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

FORM 10-Q

(MARK ONE)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2026

OR

☐ **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 1-15997

ENTRAVISION COMMUNICATIONS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**95-4783236**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1 Estrella Way
Burbank, California 91504
(Address of principal executive offices) (Zip Code)

(310) 447-3870
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common stock	EVC	The New York Stock Exchange

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, 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 ☒

As of May 1, 2026, there were 82,686,451 shares, $0.0001 par value per share, of the registrant's Class A common stock outstanding, and 9,352,729 shares, $0.0001 par value per share, of the registrant's Class U common stock outstanding.

ENTRAVISION COMMUNICATIONS CORPORATION

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2026

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Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing.

Forward-looking statements may include the words “may,” “could,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect”, “anticipate” or other similar words. These forward-looking statements present our estimates and assumptions only as of the date of this report. Except for our ongoing obligation to disclose material information as required by the federal securities laws, we do not intend, and undertake no obligation, to update any forward-looking statement.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties. Some of the key factors impacting these risks and uncertainties include, but are not limited to:

- risks related to our substantial indebtedness and/or our ability to raise capital, to the extent it may be needed;
- provisions of our debt instruments, including the agreement dated as of March 17, 2023, as amended effective as of June 30, 2025 and March 18, 2026, or the Amended Credit Agreement, which governs our current credit facility, or our Credit Facility, the terms of which restrict certain aspects of the operation of our business;
- our continued compliance with all of our obligations under the Amended Credit Agreement, including compliance with financial covenants and ratios thereunder;
- the ability to compete effectively in the television and radio broadcast industries;
- cancellations or reductions of advertising due to the then-current economic environment or otherwise;
- changes in advertising rates due to the then-current economic environment or otherwise;
- the impact of rigorous competition in Spanish-language media and in the advertising industry generally;
- the impact of changing preferences among U.S. Latino audiences for Spanish-language programming, especially among younger age groups;
- the success of our emphasis on local news, including, but not limited to, the impact such effort may have in generating advertising revenue;
- the success of our marketing and sales efforts in attracting, retaining and growing our advertising base;
- the impact of changing preferences, if any, among audiences favoring newer forms of media, including digital and other forms of such media, over traditional media, including television and radio;
- the radio industry, which remains in a general state of decline as a result of numerous factors, including technological advancements, changing consumer preferences, economic pressures in the form of certain high fixed costs and competition with other forms of media for advertising revenue;
- maintaining our relationship, including our network affiliation agreement, with TelevisaUnivision, Inc., or TelevisaUnivision;
- the extent to which we continue to generate revenue under retransmission consent agreements and spectrum usage rights;
- the ability to keep up with rapid technological and other changes, and compete effectively, in new forms of media, including digital media;
- the ability to keep up with rapid technological and other changes in advertising technology, including programmatic platforms;
- the need to make periodic investments in our media and ATS operations;
- our dependence on the gaming industry for the majority of our ATS revenue;
- our dependence upon a single advertiser located in Hong Kong for a significant amount of our ATS and total revenue;

- the impact of existing and possible additional legislative and/or regulatory action, as well as evolving industry standards applying to our business, including but not limited to data use, data privacy and related matters;
- the ability to hire and retain qualified personnel;
- the risk of impairment of our assets;
- legal, political and other risks associated with our operations located outside the United States; and
- the ability to enforce rights, including the right to be paid, against customers located outside the United States.

For a detailed description of these and other factors that could cause actual results to differ materially from those expressed in any forward-looking statement, please see the section entitled “Risk Factors,” of our 2025 10-K.

PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ENTRAVISION COMMUNICATIONS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share and per share data)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 68,171	$ 59,439
Marketable securities	2,973	3,762
Restricted cash	799	797
Trade receivables, (including related parties of $6,896 and $2,574) net of allowance for credit losses of $2,588 and $2,466	128,102	94,912
Prepaid expenses and other current assets (including related parties of $274 and $274)	24,876	18,974
Assets held for sale	5,415	5,597
Total current assets	230,336	183,481
Property and equipment, net of accumulated depreciation of $142,893 and $144,387	46,256	44,797
Intangible assets subject to amortization, net of accumulated amortization of $64,608 and $64,154 (including related parties of $697 and $928)	2,139	2,593
Intangible assets not subject to amortization	123,275	123,275
Goodwill	7,352	7,352
Deferred income taxes	3,824	3,823
Operating leases right of use asset	20,005	18,807
Other assets	3,205	3,383
Total assets	$ 436,392	$ 387,511
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	$ 20,000	$ 20,000
Accounts payable and accrued expenses (including related parties of $1,020 and $989)	133,526	91,736
Operating lease liabilities	10,512	9,737
Total current liabilities	164,038	121,473
Long-term debt, less current maturities, net of unamortized debt issuance costs of $555 and $631	142,195	147,119
Long-term operating lease liabilities	37,404	36,775
Other long-term liabilities	13,048	12,197
Deferred income taxes	14,744	14,505
Total liabilities	371,429	332,069
Commitments and contingencies (Note 6)		
Stockholders' equity		
Class A common stock, $0.0001 par value, 260,000,000 shares authorized; shares issued and outstanding at March 31, 2026 82,686,451 and December 31, 2025 82,596,319	8	8
Class U common stock, $0.0001 par value, 40,000,000 shares authorized; shares issued and outstanding at March 31, 2026 and December 31, 2025 9,352,729	1	1
Additional paid-in capital	801,268	804,075
Accumulated deficit	(735,527)	(747,887)
Accumulated other comprehensive income (loss)	(787)	(755)
Total stockholders' equity	64,963	55,442
Total liabilities and equity	$ 436,392	$ 387,511

See Notes to Condensed Consolidated Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except share and per share data)

	Three-Month Period Ended March 31, 2026	Three-Month Period Ended March 31, 2025
Net Revenue	$ 196,971	$ 91,851
Expenses:		
Cost of revenue	101,954	33,472
Direct operating expenses (including related parties of $1,127 and $1,122) (including non-cash stock-based compensation of $1,213 and $1,077)	44,799	35,502
Selling, general and administrative expenses	18,139	15,506
Corporate expenses (including non-cash stock-based compensation of $2,039 and $1,536)	7,173	7,788
Depreciation and amortization (including related parties of $231 and $232)	2,991	3,477
Impairment charge	-	23,673
Loss on lease abandonment	-	25,191
Restructuring costs	983	-
Foreign currency (gain) loss	243	12
Operating income (loss)	20,689	(52,770)
Interest expense	(3,315)	(3,663)
Interest income	358	605
Dividend income	14	-
Realized gain (loss) on marketable securities	8	1
Income (loss) from continuing operations before income taxes	17,754	(55,827)
Income tax benefit (expense)	(5,394)	8,052
Net income (loss) from continuing operations	12,360	(47,775)
Net income (loss) from discontinued operations, net of tax	-	(191)
Net income (loss) attributable to common stockholders	$ 12,360	$ (47,966)
Basic and diluted earnings per share:		
Net income (loss) per share from continuing operations, basic and diluted	$ 0.13	$ (0.53)
Net income (loss) per share from discontinued operations, basic and diluted	$ -	$ (0.00)
Net income (loss) per share attributable to common stockholders, basic and diluted	$ 0.13	$ (0.53)
Cash dividends declared per common share	$ 0.05	$ 0.05
Weighted average common shares outstanding, basic	91,985,480	90,976,288
Weighted average common shares outstanding, diluted	96,420,181	90,976,288

See Notes to Condensed Consolidated Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In thousands)

	Three-Month Period Ended March 31,	
	2026	**2025**
Net income (loss) attributable to common stockholders	$ 12,360	$ (47,966)
Other comprehensive income (loss), net of tax:		
Change in fair value of marketable securities	(32)	6
Total other comprehensive income (loss)	(32)	6
Comprehensive income (loss) attributable to common stockholders	$ 12,328	$ (47,960)

See Notes to Condensed Consolidated Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share and per share data)

	Number of Common Shares		Common Stock				Accumulated	
	Class A	Class U	Class A	Class U	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income (Loss)	Total
Balance, December 31, 2025	82,596,319	9,352,729	$ 8	$ 1	$ 804,075	$ (747,887)	$ (755)	$ 55,442
Issuance of common stock upon exercise of stock options or awards of restricted stock units	90,132	-	-	-	-	-	-	-
Tax payments related to shares withheld for share-based compensation plans	-	-	-	-	(538)	-	-	(538)
Stock-based compensation expense	-	-	-	-	3,252	-	-	3,252
Dividends paid	-	-	-	-	(4,602)	-	-	(4,602)
Dividends equivalents payable	-	-	-	-	(919)	-	-	(919)
Change in fair value of marketable securities	-	-	-	-	-	-	(24)	(24)
OCI release due to realized gain (loss) on marketable securities	-	-	-	-	-	-	(8)	(8)
Net income (loss) attributable to common stockholders	-	-	-	-	-	12,360	-	12,360
Balance, March 31, 2026	82,686,451	9,352,729	8	1	801,268	(735,527)	(787)	64,963

	Number of Common Shares		Common Stock				Accumulated	
	Class A	Class U	Class A	Class U	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income (Loss)	Total
Balance, December 31, 2024	81,623,559	9,352,729	$ 8	$ 1	$ 815,532	$ (668,720)	$ (801)	$ 146,020
Stock-based compensation expense	-	-	-	-	2,613	-	-	2,613
Dividends paid	-	-	-	-	(4,549)	-	-	(4,549)
Dividends equivalents payable	-	-	-	-	(516)	-	-	(516)
Change in fair value of marketable securities	-	-	-	-	-	-	7	7
OCI release due to realized gain (loss) on marketable securities	-	-	-	-	-	-	(1)	(1)
Net income (loss) attributable to common stockholders	-	-	-	-	-	(47,966)	-	(47,966)
Balance, March 31, 2025	81,623,559	9,352,729	8	1	813,080	(716,686)	(795)	95,608

