

Transcript of
ACCESS Newswire, Inc.
ACCESS Newswire Fourth Quarter and Year End 2025 Earnings Conference Call
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Participants

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Presentation

Charlie Terenzio - Head of Product PR Optimizer Team, ACCESS Newswire, Inc.

Welcome to ACCESS Newswire's Fourth Quarter and Year Ended 2025 Earnings Conference Call. My name is Charlie Terenzio and I lead product in our PR Optimizer team here at ACCESS Newswire. I joined in 2019 from the Newswire.com business, where I led the PR Optimizer team along with marketing, brand, and product strategy. And I'm fortunate that many of the talented people I worked alongside then are still building with us today. Their passion and commitment have been a driving force behind everything we've accomplished.

From day one, the ACCESS Newswire team welcomed us as partners, and bringing our teams together has made us a stronger, more innovative company. This past year has been transformational from our rebrand to the product advancements we've brought to market, and I can tell you we're just getting started.

Our focus is clear, give the world's largest brands the tools they need to lead in public relations, storytelling, and investor relations communications. And we're building that future right now.

But before we begin, I'd like to remind everyone that statements made in this conference call concerning future revenues, results from operations, financial position, markets, economic conditions, product releases, partnerships, and any other statements that may be construed as predictions of future performance or events are forward-looking statements. These statements involve known and unknown risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such statements. We will also discuss certain non-GAAP financial measures, which are provided for informational purposes and should be considered in addition to, not as a substitute for GAAP results.

With that said, I'll turn the call over to our Founder and Chief Executive Officer, Brian Balbirnie, and our Chief Financial Officer, Steve Knerr.

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Thank you, Charlie. Not only has it been a pleasure getting to know you since the Newswire acquisition, but having you as part of the team in the product leadership capacity has ignited so many things that we wanted to do here for years. For those of you that do not know, along with our development team, Charlie is leading the transformation of our subscription product innovation, putting us in an amazing place not only to compete for wallet share, but also have a seat at the table in a first to market innovation.

Good morning, everyone, and thank you for joining us today to review ACCESS Newswire's fourth quarter and full-year 2025 results. Steve and I are grateful for your continued engagement and support as we close out what has been a truly transformational year for this company.

Our fourth quarter results cap off a year defined by strategic focus, operational improvement, and meaningful progress in building a subscription first business. We deliver consistent year-over-year revenue, meaningful expansion and profitability, and continued operational discipline, all while investing in the platform innovations that position us for an exciting 2026.

Revenue for the quarter came in at \$5.8 million, up approximately \$100,000 sequentially and essentially flat year-over-year. Adjusted EBITDA increased slightly to \$881,000 from \$871,000 representing a 15% of revenue. Gross margin continued to be strong at 77%, up from 75% in the same quarter of last year.

Before I hand it to Steve, I wanted to highlight a few metrics that demonstrate the continued health of our business. Total active customers grew to 12,802 up from 12,445 in Q3, and up 4% year-over-year. Average reoccurring revenue per subscription customer also increased year-over-year from 10,844 to 12,534. That's up 16% year-over-year, reflecting continued upsell success and platform adoption. Looking at the prior quarter, we still saw an 8% increase in ARR sequentially.

Steve will now discuss the fourth quarter and year end in 2025 for you. Then I'd like to come back on and discuss what we've been up to in Q4 and what we've been doing here in Q1 about our product enhancements and what is in store for our customers into 2026.

Steve, I'll hand it over to you, sir.

Steve Knerr - Chief Financial Officer, ACCESS Newswire, Inc.

Thank you, Brian, and good morning, everyone. As Brian mentioned, this has been a transformational year for us and Q4 was another quarter of generating solid operating margins and cash flow.

I will now discuss some of the details which led to these results. Total revenue for the fourth quarter of 2025 was \$5.8 million, a decrease of \$27,000 compared to the same period of 2024, making revenue for the full-year of 2025, \$22.6 million, a decrease of \$438,000 or 2% from \$23.1 million in 2024. Core press release revenue was up approximately 2% from the same quarter of the prior year and 1% for the full-year of 2025 compared to 2024. The increase for the quarter is due to higher volume. However, volume was slightly lower on a full-year basis compared to the prior year.

The increase in press release volume was more than offset by decreases in Pro plan revenue, webcasting, and IR website revenue. Overall revenue from subscriptions increased to 53% during the quarter compared to 45% during the same quarter of the prior year. Gross margin percentages improved during the fourth quarter and full-year of 2025, increasing to 77% for both periods compared to 75% and 76% for the fourth quarter and full-year of 2024 respectively. The increase in gross margin percentage is primarily due to lower headcount due to increased efficiency within our operational teams and systems, partially offset by increased distribution costs as we continue to expand our distribution footprint.

Gross margin for the fourth quarter of 2025 increased \$107,000 or 2% to \$4.5 million, and gross margin for the full-year decreased \$126,000 or 1% to \$17.3 million, primarily due to the decline in revenue for the year.

