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ACCESS Newswire, Inc.
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Participants

Forrest MacConnell - Product Manager, ACCESS Newswire, Inc.
Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.
Steve Knerr - Chief Financial Officer, ACCESS Newswire, Inc.

Analysts

Luke Horton - Northland Securities
Jacob Stephan - Lake Street Capital Markets
Brock Irwin - CleverInvesting

Presentation

Forrest MacConnell - Product Manager, ACCESS Newswire, Inc.

Welcome to ACCESS Newswire's Second Quarter 2026 Earnings Conference Call. My name is Forrest MacConnell and I am a Product Manager here at ACCESS Newswire on the IR product team. I have been with the company since 2021, initially joining what was then our Onboarding team, which has since evolved into our Customer Experience team.

Today, I lead our Investor Relations products and services across websites, newsrooms, and shareholder engagement, supporting hundreds of our public company customers, as well as emerging companies preparing to enter the public markets. Additionally, my team and I also manage the New York Stock Exchange Subsidy Whistleblower product and implementation for some of the world's largest and most recognizable brands.

My time here at ACCESS has been incredibly rewarding, and I couldn't be more excited about what's ahead for our customers, for our company, and for my team as we continue to grow and evolve our products and services.

Before we begin, I would 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, as they 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, I will turn the call over to our Founder and Chief Executive Officer, Brian Balbirnie, and our Chief Financial Officer, Steve Knerr.

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Thank you, Forrest, and good morning everyone. And thank you for joining us to discuss our second quarter 2026 results. Let me start with the headline number. Second quarter revenues was $5.6 million, up 5% sequentially from $5.3 million in the first quarter and essentially consistent with the second quarter of last year.

Core press release revenue increased 2% year-over-year, which tells us that the underlying engine of this business remains healthy. That was offset, however by lower revenues from our webcast business, where we saw fewer virtual annual meetings and less reseller activity. I want to spend a moment on where we made up real progress. Average ARR per subscription customer was $12,718 at the end of the quarter, up from $11,039 a year ago, a 15% increase and another quarter of ARR growth.

This is the clearest evidence that our platform strategy, moving customers onto higher value tiers, continues to work. That progress is being driven by the products that we built and have brought to market over the last 90 days. Our Social Monitoring platform and our new Insight & Analytics Report are both live, and early adoption is encouraging.

We expect to release several more products before year's end, and our focus is now turning that innovation into subscriber and revenue growth in our subscription business. Steve is going to walk you through the numbers in detail, and then I'd like to touch on a few topics from the first half of this year and what our priorities are for the second half of the year. Steve?

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

Thank you, Brian, and good morning, everyone. I will now take you through the second quarter and first half 2026 financial results. Total revenue for the second quarter of 2026 was $5.6 million, an increase of approximately $291,000, or 5%, compared to Q1 2026, and essentially unchanged compared to Q2 2025.

The sequential increase was primarily driven by a 10% increase in volume from our core press release business, reflecting the seasonal pattern we typically see following the first quarter. Core press release revenue increased 2% compared to Q2 2025, while lower revenue from our PRO Plan customers partially offset that growth. Webcasting revenue was also lower compared to Q2 2025 due to fewer virtual annual meetings and reseller activity. For the first six months of 2026, total revenue was $10.9 million, down $152,000, or 1% from $11.1 million in the first half of 2025.

The year-over-year decline was primarily attributable to lower webcasting and PRO Plan revenue. Importantly, revenue from our core press release business increased 1% for the first half of 2026 compared to the same period last year. Gross margin for Q2 2026 was $4.1 million, or 73% of revenue, compared to $4 million, or 74% of revenue in Q1 2026 and $4.3 million or 76% of revenue in Q2 2025.

The first half of 2026 gross margin was $8.1 million, or 74% of revenue, compared to $8.6 million or 77% of revenue in the first half of 2025. The year-over-year decline in gross margin percentage primarily reflects higher press release distribution costs from a combination of new partners, price increases from existing partners, and additional usage under variable contracts. As Brian will discuss, we have implemented initiatives designed to reduce costs of revenues by approximately $150,000 in the back half of the year.

