

# Saga Communications, Inc. NasdaqGM:SGA

## FQ2 2025 Earnings Call Transcripts

**Thursday, August 7, 2025 3:00 PM GMT**



S&P Global Market Intelligence Estimates

	-FQ1 2025-			-FQ2 2025-	-FY 2025-	-FY 2026-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
<b>EPS (GAAP)</b>	(0.33)	NA	NA	0.19	0.48	NA
<b>Revenue (mm)</b>	23.00	NA	NA	28.55	111.51	NA

Currency: USD

Consensus as of May-13-2025 2:50 PM GMT

Unable to generate Chart: Unable to get data to chart

- EPS (GAAP) -			
	CONSENSUS	ACTUAL	SURPRISE
<b>FQ2 2024</b>	0.29	0.40	 37.93 %
<b>FQ3 2024</b>	0.13	0.20	 53.85 %
<b>FQ4 2024</b>	(0.12)	0.20	NM
<b>FQ1 2025</b>	(0.33)	(0.25)	NM

# Table of Contents

Call Participants	.....	3
Presentation	.....	4
Question and Answer	.....	8

# Call Participants

## EXECUTIVES

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

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

# Presentation

## Operator

Good day, and welcome to Saga Communications Second Quarter Earnings Release Conference Call.[Operator Instructions]

It is now my pleasure to turn the floor over to your host, Chris Forgy, President and CEO at Saga Communications. Sir, the floor is yours.

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

Thank you, Paul, and thank you to everyone who has taken the time to join Saga's 2025 Q2 Earnings Call. As always, we appreciate your continued support, your interest and your participation in Saga Communications, what we believe is the best media company on the planet.

Before my remarks, I will turn the floor over to Sam for our introduction. Sam?

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

Thank you, Chris. As a reminder, this call will contain forward-looking statements about our future performance and results of operations that 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.

And now Chris, on with the show.

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

Thank you, Sam. You probably remember, Sam, during the most recent Saga Board meeting, the Board of Directors meeting, I received a text from Matt Burgoyne. Matt serves as Saga's Director of Innovation and Growth and leads and oversees Saga's transformational digital strategy that you've heard so much about. We call it blended advertising. In the text, Matt shared with me an experience he and the team in one of our Saga markets were navigating through. And this single client represented an opportunity to win \$1.3 million annually. Although this type of account is atypical, we refer to this type of customer as a whale. And whales, frankly, they're very complex beasts. Our opportunity to win this business was created in part by the failure of another broadcast company to deliver and fulfill the customers' needs and by the relationship our market manager had developed with this customer. The fact of the matter is they trusted us to perform.

So long story short, the problems that existed with this poor performance of the campaign were not of our doing, but of the result of poor performance of other third-party providers the customer was using. Matt and his team provided an outline of the necessary changes needed and a road map on how to fix them. The customer left the meeting knowing their third-party providers were the problem. But more importantly, they now had a partner, a partner in Saga who knew how to identify the issues and how to fix them. In Matt's words, "they trust us implicitly." As they all left the meeting, the customer was talking about an additional campaign and advice they wanted us to put together for them.

This account alone has the potential this time next year to be \$150,000 a month account. Most to "no digital" could not have navigated this meeting. In fact, this client had already fired 1 broadcaster who knew digital. It is only because of Saga's training and teaching of its leaders and media advisers over the past 1.5 years that we could have even had a seat at the table to discuss this type of money let alone win the money and then coach the client on how to fix issues they were experiencing with other third-party providers. I read the entire text to our Board of Directors at this Saga Board of Directors meeting and their response was this. Chris, what do you and your team need to run faster and more efficiently. You see this as a Board who sees the opportunity and supports management's efforts to accomplish something that some have said, can't be done. I guess we'll see.

In a moment, Sam will share details of Saga's Q2 and 6-month 2025 performance. Are we delighted with where we are today? No, not at all. We should be doing better, but this isn't the '90s or early 2000s where you can see that new grocery store chain is opened in your market. And you go out and sell a big schedule or remote some antiquated promotion that has been done 100 times and get a windfall of cash. It just doesn't happen that way. We are now playing in the modern ever-evolving digital age. It's now much more

sophisticated and requires skills and abilities to play and to play fast, and we are extremely optimistic. We're looking ahead to the near future.

As you know, Saga still has \$27 million in cash and short-term investments on hand and has a plan that is being forged and gaining traction. Saga's digital culture continues to grow year-over-year, quarter-over-quarter and month-to-month. In 2025, July is better than June, August is better than July and September is better than August. Also, our digital percentage of total net revenue has also increased quarter-over-quarter from 13.6% to 15.6%. And recently, one of our few select third-party digital partners referred to Saga as one of their leading and fastest-growing digital channel partners.

Recently, I heard a quote that I think is appropriate, not only for Saga, but for everyone listening. It says, "those forged by the fire of adversity become living symbols of unbreakable will." Ladies and gentlemen, the traditional broadcast verticals that have carried us for years are challenged at best. And we're seeing signs that some of these traditional revenue verticals will return. But the degree to which they will return as well as the timing of those returns really remains to be seen. The truth is we have to sell our way out of this macro downdrift and refuse the urge to cut our way out where you're left with a shell of an organization with less people, less products, no process, no culture and no performance. I've said it before, I'll say it again, money comes from customers.