See Notes to Condensed Consolidated Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Three-Month Period Ended March 31, 2026	2025
Cash flows from operating activities:		
Net income (loss) attributable to common stockholders	$ 12,360	$ (47,966)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,991	3,477
Impairment charge	-	23,673
Loss on lease abandonment	-	25,191
Deferred income taxes	240	(1,467)
Non-cash interest	423	176
Amortization of syndication contracts	99	110
Payments on syndication contracts	(67)	(109)
Non-cash stock-based compensation	3,252	2,613
(Gain) loss on marketable securities	(8)	(1)
(Gain) loss on disposal of property and equipment	87	4
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(32,682)	(10,460)
(Increase) decrease in prepaid expenses and other current assets, operating leases right of use asset and other assets	(4,476)	(9,529)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	39,565	(956)
Net cash provided by (used in) operating activities	21,784	(15,244)
Cash flows from investing activities:		
Purchases of property and equipment	(3,637)	(2,643)
Purchases of marketable securities	(2)	(218)
Proceeds from sale of marketable securities	760	386
Net cash provided by (used in) investing activities	(2,879)	(2,475)
Cash flows from financing activities:		
Tax payments related to shares withheld for share-based compensation plans	(538)	-
Payments on debt	(5,000)	-
Dividends paid	(4,602)	(4,549)
Principal payments under finance lease obligation	(31)	(33)
Net cash provided by (used in) financing activities	(10,171)	(4,582)
Net increase (decrease) in cash, cash equivalents and restricted cash	8,734	(22,301)
Cash, cash equivalents and restricted cash:		
Beginning	60,236	96,700
Ending	$ 68,970	$ 74,399
Supplemental disclosures of cash flow information:		
Cash payments (refunds) for:		
Interest	$ 2,892	$ 3,487
Income taxes	$ (1,109)	$ 179
Supplemental disclosures of non-cash investing and financing activities:		
Capital expenditures financed through accounts payable, accrued expenses and other liabilities	$ 1,003	$ 837
Dividends equivalents payable	$ 3,562	$ 1,802

See Notes to Condensed Consolidated Financial Statements

ENTRAVISION COMMUNICATIONS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

Presentation

The condensed consolidated financial statements included herein have been prepared by Entravision Communications Corporation (the “Company”), pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) have been omitted pursuant to such rules and regulations. These condensed consolidated financial statements and the notes thereto should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2025 included in the Company’s 2025 Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 10-K"). The unaudited information contained herein has been prepared on the same basis as the Company’s audited consolidated financial statements and, in the opinion of the Company’s management, includes all adjustments (consisting of only normal recurring adjustments) necessary for a fair presentation of the information for the periods presented. The interim results presented herein are not necessarily indicative of the results of operations that may be expected for the full fiscal year ending December 31, 2026 or any other future period.

2. THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is a media and advertising technology company.

The Company's media business owns and operates one of the largest groups of Spanish-language television and radio stations in the United States. Its mission is to serve its Latino audience as a trusted provider of news, information, and entertainment. The Company serves its advertisers by providing marketing capabilities across broadcast and digital media.

The Company's advertising technology & services (ATS) business empowers advertisers, primarily mobile app developers, to grow their businesses globally. The Company provides programmatic advertising solutions through two brands. Smadex is a demand-side platform, which uses proprietary AI to automate media buying. Adwake is a performance-based digital marketing agency.

The Company has organized its operations into two reportable segments. Its media segment includes its television, radio and digital marketing operations. Its ATS segment provides programmatic advertising and technology services through Smadex and Adwake.

In 2024 the Company discontinued and divested a significant portion of its operations, which largely consisted of a collection of acquisitions that had been completed prior to 2024. The Company had net loss from discontinued operations, net of tax, of $0.2 million for the three-month period ended March 31, 2025.

Assets Held for Sale

In March 2025, the Company entered into a letter of intent to sell the assets of its two Mexico television stations. The assets constituting station XHAS, located in Tijuana, Mexico, and the assets constituting station XHDTV, located in Tecate, Mexico, had an initial agreed upon purchase price of $4.7 million. As initially contemplated, the sale was to include all assets necessary for the buyer to operate the stations, consisting of the broadcast licenses and fixed assets. These assets met the criteria for classification as assets held for sale. The carrying value of the two stations exceeded the agreed upon purchase price and, accordingly, the Company recorded an impairment charge of $23.7 million during the three-month period ended March 31, 2025 related to the broadcast licenses with a carrying value of $28.0 million and the fixed assets of the two stations with a carrying value of $0.4 million.

As part of ongoing negotiations, during the third quarter of 2025, the purchase price was reduced by $1.7 million, to $3.0 million. Also, additional assets with a carrying value of $3.8 million were included in the transaction, without an increase in the purchase price. As a result of these changes, the Company recorded an additional impairment charge of $5.5 million in the third quarter of 2025. The parties signed a definitive agreement for the transaction in January 2026, with closing to occur pending regulatory approval from the government of Mexico.

The fair value less estimated costs to sell of $3.0 million is presented as Assets Held for Sale in the Consolidated Balance Sheet as of March 31, 2026.

In June 2025, the Company’s management decided to sell three of its owned office buildings in Corpus Christi, Texas, El Centro, California and Midland, Texas. The sales would include the buildings and all related building improvements, land and land improvements. These assets met the criteria for classification as assets held for sale. The carrying amount of each of the buildings and related fixed assets were lower than the fair value less cost to sell. The carrying amounts totaling $2.4 million are presented as Assets Held for Sale in the Consolidated Balance Sheet as of March 31, 2026.

In March 2026, the Company entered into a definitive agreement to sell the office building in El Centro, California, which had a carrying value of $1.8 million, for a purchase price of $1.9 million, net of selling costs. The transaction is expected to close in mid-2026.

Restricted Cash

As of March 31, 2026 and December 31, 2025, the Company’s balance sheet includes $0.8 million in restricted cash, which was deposited into a separate account as collateral for the Company’s letters of credit.

The Company's cash and cash equivalents and restricted cash, as presented in the Condensed Consolidated Statements of Cash Flows, was as follows (in thousands):

	As of March 31,	
	2026	**2025**
Cash and cash equivalents	$ 68,171	$ 73,610
Restricted cash	799	789
Total as presented in the Condensed Consolidated Statements of Cash Flows	$ 68,970	$ 74,399

Related Parties

Substantially all of the Company’s television stations are Univision- or UniMás-affiliated television stations. The network affiliation agreement with TelevisaUnivision provides certain of the Company’s owned stations the exclusive right to broadcast TelvisaUnivision’s primary Univision network and UniMás network programming in their respective markets. Under the network affiliation agreement, the Company retains the right to sell no less than four minutes per hour of the available advertising time on stations that broadcast Univision network programming, and the right to sell approximately four and a half minutes per hour of the available advertising time on stations that broadcast UniMás network programming, subject to adjustment from time to time by TelevisaUnivision.

Under the network affiliation agreement, TelevisaUnivision acts as the Company’s exclusive third-party sales representative for the sale of certain national advertising on the Univision- and UniMás-affiliate television stations, and the Company pays certain sales representation fees to TelevisaUnivision relating to sales of all advertising for broadcast on its Univision- and UniMás-affiliate television stations.

During each of the three-month periods ended March 31, 2026 and 2025, the amount the Company paid TelevisaUnivision in this capacity was $1.1 million. These amounts were included in Direct Operating Expenses in the Company's Condensed Consolidated Statements of Operations.

The Company also generates revenue under two marketing and sales agreements with TelevisaUnivision, which give it the right to manage the marketing and sales operations of TelevisaUnivision-owned Univision affiliates in three markets – Albuquerque, Boston and Denver.

On October 2, 2017, the Company entered into the current affiliation agreement which superseded and replaced its prior affiliation agreements with TelevisaUnivision. Additionally, on the same date, the Company entered into a proxy agreement and marketing and sales agreement with TelevisaUnivision, each of which superseded and replaced the prior comparable agreements with TelevisaUnivision. The term of each of these current agreements expires on December 31, 2026 for all of the Company’s Univision and UniMás network affiliate stations.

Under the Company’s current proxy agreement with TelevisaUnivision, the Company grants TelevisaUnivision the right to negotiate the terms of retransmission consent agreements for its Univision- and UniMás-affiliated television station signals. Among other things, the proxy agreement provides terms relating to compensation to be paid to the Company by TelevisaUnivision with respect to retransmission consent agreements entered into with multichannel video programming distributors (“MVPDs”). As of March 31, 2026, the amount due to the Company from TelevisaUnivision was $6.9 million related to the agreements for the carriage of its Univision and UniMás-affiliated television station signals. During the three-month periods ended March 31, 2026 and 2025, retransmission consent revenue accounted for $8.4 million and $8.1 million, respectively, of which $5.9 million and $5.6 million, respectively, relate to the TelevisaUnivision proxy agreement.

TelevisaUnivision currently owns approximately 10% of the Company’s common stock on a fully-converted basis. The Company’s Class U common stock, all of which is held by TelevisaUnivision, has limited voting rights and does not include the right to elect directors. Each share of Class U common stock is automatically convertible into one share of the Company’s Class A common stock (subject to adjustment for stock splits, dividends or combinations) in connection with any transfer of such shares of Class U common stock to a third party that is not an affiliate of TelevisaUnivision. In addition, as the holder of all of the Company’s issued and outstanding Class U common stock, so long as TelevisaUnivision holds a certain number of shares of Class U common stock, the Company may not, without the consent of TelevisaUnivision, merge, consolidate or enter into a business combination, dissolve or liquidate the Company or dispose of any interest in any FCC license with respect to television stations which are affiliates of TelevisaUnivision, among other things.

On February 1, 2026, the Company entered into a Simple Agreement for Future Equity ("SAFE") with LATV Networks, LLC ("LATV"), a related party in which the Company holds a 15% ownership interest. Under the terms of the SAFE, the Company invested $0.4 million, which provides the Company the right to receive future equity units of LATV at a discount upon the occurrence of certain financing or liquidity events. Since July 2022, the Company owns 15% of the stock of LATV.

Stock-Based Compensation

The Company measures all stock-based awards using a fair value method and recognizes the related stock-based compensation expense in the condensed consolidated financial statements over the requisite service period. As stock-based compensation expense recognized in the Company's condensed consolidated financial statements is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures.

Restricted Stock Units

Stock-based compensation expense related to restricted stock units ("RSUs") is based on the fair value of the Company's stock price on the date of grant and is amortized over the vesting period, generally between 1 to 4 years.

During the three-month period ended March 31, 2026, the Company had the following non-vested RSUs activity (in thousands, except grant date fair value data):

	Number of RSUs	Weighted-Average Grant Date Fair Value
Nonvested balance at December 31, 2025	6,270	$ 3.31
Granted	5,703	3.31
Vested	(219)	3.77
Forfeited or cancelled	(400)	3.02
Nonvested balance at March 31, 2026	11,354	3.31

Stock-based compensation expense related to RSUs was $3.3 million and $2.1 million for the three-month periods ended March 31, 2026 and 2025, respectively.