Moving to operating expenses, total operating expenses were $4.4 million in Q2 2026, down slightly from $4.5 million in Q2 2025. For the first six months, total operating expenses were $9.1 million, down approximately $0.4 million or 4% from $9.5 million in the first half of 2025. We continue to balance cost discipline with targeted investment in areas we believe can support future growth. General and administrative expenses were $1.35 million in Q2 2026, down $402,000 or 23% year-over-year. For the first half of 2026, G&A expenses were $3.1 million, down $574,000 or 15%.

The decrease reflects lower non-recurring expenses, stock-based compensation, and bad debt expense, as well as lower insurance and office costs following the sale of the compliance business and our move to a remote work environment. Sales and marketing expense was $1.9 million in Q2 2026, up $427,000 or 29%, compared to Q2 2025.

For the first half of 2026, sales and marketing expense was $3.6 million, up $514,000 or 17%. This increase reflects our deliberate investment in advertising and trade shows as we work to convert our product innovation into customer and revenue growth. Product development expense was $533,000 in Q2 2026 down $122,000 or 19% year-over-year and $1.1 million for the first half of 2026, down $295,000 or 21%. The decrease was primarily due to higher capitalized software costs.

We capitalized $110,000 of software development costs in Q2 2026, and $209,000 for the first six months of 2026, compared to zero and $23,000 respectively in the comparable periods of last year. The costs mostly reflect the investment we made in our Social Monitoring and Insight & Analytics enhancements that we rolled out during the second quarter, as well as some additional enhancements Brian will speak more about.

Operating loss for Q2 2026 was $307,000, compared to $249,000 during the second quarter of 2025. For the first half of 2026, operating loss was $1 million, compared to $926,000 in the first half of 2025. The year-over-year change was primarily driven by lower gross margin, partially offset by lower operating expenses.

On a GAAP basis, net loss from continuing operations was $354,000, or $0.09 per diluted share for Q2 2026, compared to $239,000 or $0.06 per diluted share during the second quarter of 2025. For the first six months, net loss from continuing operations was $965,000 or $0.25 per diluted share, compared to $1 million or $0.26 per diluted share in the first half of 2025.

On a non-GAAP basis, EBITDA was $0.5 million or 8% of revenue for the second quarter of 2026 compared to $0.5 million or 9% of revenue during the second quarter of 2025. Adjusted EBITDA was $0.6 million or 11% of revenue for Q2 2026 compared to $0.8 million or 15% of revenue in Q2 2025.

Non-GAAP net income was $0.3 million or $0.08 per diluted share during the second quarter of 2026 compared to $0.6 million or $0.14 per diluted share in the prior year quarter. Adjusted free cash flow was $50,000 for Q2 2026 compared to $250,000 in Q2 2025.

For the first half of 2026, EBITDA amounted to $0.5 million or 4% of revenue, consistent with the first half of 2025. Adjusted EBITDA was $1.2 million or 11% of revenue compared to $1.4 million or 13% of revenue in the prior year period. Non-GAAP net income was $0.7 million or $0.18 per diluted share compared to $0.8 million or $0.20 per diluted share last year.

Adjusted free cash flow was $1 million for the first half of 2026 compared to $1.2 million for the first half of 2025. Cash flow from operations was $173,000 in Q2 2026 compared to $135,000 in Q2 2025. We ended the quarter with just under $3 million in the bank, and Brian will talk a little further about our share repurchase activity, which was ongoing during the quarter.

The deferred revenue balance, which we expect to recognize over the next 12 months, was $5.1 million as of June 30th, 2026 compared to $5.3 million at December 31st, 2025. As we enter the second half of the year, our financial priorities remain consistent. Maintain operating discipline, invest selectively behind the products and go-to market initiatives that can drive revenue and subscription growth, and continue to strengthen the economics of the business.

The progress in subscription ARR per customer continued positive adjusted EBITDA and our focus on cost efficiencies gives us a solid foundation as we work to improve top line performance. With that, I will turn it back over to Brian.

