily due to an increase in non-cash stock-based compensation. We have taken significant steps to reduce corporate expenses over the past few years and for additional context, looking back one additional year to 2024, corporate expense in Q2 26 was 39% lower than corporate expense in Q2 24.

Balance Sheet & Capital Allocation

Entravision's balance sheet remains strong, with over $83 million dollars in cash and marketable securities at the end of second quarter 2026.

Our strategy regarding allocation of cash is: first, reduce debt and maintain low leverage, and, second, return capital to our shareholders, primarily through dividends.

In 2nd quarter 26 we made a debt payment of $5 million, reducing our credit facility indebtedness to about $158 million dollars at the end of the quarter. We remain committed to reducing our debt and maintaining a strong balance sheet.

In addition, we paid $4.6 million in dividends to stockholders in the second quarter, or 5 cents per share. For the third quarter of 2026, our Board of Directors has approved a 5 cent dividend per share, payable on September 30th, 2026 to stockholders of record as of September 16th, for a total payment of approximately $4.6 million dollars.

Closing Remarks

We'd like to thank you all for joining our call today, and at this time, Mike and I would like to open the call for questions from the investment community.

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

Q&A

Roy Nir, VP, Financial Reporting and Investor Relations

Thank you, Mark. We will now begin the questions and answers session. As a reminder, if you have a question, please use the Q&A function on your Zoom screen, indicate your name and company, and submit your question. Please hold as we review potential questions.

Mike, the first question is from David Bastian from Kingdom Capital. The question is: Can you talk about the new large customers showing up in AR and customer concentration? Any trends in Q3, or any other major ramps ongoing?

Michael Christenson, CEO

Sure. Thank you for the question. You know, we want to stick to what I would describe as required disclosure with respect to customers. As you may know we have certain reporting obligations on size of customers relative to the business, size of customers receivables, so we obviously disclose what is necessary for SEC reporting purposes. But we do not want to get into the practice of discussing individual customers beyond that for competitive reasons and business reasons we want to keep that confidential. But as Mark said one of our priorities for growing the business is to compete and win for larger customers, and given the size of our business those large customers in and out can have an impact on the variability of our revenue. So what I can say is it is a priority to continue to compete for those customers and we are prepared to accept that variability, but we are not going to get into the practice of discussing individual customers.

Roy Nir, VP, Financial Reporting and Investor Relations

Thank you, Mike. We will now review any other potential questions. Please hold.

At this time we will conclude the Q&A session. We'd like to thank you for joining our call today. If we were unable to address or if you have any questions, please reach out to us at ir@entravision.com. We are committed to answering your questions and will follow up with you.

We also welcome our investors to connect with us through the Investor Relations page, investor.entravision.com, where you will have access to a transcript of this call, the press release containing our 2nd quarter financial results and a copy of our quarterly report filed with the SEC on Form 10-Q.

We look forward to speaking with you again when we report our third quarter results. Thank you very much. You may now disconnect.