Moving down the income statement to operating loss. We posted an operating loss of \$761,000 for the fourth quarter of 2025 and \$1.9 million for the full-year of 2025. Compared to operating losses of \$14.3 million and \$16.3 million during the same periods of 2024. The primary reason for the decrease in operating loss is related to an impairment loss of \$14.15 million recorded during the fourth quarter of 2024, related to reducing the estimated useful life of the Newswire trade name as a result of our rebranding during the first quarter of 2025.

Removing impairment losses, total operating expenses increased \$446,000 or 10% during the fourth quarter of 2025 as compared to the same quarter of the prior year. This increase is primarily the result of a one-time cost associated with the settlement of a contract of approximately \$336,000 and an increase in advertising and trade show expenses as we launched [pressrelease.com](https://www.pressrelease.com) and focused on our new branding.

For the full-year of 2025, total operating expenses decreased \$674,000, or 3% as compared to 2024, primarily due to a decrease in headcount in our sales and marketing teams earlier in the year, as well as lower product and development consulting expenses. Operating expenses for the full-year of 2024 also included a benefit to stock compensation expense of \$340,000 related to the resignation of an executive officer.

During the fourth quarter of 2025, we recorded an impairment charge of \$250,000 related to our right of use asset and leasehold improvements due to a sublease we executed in December. Execution of the sublease will save us approximately \$80,000

per quarter. As previously noted, in Q4 of 2024, we recorded an impairment charge of \$14.15 million associated with the Newswire trade name.

On a GAAP basis, we reported a loss from continuing operations of \$509,000 or \$0.13 per diluted share during the fourth quarter of 2025 compared to a net loss of \$11 million or \$2.85 per diluted share during the fourth quarter of 2024. For the full-year of 2025, net loss from continuing operations was \$1.6 million or \$0.40 per diluted share compared to a net loss of \$13.3 million or \$3.47 per diluted share in 2024. Again, the decrease in loss from continuing operations was primarily a result of the impairment charge recorded during the fourth quarter of 2024.

There was no activity for discontinued operations during the fourth quarter of 2025 other than adjusting income tax expense related to the sale of the compliance business. During the fourth quarter of 2024, we recorded income from the compliance business of \$750,000 net of taxes, which was approximately \$0.19 per diluted share. For the full-year of 2025, net income from discontinued operations was almost \$6 million or \$1.51 per diluted share compared to \$2.5 million or \$0.65 per diluted share for 2024.

Looking to some non-GAAP metrics, Q4 2025 EBITDA was \$251,000 or 4% of revenue compared to \$770,000 or 13% of revenue for the fourth quarter of 2024. Full-year of 2025 EBITDA was \$1.3 million or 6% of revenue compared to \$840,000 or 4% of revenue for 2024. Adjusted EBITDA increased to \$881,000 or 15% of revenue for the fourth quarter of 2025 compared to \$871,000 also 15% of revenue for the fourth quarter of 2024.

For the full-year of 2025, adjusted EBITDA increased to \$3.2 million or 14% of revenue compared to \$1.8 million or 8% of revenue in 2024. Non-GAAP net income for the fourth quarter of 2025 was \$675,000 or \$0.17 per diluted share compared to \$819,000 or \$0.21 per diluted share in the fourth quarter of 2024. For the full-year of 2025, non-GAAP net income increased to \$2.2 million or \$0.57 per diluted share compared to \$720,000 or \$0.19 per diluted share during the full-year of 2024.

Turning our attention to the cash flow statement and balance sheet, we ended the quarter with \$3 million of cash on hand. Adjusted free cash flow for the fourth quarter of 2025 was \$467,000 compared to \$413,000 for the fourth quarter of 2024. For the full-year of 2025, adjusted free cash flow was \$1.3 million compared to \$2.8 million during 2024.

The year-to-date amount for 2025 includes over \$2.2 million paid in taxes, primarily related to the sale of the compliance business compared to only \$342,000 paid during the prior year. Our deferred revenue balance, which is revenue we generally expect to recognize over the subsequent year increased \$522,000 or 11% to \$5.3 million as of December 31, 2025 compared to \$4.7 million as of December 31, 2024.

I will now turn it back over to Brian, who will provide some updates on the business, customers and subscriptions, and some new product development we have planned for 2026. Brian?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Thanks, Steve. Q4 capped off a year that I believe will define ACCESS Newswire's future. We did virtually everything that we said we would do. We transformed the business, redefined the core offerings, and moved the business to majority reoccurring subscriptions, emerging leaner, more profitable, and a more innovative company. Now it's time to grow.

For the full-year 2025, as most of you know, we accomplished the following. Completed the strategic rebrand to ACCESS Newswire, divested our legacy compliance business, sharpening our focus, reduced debt by over 83%, reduced OpEx something we will continue to do into 2026. Retooled our entire back office system and processes end-to-end. Grew subscription revenue to approximately 53% of total revenue at the end of 2025. Increased ARR per subscriber by 16% year-over-year, as we talked about previously.