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Thanks, Steve. To expand a few points what Steve mentioned, let me try to tie two actionable results that you will see in the back half of this year as well as the things that we have planned on our radar. But first, I want to begin by discussing a little bit about our capital allocation, specifically our share repurchase plan, which has continued nicely this quarter. We repurchased 40,000 shares for a little over $300,000 in the quarter, pushing our total repurchase results since December 2025 to 90,000 shares or $700,000 as of today. This leaves us roughly $300,000 in the plan to be used here this quarter. The buyback has resulted in us retiring over 2% of our common shares outstanding to date.

Once the plan is completed, the Board of Directors will review the company's performance, share price and liquidity, and if all continues to align, we will institute another repurchase plan. It is my belief that we will continue to be active in buybacks as we continue to run the business with the cost discipline you have seen from us here this year, which has resulted in a 23% reduction in G&A this quarter.

Additionally, as Steve mentioned, we have also undertaken steps to implement cost savings initiatives that we expect to reduce cost of revenue by approximately $150,000 in the back half of this year, or 125 to 150 basis point improvement. Cost-cutting is not our singular motive. The cost of revenue savings is being deployed around the business, specifically in sales and marketing with our new hires to fuel customer acquisition and top-line revenue growth for the future.

Something that we will watch and work hard to deliver both in growth and customer accounts. At the same time, maintain or reduce our customer acquisition costs. Having the incremental gross margin savings and anticipated customer revenue growth will help us also improve to move our gross margins back into the higher 70% range in the back half of the year.

We are expecting these new products that will be released the rest of the year, as well as average initial purchase increasing as the two drivers to this expectation. For the quarter, both our Social Monitoring add-on and our new #killthereport now called Insight & Analytics performed well. Specifically, the new Insight & Analytics is driving average purchases higher, seeing several hundred customers opt to upgrade to this new actionable insight dashboard.

We have learned a lot in the past few weeks that this report has been available to our customers and intend to continue to push the envelope in leading the industry in report engagement, brand monitoring, and real-time actionable sentiment. Social Monitoring also solidified a missing component of our platform and will help us push our offerings to a broader audience in the future, specifically under some of our brands like PressRelease.com, where customers will be able to begin buying Social Monitoring for 30 days to try before committing to a full annual subscription.

We believe this will help our smaller SMB customers understand and derive value from our platform without the bigger commitment up front. Now, what is coming? We have a full product roadmap for the second half of the year. I will try to touch on a few key components, but be sure to be watching for our marketing messaging and press releases to learn more.

On the Investor Relations side of the business, we have two products ready in the queue. The first is an extension of our commitment to excellence and really a part of our ACCESS Verified solution that we rolled out earlier this year at no cost to our clients. This is geared towards our reporting and publicly traded customers, whereby they can submit their earnings release or really any financial release into our ACCESS Verified for Financials platform and get back an assurance report. What our platform is looking for is the consistency of financial tables into and with the narrative to be sure that every representation of a financial metric is accurate, crossed, tick, tied, and consistent throughout the document.

We have tested this with hundreds of customers' earnings releases from the past, worked with our Investor Relations community and audit firms to gather feedback, and are excited to bring this to market this coming week.

Second, on the IR product front, we will begin our upgraded ACCESS Events platform where we are upgrading our events workflow technology into and with our ecosystem. This new upgrade will allow customers to pre-schedule their entire year's earnings calls, advisory releases for earnings announcements, and move between shared solutions from our PR and IR in a seamless way.

Our continued commitment is to have two new upgrades to our customers each quarter, one that improves communication workflow and technology by allowing our customers to tell their stories easier and with more options at no additional cost, and a second whereby we provide a value add-on and a small incremental increase in the press release, actionable, or subscription business.

By doing this, we feel we will continue to drive value to our customers beyond what the market is doing and also put us in a position to have the opportunity to garner higher revenues as the incremental products are utilized. On the Public Relations side of the business, we have a new content distribution component we think is going to be spectacular, both not only in the future but truly well beyond and where we are headed as a business.

