

USA TODAY CO.

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PRESENTATION

MATT

Thank you. Good morning everyone and thank you for joining our call today to discuss USA TODAY Company's fourth quarter 2025 financial results. Presenting on today's call will be:

- a. Mike Reed, Chairman and Chief Executive Officer
- b. Trisha Gosser, Chief Financial Officer, and
- c. Kristin Roberts, President of USA TODAY Media

If you navigate to the USA TODAY Company website, you will find that we have posted an earnings supplement in addition to our earlier press release. We will be referencing it today on the call, as it provides you with additional detail on this quarter's performance and our 2026 business outlook.

Before we begin, please let me remind you that this call is being recorded. In addition, certain statements made during this call are, or may be deemed to be forward-looking statements, as defined under the U.S. federal securities laws, including those with respect to future results and events, and are based upon current expectations. These statements involve risks and uncertainties that may cause actual results and events to differ materially from those discussed today. We encourage you to read the cautionary statement regarding forward-looking statements in the earnings supplement as well as the risk factors

described in our filings made with the Securities and Exchange Commission. Except as required by law, we undertake no obligation to publicly update or correct any of the forward-looking statements made during this call.

Please keep in mind all comparisons are on a year-over-year basis unless otherwise noted. In addition, we will be discussing non-GAAP financial information during the call, including same store revenues, free cash flow, Total Adjusted EBITDA, Total Adjusted EBITDA margin, Segment Adjusted EBITDA, Segment Adjusted EBITDA margin and Adjusted Net Income attributable to USA TODAY Company. You can find reconciliations of our non-GAAP measures to the most comparable U.S. GAAP measures in the earnings supplement.

Lastly, I would like to remind you that nothing on this call constitutes an offer to sell, or solicitation of an offer to purchase, any USA TODAY Company securities. The webcast and audio cast are copyrighted material of USA TODAY Company and may not be duplicated, reproduced, or rebroadcasted without our prior written consent.

With that, I would like to turn the call over to Mike Reed - Chairman and CEO of USA TODAY Company.

MIKE

I am pleased to report that Q4 was by far our strongest quarter in recent years, and we are excited to share our progress with you today. I want to begin by highlighting some very important themes that you will hear throughout this morning's call.

- We delivered our strongest profitability in four years, with Total Adjusted EBITDA surpassing \$90.0 million and growing approximately 17% over the prior year period. Margin expanded 300 basis points to approximately 16% and represents our highest margin percentage in five years.
- Same-store revenue trends also achieved their strongest performance in nearly four years, driven by an expansion of Digital revenues, which importantly, returned to year-over-year growth on a same-store basis. Digital revenues represented more than 47% of total revenues, an all-time high.
- We also generated \$32.0 million in free cash flow, reflecting significant growth over the prior year period.
- At the same time, we continued to strengthen our balance sheet, with an increased cash position, further debt repayment, and first lien net leverage reduced to 2.4x.

We exited 2025 with good momentum across the business, reflecting our strategy to scale the largest audience in the nation, improve engagement, and maximize revenue growth. We expect this momentum to carry into 2026, including full year growth in Net income, Total Adjusted EBITDA and free cash flow, improving same-store revenue trends, total digital revenue growth, and continued deleveraging. Furthermore, our fourth quarter performance capped off what we believe was a defining year for USA TODAY Co., highlighted by significant milestones and a successful rebrand that fully embraces the ethos of a dynamic media company.

Before turning to our quarterly results, I want to highlight some of these milestones that help to reinforce our confidence as we move into 2026.

- We delivered our third consecutive year of free cash flow growth over the prior year.

- We achieved positive net income for the first time since our merger in 2019.
- We saw further expansion in our digital revenue mix, as I just mentioned, over 47% of our revenue is digital and we are well positioned to surpass 50% during 2026.
- We executed several AI licensing agreements that we expect to improve digital revenue trends and be highly accretive to Total Adjusted EBITDA, including a recently signed partnership with Meta, which represents our largest AI licensing deal to date. These agreements contributed positively to our fourth quarter results and position us for further growth in 2026.
- With regard to Total Adjusted EBITDA, for full year 2025, keep in mind that our results reflect some larger asset sales completed during the year, including the Austin-American Statesman, and without those sales, Total Adjusted EBITDA would have essentially been flat year-over-year.
- We continued to strengthen our capital structure by repaying approximately \$136 million of long-term debt and repurchasing \$14.0 million of convertible notes, and we reduced our first lien net leverage by 11% versus the prior year. In the second half of the year, we also took meaningful actions to create a lower and more flexible cost base, which resulted in \$100 million in annualized savings. Some of which we expect to flow into the first half of 2026.
- A couple other factors that will further improve 2026 results were completed in January of this year.
 - First, we completed the transfer of The Detroit News. This strategic transaction strengthens the USA TODAY Network's audience across more than 200 local publications nationwide and reinforces our commitment to local journalism in the Detroit metropolitan area.
 - And second, as part of the transaction, we were able to reduce our first lien interest rate by 50 basis points, or about \$3.5 million annually, which will generate cash interest savings in 2026.