As of March 31, 2026, there was $17.0 million of total unrecognized compensation expense related to grants of RSUs that is expected to be recognized over a weighted-average period of 2.0 years.

Performance Stock Units

In connection with the annual grant of performance stock units ("PSUs") in January 2026, the Company has granted PSUs to its Chief Executive Officer ("CEO"), which PSUs are subject to both time-based vesting conditions and market-based conditions. Both the service and market conditions must be satisfied for the PSUs to vest. The PSUs consist of four equal tranches, based on achievement of a share price condition if the Company achieves share price targets of $3.50, $4.50, $5.50, and $6.50, respectively, over 30 consecutive trading days during a performance period commencing on January 21, 2026 and ending on January 21, 2031. The fair value of each of the Performance Tranches (as defined in the individual agreements pursuant to which the PSUs were granted) was $0.2 million, $0.2 million, $0.1 million, and $0.1 million, respectively, and have a grant date fair value per share of restricted stock of $3.26, $3.06, $2.87, and $2.69, respectively. To the extent that any of the performance-based requirements are met, the grantees must also provide continued service to the Company through at least January 21, 2027 to receive any shares of common stock underlying the PSUs and through January 21, 2031 to receive all of the shares of common stock underlying the PSUs that have satisfied the applicable market-based requirement. The maximum number of shares that can be earned under this PSU grant is 200,000 shares, with 25% of the total award allocated to each Performance Tranche. Between 0% and 100% of each Performance Tranche of the PSUs will vest on each of the tranche dates.

The Company recognizes compensation expense related to the PSUs using the accelerated attribution method over the requisite service period. Stock-based compensation expense for PSUs is based on a performance measurement of 100%. The compensation expense will not be reversed even if the performance metrics are not met.

Stock-based compensation expense related to PSUs was a de minimis amount and $0.5 million for the three-month periods ended March 31, 2026 and 2025, respectively.

As of March 31, 2026, there was $1.8 million of total unrecognized compensation expense related to grants of PSUs that is expected to be recognized over a weighted-average period of 2.1 years.

The grant date fair value for each PSU was estimated using a Monte-Carlo simulation model that incorporates option-pricing inputs covering the period from the grant date through the end of the performance period. The unobservable significant inputs to the valuation model at the time of award issuance were as follows:

		2026 PSUs
Stock price at issuance	$	3.37
Expected volatility		61.0%
Risk-free interest rate		3.77%
Expected term		5.0
Expected dividend yield		0%

During the three-month period ended March 31, 2026, the Company had the following non-vested PSUs activity (in thousands, except grant date fair value data):

	Number of PSUs		Weighted-Average Grant Date Fair Value
Nonvested balance at December 31, 2025	2,590	$	2.57
Granted	200		2.97
Vested	(44)		2.11
Forfeited or cancelled	(307)		2.48
Nonvested balance at March 31, 2026	2,439		2.62

Income (Loss) Per Share

The following table illustrates the reconciliation of the basic and diluted income (loss) per share (in thousands, except share and per share data):

	Three-Month Period Ended March 31,			
		2026		2025
Numerator:				
Net income (loss) from continuing operations	$	12,360	$	(47,775)
Net income (loss) from discontinued operations, net of tax		-		(191)
Net income (loss) attributable to common stockholders	$	12,360	$	(47,966)
Basic earnings per share:				
Denominator:				
Weighted average common shares outstanding		91,985,480		90,976,288
Per share:				
Income (loss) per share from continuing operations	$	0.13	$	(0.53)
Income (loss) per share from discontinued operations, net of tax		-		(0.00)
Net income (loss) per share attributable to common stockholders	$	0.13	$	(0.53)
Diluted earnings per share:				
Denominator:				
Weighted average common shares outstanding		91,985,480		90,976,288
Dilutive securities:				
Restricted stock units		4,434,701		-
Diluted shares outstanding		96,420,181		90,976,288
Per share:				
Income (loss) per share from continuing operations	$	0.13	$	(0.53)
Income (loss) per share from discontinued operations, net of tax		-		(0.00)
Net income (loss) per share attributable to common stockholders	$	0.13	$	(0.53)

For the three-month period ended March 31, 2026, a total of 116,962 shares of dilutive securities were not included in the computation of diluted income per share because the exercise prices of the dilutive securities were greater than the average market price of the common shares.

For the three-month period ended March 31, 2025, all dilutive securities have been excluded as their inclusion would have had an antidilutive effect on loss per share. The number of securities whose conversion would result in an incremental number of shares that would be included in determining the weighted average shares outstanding for diluted earnings per share if their effect was not antidilutive was 1,520,085 equivalent shares of dilutive securities for the three-month period ended March 31, 2025.

Impairment

The carrying values of the Company's reporting units are determined by allocating all applicable assets (including goodwill) and liabilities based upon the unit in which the assets are employed and to which the liabilities relate, considering the methodologies utilized to determine the fair value of the reporting units.

Goodwill and indefinite life intangibles are not amortized but are tested annually for impairment, or more frequently, if events or changes in circumstances indicate that the assets might be impaired. The annual testing date is October 1.

As discussed above under Assets held for sale, in March 2025, the Company has entered into an agreement to sell the assets of its two Mexico television stations. As a result of the terms of this transaction, as revised during negotiations, the Company recorded an impairment charge of $23.7 million in the first quarter of 2025.

Loss on Lease Abandonment

At the time of a lease termination, the operating lease right-of-use ("ROU") asset is derecognized, while the corresponding lease liability is evaluated and derecognized by the Company based any remaining contractual obligations as of the lease termination date.

The Company’s corporate headquarters and main operational offices for its audio operations are currently located in Burbank, California. The Company's corporate headquarters and main operational offices for its audio operations were previously located in Santa Monica, California. The Company occupied approximately 38,000 square feet of space in the building housing its previous corporate headquarters under a lease, as amended, that was scheduled to expire on January 31, 2034. The Company vacated the facility in February 2025 and ceased making further lease payments. As a result, during the first quarter of 2025 the Company recorded a loss on lease abandonment charges of $16.1 million related to the right of use asset associated with this lease, and $9.1 million related to leasehold improvements associated with this lease. As of March 31, 2026, the Company's consolidated balance sheet included $4.9 million of operating lease liabilities and $19.1 million of long-term operating lease liabilities related to this lease.

In addition, the Company has abandoned six additional leased facilities, with impacted employees transitioning to remote work. See more details under "Restructuring" below. The Company does not expect to incur additional liabilities related to these abandoned leases.

Restructuring

During the third quarter of 2025, the Company's management began to implement an ongoing organization design plan (the "Plan") intended to support revenue growth and reduce expenses, primarily in the Company’s media operations.

Key components of the Plan that have been implemented so far include a reduction of approximately 5% of the Company's media segment workforce, including the termination of an executive and certain back-office personnel, the abandonment of six leased facilities, with impacted employees transitioning to remote work, and the shutdown of certain legacy international operations within the ATS segment.

The Company accounts for its restructuring charges as a liability when the obligations are incurred and records such charges at fair value. As a result of the implementation of the Plan and the actions described above, the Company recorded total charges of $1.0 million for the three-month period ended March 31, 2026, which are included within Restructuring costs in the Company's Consolidated Statements of Operations. As of March 31, 2026 the Company had a de minimis amount of remaining restructuring liability which is included within Accounts payable and accrued expenses in the Company's Condensed Consolidated Balance Sheets.

The following table rolls forward the activity in the restructuring liability:

(in thousands)		
Beginning balance at December 31, 2025	$	72
Additional restructuring and related costs		983
Non-cash charge (included above)		(38)
Cash payments		(981)
Ending balance March 31, 2026	$	36

As the Plan continues to be implemented in a methodical manner, the Company may incur additional charges associated with the Plan; however, it is unable to reasonably estimate the amount of such future charges as of March 31, 2026.

Credit Facility

The Company entered into the Credit Facility, pursuant to the Original 2023 Credit Agreement dated as of March 17, 2023, by and among the Company, Bank of America, N.A., as Administrative Agent, and the other financial institutions party thereto as

Lenders (collectively, the “Lenders” and individually each a “Lender”). The Original 2023 Credit Agreement amended, restated and replaced in its entirety the Company's previous credit agreement. The Original 2023 Credit Agreement was amended as of July 15, 2025, effective as of June 30, 2025 (the “2025 Amendment”), with respect to certain financial covenants and certain other provisions of the Credit Facility, and was further amended as of March 18, 2026 (the “2026 Amendment”), with respect to a certain administrative clarification of the calculation of financial covenants. The Original 2023 Credit Agreement, the 2025 Amendment and the 2026 Amendment are collectively referred to as the “Amended Credit Agreement”.

As provided in the Amended Credit Agreement, the Credit Facility consists of (i) a $200.0 million senior secured Term A Facility (the "Term A Facility"), which was drawn in full at the time the Company entered into Original 2023 Credit Agreement, and (ii) a $30.0 million Revolving Credit Facility (the “Revolving Credit Facility”), of which $11.5 million was drawn at such time. In addition, the Amended Credit Agreement provides that the Company may increase the aggregate principal amount thereof by an additional amount equal to $100.0 million plus the amount that would result in the Company’s First Lien Net Leverage Ratio (as defined in the Amended Credit Agreement) not exceeding 2.25 to 1.0, subject to the Company satisfying certain conditions. The Credit Facility matures on March 17, 2028 (the “Maturity Date”).

The Credit Facility is guaranteed on a senior secured basis by certain of the Company’s existing and future wholly-owned domestic subsidiaries, and secured on a first priority basis by the Company’s and those subsidiaries’ assets.

The Company’s borrowings under the Credit Facility bear interest on the outstanding principal amount thereof from the date when made at a rate per annum equal to either: (i) the Term SOFR (as defined in the Amended Credit Agreement) plus a margin between 2.50% and 3.00%, depending on the Total Net Leverage Ratio (as defined in the Amended Credit Agreement) or (ii) the Base Rate (as defined in the Amended Credit Agreement) plus a margin between 1.50% and 2.00%, depending on the Total Net Leverage Ratio. In addition, the unused portion of the Revolving Credit Facility is subject to a rate per annum between 0.30% and 0.40%, depending on the Total Net Leverage Ratio.

As of March 31, 2026, the interest rate on the Company's Term A Facility and the drawn portion of the Revolving Credit Facility was 6.73%.