The first initial rollout is going to give customers the ability to expand upon timed distribution of a press release to a broader audience without all the complexity of human capital time to accomplish this. This new feature will give customers the ability to select any social platform, journalist group, and tailor their messages to those audiences within our platform, rather than going to several different tools to post press releases and everything else to accomplish this.

In early Q4, customers are going to have the option to add on our new ACCESS Content Studio, or at least the initial version of this fully robust MCP-supported product. The Content Studio will connect to your social accounts, build an FAQ of your business and brand message for that press release, sketch out a white paper and newsletter or blog, and format all of these options to automatically be delivered to your audiences wherever they consume your message and content.

We see this opportunity to roll this out to our customers at a 10% to 15% increase in current subscription. The value to the customer is going to be significant. First, they will have one central real-time platform for all their engagement analytics, story generation, audience building, and targeting wrapped into one. This innovation will lead us to a full studio toolbox concept that we have spoken about recently. By the end of the year and into next year, we will be releasing.

As I said earlier, we have a full product pipeline that is robust and tied to our revenue growth strategy over the next couple of years. It is not easy to articulate all of these and what we're doing while remaining competitively agile as one of the only publicly traded newswires. Customer numbers were up 24% in Q2 for this year compared to last year, an increase of 6% over the prior quarter as well. Where I'm most encouraged is in the private customer growth that we achieved this quarter. This is largely being driven from our e-commerce initiatives as private company brand platforms.

As we continue to learn from these customer needs, we feel very good about moving a fair percentage of these customers into subscribers over the next 12 months. Today, it's about delivering for them, helping build their stories, and educating them on the immense opportunity our platform can bring to a brand when they're seeking to find coverage and exposure.

But it's critical to listen to them today, so we're afforded these opportunities in the future. In Q2, ARR increased 15% year-over-year from $11,039 to $12,718, as Steve and I said previously, pushing subscriber revenue 23% higher for the prior period. We also ended the quarter up in total subscriptions, ending with 1,162, up 4% from 1,119. Retaining these customers is critical to our long-term business. Retention for the quarter was 94%, up 2% from the end of Q1 this year and 3% prior year quarter. Our net revenue retention has also continued to grow since last year and now ended Q2 at 124%.

It would be nice to guide improvements here in retention and Net Revenue Retention, but our focus in the back half of the year is going to be on new subscriptions while maintaining this threshold for current customers in the back half.

Additionally, we continue to focus and refine our other revenues and learn how we can move these customers into lower-tier subscriptions. Like we have said before, these are reoccurring, at the time of delivery, revenue customers that do commit to a fixed amount of dollars spread over a fixed period. That business today is approximately 40% of our overall revenues or non-subscription revenue, if you think about it that way. And what we have planned the second half of the year, we will see our recurring revenue business, our ARR business get closer to the 80% number, where we want to be this time next year.

So why are all these new products, metrics, or customer growths and increased investment in sales and marketing important? Gartner recently published a report that speaks to the PR industry, calling it to double by the end of 2027, AI being a significant contributor to this. This is exactly what we have been saying to our shareholders late last year and early this year. We independently also have a view that this market is going to return to double-digit growth in 2027 and beyond, and we intend to capture it. Yes, AI is enabling this, but the number of new businesses being formed is also driving this assumption. This is coming from the research that we've done that we'll refer to as the Hustle Generation. This is tied to tiers right between Gen Z and Millennials.

These are the new decision-makers in the IR/PR landscape, and a growing number of these have both regular career positions and side hustles, resulting in these additional businesses being registered and needing help tell their stories with products that we have brought to market this year, like Social Monitoring and our Insight & Analytics Report that have contributed to revenue in the second quarter.

Although I'm not fully satisfied with the overall results in the second quarter, I am proud of the advances that we've made, and we continue to enter a new phase for ACCESS. We have one of the most comprehensive Investor Relations and Public Relations platforms in the industry that can be between both public markets and private enterprises globally. We remain confident in our ability to continue to strengthening our competitive position from here.