Overall, we believe the strength of our results demonstrates the traction we have gained and the long-term potential of the business we are building.

Now, I'll turn to the operational highlights from the fourth quarter.

Our digital strategy focuses on expanding our audience, deepening engagement, and maximizing monetization across the customer journey. In the fourth quarter, we continued to attract one of the largest digital audiences in the media industry with 179 million average monthly unique visitors coming to our platforms. That scale, combined with our ability to stay closely aligned with our readers' preferences, drove another quarter of at least one billion pageviews per month domestically. As a result, digital advertising revenues delivered a third consecutive quarter of year-over-year growth.

Turning to our digital-only subscription business. As many of you know, we made a pivot in early 2025 on our digital-only subscription strategy. We felt some pain on volume and revenue from that pivot early in the year. However, we have conviction around the merits of that pivot, we saw some early signs in Q3, and those were further reinforced in Q4. Our digital-only subscription business delivered its strongest quarterly performance for the year. Digital-only ARPU reached a new high of \$9.81 in the fourth quarter, up 24% year-over-year and 11% sequentially. Digital-only subscription revenues also grew sequentially for the second consecutive quarter, and we realized year-over-year growth in December. We believe the actions we took in early 2025 are creating a more sustainable, predictable, and growth-oriented subscriber base. Importantly, we expect Digital-only subscription revenues to continue to grow year-over-year, contributing to the overall growth we expect in total digital revenue per user in our ecosystem. We see additional upside through pricing optimization, leveraging our full product portfolio, including our

newly launched gaming hub, PLAY, and doubling down on local growth. Combine this with the outstanding work our Content team delivers through our high-quality journalism and broader content experiences in categories consumers engage deeply with, we believe we have a compelling value proposition for both consumers and advertisers.

With that, I'll turn the call to Kristin to outline some of the exciting initiatives underway to expand our content experiences and product portfolio.

Kristin,

Kristin Roberts

Thank you, Mike.

2025 was a year defined by innovation, resilience, and strong collaboration across our media business. We rallied around new ideas, new approaches, new opportunities, and we implemented meaningful change across the organization that generated strong momentum in our key metrics. We sustained one of the largest digital audiences in the media industry, generated more than one billion pageviews per month, marking two consecutive years at that level, and maintained our overall reach even as we implemented a new subscription strategy. We also closed the year as the number one news and information provider among content producers in the country, based on unique visitors as measured by Comscore. Together, these results reinforce our position as the preferred platform for relevant and essential content - and that includes sports.

In the fourth quarter, we continued to enhance our NFL and NCAA sports hubs with new features and richer data designed to deliver more immersive, mobile-first experiences. As a result, we are driving stronger engagement as well as increased time spent with our content. More broadly, these enhancements are elevating how we cover sports every day and how we show up during the moments that matter most to our sports readers and viewers. And for marquee events, that means activating the full strength of our platform to drive scale, to deepen engagement, and to maximize monetization across the consumer journey. That approach was evident during the Winter Olympics, NCAA Football Championship and the Super Bowl. We generated millions of dollars in revenue across advertising, e-commerce, subscriptions, and merchandise - as well as visibility for the beloved USA TODAY Ad Meter. This is the tool recognized in the advertising industry for gauging consumer sentiment related to Super Bowl commercials. Importantly, we see similar opportunities with global events such as the FIFA World Cup.

Entertainment is another vertical where we are building meaningful momentum. We continue to execute strongly on our strategy to create standout experiences around topics our readers love - such as celebrities, fashion, and style - and doing so in the formats and platforms they prefer. In the fourth quarter, we launched a reimagined Entertainment hub designed to be more immersive and visually dynamic, with a focus on vertical video, prominent photography, and richer storytelling formats as we deliver scoops and exclusive content. Importantly, these enhancements are driving deeper engagement and audience connection across our platform. As we have seen in sports, entertainment also attracts robust advertiser demand and it creates incremental opportunities to expand our commerce platform.