The amounts outstanding under the Credit Facility may be prepaid at the option of the Company without premium or penalty, provided that certain limitations are observed, and subject to customary breakage fees in connection with the prepayment of a Term SOFR loan. The principal amount of the Term A Facility shall be paid in installments on the dates and in the respective amounts set forth in the Amended Credit Agreement, with the final balance due on the Maturity Date.

The Company incurred debt issuance costs of $1.8 million associated with the Credit Facility. Debt outstanding under the Credit Facility is presented net of issuance costs on the Company's Condensed Consolidated Balance Sheets. The debt issuance costs are amortized on an effective interest basis over the term of the Credit Facility and are included in interest expense in the Company's Condensed Consolidated Statements of Operations.

The Company paid the lenders consenting to the 2025 Amendment a fee equal to 0.05% of the amount of outstanding loans and commitments held by such lenders under the Original 2023 Credit Agreement. No fee is payable by the Company to the lenders in connection with the 2026 Amendment.

The Company incurred additional debt issuance costs of $0.3 million associated with entering into the Amended Credit Agreement. The debt issuance costs are amortized on an effective interest basis over the term of the Credit Facility, and are included in interest expense in the Company's Condensed Consolidated Statements of Operations.

The covenants of the Amended Credit Agreement include customary negative covenants that, among other things, restrict the Company’s ability to incur additional indebtedness, grant liens and make certain acquisitions, investments, asset dispositions and restricted payments. In addition, the Amended Credit Agreement requires compliance with financial covenants related to Total Net Leverage Ratio, not to exceed 4.00 to 1.00, and Interest Coverage Ratio (as defined in the Amended Credit Agreement) with a minimum permitted ratio of 2.00 to 1.00 (calculated as set forth in the Amended Credit Agreement). As of March 31, 2026, the Company believes that it is in compliance with all covenants in the Amended Credit Agreement.

In addition, the Amended Credit Agreement:

- provides for quarterly amortization in the amount of $5.0 million; and
- calculates leverage ratios based on an annualized average consolidated EBITDA for the eight most recently completed fiscal quarters and provides for cash netting in the amount of up to $60.0 million.

The Amended Credit Agreement also includes customary events of default, as well as the following events of default, that are specific to the Company:

- any revocation, termination, substantial and adverse modification, or refusal by final order to renew, any media license, or the requirement (by final non-appealable order) to sell a television or radio station, where any such event or failure is reasonably expected to have a material adverse effect; or

- the interruption of operations of any television or radio station for more than 96 consecutive hours during any period of seven consecutive days.

The Amended Credit Agreement further includes customary rights and remedies upon the occurrence of any event of default thereunder, including rights to accelerate the loans, terminate the commitments thereunder and realize upon the collateral securing the obligations under the Amended Credit Agreement.

There is a security agreement in effect with respect to the Credit Facility.

The carrying amount of the Term Loan A Facility as of March 31, 2026 approximated its fair value and was $151.9 million, net of $0.6 million of unamortized debt issuance costs and original issue discount.

Concentrations of Credit Risk and Trade Receivables

The Company’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. The Company has bank deposits in excess of Federal Deposit Insurance Corporation insurance limits. As of March 31, 2026, the majority of all U.S. deposits are maintained in three financial institutions. The Company has not experienced any losses in such accounts and believes that it is not currently exposed to significant credit risk on cash and cash equivalents. In addition, to the Company's knowledge, all or substantially all of the bank deposits held in banks outside the United States are not insured.

The Company’s credit risk is spread across a large number of advertisers, thereby spreading the trade receivable credit risk. The Company routinely assesses the financial strength of its customers and, as a consequence, believes that it is managing its trade receivable credit risk effectively. Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables, based on a review of all outstanding amounts on a monthly basis. An allowance for doubtful accounts is provided for known and anticipated credit losses, as determined by management in the course of regularly evaluating individual customer receivables. This evaluation takes into consideration a customer’s financial condition and credit history, as well as current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. No interest is charged on customer accounts.

Trade receivables from the two largest advertisers represented 24% and 6%, respectively, of the Company's total trade receivables as of March 31, 2026. No other single advertiser represented more than 5% of the Company's total trade receivables as of March 31, 2026 and December 31, 2025.

Revenue from the largest advertiser represented 36% of the Company's total revenue for the three-month period ended March 31, 2026. This advertiser pays on a current basis and therefore management believes that it is managing this risk. No other advertiser represented more than 5% of the Company's total revenue for the three-month period ended March 31, 2026.

No advertiser represented more than 5% of the Company's total revenue for the three-month period ended March 31, 2025.

Allowance for Credit Losses

The accounts receivable consist of a homogeneous pool of relatively small dollar amounts from a large number of customers. We evaluate the collectability of our trade accounts receivable based on a number of factors. When the Company is aware of a specific customer’s inability to meet its financial obligations to the Company, a specific reserve for bad debts is estimated and recorded which reduces the recognized receivable to the estimated amount the Company believes will ultimately be collected. In addition to specific customer identification of potential bad debts, bad debt charges are recorded based on the Company's recent past loss history and an overall assessment of past due trade accounts receivable amounts outstanding.

Estimated losses for bad debts are provided for in the consolidated financial statements through a charge that aggregated $0.2 million of expense and $0.2 million of income for the three-month periods ended March 31, 2026 and 2025, respectively. The net charge-off of bad debts aggregated $0.1 million for each of the three-month periods ended March 31, 2026 and 2025.

Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis. Fair value is the price the Company would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date.

Accounting Standards Codification ("ASC") 820, “Fair Value Measurements and Disclosures”, defines and establishes a framework for measuring fair value and expands disclosures about fair value measurements. In accordance with ASC 820, the Company has categorized its financial assets and liabilities, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below.

Level 1 – Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the company has the ability to access at the measurement date.

Level 2 – Assets and liabilities whose values are based on quoted prices for similar attributes in active markets; quoted prices in markets where trading occurs infrequently; and inputs other than quoted prices that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring and nonrecurring basis in the condensed consolidated balance sheets (in millions):

	March 31, 2026				
	Total Fair Value and Carrying Value on Balance Sheet	Fair Value Measurement Category			
Recurring fair value measurements		Level 1	Level 2	Level 3	Total Gains (Losses)
Assets:					
Money market account	$ 2.1	$ 2.1	—	—	
Corporate bonds and notes	$ 3.0	—	$ 3.0	—	

	December 31, 2025				
	Total Fair Value and Carrying Value on Balance Sheet	Fair Value Measurement Category			
Recurring fair value measurements		Level 1	Level 2	Level 3	Total Gains (Losses)
Assets:					
Money market account	$ 1.3	$ 1.3	—	—	
Corporate bonds and notes	$ 3.8	—	$ 3.8	—	
Nonrecurring fair value measurements:					
FCC licenses	$ 62.3	—	—	62.3	$ (26.0)

The Company's money market account is comprised of cash and cash equivalents, which are recorded at their fair market value within Cash and cash equivalents in the Condensed Consolidated Balance Sheets.

The Company's available for sale debt securities are comprised of corporate bonds and notes, asset-backed securities, and U.S. Government securities. These securities are valued using quoted prices for similar attributes in active markets (Level 2). Since these investments are classified as available for sale, they are recorded at their fair market value within Marketable securities in the Consolidated Balance Sheets and their unrealized gains or losses are included in other comprehensive income. Realized gains and losses from the sale of available for sale securities are included in the Consolidated Statements of Operations and were determined on a specific identification basis.

As of March 31, 2026, the following table summarizes the amortized cost and the unrealized gains (losses) of the available for sale securities (in thousands):

	Corporate Bonds and Notes	
	Amortized Cost	Unrealized gains (losses)
Due within a year	$ 568	$ 3
Due after one year	2,405	(3)
Total	$ 2,973	$ -

The Company’s available for sale debt securities are considered for credit losses under the guidance of Accounting Standards Update (“ASU”) 2016-13, Financial Instruments—Credit Losses (Topic 326). As of March 31, 2026 and December 31, 2025, the Company determined that a credit loss allowance is not required.

Included in interest income was a de minimis amount for the three-month period ended March 31, 2026 and $0.1 million for the three-month period ended March 31, 2025, related to the Company’s available for sale securities.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) ("AOCI") includes foreign currency translation adjustments and changes in the fair value of available for sale securities.

The following table provides a roll-forward of accumulated other comprehensive income (loss) (in thousands):

	Foreign Currency Translation	Marketable Securities	Total
Accumulated other comprehensive income (loss) as of December 31, 2025	$ (1,250)	$ 495	$ (755)
Other comprehensive income (loss)	-	(35)	(35)
Income tax (expense) benefit	-	11	11
Amounts reclassified from AOCI	-	(8)	(8)
Other comprehensive income (loss), net of tax	-	(32)	(32)
Accumulated other comprehensive income (loss) as of March 31, 2026	(1,250)	463	(787)

Foreign Currency

The Company’s reporting currency is the U.S. dollar. All transactions initiated in foreign currencies, primarily the Euro, are translated into U.S. dollars in accordance with ASC 830, “Foreign Currency Matters” and the related rate fluctuation on transactions is included in the Condensed Consolidated Statements of Operations.

Cost of Revenue

Cost of revenue consists of the costs of online media acquired from third-parties in both the Company's Media and ATS segments.

Recent Accounting Pronouncements

There were no new accounting pronouncements that were issued or became effective since the issuance of the Company's 2025 10-K that had, or are expected to have, a material impact on the Company’s condensed consolidated financial statements.

Newly Adopted Accounting Standards

There were no new accounting standards that were adopted since the issuance of the Company's 2025 10-K.

3. REVENUES

Revenue Recognition

Revenues are recognized when control of the promised services is transferred to the Company’s customers, in an amount equal to the consideration the Company expects to be entitled to in exchange for those services.

Broadcast Advertising. Revenue related to the sale of advertising on the Company's television and radio stations is recognized at the time of broadcast. Revenue for contracts with advertising agencies is recorded at an amount that is net of the commission retained by the agency. Revenue from contracts directly with the advertisers is recorded as gross revenue and the related commission or national representation fee is recorded in operating expense.

Digital Advertising. Revenue related to digital advertising, in both our media and ATS segments, is recognized when display or other digital advertisements record impressions on the websites and mobile and Internet-connected television apps of media companies on whose digital platforms the advertisements are placed or as the advertiser’s previously agreed-upon performance criteria are satisfied. The Company has concluded that it is the principal in the transaction and therefore recognizes revenue on a gross basis, because (i) the Company is responsible for fulfillment of the contract, including customer support, resolving customer complaints, and accepting responsibility for the quality or suitability of the product or service; (ii) the Company has pricing discretion over the transaction; and (iii) the Company carries inventory risk for all inventory purchased regardless of whether the Company is able to collect on a transaction.