I want to thank our teams, customers, partners, and shareholders for their trust and ongoing support that allow us to bring ACCESS into every company in the world. With that, I'll turn the call over to the operator for questions. Operator?

Operator

Thank you. At this time, we will be conducting a question-and-answer session. [Operator Instructions]. And the first question today is coming from Luke Horton from Northland Securities. Luke, your line is live.

Q: Hey, guys. Thanks for taking the questions. I just wanted to touch on pricing. As you think about all of these product enhancements slated for the back half of the year, how are you kind of layering in any pricing increases or add-on pricing, or just how do you think about pricing in general, given the product enhancements slated for this year and going forward?

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Yes. Hey, Luke, it is Brian. Yes. Each of the products that we have released already, the Insight & Analytics and Social give customers the ability to try before you commit and have a different pricing tier. So let me try to walk through a couple of them. In the Insight & Analytics, for example, our customers that pay for a press release as they consume it without a long-term contract or subscription have the option to add it to any press release for an additional fee.

So there is an incremental increase. We are seeing the benefits of our average price per release increase as a result of that. We think that is going to continue to get better. There are about 600-plus Insight & Analytics Reports we will run during kind of half of the Q2 period that we released that product.

Our Social Monitoring, for example, initially was rolled out as an upgrade for $200 a month for our subscriber clients. They had the option to opt into that. Starting next month, we are going to move that product to, I think I said earlier, on our Pressrelease.com platform to give customers the ability to try before they commit to a longer-term contract.

So like I said, we are hopeful that each of the quarters going forward over the next six to eight quarters, we are going to have two products, one that further identifies the moat that we are building for our platform to give our customers more ability to establish their brand voice and their story in their press release without any additional cost. And then a very competitive product advancement that has an economic benefit to us.

So this always ties back to our strategic view a couple of years ago when we guided to 15,000 in ARR. We have a product pipeline that will get us there. So the Content Studio will be another incremental $200 to $300 a month that customers can add this on, and then the toolkit at full release next year will drive even more value. That is not to say that we may not release a couple of additional things along the way that again, have a no-charge benefit to give our customers some value and keep them sticky.

Q: Okay, great. That is helpful. And then I guess just on the kind of sales efforts here, I guess how much of the focus is growing with your existing client base versus kind of outbound sales efforts? Are any of these product enhancements specifically geared towards kind of customer acquisition or more so just kind of giving them a better product and growing with existing customers?

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Yes. The investment in sales and marketing is really kind of a bifurcated model. It is very comprehensive, and Steve mentioned it earlier in his prepared remarks. For the first half of the year, we have probably spent 50% more in trade shows and conferences. Getting ourselves out there into the field to start to talk to customers on the street, understand their needs, what they are looking for, and build our brand to help drive pipeline for us and opportunity.

On the flip side, from a sales investment, we have hired more headcount in our sales teams to be able to handle the number of inbound leads. And so conversely, for the past year, we have been focused on how do we take a customer from $10,000 to

$11,000 to $12,000 in ARR? How do we convert customers from a bundled package of press releases to an ARR subscription model?

And we have done that, I think, relatively well. We have done it with good retention. We have done it with good net dollar retention. And because of the investment in sales and marketing, now we are turning our focus more to outbound new customer acquisition to push and really deliver on the top-line numbers that we want and will help fuel our growth for the future. So it has been a little bit of both, but right now we are really wanting to maintain our current account base. We still feel like there will be small percentages of our customers will see value from a bundled product to a subscription, but the growth really over the next six to 12 months is going to come from new customers coming into the platform.

Q: Okay, great. That's super helpful. Thanks, Brian.

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Thank you, Luke.

Operator

Thank you. The next question will be from Jacob Stephan from Lake Street Capital. Jacob, your line is live.

Q: Hey, guys. Appreciate you taking the questions. Solid quarter here. Maybe just building off of that last sales and marketing effort question. I guess, is there a CAC or maybe a payback period that you're kind of factoring into your underwriting and, I guess, do you ultimately expect that shows up in subscriber trajectory throughout the back half of the year here?

