



## PodcastOne, Inc.

### PODC (NASDAQ) - Buy \$5 Price Target

**February 12, 2025**

**PodcastOne 3Q Revenue Beat, Still Guiding for Positive EBITDA for Fiscal Year – Reiterate Buy and \$5 Target**

Analyst: Barry M. Sine, CFA, CMT

- This morning PodcastOne reported strong F3Q25 results and reiterated guidance for revenue of \$51 million for the year and positive EBITDA.
- PodcastOne ranked as the number 9 podcast publisher in January, with 16.2 million downloads, according to Podtrac. Adjusting the to reflect the exclusion of YouTube data (30% of downloads) we estimate that they had approximately 70 million impressions for the quarter.
- Revenue came in at \$12.7 million, above our \$12.6 million estimate, up 22%. For the F4Q, which ends March 31, the company only needs to post 11% growth to hit its \$51 million guidance number, so a beat is possible.
- EBITDA came in at negative \$0.7 million but the company reiterated guidance for positive EBITDA for the year. This will require a significant uptick in F4Q but is doable. More importantly, the company is on track for positive EBITDA in F26 – we estimate \$2.1 million.
- These results do not reflect a number of announced strategic positives, such as the new hosting and ad sales agreement with Amazon announced last month, so the outlook for F26 is strong.
- Podcasting remains very popular with advertisers because it's a medium where consumers actually listen, unlike radio which is often used as background music. The popularity of podcasting was demonstrated in the 2024 presidential election where both candidates appeared on high profile podcasts. And PodcastOne is the only U.S. publicly-traded pure play in the space.
- We reiterate our Buy rating and \$5 price target.

Rating	Buy	<b>Earnings Per Share</b>				<b>Normalized to exclude unusual items</b>			
Target Price	\$5.00	<b>FYE - March</b>				<b>FY2023</b>	<b>FY2024</b>	<b>FY2025E</b>	<b>FY2026E</b>
Ticker Symbol	PODC	1Q - June			(\$0.00)	(\$0.01)	(\$0.06) A	(\$0.04)	
Market	NASDAQ	2Q - September			(\$0.00)	(\$0.52)	(\$0.07) A	(\$0.04)	
Stock Price	\$2.18	3Q - December			(\$0.01)	(\$0.11)	(\$0.06) A	(\$0.04)	
52 wk High	\$2.85	4Q - March			(\$0.03)	(\$0.05)	(\$0.07)	(\$0.04)	
52 wk Low	\$1.10	<b>Year</b>			<b>(\$0.06)</b>	<b>(\$0.68)</b>	<b>(\$0.27)</b>	<b>(\$0.16)</b>	
Shares Outstanding:	24.4 M	<b>Revenue (\$mm)</b>			<b>\$34.6</b>	<b>\$43.3</b>	<b>\$51.0</b>	<b>\$60.6</b>	
Public Market Float:	5.8 M	EV/Rev			1.5X	1.2X	1.0X	0.9X	
Avg. Daily Volume	54,213	<b>EBITDA (\$mm)</b>			<b>(\$0.5)</b>	<b>\$0.7</b>	<b>(\$1.5)</b>	<b>\$2.1</b>	
Market Capitalization:	\$54 M	EV/EBITDA			-103.4X	79.7X	-34.4X	25.0X	
Institutional Holdings:	6.2%								
Dividend Yield:	0.0%								

#### Risks/Valuation

- The dominant risk is that the company's competitors are mainly much larger, diversified media companies.
- We value PODC shares at 2.0x our FY26 revenue estimate, reflecting a 25% premium versus radio comps.

**Company description:** PodcastOne is the only publicly traded podcasting pure-play company in the U.S. It has 194 programs over a range of popular genres. Unique for an American media company, it offers content targeted at the entire market – both ends of the political spectrum. Podcasting is the fastest-growing advertising medium because it is effective for advertisers with about a 5x ROI versus traditional advertising media.



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### PodcastOne, Inc. – Income Forecast