Deployed our AI editorial validation internally, saving 5% of editorial time per release. Launched our ACCESS EDU and the Bateman Study Competition. Launched a sister brand, [pressrelease.com](https://www.pressrelease.com) with single circuit distribution that began marketing efforts here in Q1. This coupled with the following updates here in Q1, have us hitting on virtually all cylinders, launching our AI validation that we previously released to our editors in a customer-facing environment now called ACCESS Verified.

Social monitoring, a key new component of our subscription set that has set forth a path to see ARR increases at the beginning of Q2. This was initially released to thousands of EDU subscribers at the end of 2025. ARR increases of approximately 25% will be seen beginning Q2.

Marketplace, the beginning of several partnerships we believe will drive further awareness to our brand with companies like Hootsuite and many others to follow here in the coming quarters. And another one that I am a big fan of is #KillTheReport. Our first version of this industry-leading news distribution report gives our customers the ability to see real insights into their stories by way of peer content comparisons, brand sentiment, engagement potential, LLM citation scores, and recommendations.

We have several levels of advancements planned here for release throughout 2026, but the takeaways are twofold. Customers will get better insight, no BS reporting, as we will all see engagement in ARR lift and having an incremental add-on to this current customer subscription.

There is so much planned we will talk about in the coming months on our Q1 call, all of which are part of our 2026 strategic goals and continued product innovation and brand development as an industry leader, which we continue to believe will move us towards our double-digit growth and further ARR projections. Speaking of subscribers and ARR updates, we ended Q4 2025 with 974 subscribing customers, up from 972 at the end of Q3 and 965 from Q4 of last year.

While we adjusted and corrected our targets to 1,200 subscribers at the end of the year after accounting for the compliance business divestiture, we're not pleased with our churn and what we are today. We saw a slow second half to 2025. We sold 90 new customers in Q4 with an average ARR of 12,991.

So we're seeing ARR strong, and we're doing some things to change. Our subscription platforms pricing and what we believe will be go-to-market here, in the back half of the year. Equally important, our ARR per subscriber to end the year came in at 12,534, which represents meaningful value expansion per customer and speaks to the depth of our platform adoption and cross-selling ability. I think this is why it's vital for us to continue to innovate with things like social monitoring, #KillTheReport, and the marketplace I just discussed a few minutes ago. At the end of the prior quarter, we were 11,651.

This ultimately resulted in 8% sequential ARR growth and 16% year-over-year, as Steve and I said earlier. We expect subscription counts in the ARR per subscriber to both accelerate in 2026, driven by new product suites launched at the end of the year and into this year as we continue to focus on our trade-up and trade-in strategies. Additionally, as we monitor the economic landscape here in Q1, we are testing lower subscription commitments to see if scaled user adoption exists and what products resonate best with the market.

Having virtually a fixed cost application and product offering allows us the flexibility to mix and match solutions that find the best fits for new businesses, scale-up brands, and enterprise. We think the first half of the year will tell us enough to understand the market and where we need to optimize as necessary.

We look at economic factors in the industry, and we use those economic factors to make decisions on budgets for our customers, and this is why we think there could be an opportunity for a differentiation in our subscription products. New product launches end of Q4 and into Q1 2026. To expand on what I said earlier, one of the most exciting chapters in ACCESS Newswire's story is now underway.

The investments we have made throughout our 2025 year in platform infrastructure, AI, and integrations are now converting into customer-facing products. I want to walk you through what we've launched that I briefly talked about earlier and what is coming here in Q1 and into the rest of the year. Our ACCESS PR subscription platform now has real-time social monitoring.

In late Q4, we completed this major upgrade into our ACCESS PR subscription, integrating real-time monitoring and sentiment analysis across more than 30 social media platforms. Customers can now track mentions, measurements, earned media value, and understand brand sentiment impact not only for them, but the competitive core of what they're going to market against, all within the same dashboard they use to distribute their press releases today.

This upgrade was launched here in Q1 and has defined ARR lift beginning in Q2 next month, as we talked about earlier. Really outside of prepared remarks, just for us to tell you something competitively as you look at this, if we think about the other three newswires, not any one of them in a single platform offers not only media pitching, monitoring database, but social all-in-one system.

They tend to allow you to log into different platforms, and we think that is a significant advantage for us as we go to market fully now after the total addressable opportunities for us. These key capabilities include real-time brand monitoring across 30-plus social media digital channels, sentiment scoring and automated alerts for brand and campaign activity, earned media value analytics tied directly to press release distribution, and our #KillTheReport functions.

Marketplace add-ons to integrate one of the world's largest social media management platforms, Hootsuite, enabling customers to schedule, publish, analyze content across multiple networks, and distribute with Hootsuite in a matter of seconds, all automated through their ACCESS PR subscriptions. This product directly addresses one of the most requested features from our enterprise and scale-up customers, and we expect this to be a meaningful driver to our ARR expansion and new customer acquisition here this year.