On that note, our digital-only subscription volumes in the fourth quarter reinforce that there is meaningful opportunity to further strengthen our core business - which in turn, will allow us to unlock the Company's full potential. I am encouraged that our subscription strategy drove both sequential and year-over-year growth in digital-only ARPU. As I emphasized throughout the year, local is our key differentiator for

generating unique content, attracting subscribers, and connecting with communities in more profound ways, where local stories feed national news and national news connects with local relevance. With a combined reach of 125 million average monthly unique visitors coming from our U.S. media network, we are well positioned to be essential and relevant in the local communities we serve. Our extensive portfolio of local brands allows us to deliver non-commoditized, hyper-local content that cannot be found anywhere else. From local government and politics to high school sports and community events, these are the stories that matter most to our readers - and we are uniquely positioned to deliver them at scale. Looking ahead to 2026, we plan to further expand our subscription portfolio around high interest areas and differentiated content experiences. PLAY is an example of that strategy in action. The launch is off to a solid start, with early indicators showing audience expansion, deeper engagement, and growth in registrations and subscription starts. More broadly, games complement our sports and entertainment portfolio by driving habitual engagement, opening new monetization pathways, and supporting long-term growth.

To recap, our progress in 2025 was a result of strong collaboration across the organization, and I want to thank the entire team. We see significant opportunities ahead and we believe our strategic actions have positioned us for sustainable long-term revenue growth.

Back to you, Mike.

Mike Reed

Thanks, Kristin. It's exciting to see the key initiatives underway to deepen engagement and enhance the overall monetization across our platform. It's so important to our overall digital revenue growth strategy.

Now I want to turn to AI. High-quality, trustworthy content is foundational to a healthy, open web, particularly as AI agents become more common to how people discover and consume information. Our strategy in this evolving landscape is straightforward: engage early with foundational partners, help shape the framework, maintain flexibility as monetization models evolve, and protect our long-term upside of this emerging ecosystem. Consistent with that approach, in the fourth quarter, we entered into a multi-year strategic partnership with Meta to license both new and archival content from the USA TODAY Network. This partnership enables Meta's family of apps and devices to incorporate accurate, timely information rooted in credible local and national journalism. This multi-year AI licensing agreement, as well as the agreement we signed with Microsoft back in October, are high-margin - and will contribute meaningfully to expected year-over-year revenue growth in Digital other revenue. And while we continue to engage with foundational partners and evaluate additional opportunities in this space, we are doing so with a disciplined, long-term lens. Excluding Google, we currently block more than 99% of verified and unverified AI bots attempting to scrape our content without licensing agreements in place.

As we look ahead to 2026, we will continue to take an aggressive approach by actively sourcing AI-related revenue opportunities while continuing to protect the value of our content. And given the scale of our national and local footprint across the U.S. and the U.K., we are uniquely positioned to be a leading provider of real-time, trusted content to these various technology companies.

Now, turning to our LocalIQ segment. In the fourth quarter, Segment Adjusted EBITDA totaled approximately \$17.0 million, while core platform ARPU remained near record highs and grew over the prior year period. There is still work ahead with regard to customer count and revenue, however, the progress we made last year to strengthen our product foundation and sales strategy positions us well to

drive stronger results across our key metrics and we expect to return to revenue growth during the back half of 2026. Let me highlight a couple important initiatives underway.

These initiatives include expanding our CRM integrations, strengthening our search optimization capabilities, and advancing the features and functionalities of our AI-powered software solution, DASH. These product enhancements are expected to increase client retention, deepen customer engagement, and improve measurable ROI across our platform. We also recognize that consumers are engaging with social media more than ever, and as a result, we are proactively expanding our social offerings to meet that demand. In January of this year, LocaliQ became a badged TikTok Marketing Partner, joining a select group of companies recognized for quality, scale, and innovation in driving advertiser success. Being part of this exciting program means we have enhanced tools, deeper integration, and direct collaboration with a platform where over a billion people come to discover, connect, and take action. In 2026, we plan to further align with evolving consumer behavior by improving & expanding our AI solutions across all parts of the sales funnel, which in turn, will strengthen our ability to help SMBs achieve their goals by driving measurable results and unlocking the full value of their digital investments.

I'd now like to turn the call over to Trisha to provide additional details and color around our 2025 fourth quarter financials and 2026 business outlook.

Trisha,

Trisha Gosser

Thank you, Mike. Good morning, everyone.