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Yes, we definitely do look at it, right? And we have been tracking our CAC for the better part of the last year plus as it relates to subscriptions and non-subscription customers. We kind of look at the CAC differently for both of those. The CAC paybacks on press release, incremental pay-as-you-go, or e-commerce business, after the first release, essentially pay for themselves.

It is up to our sales team to continue to manage those accounts and move them into subscriptions or repetitive press releases and bundles as they go. The CAC, as you would appreciate, is a little more expensive on a subscriber because the length of time it takes to convert somebody, generally a three to six month window is what you are really looking at from pipeline building. So it is the cost to do that is a little higher.

However, it has come down over the last quarter or two. We believe it will continue to come down. We are bullish about the industry, like we talked about with what

Gartner released here just about a month ago, to look at what this industry is doing. And seeing some of the backup data that has provided some assurances to both our strategy, Gartner's independent research, as well as census data is giving us the confidence that we can continue to grow this business and not increase our CAC significantly, if anything, bring it down over the coming quarters. Something we will likely get to talking about externally.

But like I said in one of my prepared comments earlier, as being the only publicly traded newswire, there is a little bit of competitive advantage we get by not saying too much. And I hope that our shareholders appreciate and understand that. But we want to be cognizant of both giving our shareholders and prospective shareholders all the data they need to make an investment decision, but also maintain ourselves a little competitive advantage against the quadrant.

Q: No, makes sense. I guess maybe just transitioning over to your ARR per sub. I guess, when you look at the sequential decrease, only about $100, but anything that is driving that, is that lower on the higher ARPU subscriptions or more EDU customers? I am wondering if you could kind of break that out for us.

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Yes, I think it is the private company space. We talked about it being a big incremental push to us. We are trying to find entry points. We have said it in the prior quarters. We are trying to find where there could potentially be significant scale in customer subscription numbers at a lower tier price.

So we are going into certain verticals trying to find a lower priced ARR product that can get us into those markets and try to find a way to learn, iterate, and scale fast. So that is a result of what it is. To be fair, our public company customers that are renewing and adding on, those ARR values are growing. Sorry, net dollar numbers are good. We are just finding a little more success at a lower price point. And we have talked about this. So I think we will continue to see some of that.

What will help excite it, obviously, is the new product adds that we have got that will impact ARR. So we shouldn't see a sequential decrease as much as we will see kind of a consistent number across the board here in Q3 and then in Q4 will grow because of some of the hard dollar ARR add-ons. But not alarming for us. It is expected. We talked about it in the last couple of quarters on our calls that it is something that we are experimenting with.

Q: Okay. Got it. I appreciate all the color. Thanks, Brian.

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Great. Thanks, Jacob.

Operator

Thank you. And the next question will be from Brock Irwin from CleverInvesting. Brock, your line is live.

Q: Hey, guys. Thank you for taking the question. So just thinking about the industry overall over the last several years, obviously there's been a trend of contraction. So I'm just thinking about your forecast, not really a forecast, but you're thinking about 2027 and how you think there's a chance that the industry gets back to growth. I would say that 20% growth rate number you mentioned sounds pretty optimistic.

I guess the question is, what gives you the confidence and what data points are you seeing maybe from talking to customers at trade shows, that would help indicate that there is a chance that the industry grows? And then the other thing I'm thinking about is, you're talking about a lot of startups being formed around AI. And these might be smaller companies who maybe don't want to spend thousands of dollars on press releases. I guess the previous question was talking about lower price points. So I guess, as we're moving into a lot of AI startups being formed, how are you thinking about addressing that type of customer differently from some of the public company customers that you have today?

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Yes. I'm going to try to gather all that up, Brock, and answer it. And if I miss something, let's peel it back a little bit and do it. So the contraction in the industry over the past couple of years, again, not just for us, but the entire marketplace, I think has really been driven upon the confusion of what it is I need as a business, whether enterprise or SMB, to try to figure out how best to tell my story.

There's been a significant amount of point solution entrance into the market during that time, which typically causes people to slow down in decision-making processes because there's so much. That noise is starting to move itself away, and customers are now saying, "Okay, let's get back to basics." This is what we're being told out in the field.

