

# Saga Communications, Inc. NasdaqGM:SGA

## FQ1 2026 Earnings Call Transcripts

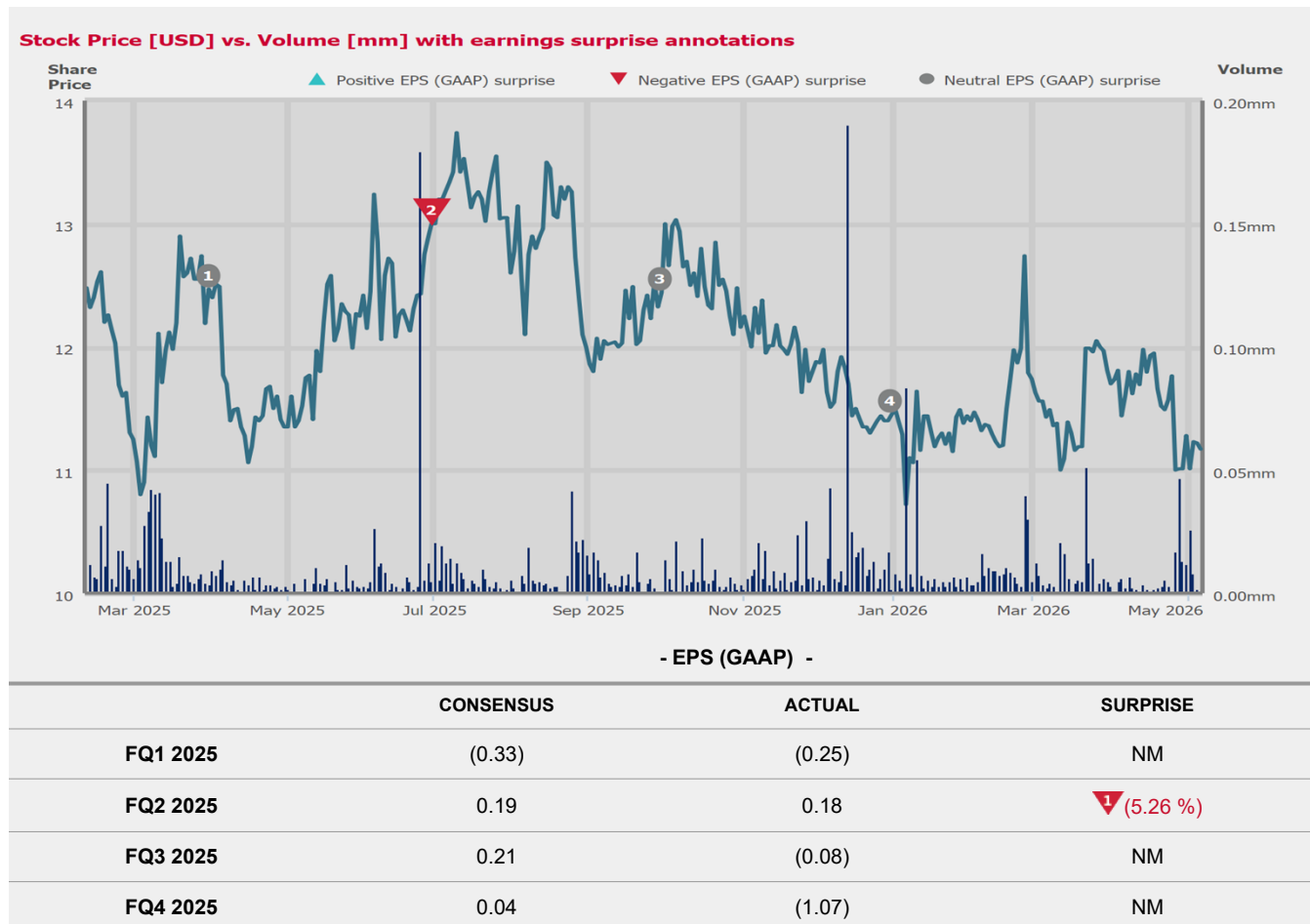
Thursday, May 7, 2026 3:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ4 2025-			-FY 2025-			-FY 2026-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS
EPS (GAAP)	0.04	NA	NA	(0.10)	NA	NA	0.54
Revenue (mm)	27.70	NA	NA	108.30	NA	NA	113.20

Currency: USD

Consensus as of Mar-13-2026 12:41 PM GMT



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# Call Participants

## EXECUTIVES

**Christopher S. Forgy**  
*CEO, President & Director*

**Samuel D. Bush**  
*Executive VP, CFO & Treasurer*

# Presentation

## Operator

Good day, everyone, and welcome to the Saga Communications First Quarter 2026 Conference Call and Earnings Release.