Please keep in mind all comparisons are on a year-over-year basis unless otherwise noted.

In the fourth quarter, total revenues were \$585.0 million, a decrease of 5.8%, or 3.9% on a same-store basis, which marks a 290 basis point improvement over Q3 same-store trends. The strength in revenue was driven by the renewed momentum across our digital portfolio, with three of four categories growing over the prior quarter. Importantly, this progress reflects both the early success and long-term potential of the strategic initiatives we've been building in 2025, including AI licensing agreements, more targeted subscription efforts, and expanded content in high-interest verticals such as sports and entertainment, where advertising performance and audience engagement remain strong. Together, these initiatives reinforce our integrated model, enabling us to drive the highest possible digital revenue per user across all streams.

Total Adjusted EBITDA was \$91.1 million in the fourth quarter, an increase of 16.6% or \$13.0 million. Total Adjusted EBITDA margin expanded to 15.6% in Q4, compared to 12.6% in the prior year quarter. The growth in Total Adjusted EBITDA was driven by the improving revenue trends, ongoing cost discipline, and continued execution against our operational priorities. Expense management remains a critical priority, and in the fourth quarter, we drove a 9.0% reduction in operating costs and SG&A expenses compared to the prior year.

Total digital revenues in the fourth quarter were \$277.5 million, growing 5.6% sequentially, and up slightly on a same-store basis. In the fourth quarter, total digital revenues surpassed 47% of total revenues. Digital advertising revenues increased 1.8% in the fourth quarter, marking the third consecutive quarter of year-over-year growth. This momentum was primarily driven by improved sell-through and stronger yield performance, as our B2B sales teams more effectively leverage the USA TODAY Co. brand, attract new

national advertisers to our platform, and deliver highly relevant, scaled audiences. This is an encouraging signal as we look ahead to Digital revenue growth in 2026.

In the fourth quarter, Digital-only subscription revenues totaled \$45.6 million, up 4.4% over Q3, and marks the second consecutive quarter of sequential growth. Digital-only subscription volumes continue to reflect the intentional actions to optimize sustainable and predictable profitability by prioritizing long-term monetization over short-term volume. As a result, Digital-only ARPU reached a record high of \$9.81, up 23.7% year-over-year. We expect Digital-only ARPU to continue to grow in 2026 as we remain focused on attracting and retaining higher-value subscribers while remaining smart in our pricing across the portfolio.

In the fourth quarter, our Digital other revenues, which includes digital content syndication, affiliate, content and AI partnerships and licensing revenues, grew 27.1% and grew approximately \$10.0 million over Q3. This growth reflects our recent agreement with Meta as well as the shift of revenue from Perplexity into the fourth quarter. As we continue to expand these AI licensing relationships, we expect variability in timing and recognition, given the structure of these agreements, relative to our more traditional revenue streams.

Our strategic efforts to enhance the quality and the overall value proposition of our print product continue to deliver encouraging results. While Print and commercial revenues remained in secular decline, we are actively managing the long tail. The actions taken to improve the subscriber experience have helped moderate decreases over the past several quarters. We remain focused on managing the print portfolio efficiently and profitably, and we expect this disciplined approach to continue into the year ahead.

Turning to the USA TODAY Media segment, Segment Revenue decreased 7.3% in the fourth quarter. Segment Adjusted EBITDA totaled \$69.9 million, increasing 19.3% year-over-year, while Segment Adjusted EBITDA margin expanded 340 basis points to 15.6%.

Turning to Newsquest, total revenues in the fourth quarter were \$60.1 million, up 3.1% year-over-year, representing the third consecutive quarter of revenue growth. In the fourth quarter, Segment Adjusted EBITDA was \$13.5 million, up 20.7% year-over-year, while Segment Adjusted EBITDA margin expanded 330 basis points to 22.5%.

Looking at our LocaliQ segment, core platform revenue in the fourth quarter was \$107.3 million and Segment Adjusted EBITDA totaled \$16.6 million. We ended the quarter with approximately 12,700 core platform average customer count, and core platform ARPU remained near record highs at approximately \$2,800, reflecting growth of 1.4%.

Let's now turn to the balance sheet.

At the end of 2025, our cash balance was \$90.2 million, and net debt stood at \$887.1 million. Free cash flow in the fourth quarter increased by \$27.7 million to \$31.5 million, and for the full year, free cash flow totaled \$64.2 million, an increase of approximately 10.0% versus the prior year. We ended 2025 with \$977.3 million of total debt, reducing first lien net leverage by 11% to 2.4x. In the fourth quarter, we repaid \$19.1 million of long-term debt, and for the full year we repaid approximately \$136 million of total long-term debt.