And because of AI, what do we need to be doing differently? Are our press releases being featured and seen in citations and LLMs and listicles? And if they are, who does it best? If who does it best, we need to go there. That is our North Star. And so we are trying to position ourselves to be that entity.

We are not trying to build our business around AI. It is an enablement of disruption for the tools and the services that we provide to our customers. The example of that is this Content Studio, right? So you bring up the comment about being optimistic about growth in 20%. Gartner looks at this as an AI disruptor space growth.

Our large enterprise customers that come to us are now saying, "We love your IR website solutions, your earnings call products, your press releases, and all the other PR tools. What are you doing to address our AI needs?" Large enterprises are building AI teams to kind of help, both from material non-public information risks to expansion of brand down the hall to the CMO and the CCO suite. And so there is bigger opportunities that will come to all of us in this industry in the future as we grow. But to your second comment about startups, Brock, we feel that is where the market really is for some of this disruption potential growth because if these Hustle Generation people are out there, they do not have the bandwidth to do all this work.

So they are going to be looking for a tool and a technology that can help them, whether it is one press release a month or one a quarter or two a year. They are going to need those other products. And so it's going to be less about how many press releases we sell to some of these clients. More that it is, can we give them a communications platform for them to do the things that they need?

Because, again, this is their side hustle. This is not their primary jobs. When you look at census data, what are our data points? Is another part of what you asked. We have taken our own view of the market over the past couple of years, and we have said this publicly that we think it is going to get back to growth. Gartner reaffirmed that with their estimates and their analyst information.

They are going to publish a Magic Quadrant here in October. We will all take a look and see where we all sit there. But what else is out there? We went to census data and said, "Every single county in the country, 3,100 plus of them, let us figure out how many incorporations are being formed 2024, 2025 and the first six months of this year." And we are seeing a 14% increase in the number of corporations being formed as LLCs, as C corp.

We understand clearly that a percentage of those are, I have a hair-brained idea, let us incorporate, and nothing ever happens. We know that. Some of them are formed for purposes of transactions and tax-efficient measures. We know that. But that has been consistent throughout the years. What we are seeing is that growth in that demographic we are talking about. So we're spending a good amount of time understanding that. One of the reasons why we've been out in the space, and Steve mentioned this, investing in marketing and trade shows and conferences.

We're going to events that are not public company events. That's where we spent 20 years. The last eight months, we've been out at events that are small business expo events, that they'll be in the Javits Center in New York and there'll be 8,000 potential customers there, sponsored by Verizon and all the other big brands, and we're there as the press release and communications partner. So there's big opportunities for us there. That's where we see that quadrant of people moving to and looking.

So I don't know if it's growth just from AI, right? I know you said that there are AI startups. We're not focused on those. We're focused on just that generation of gap of people looking for a side hustle and also those folks who are the decision-makers. They're coming in, moving guys like me out, right? The old guys. But the younger people are coming in, making these decisions, and we want to be on both sides of the fence for them to have a platform that they would select. Hope I covered it there, Brock.

Q: All right. Yes. Thanks for your answer. I appreciate it.

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Thank you.

Operator

[Operator Instructions]. And there were no other questions from the lines at this time. I would now like to hand the call back to Brian Balbirnie for closing remarks.

Brian Balbirnie - Founder and Chief Executive Officer, ACCESS Newswire, Inc.

Thank you, Paul. I appreciate it. As always, I think this has been, like 14 straight quarters we've been using you specifically for our event. And like all of our customers, we love that dedicated premium solution for our public company customers.

A lot to digest here today. A lot of data points that we've provided that we typically don't provide, such as market opportunities and growth. I'd love an opportunity to digest more with you and talk about this individually. Just shoot me a call, an email. Let's set up some time to do it. We appreciate your passion for what we're building. We appreciate your commitment for what your position is in our security, and we look forward to the rewards in the future. Thank you all for today and your time.

Operator

Thank you. This does conclude today's conference. You may disconnect at this time. Thank you for your participation.