[Operator Instructions] It is my pleasure to hand the floor over to your host, Chris Forgy. Sir, the floor is yours.

## **Christopher S. Forgy** *CEO, President & Director*

Thank you, Matt. and thank you to everyone who has taken the time to join August 2026 Q1 earnings call. We appreciate your continued support, your interest and your participation in Saga Communications, and what we believe is the best media company on the planet.

With that, I'm going to turn it over to Sam Bush, our Executive Vice President and Chief Financial Officer. Sam, the floor is yours for now until I take it back from you.

## **Samuel D. Bush** *Executive VP, CFO & Treasurer*

Very good. Thank you, Chris. This call will contain forward-looking formats of operations involve risks and uncertainties that are described in the Risk Factors section of our most recent Form 10-K. This call will also contain a discussion of certain non-GAAP financial measures. Reconciliation for all the non-GAAP financial measures to the most directly comparable GAAP measure are attached in the selected financial data tables.

For the quarter ended March 31, 2026, net revenue decreased \$1.3 million or 5.6% to \$22.9 million compared to \$24.2 million last year. Political was not a factor in the quarter as for the first quarter in 2025, gross political revenue was \$271,000 compared to \$275,000 in 2026. For 2026, we currently have \$1.4 million in gross political revenue on our books compared to gross political revenue of \$650,000 for the whole year in 2025 and and \$3.3 million for the year in 2024.

Digital revenue was up \$900,000 or 25.2% to \$4.4 million for the first quarter of 2026 compared to \$3.5 million for the same period last year. This growth was not enough to surpass the decline in our traditional advertising revenue, including national, local direct and local agency. Also, other income was down approximately \$200,000. This was primarily due to the reduction in rental income we previously received for the tower sites we sold in the fourth quarter last year. Chris will be adding more color to the various revenue line items, both traditional and digital in his upcoming comments.

Station operating expenses were approximately flat with the same quarter last year at \$22 million. We do expect our station operating expense to increase 1.5% to 2.5% for the year when including the added expenses that we are taking on to build out the infrastructure related to our digital transformation. We continue to expect that our corporate, general and administrative expense to be approximately flat with last year at \$12.3 million. As stated in our year-end filings for the company closed on the sale of telecommunications towers and related properties.

On October 17, 2025, recognizing a gain of \$11.6 million. The total proceeds, including both cash and noncash, were \$15.1 million. The net cash proceeds from the sale after expenses was \$9.8 million. This does not include the approximately \$400,000 being held in an escrow account pending finalizing the landlord's consent to transfer of 1 final tower. We anticipate this transfer will take place in the second quarter of 2026.

Due to the sale and our continued ability to operate, we historically have these tower sites we sold we have a noncash expense reported of approximately 50,000 in station operating expense in the first quarter. We will continue to have a non-Gasexpense based on the accounting treatment required to record the noncash gain in each of our future quarters, which will be disclosed in our ongoing releases and filings. The company did quarterly due of \$0.25 per share during the first quarter on March 2, 2020. The aggregate value of the quarterly dividend was approximately \$1.6 million.

The company also issued a press release this morning, simultaneous with our earnings release that Saga's Board of Directors declared a quarterly dividend of of \$0.26 per share on May 6, 2026, with a record date of May 22, 2026 and a payable date of June 12, 2020. With the most recent declared dividend, Saga will have paid over \$145 million in dividends to shareholders since the first special dividend was paid in 2012. The company intends to continue to pay regular quarterly cash dividends in the future.

The company's balance sheet reflects \$30.4 million in cash and short-term investments as of March 31, 2025, and \$27.8 million as of May 4, 2026. For the quarter ended March 31, 2026, the company recorded capital expenditures of \$780,000 compared to \$700,000 for the same period last year. The company expects to spend approximately \$3.5 million on capital expenditures during 2026.

We also continue to evaluate our nonproductive assets with the intent of monetizing those assets at a value that is higher than is recognized in Saga's stock price. This also allows us from a cash perspective to offset the cash spend on some, if not all, of the capital expenditures required to continue to operate our core business as well as invest in our digital transformation. As reported in the fourth quarter, we sold excess land at 1 of our Iowa tower sites for a little over \$200,000. And at the end of this quarter, we sold our old studio site in Springfield Mass for approximately \$500,000. We expect to be able to report more on this initiative with our second quarter earnings release.