Our net loss of \$30.1 million for the quarter reflects a tax provision of \$73.6 million, reflecting the expected large quarterly variances in our provision. For the full year of 2025, our tax benefit was \$3.0 million and our full year net income was \$1.7 million.

Subsequent to year-end, we completed the transfer of The Detroit News. This follows the conclusion of the long-running Joint Operating Agreement between the Detroit Free Press and The Detroit News, which ended on December 28, 2025, under which the results for both titles were consolidated into our financial results. Now, with common ownership, we can operate more seamlessly in a strategically important market, creating opportunities to better scale audience, strengthen local journalism, and accelerate digital growth, while continuing to support distinct newsroom voices for both titles.

The transfer of The Detroit News was funded in part by cash on hand and \$15.0 million of additional principal under our 2029 Term Loan facility. In connection with the transaction, we also secured a half-percentage-point reduction in the interest rate on the 2029 Term Loan and the first required amortization payment as per the amendment agreement shifted to June 30.

As we look forward to 2026, we intend to build on the successes of 2025. In Q4, Total Adjusted EBITDA grew approximately 17% over the prior year and we expect higher levels of Total Adjusted EBITDA growth in Q1 as revenue trends improve, in part due to the impact of AI Licensing, and as we cycle the impact of sale of the Austin American Statesman.

As new revenue streams scale, we expect to have more consistent Total Adjusted EBITDA across the quarters in 2026, which may result in greater year-over-year variances by quarter than has been typical. We finished 2025 with a marked improvement in our same store revenue trends and we expect to continue to improve on that trend throughout the year, which we believe will lead us to same store revenue growth late in 2026.

For the full year, we expect total digital revenues to remain at year-over-year growth on a same-store basis, driving more meaningful growth and exceeding 50% of total revenues during the year. We expect total revenues to be flat to down in the low single-digits on a same-store basis and expect to continue to drive ongoing improvement in year-over-year trends through the year. With the expectation of improving revenue trends and the impact of the cost reductions made in 2025, we expect full year growth in Net Income attributable to USA TODAY Co. and in Total Adjusted EBITDA. These year-over-year gains in profitability still allow us to invest in our business – in data, technology, product development, and people – which we believe enables us to create a sustainably growing media company.

We also expect double-digit year-over-year growth in cash provided by operating activities as well as free cash flow, with a slight usage of cash in the first quarter, and more meaningful free cash flow generation occurring over the remaining three quarters of the year. Overall, our strong finish to 2025 reinforces the confidence we have in our strategy and we believe positions us well to build further momentum in 2026.

I will now hand it back to the operator for questions and then we will go back to Mike for some closing thoughts.

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 Giuliano Bologna from Compass Point. Giuliano, your line is live.

Giuliano Bologna

Thank you all. Good morning. Great to see the continued performance. As a first question, the fourth quarter showed great revenue improvement. Do you expect that to continue in 2026, and what do you think will drive that?

Mike Reed

Hi. Yeah. Good morning, Giuliano. Thanks. The answer is yes. From a high level, the driver is continued digital revenue growth, digital revenue improvement. Let me be a little more specific, and these are all items that we actually covered in the call this morning.

First is our focus on the scale, the size of our audience and continuing to grow that audience, but more importantly, improved engagement with those folks coming to our platform. And that is leading and will continue in 2026 to lead to improved consumer revenue. We look at total ARPU across the platform, which comes from advertising, subscription, and affiliate, and we are looking to continue to grow that total ARPU per consumer on the platform through improved engagement as well as growing the number of users on the platform.

Second, we talked about it a bit in our remarks here this morning, is both our current AI licensing deals and any new AI deals we do this year will all lead to growth here in 2026 and improve our revenue trends.

Third, I would highlight our improved digital subscription revenue trends. We started to really see that shine in the fourth quarter, including growth that we saw in December from a year-over-year perspective. So, with that return to growth, we expect those revenue trends to be much improved in 2026, leading to overall revenue improvement on the digital side.

And then finally, we do expect to improve our DMS revenue trends. We expect to return to growth later in the year, second half of 2026, and we outlined the various action items we have underway in the DMS business as well.

To summarize, the good news here is these are all action items that we have been putting in place during 2024 and 2025. They are not things that we yet need to do. So, they are things that we are starting to reap the rewards for in our financial statements now, as we really started to see in Q4. And these things will all drive better improved trends and growth in 2026. So, pretty excited about the outlook.