Retransmission Consent. The Company generates revenue from retransmission consent agreements that are entered into with multichannel video programming distributors ("MVPDs"). The Company grants the MVPDs access to its television station signals so that they may rebroadcast the signals and charge their subscribers for this programming. Revenue is recognized as the television signal is delivered to the MVPD.

Spectrum Usage Rights. The Company generates revenue from agreements associated with its television stations' spectrum usage rights. Revenue is recognized in accordance with the contractual fees over the term of the agreement or when the Company has relinquished all or a portion of its spectrum usage rights for a station or have relinquished its rights to operate a station on the existing channel free from interference.

The Company does not disclose the value of unsatisfied performance obligations when (i) contracts have an original expected length of one year or less, which applies to essentially all of the Company's advertising contracts, and (ii) variable consideration is a sales-based or usage-based royalty promised in exchange for a license of intellectual property, which applies to retransmission consent revenue.

The Company expenses contract acquisition costs, such as sales commissions generated either by internal direct sales employees or through third party advertising agency intermediaries, when incurred because the amortization period is one year or less. These costs are recorded within direct operating expenses.

The Company records deferred revenues within Accounts payable and accrued expenses in the Consolidated Balance Sheets, when cash payments are received or due in advance of its performance, including amounts which are refundable. The change in the deferred revenue balance is primarily driven by cash payments received or due in advance of satisfying the Company's performance obligations, offset by revenues recognized that were included in the deferred revenue balance in the prior period.

The Company's payment terms vary by the type and location of customer and the products or services offered. The term between invoicing and when payment is due is typically 30 days. For certain individual customers and customer types, the Company generally requires payment before the services are delivered to the customer.

Disaggregated Revenue

The following table presents our revenues disaggregated by major source (in thousands):

	Three-Month Period Ended March 31, 2026	Three-Month Period Ended March 31, 2025
Digital advertising	$ 163,744	$ 56,793
Broadcast advertising	22,798	24,097
Spectrum usage rights	797	1,786
Retransmission consent	8,364	8,076
Other	1,268	1,099
Total revenue	$ 196,971	$ 91,851

Contracts are entered into directly with customers or through an advertising agency that represents the customer. Sales of advertising to customers or agencies within a station's designated market area ("DMA") are referred to as local revenue, whereas sales from outside the DMA are referred to as national revenue. The following table further disaggregates the Company's broadcast advertising revenue by sales channel (in thousands):

	Three-Month Period Ended March 31, 2026	Three-Month Period Ended March 31, 2025
Local direct	$ 4,278	$ 4,810
Local agency	10,544	10,539
National agency	7,976	8,748
Total revenue	$ 22,798	$ 24,097

The following table further disaggregates the Company's revenue by geographical region, based on the location of the sales office (in thousands):

	Three-Month Period Ended March 31, 2026		2025	
United States	$	78,332	$	58,535
Asia		75,926		-
Rest of the World (1)		42,713		33,316
Total revenue	$	196,971	$	91,851

(1) Primarily Europe

Deferred Revenue

(in thousands)	December 31, 2025		Increase	Decrease	March 31, 2026	
Deferred revenue	$	2,615	2,915	(2,615)	$	2,915

4. LEASES

The Company's leases are considered operating leases and primarily consist of real estate such as office space, broadcasting towers, land and land easements. The operating leases are reflected within the consolidated balance sheet as Operating leases right of use asset with the related liability presented as Operating lease liabilities and Long-term operating lease liabilities. Lease expense is recognized on a straight-line basis over the lease term. Generally, lease terms include options to renew or extend the lease. Unless the renewal option is considered reasonably certain, the exercise of any such options has been excluded from the calculation of lease liabilities.

The following table summarizes the expected future payments related to lease liabilities as of March 31, 2026:

(in thousands)		
Remainder of 2026	$	10,677
2027		8,387
2028		7,480
2029		7,000
2030		6,465
Thereafter		18,948
Total minimum payments	$	58,957
Less amounts representing interest		(11,041)
Present value of minimum lease payments		47,916
Less current operating lease liabilities		(10,512)
Long-term operating lease liabilities	$	37,404

The Company's existing leases have remaining terms of less than one year up to 25 years. The weighted average remaining lease term and the weighted average discount rate used to calculate the Company's lease liabilities as of March 31, 2026 were 8.3 years and 6.3%, respectively. The weighted average remaining lease term and the weighted average discount rate used to calculate the Company's lease liabilities as of March 31, 2025 were 8.4 years and 6.3%, respectively.

The Company's corporate headquarters and main operational offices for its audio operations are currently located in Burbank, California. The Company's corporate headquarters and main operational offices for its audio operations were previously located in Santa Monica, California. The Company occupied approximately 38,000 square feet of space in the building housing its previous corporate headquarters under a lease, as amended, that was scheduled to expire on January 31, 2034. The Company vacated the facility in February 2025 and ceased making further lease payments. As a result, during the first quarter of 2025 the Company recorded a loss on lease abandonment charges of $16.1 million related to the right of use asset associated with this lease, and $9.1 million related to leasehold improvements associated with this lease. As of March 31, 2026, the Company's Condensed Consolidated Balance Sheet included $4.9 million of operating lease liabilities and $19.1 million of long-term operating lease liabilities related to this lease.

The following table summarizes lease payments and supplemental non-cash disclosures:

(in thousands)	Three-Month Period Ended March 31, 2026	2025
Cash paid for amounts included in lease liabilities:		
Operating cash flows from operating leases	$ 1,915	$ 2,435
Non-cash additions to operating lease assets	$ 2,636	$ -

The following table summarizes the components of lease expense:

(in thousands)	Three-Month Period Ended March 31, 2026	2025
Operating lease cost	$ 1,706	$ 2,339
Variable lease cost	266	101
Short-term lease cost	490	402
Total lease cost	$ 2,462	$ 2,842

For the three-month period ended March 31, 2026, lease cost of $1.5 million and $1.0 million, were recorded to direct operating expenses and selling, general and administrative expenses. For the three-month period ended March 31, 2025, lease cost of $1.4 million, $1.2 million and $0.2 million, were recorded to direct operating expenses, selling, general and administrative expenses and corporate expenses, respectively.

As discussed above, in February 2025 the Company's management decided to vacate its previous corporate headquarters in Santa Monica, California and cease making further payments under the lease, as amended, which lease was scheduled to expire June 30, 2034. On or about July 22, 2025, the Company’s now former landlord of the Company’s former headquarters in Santa Monica, California commenced litigation against the Company in Los Angeles County Superior Court. The plaintiff alleges that the Company breached its lease and the plaintiff seeks at least $31.5 million in damages. The plaintiff filed an amended complaint on or about August 26, 2025 and the Company filed an answer on or about September 25, 2025, denying the plaintiff's allegations. Discovery has commenced and the court has tentatively set a trial date in June 2027. The Company intends to vigorously defend against the claims brought by the plaintiff and assert defenses to the claims raised. The Company is currently unable to estimate possible costs and other expenses or charges that may be incurred by the Company as a result of the lease termination.

5. SEGMENT INFORMATION

The Company has organized its operations into two reportable segments. Its media segment includes its television, radio and digital marketing operations. Its ATS segment provides programmatic advertising and technology services through Smadex and Adwake.

Segment operating profit (loss) is defined as operating profit (loss) before corporate expenses, change in fair value of contingent consideration, impairment charge, other operating (gain) loss, and foreign currency (gain) loss. The Company generated 60% and 36% of its revenue from continuing operations outside the United States during the three-month periods ended March 31, 2026 and 2025, respectively.

The accounting policies applied to determine the segment information are generally the same as those described in the summary of significant accounting policies (see Note 2). The Company evaluates the performance of its operating segments based on separate financial data for each operating segment as provided below (in thousands):

	Three-Month Period Ended March 31, 2026	Three-Month Period Ended March 31, 2025	% Change
Net revenue			
Media	$ 42,421	$ 40,977	4%
Advertising Technology & Services	154,550	50,874	204%
Consolidated	196,971	91,851	114%
Cost of revenue			
Media	5,365	3,266	64%
Advertising Technology & Services	96,589	30,206	220%
Consolidated	101,954	33,472	205%
Direct operating expenses			
Media	28,136	26,550	6%
Advertising Technology & Services	16,663	8,952	86%
Consolidated	44,799	35,502	26%
Selling, general and administrative expenses			
Media	11,352	10,805	5%
Advertising Technology & Services	6,787	4,701	44%
Consolidated	18,139	15,506	17%
Depreciation and amortization			
Media	2,786	2,970	(6)%
Advertising Technology & Services	205	507	(60)%
Consolidated	2,991	3,477	(14)%
Segment operating profit (loss)			
Media	(5,218)	(2,614)	100%
Advertising Technology & Services	34,306	6,508	427%
Consolidated	29,088	3,894	647%
Corporate expenses	7,173	7,788	(8)%
Impairment charge	-	23,673	(100)%
Loss on lease abandonment	-	25,191	(100)%
Restructuring costs	983	-	*
Foreign currency (gain) loss	243	12	1,925%
Operating income (loss)	20,689	(52,770)	*
Interest expense	$ (3,315)	$ (3,663)	(10)%
Interest income	358	605	(41)%
Dividend income	14	-	*
Realized gain (loss) on marketable securities	8	1	700%
Income (loss) before income taxes	17,754	(55,827)	*
Capital expenditures			
Media	$ 2,899	$ 2,360	
Advertising Technology & Services	998	24	
Consolidated	$ 3,897	$ 2,384	

* Percentage not meaningful.

Asset information by segment is not reported because the Company does not use this measure to assess performance or make decisions to allocate resources.

6. COMMITMENTS AND CONTINGENCIES

The Company is subject to various outstanding claims and other legal proceedings that may arise from time to time in the ordinary course of business. In the opinion of management, any liability of the Company that may arise out of or with respect to any such matters will not materially adversely affect the financial position, results of operations or cash flows of the Company.

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

Overview

We are a media and advertising technology company.

Our media business owns and operates one of the largest groups of Spanish-language television and radio stations in the United States. Our mission is to serve our Latino audience as a trusted provider of news, information, and entertainment. We serve our advertisers by providing marketing capabilities across broadcast and digital media.