To further expand on what I call #KillTheReport, it is an AI-powered real-time prompting and alert-based brand activity content performance engine. It measures your distribution reach. This product is direct response to longstanding industry frustration, which is misleading distribution metrics that all of the press release service providers provide today and have for 80 years. We believe this is a differentiation that the market has never seen, and ACCESS Newswire is meaningfully passionate about having this competitive product replacement for a typical distribution report of something that will measure your brand in the future and beyond.

It gives you a point-in-time report builder that executes real summaries by one click. It's full data transparency, all metrics surface directly from our customers, eliminating implied opaque reporting. And what this really means is there's no implied, "This is your traffic." There's no implied, "This is your total audience." It is real analysis done at the captured moment of the five days, at the one-week marker, 30 days, and custom reporting, if you wish.

We made good on our commitment to #KillTheReport. This agentic AI-driven reporting system replaces the outdated static distribution report that I just talked about with a living real-time intelligence layer for our customers. We're not only planning to make this product optional as an upgrade, but also anticipated several meaningful quarterly updates and advancements to drive further value to our customers. This is going to be done in our platform in real time with our agent builder solution that is a big competitive advantage for us that we'll talk about in the coming quarters.

Our AI editorial assistant, it became customer-facing. As many of you know, we've done it internally for a while. This gives our customer the ability to create and draft their story or press release and allow our ACCESS Verified systems in to analyze content, analyze compliance and market data trends to ensure that the press release adheres to all of our distribution partners' requirements as well as our editorial standards.

It provides comments and suggestions to the customer on what they can do to improve, all in real time or they have the option to bypass. Still regardless, we will never, ever defer human editorial eyes at least twice on every press release. This ACCESS Verified system gives our customers the ability to scale and rank and understand the sentiment before submission. We think it's going to be a significant driver.

And to be fair to our customer in the advancement, it also gives us a significant competitive advantage where we then have fixed cost distribution scale, where we can handle growth without any incremental cost, further boosting our gross margins like we have from 75% till today at the end of the year at 77%. The customer-facing AI editorial assistant offers an automated content review and accuracy tone and compliance before submission.

This proprietary AI-driven recommendation that improves clarity, AEO and LLM impact, and wire readiness. Misinformation and disinformation has been big for us for years, and this also flags and continues our commitment to content integrity, not only for the markets, but our customers and our brand itself as well as provides real-time readability scoring with peer benchmarking.

We have already four or five versions of this slated for this year of upgrades that customers will continue to get, and we love the feedback from them because it helps drive that product even more for them. Early customers have said this has been exceptional for them. It's saved them significant time. It's got additional review cycles and improved confidence scoring and provide better engagement for them. So as we see and continue that, look for some white papers coming that we're going to talk about how this is leading an industry rather than following.

Something else that we've mentioned in past very briefly, and you may have seen a lot of it on LinkedIn and social media channels, was PRSSA, the Public Relations Student Society of America, every year has something called the Bateman Competition.

And this year's Bateman product company selected was us, ACCESS Newswire. Out of that, we built something quick to market in less than 90 days in Q4 called ACCESS EDU. It was to address the Bateman competitors, which was just several schools we'll talk about in a second. But it gave real-life students in the classroom the ability to use our product to not only teach from a professor standpoint, but also arm these seniors with the ability to understand Public Relations as it sits from a technology, a storytelling process, a media pitching process, and everything else.

So the result, we expanded the program to over 2,000 students, over 100 universities, many of which were a part of the official PRSSA Bateman study I just spoke about. It kicked off here at the beginning of this quarter. These students had full access to our PR platform, including the new social monitoring and AI editorial tools as part of their competition campaigns. The initial service is dual purpose. It gives back to the next generation of communication professionals while creating a pipeline of future ACCESS customers who graduate with hands-on experience on our platform. We view the EDU program as a long-term growth channel and brand-building investment that will compound over time.

Early indications have seemed strong as we have seen handfuls of schools and their PR agencies enter into our pipeline in the current quarter, as well as close deals in this first quarter as well that we'll talk about next quarter. We'll look forward to sharing the Bateman winner as we go through judging here in the next couple of weeks, and stay tuned to the press release on what that's going to look like.

We're also going to plan to release several upgrades to our EDU program. This is not just about Bateman. This is about institutionalizing ourselves within the education system to be a part of the syllabus for the PR schools. So live classroom training and certifications for graduating students will be had from ACCESS Newswire's infrastructure. This will drive future revenues in many ways. One, graduating students will carry and their certificates into the workforce and bring ACCESS platform with them. And second, our platform is the leading PR tool gained by university department trust.

With that opportunity will come licensing from other departments within the university systems and educational platforms to use our Public Relations storytelling platform. For context, there are almost 50 schools, 2,600 students. There is 350 faculty members and teachers, and there are PR professionals totaling another 128 that are associated with the schools in this agency relationship that have all have been using our tools for the better part of the last four months.