Giuliano Bologna

That's very helpful. And just as a follow-up, you gave strong guidance for Q1 and 2026 free cash flow guidance. What was indicated was slight usage of cash in the first quarter. Can you sum what is driving that?

Trisha Gosser

Hey, good morning, Giuliano. This is Trisha. That usage of cash in Q1 is largely seasonality and timing. It's consistent, I think, with what you have seen historically from a working capital perspective from us. Year-over-year, there are also some minor timing changes in our interest payments. But, you are right, we did guide to a pretty strong quarter for Q1. We took a really meaningful step forward in our same-store revenue trends in Q4, almost 3 percentage points, and we expect, as Michael mentioned, to take another step forward here in Q1.

And then, if you look at our Q4 adjusted EBITDA, we grew about 17% year-over-year and above 20% if you take out the impact of the asset sales we made earlier this year, mainly Austin. So, we will cycle Austin, the sale of Austin, mid-quarter in Q1. And so, you take that with the strong revenue and the flow through of the cost actions that we put in place in Q3, we expect similar to higher EBITDA growth in Q1 on a percentage basis than Q4. So, as Mike said, we have been building on this for 2024 and 2025, and it's really encouraging that we are starting to see the impacts of our strategy play out in our results.

The steps we took on subscription revenue is resulting in more sustainably growing digital business. The efforts we have taken to monetize our content in multiple ways, including these licensing deals, leading to improving revenue trends and what we think is going to be a really strong Q1 and over the long-term sustainable growth.

Giuliano Bologna

That's very helpful. Congrats on the new high in digital ARPU. As it approaches \$10, do you see more upside from there?

Kristin Roberts

Mike, I am going to take this one. Giuliano, it's Kristin. We feel really great about the progress, digital-only ARPU hitting \$9.81 in Q4, and that's up 24% year-over-year, and digital-only subscription revenue growing sequentially again. So, in terms of upside, I think we continue to see room to grow ARPU in 2026, and I think we are going to do that through a couple of levers. There is smarter pricing, smarter packaging across the portfolio. There is better retention and lifecycle marketing. I think there is also an expanding product set, like PLAY. We are using PLAY and these other products to drive habitual engagement and, in turn, some incremental monetization there.

On the ARPU versus volume issue, our philosophy remains, optimize long-term value, optimize long-term predictability. We did intentionally trade off some short-term volume earlier in 2025, but what you are seeing now is a healthier and a more sustainable subscriber base, and we do expect that digital-only subscription revenue will continue to grow year-over-year as we execute on this strategy. I hope that helps, Giuliano.

Giuliano Bologna

That's very helpful. Yeah, switching over to kind of a Meta topic, but you announced the Meta AI deal in Q4. How should we think about AI licensing revenue in 2026?

Mike Reed

Yeah, Giuliano, it will be a good growth category, and I would think about it in terms of 2026 and beyond, it's a multiyear good growth category for us, we believe. I would like to introduce just a little bit of caution here as we think about the AI licensing revenue opportunity. We do expect significant growth in 2026, but also it's still a developing marketplace. And so, we are learning a lot as we go forward. We have learned that the deals can be lumpy, and they can take some time to get done.

So, the past 12 months, we've made a lot of progress. We have some great deals in place now, so we do expect nice growth in 2026, but our eye on the prize here is the longer-term opportunity, which we see

from more deals to come as this overall business model and this ecosystem continue to evolve. So, pretty excited, but a little bit of cautiousness in the near-term. It's a growth category, but also it's still an evolving category, and we are playing the long game here, too.

Giuliano Bologna

That's helpful. When you talk about the growth expected in 2026, is that mostly from the existing contracts you've already signed, or are you considering potential new deals that you could sign in 2026?

Mike Reed

Yeah, it's both, Giuliano. It's existing deals, so we have some banked growth already with the deals we have signed, but we do expect additional growth through more deals to be signed and more deals to come. So, both.

Giuliano Bologna

That's very helpful. And then as a final one, you made very strong progress on debt reduction in 2025. Can you provide a little more detail on 2026 debt paydown expectations and what you are targeting from a first lien net leverage perspective?

Trisha Gosser

Yeah, absolutely. You are right, we did make great progress in 2025. We repaid approximately \$135 million of long-term debt in the year, and that brought us down to about 2.4 times first lien net leverage at the end of the year, and remain focused on bringing that number down again in 2026. So, our approach this year is going to be that debt is funded primarily through our operating performance and our free cash flow. We did guide to double-digit growth in free cash flow in 2026. So, less reliance on asset sales and more reliance on the cash flow that we are throwing off.