Our advertising technology & services (ATS) business empowers advertisers, primarily mobile app developers, to grow their businesses globally. We provide programmatic advertising solutions through two brands. Smadex is a demand-side platform, which uses proprietary AI to automate media buying. Adwake is a performance-based digital marketing agency.

We have organized our operations into two reportable segments. Our media segment includes its television, radio and digital marketing operations. Our ATS segment provides programmatic advertising and technology services through Smadex and Adwake.

Our net revenue for the three-months period ended March 31, 2026 was $197.0 million. Of this amount, revenue generated by our media segment accounted for approximately 22%, and revenue generated by our ATS segment accounted for approximately 78% of total revenue.

Highlights

During the first quarter of 2026, our revenue grew by triple digits, driven primarily by revenue growth in our ATS segment, partially offset by a decrease in revenue in our media segment compared to the comparable period of 2025. In addition, during the first quarter of 2026:

- ATS revenue increased by 204% during the first quarter of 2026 compared to the first quarter of 2025, primarily due to increases in monthly active advertisers and revenue per monthly active advertiser, which were driven by investments we made in the AI capabilities of our platform and increased sales capacity.
- we acquired Playback Rewards, a reward and loyalty platform to complement our Adwake business.
- we continued to reduce our debt by making a scheduled amortization payment of $5 million under our Credit Facility.

Relationship with TelevisaUnivision

Our network affiliation agreement with TelevisaUnivision provides certain of our owned stations the exclusive right to broadcast TelevisaUnivision's primary Univision network and UniMás network programming in their respective markets. We also generate revenue under a marketing and sales agreement with TelevisaUnivision, which gives us the right to manage the marketing and sales operations of TelevisaUnivision-owned Univision affiliates in three markets – Albuquerque, Boston and Denver. Under our proxy agreement with TelevisaUnivision, we grant TelevisaUnivision the right to negotiate the terms of retransmission consent agreements with multichannel video programming distributors, or MVPDs, for our Univision- and UniMás-affiliated television station signals. Revenue generated from retransmission consent agreements represents payments from MVPDs for access to our television station signals so that they may rebroadcast our signals and charge their subscribers for this programming. The term of each of these current agreements expires on December 31, 2026 for all of our Univision and UniMás network affiliate stations. TelevisaUnivision also owns approximately 10% of our common stock on a fully-converted basis. For more information regarding these agreements and the stock that TelevisaUnivision owns, see Note 2 to Notes to Condensed Consolidated Financial Statements.

Critical Accounting Policies

For a description of our critical accounting policies, please refer to "Application of Critical Accounting Policies and Accounting Estimates" in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2025 10-K.

Recent Accounting Pronouncements

For further information on recently issued accounting pronouncements, see Note 2 to Notes to Condensed Consolidated Financial Statements.

Three-Month Periods Ended March 31, 2026 and 2025

The following table sets forth selected data from our operating results for the three-month periods ended March 31, 2026 and 2025 (in thousands):

	Three-Month Period Ended March 31,		% Change
	2026	2025	
Statements of Operations Data:			
Net Revenue	$ 196,971	$ 91,851	114%
Cost of revenue	101,954	33,472	205%
Direct operating expenses	44,799	35,502	26%
Selling, general and administrative expenses	18,139	15,506	17%
Corporate expenses	7,173	7,788	(8)%
Depreciation and amortization	2,991	3,477	(14)%
Impairment charge	-	23,673	(100)%
Loss on lease abandonment	-	25,191	(100)%
Restructuring costs	983	-	*
Foreign currency (gain) loss	243	12	1925%
Total expenses	176,282	144,621	22%
Operating income (loss)	20,689	(52,770)	*
Interest expense	(3,315)	(3,663)	(10)%
Interest income	358	605	(41)%
Dividend income	14	-	*
Realized gain (loss) on marketable securities	8	1	700%
Income before income (loss) taxes	17,754	(55,827)	*
Income tax benefit (expense)	(5,394)	8,052	*
Net income (loss) from continuing operations	12,360	(47,775)	*
Net income (loss) from discontinued operations, net of tax	-	(191)	(100)%
Net income (loss) attributable to common stockholders	$ 12,360	$ (47,966)	*
Other Data:			
Capital expenditures	$ 3,897	$ 2,384	
Net cash provided by (used in) operating activities	21,784	(15,244)	
Net cash provided by (used in) investing activities	(2,879)	(2,475)	
Net cash provided by (used in) financing activities	(10,171)	(4,582)	

Consolidated Operations

Net Revenue. Net revenue increased to $197.0 million for the three-month period ended March 31, 2026 from $91.9 million for the three-month period ended March 31, 2025. This increase was primarily due to an increase of $1.4 million in net revenue from our media segment, and an increase of $103.7 million in net revenue from our ATS segment.

Cost of revenue. Cost of revenue increased to $102.0 million for the three-month period ended March 31, 2026 from $33.5 million for the three-month period ended March 31, 2025. This increase was primarily due to an increase of $2.1 million in cost of revenue from our media segment, and an increase of $66.4 million in cost of revenue from our ATS segment.

Direct Operating Expenses. Direct operating expenses increased to $44.8 million for the three-month period ended March 31, 2026 from $35.5 million for the three-month period ended March 31, 2025. This increase was primarily due to an increase of $1.6 million in direct operating expenses in our media segment, and an increase of $7.7 million in direct operating expenses in our ATS segment.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to $18.1 million for the three-month period ended March 31, 2026, from $15.5 million for the three-month period ended March 31, 2025. This increase was primarily due to an increase of $0.5 million in selling, general and administrative expenses in our media segment, and an increase of $2.1 million in selling, general and administrative expenses in our ATS segment.

Corporate Expenses. Corporate expenses decreased to $7.2 million for the three-month period ended March 31, 2026 from $7.8 million for the three-month period ended March 31, 2025. This decrease was primarily due to a decrease of $1.4 million in audit fees and other professional services, a decrease of $0.2 million in rent expense, and a decrease of $0.2 million in cloud expense, partially offset by an increase of $0.8 million in bonus expense and an increase of $0.5 million in non-cash stock-based compensation.

Depreciation and amortization. Depreciation and amortization decreased to $3.0 million for the three-month period ended March 31, 2026 compared to $3.5 million for the three-month period ended March 31, 2025, primarily due to fully depreciated assets and fully amortized intangible assets.

Impairment. For the three-month period ended March 31, 2025, we incurred an impairment charge of $23.7 million related to broadcast licenses and fixed assets of the two television stations in Mexico that are held for sale.

Loss on lease abandonment. For the three-month period ended March 31, 2025, we incurred a loss on lease abandonment of $25.2 million related to our previous Santa Monica lease.

Restructuring costs. During the third quarter of 2025 our management began to implement the Plan, intended to support revenue growth and reduce expenses, primarily in our media operations. For the three-month period ended March 31, 2026, we recorded $1.0 million in restructuring costs.

Foreign currency (gain) loss. Foreign currency gains and losses are primarily due to currency fluctuations that affect our operations located outside the United States.

We had a foreign currency loss of $0.2 million for the three-month period ended March 31, 2026, and a de minimis foreign currency loss for the three-month period ended March 31, 2025.

Interest Expense, net. Interest expense, net decreased to $3.0 million for the three-month period ended March 31, 2026 from $3.1 million for three-month period ended March 31, 2025. This decrease was primarily due to lower interest rate on our debt and a lower principal balance.

Realized gain (loss) on marketable securities. For each of the three-month periods ended March 31, 2026 and 2025 we recorded a de minimis amount of realized gain related to our available for sale securities.

Income Tax Expense or Benefit. Income tax expense for the three-month period ended March 31, 2026 was $5.4 million, or 30% of our pre-tax income. The effective tax rate for the three-month period ended March 31, 2026 was different from our statutory rate due to foreign and state taxes, non-deductible executive compensation, share-based compensation from foreign employees, and Net Controlled Foreign Corporation Tested Income. Income tax benefit for the three-month period ended March 31, 2025 was $8.1 million, or 14% of our pre-tax loss. The effective tax rate for the three-month period ended March 31, 2025 was different from our statutory rate due to foreign and state taxes, changes in valuation allowances on deferred tax assets, non deductible executive compensation, share-based compensation from foreign employees, and transaction costs.

Our management periodically evaluates the realizability of the deferred tax assets and, if it is determined that it is more likely than not that the deferred tax assets are, or are not, realizable, adjusts the valuation allowance accordingly. Valuation allowances are established and maintained for deferred tax assets on a "more likely than not" threshold. The process of evaluating the need to maintain a valuation allowance for deferred tax assets and the amount maintained in any such allowance is highly subjective and is based on many factors, several of which are subject to significant judgment calls.

Based on our analysis, we determined that it was more likely than not that our deferred tax assets would be realized for all jurisdictions with the exception of certain of our digital operations, certain U.S. Foreign Tax Credit carryovers and certain states deferred tax assets. As a result of historical losses from our digital operations primarily in Uruguay, Mexico and Argentina, certain U.S. Foreign Tax Credit carryovers, and capital loss, management has determined that it is more likely than not that deferred tax assets of $18.4 million at March 31, 2026 will not be realized and therefore we have established a valuation allowance in that amount on those assets.

The Organization for Economic Co-operation and Development ("OECD") Pillar 2 guidelines address the increasing digitalization of the global economy, re-allocating taxing rights among countries. The OECD, many other member states and various other governments have adopted, or are in the process of adopting, Pillar 2 which calls for a global minimum tax of 15% to be effective for tax years beginning in 2024. The OECD guidelines published to date include transition and safe harbor rules around the implementation of the Pillar 2, global minimum tax. On January 5, 2026, the OECD released the "Side-by-Side" (SbS) Safe Harbor guidance, effective January 1, 2026. This guidance provides a framework for coordinating the U.S. tax system with Pillar 2 rules, potentially limiting top-up tax liabilities for qualifying periods. The Company included the tax impact of Pillar 2 in the income tax for the three-month period ended March 31, 2026, based on the rules effective for that period, and continues to evaluate the impact of the Side-by-Side guidance on future periods.

On July 4, 2025, the President signed into law the One Big Beautiful Bill Act, which made certain changes to the current tax law and extended certain other tax provisions. We have analyzed the impact of these changes, noting that the main tax law changes that impacted us in 2026 are related to depreciation and Section 163(j) interest expense limitation. We will not take bonus depreciation in 2026 since given our tax position, the impact on this is nil. Regarding the Section 163(j) limitation, we believe that this will result in less taxable income to us.