The potential value here for us in moving all schools into our ARR model, as well as thousands of students. As they move into their careers, we have the potential to be their PR solution of choice or the certification program we just talked about. Although significant brand was built from the Q4 and early into Q1, we feel strongly that this EDU program is a long-term investment, as we just said, where we'll begin to see revenue contributing mid-2026.

And lastly, pressrelease.com, we talked about in our last call briefly, has an entirely new concept for us. We expect to see the brand continue to gain traction beyond the small contributions it had in Q4, where we saw about 100 new customers and about \$40,000 in revenue for about a four or five week period. Half of those customers came back to repurchase, which is a good indicator for us.

Going into this year, we expect the brand and its personality, the Press Release Parrot, will come to life as not only this first single-circuit press release platform available to purchase right online, but our technology will also allow us to do this, to

be the only ones allowed to do this, to be agile enough to transition as the most predominant wire service available today.

We have a competitive advantage to scale up this new business. When maturity and need arises, our ACCESS main brand will be there to convert these customers into subscriptions into full ARR, whereas today, pressrelease.com is our feeder for new customers that want to start with just one press release. If I move along to trends in 2026 and outlook, the combination of Q4 financial performance and our new product momentum gives us real confidence heading into 2026.

We entered the year with revenue growth, expanding gross margins, and ARR base that is growing in both volume and value per customer. Albeit some of these metrics are not as high as we'd all like, we're building significant confidence within our organization and in our customer installed base that we can continue to see this growing and growing.

Our ARR per employee continued to trend upwards this year. It's a metric that we look at internally. The divestiture of the compliance business, combined with our team's rebuilding efforts in sales and the productivity gains from our AR automation, position us well to achieve more in the future.

To summarize our position entering into 2026, we delivered on almost every major operational commitment we made at the start of the year, absent of our number of subscribers. Our ARR per subscriber exceeded \$12,500 up 16% year-over-year, as we said, a clear sign that our platform value is resonating. We have launched and/or are launching five meaningful product capabilities that expand our TAM and increase subscription values. The balance of these we'll talk about on our next call. And we also enter 2026 with a clear balance sheet, a focused team that is ready to execute on growth rather than divestiture and retooling the business.

Looking ahead in 2026 as well, our focus is clear and centered on top-line growth, driven by subscription expansion, new product monetization, and enterprise customer acquisition. Subscription customers, we are targeting to reach up to 1,500 subscriber customers by the end of 2026. ARR per subscriber, we expect to continue to expand on our enterprise base, and we will message this new test that we're doing on a small startup scale-up brand subscription.

Adjusted EBITDA. We expect to move adjusted EBITDA margins into the mid-to-high teens by the second half of this year, as we've messaged and analyst recommendations show.

Product momentum. Full monetization of the enterprise bundle, all AI editorial systems, and the #KillTheReport platform through Q1 and into the full-year. What this essentially means is a \$10,000 to \$12,000 subscription becomes \$14,000 to \$15,000 fairly quickly when customers upgrade to these new features. We've got a backlog of significant product advancements that are going to continue to have be had that will evolve our subscription business entirely different than it is today, that it will be by the end of 2026.

ACCESS Newswire is becoming a stronger, more predictable, and more profitable business. We said we would transform, and we did. Now it's time to grow. It's on us, and we are ready. Something else I want to touch on in the state of the SaaS software industry. In the last couple of months, collectively, we've seen billions of dollars in market cap value wiped away from large enterprises like Adobe and Microsoft and Salesforce in combination.

I only bring this up because of a couple reasons. One, the AI advancements happening so quickly today, some of which recently have been geared towards user-based SaaS businesses. These are the companies that sell an application of software and a SaaS model to a customer on a seat or per user basis. And like many of our competitors that do that in the public relations industry, we do not do that. We sell a subscription on a one-to-one basis to an enterprise or to a customer, a business, and there's not additional cost for users.

And although the markets and investors have weighed heavily on companies that have that model because AI is eroding that, we are insulated from that. And so we feel strongly that our subscription model that we began with two years ago is something that is viable that the market is accepting, and the financial community also understands as well. That puts us in a really good position to have one recurring fee per customer, regardless of users or usage or anything else. And it's a model that we can deliver sustained gross margins and an accelerated adjusted EBITDA with scale. We can't thank you enough for your time today.

With that, I'll turn the call back over to the operator for the questions-and-answer sessions. Operator?

Operator

Thank you. Ladies and gentlemen, at this time we will be conducting our question-and-answer session. [Operator Instructions] One moment please while we pull for questions. Thank you. Our first question is coming from Mike Grondahl with Northland Securities. Your line is live.