We're going to continue to produce great content that works and continue to provide service to the community and create an on-air atmosphere conducive to the success of our media partners. To do this, we must have talented, well-trained media advisers who are equipped to help these advertisers navigate through a fragmented and confusing marketplace where a gap exists when tech meets human behavior, a marketplace full of frustrated buyers with unmet needs, a marketplace with more available money than we've ever known and a marketplace that is ripe for disruption. This all takes time, money, commitment and resolve like no other.

So what do we need to go faster? Reduce unnecessary operating expenses to be more nimble, reinvest in research and development and in our people. To help support the efforts of our media advisers, continue to train our leaders and our media advisers to help them earn the trust of our advertising partners in the digital space, all the while continuing to bring value to our shareholders through accretive acquisitions, capital management and capital allocation. I've often thought of Saga currently in its current state, in essence, as a cash positive start-up. We iterate and iterate again with speed, not wasting time or money, and we fail fast. And when we succeed, we reinvest to become even faster.

We repeat the good and eliminate the not so good. By being nimble, it allows us in 1 of Saga's markets experienced material success like the example of the whale I cited earlier. We're able to push that success and process out to our other 26 Saga markets and do it, not now, but right now.

Sam, I'm going to turn it back over to you.

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

Thank you, Chris. For the quarter ended June 30, 2025, net revenue decreased \$1.5 million or 5% to \$28.2 million compared to \$29.7 million last year. Station operating expense decreased \$1.1 million or 4.6% to \$22.2 million for the 3-month period. For the quarter, we had an operating income of \$1.4 million compared to \$2.1 million last year. Station operating income, a non-GAAP measure, was \$6 million for the quarter compared to \$6.4 million for the same period last year. Capital expenditures were \$1.3 million for the quarter compared to \$1.5 million for the second quarter last year. We had net income of \$1.1 million for the quarter compared to \$2.5 million for the same period last year.

On a same-station basis for the quarter ended June 30, 2025, net revenue decreased \$1.9 million or 6.4% to \$27.6 million, and station operating expense decreased \$1.5 million or 6.4% to \$21.7 million. For the 6-month period ended June 30, 2025, net revenue decreased \$2.6 million or 4.7% to \$52.4 million compared to \$55 million last year. Station operating expense decreased \$1.6 million or 3.4% to \$44.2 million for the 6-month period. For the 6-month period, we had an operating loss of \$889,000 compared to an operating loss of \$274,000 last year.

Station operating income, again, a non-GAAP measure, was \$8.2 million for the 6-month period compared to \$9.2 million for the same period last year. Capital expenditures were \$2 million for the 6-month period compared to \$2.6 million for the same period last year. We had a net loss of \$447,000 for the 6-month period compared to net income of \$924,000 for the same period last year. On a same-station basis for the 6 months ended June 30, 2025, net revenue decreased \$3.6 million or 6.5% to \$51.2 million and station operating expense decreased 5.7% to \$43 million.

Reflecting on operating expenses, it was good to see the 4.6% decrease in station operating expenses for the second quarter and a 3.4% decrease for the 6-month period. This was largely the result of an increase in operating expenses of approximately \$390,000 for

the Lafayette acquisition for the quarter and \$1 million for the 6-month period as well as a decrease in same station operating expenses of approximately \$1.5 million for the quarter and \$2.6 million for the 6-month period.

The decrease in same-station expenses was primarily due to a reduction in compensation and compensation-related expenses, digital services expenses as we are now doing some of our digital ad placement in-house and bad debt expenses. Corporate expenses increased \$70,000 for the quarter and \$154,000 for the 6 months ended June 30, 2025. This did include an \$89,000 expense in the quarter and \$199,000 expense for the 6-month period relating to a potential proxy contest initiated by Saga's shareholder.

In addition to these expenses, there was also a lot of valuable time investing and working through this issue. The decrease in other operating expense for the 6 months ended June 30, 2025, compared to the same period in 2024 is primarily due to the sale of a nonproductive AM station along with 2 translators in Asheville, North Carolina and the shutting down of a nonproductive AM station in Bellingham, Washington in 2024. The decrease in other income is due to a onetime gain in 2024 related to the sale of Saga's equity investment in BMI when the organization was sold.

In addition to what Chris has already said, and we'll talk more about shortly, I want to point out that for the quarter, total interactive revenue was up 7% and for the 6-month period, up 10% with a 58% profit margin for the quarter and 55% for the 6-month period, excluding sales commissions for the quarter and for the year. While still in its infancy from a total dollar standpoint, our online news initiative revenue, which rolls up into our interactive numbers grew by 26% for the quarter and 51% for the 6-month period compared to 2024.