As of March 31, 2026 and December 31, 2025, we had unrecognized tax benefits of $31.8 million and $31.7 million. We will recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense.

Segment Operations

Our media segment consists of sales of advertising through various media, including television, radio and digital. We own and/or operate one of the largest groups of Spanish-language television and radio stations in the United States. Our assets include 47 television stations and 44 radio stations (37 FM and 7 AM). These stations are concentrated in 13 of the 20 highest-density Latino markets in the United States. We are the largest affiliate group of the Spanish-language Univision and UniMás networks, which are owned by TelevisaUnivision. We also provide digital marketing services for businesses targeting Latino consumers.

Our ATS segment provides global performance marketing solutions primarily to mobile app developers. We operate this segment through two distinct business units: Smadex, our programmatic advertising platform; and Adwake, our performance-based marketing agency.

Media

Net Revenue. Net revenue in our media segment increased to $42.4 million for the three-month period ended March 31, 2026 from $41.0 million for the three-month period ended March 31, 2025. This increase was primarily due to an increase of $3.3 million in digital advertising revenue, an increase of $0.3 million in retransmission consent revenue, and an increase of $0.2 million in other revenue, partially offset by a decrease of $1.3 million in broadcast advertising revenue and a decrease of $1.0 million in spectrum usage rights revenue.

In general, the traditional broadcast industry is continuing to experience dramatic transformation. Most of our broadcast stations face declining audiences, which we believe is the situation across the industry, competitive factors with the other major Spanish-language broadcasters, and changing demographics and preferences of audiences, particularly younger audiences, in terms of the media they prefer to consume, including streaming and social media. In particular, the radio broadcast industry remains in a general state of decline as a result of numerous factors, including technological advancements in how audiences consume audio content, such as podcasts overtaking talk radio, leading to fragmentation in radio audiences; changing consumer preferences especially among younger audiences who tend to prefer interactive and on-demand experiences over the linear broadcast model; economic pressures in the form of certain high fixed operational costs; and competition with other forms of media, especially digital, for advertising revenue. We anticipate that these changes in viewer habits and preferences will persist at least for the foreseeable future and possibly permanently.

Additionally, we have previously noted a trend for advertising to move increasingly from traditional media, such as television and radio, to new media, such as digital media, and we expect this trend will also continue at least for the foreseeable future and possibly permanently. While we believe that none of these new technologies and services can completely replace local broadcast stations due to the element of localism that traditional broadcasting offers, the challenges we face in our broadcast operations from new technologies and services will persist and continue to present significant challenges, requiring attention, adaptability and action from management. We must continue to address these changes, including the need to further adjust our business strategies accordingly. Among the steps we have taken so far has been an emphasis on increasing local news and digital offerings, and their integration with our broadcast offerings. No assurances can be given that these or other strategies will be successful in meeting the changes and challenges we face.

Cost of revenue. Cost of revenue in our media segment increased to $5.4 million for the three-month period ended March 31, 2026 from $3.3 million for the three-month period ended March 31, 2025, primarily due to the increase in costs associated with the increase in digital advertising revenue and a decrease in gross margins.

Direct Operating Expenses. Direct operating expenses in our media segment increased to $28.1 million for the three-month period ended March 31, 2026 from $26.6 million for the three-month period ended March 31, 2025, primarily due to an increase of $1.0 million in expenses associated with the increase in revenue, an increase of $0.1 million in salaries and other employee benefits, and an increase of $0.7 million in other items which were individually immaterial, partially offset by a decrease of $0.3 million in non-cash stock-based compensation.

Selling, General and Administrative Expenses. Selling, general and administrative expenses in our media segment increased to $11.4 million for the three-month period ended March 31, 2026 from $10.8 million for the three-month period ended March 31, 2025, primarily due to an increase of $0.3 million in salaries and other employee benefits, an increase of $0.5 million in bad debt expense, and an increase of $0.2 million in other items which were individually immaterial, partially offset by a decrease in rent expense of $0.4 million.

Advertising Technology & Services

Net Revenue. Net revenue in our ATS segment increased to $154.6 million for the three-month period ended March 31, 2026 from $50.9 million for the three-month period ended March 31, 2025. The increase was primarily due to an increase in advertising revenue from Smadex, including a large customer in Asia that we acquired in the second half of 2025, and an increase in advertising revenue from Adwake.

Cost of revenue. Cost of revenue in our ATS segment increased to $96.6 million for the three-month period ended March 31, 2026 from $30.2 million for the three-month period ended March 31, 2025, primarily due to costs associated with the increase in digital advertising revenue.

We have previously noted a trend on a global basis in our ATS operations whereby advertisers are demanding more efficiency and lower cost from intermediaries like us. In response to this general trend, we have been offering our programmatic purchasing platform, Smadex, to advertisers, which lowers cost to our advertising customers. Among other things, this has led to lower margins in the products and services we sell, which we anticipate will persist for at least the foreseeable future and possibly permanently. The digital advertising industry as a whole remains dynamic and continues to undergo rapid changes in technology, customer expectation and competition. We expect this trend to continue and possibly accelerate. We must continue to address these dynamic and rapid changes, including the need to further adjust our business strategies, make appropriate investments in our technology and offer new products and services, as appropriate. No assurances can be given that the strategies we have pursued and investments we have made, and those we may pursue or make in the future will be successful.

Direct operating expenses. Direct operating expenses in our ATS segment increased to $16.7 million for the three-month period ended March 31, 2026 from $9.0 million for the three-month period ended March 31, 2025, primarily due to an increase of $4.5 million in cloud infrastructure expenses, an increase of $2.9 million in salaries and bonus expense, and an increase of $0.3 million in other items which were individually immaterial.

Selling, general and administrative expenses. Selling, general and administrative expenses in our ATS segment increased to $6.8 million for the three-month period ended March 31, 2026, from $4.7 million for the three-month period ended March 31, 2025, primarily due to an increase of $1.8 million in salaries and an increase of $0.3 million in on-premise software expense.

Liquidity and Capital Resources

While we have a history of operating losses in some periods and operating income in other periods, we also have a history of generating significant positive cash flows from our operations. We had net loss attributable to common stockholders of $79.2 million, $148.9 million and $15.4 million for the years ended December 31, 2025, 2024 and 2023, respectively. We had positive cash flow from operations of $10.6 million, $74.7 million and $75.2 million for the years ended December 31, 2025, 2024 and 2023, respectively. We had positive cash flow from operations of $21.8 million for the three-month period ended March 31, 2026. For at least the next twelve months, we expect to fund our working capital requirements, capital expenditures and payments of principal and interest on outstanding indebtedness, with cash on hand and cash flows from operations.

We currently believe that our cash position is sufficient to meet our operating and capital expenses and debt service requirements for at least the next twelve months from the issuance of this report. We believe that our position is strengthened by cash and cash equivalents on hand, in the amount of $68.2 million, and available for sale marketable securities in the additional amount of $3.0 million, as of March 31, 2026. Our liquidity is not materially affected by the amounts held in accounts outside the United States.

To the extent that our then-current liquidity is insufficient to fund our business activities or if we do not remain in compliance with our financial covenants under the Amended Credit Agreement, we may be required to seek additional equity or debt financing in the future to satisfy capital requirements. There is no guarantee that any such capital would be available to us on favorable terms, or at all. The failure to obtain any required capital could have a material adverse effect on our operations and financial condition.

Credit Facility

On March 17, 2023, we entered into our Credit Facility, pursuant to the Original 2023 Credit Agreement, by and among us, Bank of America, N.A., as Administrative Agent, and the Lenders. The Original 2023 Credit Agreement amended, restated and replaced in its entirety our previous credit agreement. The Original 2023 Credit Agreement was amended as of July 15, 2025, effective as of June 30, 2025, with respect to certain financial covenants and certain other provisions of our Credit Facility and was further amended as of March 18, 2026, with respect to a certain administrative clarification of the calculation of financial covenants.

For more information, see Note 2 to Notes to Condensed Consolidated Financial Statements.

Cash Flow

Net cash flow provided by operating activities was $21.8 million for the three-month period ended March 31, 2026, compared to net cash flow used in operating activities of $15.2 million for the three-month period ended March 31, 2025. The change in cash flow from operating activities was primarily due to an increase in net changes in our working capital of positive $2.4 million for the three-month period ended March 31, 2026 compared to negative $20.9 million for the three-month period ended March 31, 2025. The net changes in working capital were primarily due to the timing of cash payments to publishers and collections from customers. The increase in cash flow from operating activities was also due to an increase in net income after adjusting for non-cash items. Significant non-cash items in the three-month period ended March 31, 2026 included depreciation and amortization expense of $3.0 million, and non-cash stock based compensation of $3.3 million. Significant non-cash items in the three-month period ended March 31, 2025 included impairment charges of $23.7 million, loss on lease abandonment charges of $25.2 million, depreciation and amortization expense of $3.5 million, deferred income taxes of $1.5 million, and non-cash stock based compensation of $2.6 million. We expect to have positive cash flow from operating activities for the full year 2026.

Net cash flow used in investing activities was $2.9 million for the three-month period ended March 31, 2026, compared to net cash flow used in investing activities of $2.5 million for the three-month period ended March 31, 2025. The change in net cash flow used in investing activities was primarily due to purchases of property and equipment of $3.6 million for the three-month period ended March 31, 2026 compared to $2.6 million for the three-month period ended March 31, 2025, partially offset by proceeds from the sale of marketable securities of $0.8 million for the three-month period ended March 31, 2026 compared to $0.4 million for the three-month period ended March 31, 2025.

We anticipate that our capital expenditures will be approximately $9.0 million during the full year 2026. The amount of our anticipated capital expenditures may change based on future changes in business plans and our financial condition and general economic conditions. We expect to fund capital expenditures with cash on hand and net cash flow from operations.

Net cash flow used in financing activities was $10.2 million for the three-month period ended March 31, 2026, compared to $4.6 million for the three-month period ended March 31, 2025. The change in cash flow used in financing activities was primarily due to $5.0 million of payments on debt and $0.5 million of tax payments related to shares withheld for share-based compensation during the three-month period ended March 31, 2026, both of which did not occur in the three-month period ended March 31, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General

Market risk represents the potential loss that may affect our financial position, results of operations and/or cash flows due to adverse changes in the financial markets. We are also exposed to market risk from changes in the base rates on our Credit Facility.