We guided to full year growth in total adjusted EBITDA and in free cash flow, based on those improving revenue trends. And so, all of that's going to support our deleveraging. So, we are thinking about 2026 as the year that we continue to improve the business, and we use that cash to bring down our debt. I think that will put us much closer to that 2 times first lien net leverage to end the year here in 2026.

Giuliano Bologna

That's very helpful. I will jump back in the queue.

Operator

Thank you. The next question will be from Matt Condon from Citizens. Matt, your line is live.

Matt Condon

Thank you so much for taking my questions. My first one, some of your peers just in the publishing industry have called out just AI Overviews impact to just programmatic revenue. Are you seeing any sort

of impact on click-through rates or traffic, or is there anything to call out there? And then, I have some follow-ups.

Mike Reed

Yeah. Hey, Matt, good morning. Good to talk to you. Our click-throughs from Google from the search perspective have remained flat. So, we have done a pretty good job of continuing to have a great ranking in the search ecosystem there with regard to Google. With regard to AI Overviews, pretty much all of the AI platforms, the amount of traffic that comes back to publishers is almost nothing. So, the user stays on the AI platform and those experiences. So, our path to monetization is by licensing content for use in those AI platforms. It's not through clickbacks to us.

With regard to the publishing industry have seen a lot of declines in traffic from search, we have been fortunate enough to be proactive from a strategy perspective over the last 2 years, that we have been able to maintain a flat number with regard to search from Google blue links, and then we have been really good at growing traffic to our platform from other means, social media being one of the biggest drivers, and then also more direct engagement with consumers coming directly to our platform. Overall, our pageviews remain strong, audience remains strong, and we are battling through some of the challenges the industry is facing from declining search.

Matt Condon

That's very helpful. And then a follow-up, there is more and more AI improving internal workflows across all companies. As you look at the business, obviously you've implemented the \$100 million in annual cost savings. Are you seeing increased opportunity to implement AI internally to further those cost reductions and run the business leaner?

Mike Reed

Matt, the answer is yes. We do have an AI task force that's working on deploying AI in every single facet of our business. And so, we do see future cost efficiency opportunities that come from the use of AI technology. But, I would say we are actually more excited about the use of AI technology to improve our revenue performance, our ability to do better lead gen work, our ability to do better presentations with customers, to tell the story better, to improve ROIs for customer usage on our platform. So, we are frankly more excited about the long-term revenue opportunity from deployment of AI technology inside of our company. That will be the big win for us, but to answer your question, we do see further cost efficiencies as well.

Matt Condon

Great. And then maybe just the last one, could we get an update on the Google lawsuit? I do not know if there is anything to update there. I think investors would love to hear just a timetable and where we sit here today. Thank you so much.

Mike Reed

Yeah, Matt, thanks. Judge Castel, the judge in our case, last October, he granted our partial summary judgment in the case, which was great. Important step for us because it established liability on certain claims. So, we were really excited about that. In January of this year, Google filed their own motion for summary judgment. We expected that. It was all in normal course. We believe their motion lacks any merit. And we expect a favorable ruling on that motion, favorable for us. We anticipate that motion being ruled on later spring or summer of this year. And then, we expect to have our jury trial set later this year. And then, we expect the jury trial to be set for end of 2026 or early 2027 at the latest.

As far as other milestones in the case, similar to what we talked about on previous calls, we do expect the remedies ruling to be issued very soon for the DOJ case. And, we expect once the remedies are ruled on, we expect the case out of Texas to go to trial. So that should happen shortly after the remedies are announced.

We are expecting quite a bit of progress here, or quite a few milestone announcements to come over the next several months, the DOJ remedies ruling, the Texas case going to trial, summary judgment ruling on Google's summary judgment filing in our case, and then a jury trial being set. So, we feel very positive about our case. That hasn't changed. And we think there is a lot of good momentum to come here in 2026.

Matt Condon

Great. Thank you so much.

Operator

Thank you. And the next question is coming from Barton Crockett from Rosenblatt. Barton, your line is live.

Barton Crockett

Okay. Thanks for taking the question. I wanted to ask about the steps that Google took earlier this year to make a blog post saying that they would take some steps to allow separation of presence in AI Overviews from search. It seemed to be in response to some UK actions, but it seemed to be a global statement of ambition to do something that was applauded by your trade group here. That would seem to be potentially very interesting, maybe providing some leverage to maybe have a bit stronger licensing conversation with them if that proceeded.