The second quarter is currently pacing down high single digits with digital up 10.2%. We continue to have a ways to go before the increases in digital revenue is larger than the decline in traditional broadcast revenue. To increase the pace of the transformation, we are continuing to move forward with a plan to add resources to build the digital infrastructure. We need to process the interactive orders that the blended sales process is creating as well as to provide our local management teams in a number of markets that don't already have them with sales managers as well as digital campaign managers. This will allow our media advisers to spend more time calling on existing and potential clients to solicit new business as they will now have the assistance they need to build the unique blended campaigns that are required to grow our digital business and mitigate the decline in radio ad spend. It also allows us to have the talent to monitor the performance of the line campaigns, which will allow us to retain a higher percentage of blended clients.

The expense of this initiative will initially be more costly than the revenue it will bring but it is a necessary expenditure to be competitive with other digital companies and to be better -- and to better serve our clients in meeting their advertising needs. In totality, this will increase our market expenses approximately \$1.5 million for 2026. We have already hired most of the corporate digital staff and are in the process of continuing to find the right individuals at a market level. All said, we believe Sage in a strong financial position to improve profitability as our digital initiative improves both local radio and digital revenue.

And with Chris, I'll turn it back over to you.

**Christopher S. Forgy**  
*CEO, President & Director*

Thank you, Sam. Onset, sustained intensive training, teaching, coaching, inspiring and encouraging. These are the clearly stated behaviors that make up the prescription for success for broadcasters in the digital space. Saga has spent the better part of 2.5 years doing just that with our general managers, sales managers, media advisers, content creators in all of our 27 markets, and it is a challenge to be interested. Recently, I spoke with 16 of our Saga General Managers, that's about half of all of our Saga General Managers in total. And during that discussion, I conducted a quick survey I asked the question, how long have each of you have been in the broadcast business. Each of the 16 leaders gave their answer, and I then tallied the total to discover that the leaders in just those 16 Saga markets, had been in the business we love for a total of 594 years. 594 years of acquired skills, knowledge, expertise, intuition, instincts, acumen and other skills and abilities. Traditionally, radio professionals have been very successful and have made a lot of money for their organizations and for themselves over the years of just 5% to 7% of the total ad spend.

Parenthetically, 5% to 7% has been radio share of the total advertising pie for some time and has now settled at about 5%. And now with the digital age, there seems to be an element of fear to change or maybe a feeder of loss on the part of broadcasters. But times have changed. Thus what saw in the other broadcasters have been aggressively doing is to expand the knowledge base in Sage's case, expand the knowledge base in the 594 for collective years of skills, knowledge, expertise, intuition, in sync, action and finally, success. This, while at the same time, continuing to blunt the onslaught of a macro downdraft in the traditional advertising sector. That's a tall order, and we're progressing on getting it done.

In essence, we have been remodeling a home while we're still living in the home. If any of you have ever done that, you know it's rather disruptive. And in this case, old habits die hard. And in the digital space, it can be confusing and a learning of all the new bright dine options that exist. Thus, it is also critical for us as leaders and operators to avoid the urge to focus or try to focus on too much. As I have said on previous earnings calls, we chose this path of transformational change at the desire for growth and out of necessity. We believe and have seen evidence of it, that a local digital advertising market that remains is ripe for disruption.

Here's what we see. I've shared some of this with you before. There's an ongoing increase in digital advertising dollars and the rapid growth of digital budgets has outpaced the ability of the advertisers to use them effectively. There are frustrated buyers with unmet needs. The effect of Evergreen as we call it, set it and forget it, campaigns and empty promises, create a lack of trust with what the advertiser is buying and with who they are buying it from. There are too many providers and too many conflicting solutions.

Everybody's got a new and bright shiny answer. So buyers are confused. Thus our media advisers must be properly trained and equipped with the right resources, so they can then provide the clarity and simplicity to help our customers be successful. And finally, many of the digital offerings out there focus too much on the products and not enough on the real journey the consumer goes on once they engage with a product or service.

To be clear, Saga is a customer-first company, not a digital-first company. We are a customer first, not a digital-first company. Our blended process honors and respects and grows, local radio and allows Saga's core business to do the magic it has always been known for. Radio gist advertiser wanted and always, always leads to a search. Search fits the advertiser found and display it the advertiser chosen. In concept, it's simple. Saga is blended digital process. It's easy to understand, easy to buy, easy to execute, easy to measure and ultimately easy to rebuy.