E-commerce revenue, which rolls up into our local direct numbers grew by 17% for the second quarter and is up 8% for the 6-month period. Pacing for the third quarter is currently showing improvement over Q1 and Q2's results. For the third quarter, we are currently pacing down approximately 1% and although we are seeing improvement inside the quarter as well with September pacing up 1.5% as of now. Obviously, you know that these numbers fluctuate daily. Excluding political, we are pacing flat for the last year -- flat with last year for third quarter. Last year, we had \$312,000, \$287,000 and \$680,000 in political for the first, second and third quarter, respectively.

Fourth quarter will be more of a revenue challenge from a political perspective as we had almost \$2 million in political revenue for the quarter in 2024. As Chris indicated, our interactive pacing is strong for the third quarter being up 40% as of now. Also, as of now, we are seeing improvement, albeit not everything we want, but still improvement in our traditional broadcasting revenue categories as well. For the third quarter, the local direct is pacing down 4.4%. Local Agency is pacing down 0.8%, and national is the outlier pacing down 19.1%. However, this year, we are seeing National come in later in the quarter than it ever has previously done.

The company paid a quarterly dividend of \$0.25 per share on June 27, 2025. The total dividend paid was approximately \$1.6 million. To date, Saga has paid over \$138 million in dividends to shareholders since the first special dividend was paid in 2012 as well as we have bought back over \$58 million in Saga stock.

Further, as a part of our overall capital allocation plan for 2025 and as stated in the press release, Saga has entered into a nonbinding negotiation to sell some of our tower sites. It is anticipated that these negotiations, if concluded, and we expect they will be, would result in proceeds from the sale in the high 7-figure or low 8-figure range and close before the end of the third quarter.

We are also assessing the potential sale of other noncore assets with the intent to use a portion of the proceeds from these sales to fund stock buybacks, which may include open market repurchases, block trades or other forms of buybacks. All said, we believe Saga is in a strong financial position to improve profitability as our digital initiatives improve both local radio and interactive revenue.

The company's balance sheet reflects \$24.9 million in cash and short-term investments as of June 30, 2025, and \$27.3 million as of August 4, 2025, which Chris has already commented on. We currently expect to spend between \$3 million and \$3.5 million for capital expenditures in 2025. We currently expect our station operating expense will be decreasing by 2% to 3% for the year as compared to 2024. This takes into consideration the expense reductions we have and are making in addition to any costs incurred as the expenses are reduced as well as our continued investment in the ongoing revenue initiatives.

We continue to anticipate that the annual corporate general and administrative expense will be approximately \$12 million for 2025 compared to \$12.6 million in 2024.

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

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

Thank you, Sam. As a part of that significant expense reduction Sam referred to, we're bringing several of our third-party digital expenses in-house to save money, increase margins and really to be more efficient. We're also selectively utilizing AI solutions for things like digital reconciliation of invoices and in the area of radio station voice and imaging, we are realizing \$0.25 million in annual savings by using voice to voice AI versus the third-party production providers used previously. These 2 examples saved employees' jobs, money, and made us more efficient.

So what's the plan? Speed, reiteration, reduced expenses, reinvestment, research and development, capital allocation, capital management and growth. That's the plan. Thank you again for your time and interest and support of Saga Communications, what we believe to be the best media company on the planet.

Sam, do we have any questions?

## Question and Answer

**Samuel D. Bush**

*Executive VP, CFO & Treasurer*

We did get a few questions, Chris. The first one, we did talk about Q3 pacing a little bit. And obviously, we will continue to let folks know as we see where pacing goes as we go into the future. Then we got the question and you and I talked about this last week. It says in terms of your digital business, many continue to report strong indications for the growth of this business.

And we've already reported today that we are seeing strong growth. We had strong growth in the second quarter, and we're seeing very strong pacing growth for the third quarter.

There is a second part to this question. Are you seeing any impact from customers on the recent decline in search traffic? And are there any implications on lower eyeballs to sites?

**Christopher S. Forgy**

*CEO, President & Director*

Well, I think part of that is a little bit of a misnomer, Sam. There aren't less searches being done, just more places to search. It's a little bit fragmented right now. And when a client goes searching, it's fragmented as they go on to search. Our goal is to make sure that we are there when they are searching and where they are searching. And we're committed to doing that, whether it's on Google, AI or social. We really want to meet them where they are.

**Samuel D. Bush**

*Executive VP, CFO & Treasurer*

Very good. The last question we received is, can we talk about capital allocations at this point. And I referred to that in my comments that we have looked at and are in nonbinding negotiations to sell some of our tower sites, and we expect proceeds from that sale to be in the high 7-figure or low 8 -- figure range. We have a number of other somewhat smaller potential sites that we are looking at as well as other opportunities to sell noncore assets. And we have committed at a Board level and to our shareholders that we are looking at what we will do with the proceeds from this and that some of the proceeds will go into stock buybacks as well as obviously continuing the quarterly dividend.

And with that, Chris, I think we're good. And Paul, I'll turn it back over to you to wrap up.

**Operator**

Thank you. This does conclude today's conference call. You may disconnect your phone lines at this time, and have a wonderful day. Thank you for your participation.

**Samuel D. Bush**

*Executive VP, CFO & Treasurer*

Thank you, Paul.

Copyright © 2025 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

© 2025 S&P Global Market Intelligence.