Q: Hey, Brian. The press release notes that you anticipate generating incremental revenue through premium subscription tiers and per release pricing. Could you give a couple examples of those?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Yes, absolutely, Mike. Thank you for the question. We'll break it up into a couple of different parts. The first part today, customers are purchasing both a fixed fee subscription model, which includes their news distribution, media monitoring, database, analytics and pitching. Those subscribing customers have upgraded to a call it a plus Pro version of their subscription that now will include their social media monitoring as well.

So the lift in ARR is \$200 additional per month for those customers. That is the incremental. So when we talked earlier in the call about adding additional products throughout the year, we're confident and believe that the same model will hold throughout the year as we continue to add on vital components to them that they'll continue to upgrade to take advantage.

On a single press release, the second part of the customer that can't commit to a complete subscription for the year has the option to license or buy or use any one of our products in a singular form. They're now given the option to add social monitoring and/or an added distribution report on a per product basis. Gives them the option to try, test, and use the solution without the commitment, and then gives us the opportunity to build the pipeline to convert them to subscription customers later.

The common, #KillTheReport that we've been using for the last couple of quarters will be one of those marquee products here beginning in a couple of weeks. Customers will get their traditional distribution report because that's what the industry is used to, and we will guide them down the path of the more interactive report that we'll be showing on our website here by the end of the week. And folks will be able to upgrade to that again on a pay-per-use basis so or a subscription basis as well.

Q: Got it. And then could you talk a little bit about volume trends and pricing trends that you're seeing on the Newswire side? I think you said volumes were still down 1% year-over-year, and maybe that was revenue, but just talk about those two trends a little bit?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Yes. We're holding price. We've actually done very well in the market. We continue to do renewals and new deals at higher per press release prices than the prior year. I think that's a maturity and a branding exercise. We went through a number of years like everybody else did when they started in this industry, that you have to build brand, you have to build trust, credibility, and follow through execution. And we're long past that now, so we have a seat at the table to take a meaningful price and share.

The good news for us is because of some of the AI advancements we've done, because of the fixed distribution costs for the most part that we have, volume indicates significant expansion in gross margin and EBITDA margin for us. So now focus is back on volume growth, storytelling for our customers. That is aided by a several different things in the market. One, not to continually use the words of AI or LLM, but every natural language processing system needs more content to ingest, and that content needs to come in different mediums, press releases, blogs, posts, and white papers. So the more content customers are doing, the more chances that they're going to see their citations and their web content and their press releases appear at LLM searches. So we're advocating to our customers that the more concept is better. So we're going to begin to see volume increases as a result of this.

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We are testing with a partner our product at the end of the year that will give our customers the ability to make their website and their newsrooms LLM ready so that they become indexed like they were on Google and how they have been on Google for years. That dynamic on world is changing. So there's a lot that are going to happen there. So we see volumes increasing rather than being flat or single-digit decreasing in the market. And to be fair to all of us, that's not just for us, that's for everybody.

That's it as an industry as a whole, and that's one of the reasons why we released pressrelease.com is to give those early customers beginning to tell their stories and understand what public relations is, the ability to buy a single circuit for a lease cost to get involved and then grow from there. And then we saw a good percentage of those customers, 40+ percent of our new pressrelease.com customers in Q4 come back and repurchase. And so those are good indicators for us. And again, we continue to increase those prices over the period, which is a strong indicator that the market is there.

Q: Got it. And then lastly, just how should we think about OpEx in 2026 kind of relative to '25?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Yes. Look, I think that there's further optimization that we can do. As Steve mentioned in some of his prepared remarks, right, we were fortunate enough to exit a lease that we had two years left on. There's some incremental savings there. It's about 320,000 a year in savings we'll get there. We've got some additional G&A and other OpEx savings that we're going to monetize throughout the year by efficiencies in technology, efficiencies in workflow automation, systems that we're streamlining. Steve and I and the management team continue to look at it and we'll be at it again today trying to find the next layer of it. So we expect them to hold to what they were or below what they were at 2025.

Q: Okay. Thank you guys.

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Thank you, Mike.

Operator

Thank you. Our next question is coming from Jacob Stephan with Lake Street Capital Markets. Your line is live.

Q: Hey guys, nice quarter. I guess just to start out, maybe I'm wondering if you could kind of break down the KPIs and give a little bit more detail here. I know you guys had 47 new customers, noted 45 came from EDU customers. And then in the slideshow, you had 974 subs, and I understand the math 974 plus 45. But I'm

wondering if you could kind of break that down on the EDU customer side a little bit. Are those actual universities or are these students or help me think through that?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Yes. Those are actual universities. Our objective was the EDU program is that we felt strongly that if you think about the typical school that you went to, there is a degree-focused public relations and communications department within every school. The PRSSA teams are very involved in that school at the university, but we looked at it beyond that. So those numbers are just those schools within the universities that have deployed our programs in a teaching exercise to their senior students to be able to use media monitoring, pitching database, and how to write a press release and a story.