I was wondering if you could give us your thoughts on what you think about that, and if you have any reason for optimism that could be something that could move the needle forward there.

Mike Reed

Yeah, thanks, Barton. We are encouraged by that blog post, and nothing has happened to date. We probably should be clear about that. But the blog post was encouraging. We think it's the right move. It would move the playing field toward clearer publisher control, and directionally, it would be constructive for sure. Our guiding principle remains the same, trusted high-quality journalism has real value, and if that content is being used to power AI experiences with no compensation to the publishers, it's illegal. So, we believe there should be a level playing field, fair compensation for our content, and certainly Google

distinguishing between blue link search and usage in their AI products would be a really positive development. So, we are encouraged by that. We think it is the right thing to do.

You are right, it would lead to, we think, a better licensing discussion around licensing our content for usage in AI. It could be a real positive development. We are hesitant to say anything too optimistic right now, because we just do not really know what they will do.

Barton Crockett

I mean, to follow up on that, they made a blog post. Is there an opening for a discussion with them on your part or industry-wide or not at this point, do you think?

Mike Reed

I would not say that we do not have discussions. I would not want to get into any kind of confidential information for ongoing discussions we have with any potential AI licensing partners. But I would suffice it to say that we do have a lot of conversations going on with a lot of different technology companies.

Barton Crockett

Okay. One of the things I was also curious about was your monthly unique visitors. I think the number was 179 million, I think, which is down a bit from the third quarter, down year-over-year. What is driving the dip there? I mean, you said search is steady, what is it that's driving that?

Mike Reed

Kristin, you want to take that?

Kristin Roberts

Yeah, I am happy to. We made some intentional steps over the course of 2025 to maintain our audience reach at more than 1 billion pageviews per month, so that we could begin to turn the dials on our subscription strategy and begin to do some testing and some experimenting around various tactics that would improve engagement, improve registration, and then improve take-up and then pay-up on our subscription offers.

I think what you are seeing is a reflection of some deliberate actions that we're taking to stabilize around 1 billion pageviews per month, which gives us the breathing room to be testing around different subscriber thresholds in the attempt to build back a healthier, long-term subscriber base in the digital-only category. Does that help answer the question?

Barton Crockett

Yeah, that helps. And then one other topic I was wondering about in terms of the court schedule, if I could. I was wondering if there is also one other key milestone that you can see in terms of timing and that might be important in terms of getting your jury seated, and that is a decision by the judge of which witnesses would be allowed for a trial proceeding. There is a term of art for that, and I am not a lawyer, I forget what it is. But is that something that we should also be looking for as a marker that would signal that things are about to get started?

Mike Reed

Yeah, I do. I'd say late summer, fall, we should have more clarity on that. It's right to look for. I would say that's another milestone to look for as we get to the summer this year.

Barton Crockett

Okay. All right. Great. Thank you.

Operator

Thank you. And that concludes today's Q&A session. I will now hand the call over to Mike Reed for closing remarks.

Mike Reed

Yeah, thank you. Thanks, everybody, for joining us this morning. Let me quickly recap a few of the most important highlights from this morning's call. I will start with, as mentioned, Q4 felt good, because it was the best quarter we have had in several years, and so many of the initiatives that we have been working on really started to show up in the financials, and we're encouraged by that and how that's going to roll into 2026. We delivered our strongest profitability in 4 years, and as a result, in the fourth quarter, adjusted EBITDA returned to meaningful year-over-year growth.

Also on the total digital revenue side, we returned to growth, which was great on a same-store basis. More than 47% of our revenue came from digital, and we do expect to surpass 50% here in 2026. You saw a real step forward on same-store revenue trends in the fourth quarter, improving by about 300 basis points, and it was the best trend we have had in several years. You heard this morning, we expect that to continue into 2026 and Q1 as well. We did deliver our third straight year of free cash flow growth. That was great. And we continue to expect double-digit growth again in 2026 for free cash flow. When you take all these things together, they reflect improving revenue momentum, expanding margins, strong cash generation, deleveraging, and we continue to think we're going to create great value for shareholders.

And, finally, as you heard from Trisha, we are expecting a stronger Q1 across most all trends, feeding off of the Q4 we just delivered. So, we look forward to getting together with you all in 2 months to update you on our progress and fill you in on our Q1 results. Thanks for joining us this morning, and everyone, have a great day.

Operator

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