So now it comes back to the fee of the leadership. And it is our job to make enough of the right blended sales calls, sending the right things to the right people with frequency. So to assist with these objectives, we've deployed a lead gen solution to help sides media advisers and media groups get wanted found and chosen. You noticed I said to help Saga media advisers and media groups get wanted found and chosen. In essence, we are applying the blended strategy to our own enterprise. That's is what we reach.

And now after a couple of years of training, conversations were in are much different than they ever were 2 years ago. our leaders continue to put in the work and they are becoming experts. We believe they have learned and know more about consumer behavior and digital advertising than they ever even realize. The other day, 1 of our leaders said to me, it's more important to get it right than it is to be right, and we are beginning to get it right in the process of getting it right, and in our quest to catch up with our broadcast other after being late to the digital party and attempting to forge a path no 1 has ever forged before successfully. We may have made, may have made some of the training and coaching and inspiring and encouraging a bit too complicated and perhaps try to focus on a little too much with those leaders with the 594 plus selective years of broadcast experience.

These leaders who are then charged with teaching, coaching, inspiring and encouraging others in their organization to go out and tell the story to the consumers and to our customers so they can benefit from the story itself. So with us clarity and simplicity also applies. It applies to us during our training process.

So going forward, we shifted slightly to not ignore or forgo the traditional radio and radio advertising that has served so many in the Sageverse for so long and to ignore it just because it's not blended or doesn't include search or display. Every conversation, every interaction with an advertiser is another opportunity to have a blended conversation that could lead to a sale and success for our customer. We are and will continue to sell e-comm, online news, endorsements, promotions, events and create impeccable spec creative, be great storytellers who tell persuasion stories that allow the customer to see themselves in that story. The intents and curious listeners and help our customers solve problems and use the 594 years of experience gained by our leaders to accomplish this.

Now all of that being said, at a time when traditional advertising is extremely challenging, and some broadcasters are looking to invest partially or completely, and cut expenses or perhaps hang on just long enough for deregulation to become a thing tool support of management and the Board of Directors continues to invest in the ongoing training and resources and people power necessary to acquire, retain and grow our revenue. And we continue to see green sprouts of success as we remodel the house that we're currently living in. And now speed of execution is what we need. When I got into the business, we called it wearing out our shoe leather. I don't think to call out that anymore. That's what we call it that.

These are some of the green sprouts we're seeing. For example, Saga's digital-only blended revenue was up over \$1 million, a 103% increase year-over-year Q1 2025 and versus Q1 2026. Local direct revenue that was attached to a blended product, blended products being search and display was up year-over-year Q1 2025 and versus Q1 2026, 29%. The average blended local direct radio buy is 70% larger than the average non-blended local direct radio buy. The average total blended buy per client is 3x larger than the average non-blended local radio buy. Year-over-year Q1 2025 versus Q in 2026. We had 158 blended accounts and lost 419 accounts. So significant attrition is real.

Let me say that again, we gained 158 blended accounts and lost 419 non-blended accounts. Attrition is real. And revenue from blended in digital -- revenue from blended digital and radio together in Q1 2026 was \$3.6 million and was up \$1.3 million over Q1 2025. If you do the math, that was up 59% year-over-year quarter-over-quarter. Unfortunately, as Sam mentioned, even with the lift in blended performance, which consists primarily of search and display, we did not yet offset the delta in overall performance for the 3 months ending 331.26. Sage finished down 6% in total gross revenue and down 5.6% in total net revenue.

As forecasted, digital expenses over the same period increased \$649,000 due to the addition of digital people, training, digital products, resources for several of our soda markets. This investment in infrastructure and people will ultimately enable us to bring several outsourced products in-house to allow us to increase Sage's operating margins on many of the digital products we offer. And

during this transition, however, there will be a brief overlap in time where we will be training in-house employees and continuing to use third-party providers and will be doing it simultaneously, training and then deploying. This, along with the increase in general digital expenses will not be for any means a long-term opposition. We need these short-term investments in order to compete in an extremely competitive and ever-changing digital marketplace.

There will certainly be a ramp-up period for those -- for that revenue to catch up and surpass the expense lift. We anticipate this crossover period to take place in the third and early fourth quarters of 2026. At that point, our plan is that the investments made will become accretive.

As far as Saga's other terribly important revenue issues are concerned and ones that we talked about on virtually every earnings call, for the quarter ending March 31, 2026, local e-commerce revenue was up 23.2%. And looking ahead, April e-commerce registered a record month of \$347,000, and January through April, e-commerce is performing up 24% year-over-year for the full month period. And the 12-month trailing revenue on the e-comm platform is nearly \$3 million.