When we look beyond that, the opportunity for us is if you go down the hall or across the university campus to the engineering department or the nursing program, or any other degree program, they also have their own public relations teams there doing their work. And by research, we've been able to identify that there's at least eight schools within each university that have a public relations department that do not know about us and are now being introduced to us from the public relations professors at that part of the school. So the opportunity is significant for us. We're going to invest sales and marketing there as we round out the Bateman program here in the next couple of weeks and select a winner. We're going to expand that.

The second part is these free students, the 2,300 [ph] and change, they're registered in our platform as EDU students. They are free. We don't account for them in our customer numbers or our subscription numbers. They are using the product on behalf of the university, and they'll be converted in the end of the year at graduation to an individual plan with the option for a monetary component to take with them into their career-focused areas.

So our hope is we're going to get a percentage of those to convert into customers that will go into private practice, public relations firms, go into enterprises in the public relations or marketing departments, and bring our tools with them as their certifications will illustrate.

So we think it's a long investment into something that we'll start to see incremental growth. But you're right, you did the math on the numbers from the press release to the prepared slides today. That number is those EDU customers.

Q: Okay. And then maybe just on the ARR front, you guys kind of said that, the ARR does not include EDU customers. Obviously nice improvement there, but maybe, are these customers higher ARR or lower?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Yes, the EDU customers through the Bateman program are a zero ARR model. We agreed with PRSSA as a method of the program to provide those subscriptions to

them during a period at no cost. When Bateman is over, they convert. We've already converted a couple of them already in the last couple of weeks. We've got several proposals out for others. We've closed two PR firms this quarter as a result of some of the efforts that the Bateman program has done. So we'll see the monetary side of this happening in this quarter.

Q: Okay. Got it. That's helpful. And then, I just wanted to touch on the gross margin improvements year-over-year. I'm wondering if you could kind of break down the 200 bps plus improvement year-over-year. I know AI has been a huge focus for you guys. How much of that's AI driven? How much do you feel like is more scale and kind of the ARR expansion?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Yes. I think ARR expansion is a contributor. I think AI is a contributor. I would say that I don't know that scale yet is the contributor to the influence of that. I'd say it's 50/50, right? I think our ARR increasing is helping. I think efficiency gains in distribution, fixed costs are contributing. We've been negotiating those contracts for years to get us to a position that when scale does happen, the flow back to gross margin contribution is even more.

And so as we talked about earlier in a call, a question from Mike is that as we see the industry wanting to tell stories more, utilize press release as a foundation to have LLM indexing and volume starts to increase, we're doing that from a fixed AI cost, we're doing that from a fixed distribution cost, we're doing that from a fixed editorial cost. So the more volume that comes, the incremental gross margins will illustrate themselves and show. So that's one of the reasons why we put AI to work both in a customer and in a back office, usage pattern. But I think it's important, from a customer perspective to know that our editorial human eyes are still will always be there.

This is a curation and quality content and we want to be sure that we uphold that responsibility to our customers in the market. That's how we keep our distribution. AI is a great efficiency gain for us and we're beginning to see even more and more improvements there, but it will never replace the human curation portion of that.

Q: Got it. And then maybe just one last one for me, kind of broader picture question. What aspects of the overall product strategy changing, the go-to-market strategy, what do you feel like is going to be the biggest contributor to hitting that 1,500 subscriber number at the end of the year?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

I think there's a couple components, and this industry is moving very rapidly. And not only is it moving rapidly from an economic perspective that we can talk about, it also is moving from an innovation perspective. And a lot of companies are left behind because their technology stacks are in a position that they can't innovate at the pace of which a good many of us can and us being the predominant one. We

spent the last year after divestiture of our compliance business, retooling our stacks, building to be very agile and build an automation management system on top of everything that we can pivot and change our applications and customer outputs for deliverables within seconds, rather than months or quarters like the competition does.

And so we see that as a big innovation for us that we're going to be able to do more in our platform than most can in this industry. And so what I'll lead you down the path, Jacob, really is that at the end of the day, the storytelling process is more than just a press release. It is a message. It is a snippet on social media. It's a podcast. It's a blog post. It's an LLM citation in a trusted article that somebody from ChatGPT or Perplexity picks up. And there needs to be a curation platform for that. Today, when we look at our network of our competitors, everybody does a really good job of doing one or two of these elements.

And that's not to discredit them or take anything away from our competition, but we also do that. And we do it in a way that gives our customer the ability to create a story, share it on social, pitch media, and do everything from one single interface. And so that is, say, 20% of the competitive marketplace landscape today does that. The next innovation for us in the second half of the year is going to give the ability for customers, like the presentation you saw today was done with our own technology. We built that presentation for today's earnings call in about eight minutes, taken from content that Steve and I drafted in our prepared remarks.

We are looking at products and tools like that that will take our business from the Public Relations departments and Investor Relations departments down the hall to the marcom [ph] side where budgets are larger. And that's why partnerships with Hootsuite and others are very critical for us as we begin to pull in some of the real-time posting of what Hootsuite's been able to do and others to integrate fully into our platform.