Interest Rates

As of March 31, 2026, we had $162.7 million of variable rate bank debt outstanding under our Credit Facility. Our borrowings bear interest on the outstanding principal amount thereof from the date when made at a rate per annum equal to either: (i) the Term SOFR (as defined in the Amended Credit Agreement) plus a margin between 2.50% and 3.00%, depending on the Total Net Leverage Ratio (as defined in the Amended Credit Agreement) or (ii) the Base Rate (as defined in the Amended Credit Agreement) plus a margin between 1.50% and 2.00%, depending on the Total Net Leverage Ratio. In addition, the unused portion of the Revolving Credit Facility is subject to a rate per annum between 0.30% and 0.40%, depending on the Total Net Leverage Ratio.

Because our debt is subject to interest at a variable rate, our earnings will be affected in future periods by changes in interest rates. For example, if the SOFR were to increase or decrease by a hypothetical 100 basis points, or one percentage point, from its March 31, 2026 level, our annual interest expense would increase or decrease, respectively, and cash flow from operations would decrease or increase, respectively, by $1.6 million based on the outstanding balance of our term loan as of March 31, 2026.

Foreign Currency

We have certain foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. dollar. Historically, our revenues have primarily been denominated in U.S. dollars, and the majority of our current revenues continue to be, and are expected to remain, denominated in U.S. dollars. However, we have operations in countries other than the United States, primarily related to our ATS operations, and we expect a portion of our future revenues will be denominated in currencies other than the U.S. dollar, primarily the Euro. The effect of an immediate and hypothetical 10% adverse change in foreign exchange rates on foreign-denominated accounts receivable at March 31, 2026 would not be material to our consolidated results of operations or overall financial condition.

Our operating expenses are primarily denominated in U.S. dollars. In addition, certain of our operating expenses are denominated in the currencies of the countries in which our operations are located, primarily Spain, which uses the Euro. Currency fluctuations or a weakening U.S. dollar can increase the amount of operating expense of our international operations, which are primarily related to our ATS operations. Increases and decreases in foreign-denominated revenue from movements in foreign exchange rates are partially offset by corresponding decreases or increases in foreign-denominated operating expenses.

To date, we have not entered into any foreign currency hedging contracts, since exchange rate fluctuations historically have not had a material effect on our operating results and cash flows.

ITEM 4. CONTROLS AND PROCEDURES

We conducted an evaluation, under the supervision and with the participation of management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this quarterly report. Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of the evaluation date, our disclosure controls and procedures were effective.

Our disclosure controls and procedures are designed to ensure that the information relating to our company, including our consolidated subsidiaries, required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow for timely decisions regarding required disclosure.

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

There have not been any changes in our internal control over financial reporting during the period covered by this quarterly report 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 are subject to various outstanding claims and other legal proceedings that may arise in the ordinary course of business. In the opinion of management, any liability that may arise out of or with respect to these matters will not materially adversely affect our financial position, results of operations or cash flows.

On or about July 22, 2025, our now former landlord of our former headquarters in Santa Monica, California commenced litigation against us in Los Angeles County Superior Court. The plaintiff alleges that we breached our lease and the plaintiff seeks at least $31.5 million in damages. The plaintiff filed an amended complaint on or about August 26, 2025 and we filed an answer on or about September 25, 2025, denying the plaintiff's allegations. Discovery has commenced and the court has tentatively set a trial date in June 2027. We intend to vigorously defend against the claims brought by the plaintiff and assert defenses to the claims raised.

ITEM 1A. RISK FACTORS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Issuer Purchases of Equity Securities

On March 1, 2022, our Board of Directors approved a share repurchase program of up to $20 million of our Class A common stock. Under this share repurchase program, we are authorized to purchase shares of our Class A common stock from time to time through open market purchases or negotiated purchases, subject to market conditions and other factors.

We did not repurchase any shares of our Class A common stock during three-month period ended March 31, 2026 and 2025. As of March 31, 2026, we have repurchased a total of 1.8 million shares of our Class A common stock under this share repurchase program for an aggregate purchase price of $11.3 million, or an average price per share of $6.43. All such repurchased shares were retired as of March 31, 2026.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Insider Trading Arrangements

During the quarter ended March 31, 2026, none of our directors or officers informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408.

ITEM 6. EXHIBITS

10.1*	Amendment No. 2, dated as of March 18, 2026, to Existing Credit Agreement, by and between the Company and Bank of America, N.A., as administrative agent.
31.1*	Certification by the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934.
31.2*	Certification by the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934.
32*	Certification of Periodic Financial Report by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

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* Filed herewith.

† Management contract or compensatory plan, contract or arrangement.

SIGNATURE

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.

ENTRAVISION COMMUNICATIONS CORPORATION

By: /s/ MARK BOELKE

Mark Boelke
Chief Financial Officer,
Chief Operating Officer and Treasurer

Date: May 5, 2026

Exhibit 10.1

AMENDMENT NO. 2

This AMENDMENT NO. 2 (this "Amendment"), dated as of March 18, 2026, to the Amended and Restated Credit Agreement, dated as of March 17, 2023 (as amended by that certain Amendment No. 1, dated as of July 15, 2025, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement"; the Existing Credit Agreement, as amended by the Amendment, the "Amended Credit Agreement"), is entered into by and between ENTRAVISION COMMUNICATIONS CORPORATION, a Delaware corporation (the "Borrower") and BANK OF AMERICA, N.A., as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Existing Credit Agreement.

W I T N E S S E T H:

WHEREAS, Section 10.01 of the Existing Credit Agreement permits that, if the Administrative Agent and the Borrower have jointly identified an obvious error or any error or omission, in each case, in any Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend such provision without the input or consent of the Lenders; and

WHEREAS, the Borrower and the Administrative Agent have identified such an error and desire to amend the Existing Credit Agreement in accordance with Section 10.01 as further described herein.

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Credit Agreement. Effective as of the Amendment No. 2 Effective Date (as defined below), the Existing Credit Agreement is hereby amended to amend and restate the definition of "Measurement Period" appearing in Section 1.01 of the Existing Credit Agreement in its entirety as set forth below:

> "Measurement Period" means, with respect to any date, the period of the eight (8) most recently completed consecutive fiscal quarters for which financial statements have been or were required to have been delivered to the Administrative Agent pursuant to Section 6.01(a) or (b). When used in reference to (x) a measurement of Consolidated EBITDA, the Consolidated EBITDA for such Measurement Period shall be measured as the Consolidated EBITDA for such eight consecutive fiscal quarters, divided by two and (y) a measurement of First Lien Net Leverage Ratio, Total Net Leverage Ratio or Interest Coverage Ratio, the applicable ratio shall be calculated using the Consolidated EBITDA (in the numerator or denominator of such ratio, as applicable) for such eight consecutive fiscal quarters, divided by two. When used in reference to (x) a measurement of Consolidated Interest Charges, the Consolidated Interest Charges for such Measurement Period shall be measured as the Consolidated Interest Charges for such eight consecutive fiscal quarters, divided by two and (y) a measurement of the Interest Coverage Ratio, the Interest Coverage Ratio shall be calculated using the Consolidated Interest Charges for such eight consecutive fiscal quarters, divided by two.

2. Conditions Precedent. This Amendment shall become effective on the date when the Administrative Agent shall have received counterparts of this Amendment duly executed by each of the Borrower and the Administrative Agent (the "Amendment No. 2 Effective Date").

3. Fees and Expenses. Section 10.04 of the Existing Credit Agreement is incorporated herein by reference, *mutatis mutandis.*

4. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or other electronic transmission will be as effective as delivery of a manually executed counterpart hereof. The words "execution," "signed," "signature," "delivery," and words of like import in this Amendment shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

5. Governing Law; Jurisdiction; Waiver of Right of Trial by Jury. Sections 10.14 and 10.15 of the Existing Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

6. Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

7. Effect of Amendment. Except as expressly set forth herein, (i) this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or any other Agent, in each case under the Existing Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other provision of either such agreement or any other Loan Document. Each and every term, condition, obligation, covenant and agreement contained in the Existing Credit Agreement as amended hereby, or any other Loan Document, is hereby ratified and re-affirmed in all respects and shall continue in full force and effect. This Amendment shall constitute a Loan Document for all purposes and from and after the Amendment No. 2 Effective Date, all references to the Existing Credit Agreement in any Loan Document and all references in the Existing Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Existing Credit Agreement, shall, unless expressly provided otherwise, refer to the Amended Credit Agreement.

8. Reaffirmation. The Borrower on behalf of itself and each of the other Loan Parties, hereby consents to this Amendment and confirms and reaffirms (i) that all obligations of such Loan Party under the Loan Documents to which such Loan Party is a party shall continue to apply to the Amended Credit Agreement, (ii) such Loan Party's guaranty of the Obligations, (iii) such Loan Party's prior pledges and grants of security interests and Liens on the Collateral to secure the Obligations pursuant to the Collateral Documents and (iv) such Guarantees, prior pledges and grants of security interests and liens on the Collateral to secure the Obligations, as applicable, shall continue to be in full force and effect, shall not be affected, impaired or discharged hereby or by the transactions contemplated in this Amendment and shall continue to inure to the benefit of the Administrative Agent, the Lenders and the other Secured Parties. This Amendment shall not constitute a novation of the Existing Credit Agreement or any other Loan Document.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their duly authorized respective officers as of the date first above written.

ENTRAVISION COMMUNICATIONS CORPORATION

By: /s/ Mark Boelke
Name: Mark Boelke
Title: Chief Financial Officer and Treasurer

[Entravision - Signature Page to Amendment No. 2]

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Teresa Weirath
Name: Teresa Weirath
Title: Vice President

[Entravision - Signature Page to Amendment No. 2]

Exhibit 31.1

Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934

I, Michael J. Christenson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Entravision Communications Corporation;

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 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 financing 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 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: May 5, 2026

/s/ MICHAEL J. CHRISTENSON

Michael J. Christenson
Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
and Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934

I, Mark Boelke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Entravision Communications Corporation;

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 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 financing 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 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: May 5, 2026

/s/ Mark Boelke

Mark Boelke
Chief Financial Officer,
Chief Operating Officer and Treasurer

Exhibit 32

Certification of Periodic Financial Report by the Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Solely for the purposes of complying with 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, we, the undersigned Chief Executive Officer and Chief Financial Officer of Entravision Communications Corporation (the "Company"), hereby certify, based on our knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2026 (the "Report") 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 Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 5, 2026

/s/ Michael J. Christenson

Michael J. Christenson
Chief Executive Officer

Date: May 5, 2026

/s/ Mark Boelke

Mark Boelke
Chief Financial Officer