Investment digital program was up 15% year-over-year for Q1 2025. However, national streaming revenue during the period ending 33126 was down 31.5%. This was due primarily to a change in third-party provider processes and a change in algorithms. Mobile streaming was up 116% and local streaming revenue was down 7%. And Online news sites were also down for the quarter, 7.2%. Despite this decline in national streaming, local streaming and the online news, Saga experienced a large lift in overall digital revenue. All in, interactive digital revenue for the period ending 33126, as Sam mentioned, was up 25.2%.

More specifically, and search was up 105% year-over-year. Quarter-over-quarter, targeted display was up 120% year-over-year, quarter-over-quarter, and social media was up 18%. And year-over-year and quarter-over-quarter.

So in closing, the reach and frequency and intrusive magic of radio, along with search and display, coupled with hundreds of years of experience from Sage's broadcasters, bringing the best of all worlds together and engage us and enable us to change with the times. It enables us to honor the past and guide the future. That's how we move from simply changing with the times to leading through them together.

Thank you again for your time, your interest and support of Saga Communications. What we believe to be the best media company on the planet. Sam, are there any questions?

# Question and Answer

**Samuel D. Bush**  
*Executive VP, CFO & Treasurer*

Yes, Chris, we could get a few questions. Start with the first one. Are there efficient efficiency initiatives or automation efforts underway to protect margins?

**Christopher S. Forgy**  
*CEO, President & Director*

Do you mind if I take that one?

**Samuel D. Bush**  
*Executive VP, CFO & Treasurer*

No, absolutely.

**Christopher S. Forgy**  
*CEO, President & Director*

Okay. We continue to bring digital offerings currently provided, as I mentioned, by third-party providers in-house. This ultimately decreases the costs and increases margins. We also deployed AI in our on-air and online products and efforts, including our online news as well as other products and services, that really are used to create operational efficiencies, and we'll continue to do that.

**Samuel D. Bush**  
*Executive VP, CFO & Treasurer*

Very good. Chris, there's 2 questions that I'm going to kind of roll together and I'll reiterate what I've already said. The first in there about political revenue. What are your expectations for political ad revenue this cycle compared to prior elections as well as how much of political revenue is already booked or visible at this stage.

I'd already indicated that from a political standpoint that we currently have \$1.4 million in gross political revenue on our books compared to last year, our total political revenue was \$650,000 for the year in 2025. And in 2024, it was \$3.3 million. So we are expecting to continue to see -- it's nice to see we already have the \$1.4 million booked for the year, and we are expecting to see that pick up as we progress into what is more of the political spending time, and that's late third quarter and early fourth quarter as we go into the actual elections.

Next question, Chris, was for you. What are the biggest risks to your business over the next 12 to 24 months?

**Christopher S. Forgy**  
*CEO, President & Director*

Okay. We mentioned it on the earnings call just a moment ago. But clearly, it's speed of execution. Some of the risks that we -- that are out there that are concerned as we control and others, we don't, like, for example, the speed and intensity of the macro downdraft in the traditional advertising sector. But really more importantly, can our markets effectively execute what they've been taught and do it with speed, authority and frequency. That, to me, is the biggest risk over the next 12 to 24 months to Saga that I see currently.

**Samuel D. Bush**  
*Executive VP, CFO & Treasurer*

Very good, Chris. What KPIs should investors focus on to measure the progress we make in our digital transformation strategy.

**Christopher S. Forgy**  
*CEO, President & Director*

If I was an investor, which I am, I would -- the KPIs I would use and the ones that we're encouraging our leaders and our trainers to use is we measure the lift in search, display and local direct because those are all the drivers this aside from local and local agency and national and all the others. But certainly, we always measure those. But in terms of transformational growth in the blended space if the KPIs research growth, display growth and local direct growth?

**Samuel D. Bush**

*Executive VP, CFO & Treasurer*

Very good. And 1 final question, which I'll address, do we anticipate further consolidation in the radio industry and where does Saga fit. We, as we all know, a lot of eyes, including ours are on the FCC, whether it is continued ownership limit waivers, as we've seen recently are an overall change in ownership rules, our first priority will be to become stronger in the markets we already serve. We're not focused on expanding just to get bigger. In reality, only time will tell or so cosaif there is further consolidation in the industry.

And we, obviously, as I said, there are all like a lot of people watching the FCC and see what actions they take as we proceed through this year.

And I think with that, Matt, we can turn it back over to you to wrap up.

**Operator**

Thank you. Everyone, this concludes today's event. You may disconnect at this time, and have a wonderful day. Thank you for your participation.

**Christopher S. Forgy**

*CEO, President & Director*

Thank you, Matt.

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