It's going to give us a position to go in selling an enterprise communications tool platform to not only PR and IR, but also the marketing departments as well. So in the second half, you're going to look to see, our platform take on a very different ARR of component selections and product advancements.

And we spent a good amount of time in the last six months of pre-building testing and using customer feedback to make those products and components much stronger. So we couldn't be more excited about that. The Public Relations, Investor Relations space is large.

The TAM is still there like it was years ago. It hasn't changed. But for us to move out of it and down into marketing takes the total addressable market and times it by four or five. And that's where we're focused, is to go down that hall and build strategy and thought leadership there.

Q: Very helpful. I'll leave it there. Thanks, guys.

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Thank you, Jacob.

Operator

Thank you. Our next question is coming from Brock Erwin with CleverInvesting. Your line is live. Hello, Brock. I'm afraid we can't hear you, sir.

Q: Sorry, I was on mute. Okay. Hey, guys, I hope you're doing well. I can really sense the excitement from what you guys are working on and the building for the future. So I think this is an interesting transformational time for the company to be sure. Just a couple of questions from me. The first is, it looks like you guys repurchased a small number of shares in Q4. Is it possible you guys can disclose if you continued repurchasing in Q1? And also, how do you think about the pace of repurchases relative to other investments you might be making?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Yes, it's a great question, Brock. Nice to hear from you. Yes, we did purchase a small amount of shares during Q4 under the previously announced repurchase plan of \$1 million. There is a good portion of that plan that's still left that we'll be resuming here shortly. The commitment for the repurchase is still consistent. We haven't wavered from that. There's still three-quarters of that amount still sitting there that is earmarked for us to execute against, and we have every intent to continue to do that.

When that plan's filled and completed, as you know, the board will look at other options, for part of our capital allocation strategy, if there's additional repurchase plans will be needed and more advantageous for us to do so, and make that decision at that point. But yes, there is still. I think the 10-K will illustrate to you today when it's filed this afternoon, there was 18,000 shares or 20,000 shares were repurchased during the fourth quarter. You should expect the remaining of those to be repurchased here in the first half of the year.

Q: Awesome. Okay. Cool. And then another thing you touched on in your prepared remarks was the churn and customers falling off of those subscriptions. Can you just talk a little bit about what you're doing to address that? Like, what are you learning from your customers and what are maybe some improvements you can make to improve those metrics?

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

In November of last year, we reset our customer experience teams. We put a new manager on top of the team, rebuilt some of the processes internally to ensure what we call internally time to value is measured more accurately, meaning the customer is trained, loved, and made sure they're using the platform to begin to feel the value of it sooner than later.

Look, Brock, I'll tell you this, I think you've known us long enough, like everybody else, we're going to give you the facts as they are and not have excuses. The real true reality is that 70% of the churn customers in our subscription business is due to credit card failures and payments. It's not due to application use or application problems. And so we looked at just our meaningful churn.

It's a fraction of what it is in printed form. But look, to be honest with you, churn is churn, and we report it as such. There are mechanisms that you can do from a payment perspective. As you know, we're a B2B business, not an e-com business. We're finding out that majority of subscriptions are purchased much more in e-com way than any other way. So we are retooling some of our Magento front-end systems and credit card intel knowledge to be able to be predictive and understand the risks of taking credit cards, what kinds of credit cards they are, and how those payments work.

And so our sales team, the beginning of Q1 began removing monthly options to customers and going to quarterly or annual payments. That will help further reduce the credit card issues that we've had in the past. But make no mistakes, that's what those are. And so we're doing a lot here at the end of Q4 and into Q1 to help change some of that. Steve and myself meet with our Director of Operations that runs CX and our sales leaders every week to discuss customer usage, customer training, customer feedback loops to be sure that we're being reactive and doing everything that we can do to reduce that churn. And we're confident that we're going to do that, but we have had some issues there in the past three or four months, there's no doubt.

Q: Okay, great. I appreciate the answers. Thanks. That's it for me.

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Thanks, Brock.

Operator

Thank you. As we have no further questions in queue at this time, I would like to turn the call back over to Mr. Balbirnie for any closing remarks.

Brian Balbirnie - President & Chief Executive Officer, ACCESS Newswire, Inc.

Thank you as well. As always, thank you again to everyone else for joining us today. We are energized by the fourth quarter milestones and the progress made throughout 2025, and the product momentum we are bringing into 2026. ACCESS Newswire is positioned well for the future with a scalable platform, expanding recurring revenue, innovation and new products, and a focused team dedicated to execution and growth. We appreciate our shareholders, partners, and customers for the continued trust and support in 2025. With the year of transformation in 2026, it

will be a year of growth, and we look forward to updating you next quarter. Thank you.

Operator

Thank you. Ladies and gentlemen, this concludes today's call and you may disconnect your lines at this time. And we thank you for your participation.