Dollars in thousands, except per share data  
Fiscal years ended March 31

	FY2024					FY2025E					FY2026E				
	1Q	2Q	3Q	4Q	YEAR	1QA	2QA	3QA	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
	June	Sept	Dec	March		June	Sept	Dec	March		June	Sept	Dec	March	
Impressions - normalized	79,050	87,975	72,000	73,946	312,971	65,625	69,429	69,429	72,000	276,482	72,000	75,000	76,000	80,000	303,000
Revenue per impression	\$0.14	\$0.12	\$0.15	\$0.16	\$0.14	\$0.20	\$0.18	\$0.18	\$0.18	\$0.18	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
<b>Revenue</b>	<b>10,637</b>	<b>10,516</b>	<b>10,442</b>	<b>11,707</b>	<b>43,302</b>	<b>13,159</b>	<b>12,154</b>	<b>12,710</b>	<b>12,960</b>	<b>50,983</b>	<b>14,400</b>	<b>15,000</b>	<b>15,200</b>	<b>16,000</b>	<b>60,600</b>
YoY growth	22.0%	23.8%	21.6%	32.4%	25.0%	23.7%	15.6%	21.7%	10.7%	17.7%	9.4%	23.4%	19.6%	23.5%	18.9%
Seq growth	20.3%	-1.1%	-0.7%	12.1%		12.4%	-7.6%	4.6%	2.0%		11.1%	4.2%	1.3%	5.3%	
Cost of Sales	8,222	9,057	9,387	10,660	37,326	11,709	11,142	11,983	12,219	47,053	12,384	12,900	13,072	13,760	52,116
	77.3%	86.1%	89.9%	68.0%	86.2%	89.0%	91.7%	94.3%	94.3%	92.3%	86.0%	86.0%	86.0%	86.0%	86.0%
Gross Margin	2,415	1,459	1,055	1,047	5,976	1,450	1,012	727	741	3,930	2,016	2,100	2,128	2,240	8,484
As a percent of revenue	22.7%	13.9%	10.1%	8.9%	13.8%	11.0%	8.3%	5.7%	5.7%	7.7%	14.0%	14.0%	14.0%	14.0%	14.0%
Sales and Marketing	1,250	1,451	732	1,125	4,558	847	877	894	912	3,530	1,008	1,050	1,064	1,120	4,242
As a percent of revenue	11.8%	13.8%	7.0%	9.6%	10.5%	6.4%	7.2%	7.0%	7.0%	6.9%	7.0%	7.0%	7.0%	7.0%	7.0%
Product Development	27	28	15	15	85	18	13	9	9	49	14	15	15	16	61
As a percent of revenue	0.3%	0.3%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
General and Administrative	920	1,215	2,601	712	5,448	1,398	1,452	1,281	1,306	5,437	1,584	1,650	1,672	1,760	6,666
As a percent of revenue	8.6%	11.6%	24.9%	6.1%	12.6%	10.6%	11.9%	10.1%	10.1%	11.6%	11.0%	11.0%	11.0%	11.0%	12.8%
Amortization	25	191	307	373	896	377	328	125	350	1,180	350	350	350	350	1,400
<b>Operating income</b>	<b>193</b>	<b>(1,426)</b>	<b>(2,600)</b>	<b>(1,178)</b>	<b>(5,011)</b>	<b>(1,190)</b>	<b>(1,658)</b>	<b>(1,582)</b>	<b>(1,836)</b>	<b>(6,266)</b>	<b>(940)</b>	<b>(965)</b>	<b>(973)</b>	<b>(1,006)</b>	<b>(3,885)</b>
Operating margin	1.8%	-13.6%	-24.9%	-10.1%	-11.6%	-9.0%	-13.6%	-12.4%	-14.2%	-12.3%	-6.5%	-6.4%	-6.4%	-6.3%	-6.4%
Interest expense	(1,593)	(654)	-	-	(2,247)	-	-	-	-	-	-	-	-	-	-
Change in fair value of derivatives	1,190	(8,793)	-	-	(7,603)	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	184	184	(176)	-	-	-	(176)	-	-	-	-	-
Pretax Income	(403)	(9,447)	-	184	(9,666)	(176)	-	-	-	(176)	-	-	-	-	-
Taxes	(210)	(10,873)	(2,600)	(994)	(14,677)	(1,366)	(1,658)	(1,582)	(1,836)	(6,442)	(940)	(965)	(973)	(1,006)	(3,885)
	-	-	-	55	55	-	11	1	-	12	-	-	-	-	-
<b>Net income - continuing ops</b>	<b>(210)</b>	<b>(10,873)</b>	<b>(2,600)</b>	<b>(1,049)</b>	<b>(14,732)</b>	<b>(1,366)</b>	<b>(1,669)</b>	<b>(1,583)</b>	<b>(1,836)</b>	<b>(6,454)</b>	<b>(940)</b>	<b>(965)</b>	<b>(973)</b>	<b>(1,006)</b>	<b>(3,885)</b>
Net income margin	-2.0%	-103.4%	-24.9%	-9.0%	-34.0%	-10.4%	-13.7%	-12.5%	-14.2%	-12.7%	-6.5%	-6.4%	-6.4%	-6.3%	-6.4%
Diluted shares outstanding	20,000	20,714	23,072	23,125	21,768	23,713	24,163	24,535	24,635	24,261	24,735	24,835	24,935	25,035	24,885
Seq change	(106,653.5)	714.2	2,358.0	-	-	587.2	450.1	372.6	100.0	-	100.0	100.0	100.0	100.0	-
<b>EPS diluted</b>	<b>(\$0.01)</b>	<b>(\$0.52)</b>	<b>(\$0.11)</b>	<b>(\$0.05)</b>	<b>(\$0.68)</b>	<b>(\$0.06)</b>	<b>(\$0.07)</b>	<b>(\$0.06)</b>	<b>(\$0.07)</b>	<b>(\$0.27)</b>	<b>(\$0.04)</b>	<b>(\$0.04)</b>	<b>(\$0.04)</b>	<b>(\$0.04)</b>	<b>(\$0.16)</b>
<b>Adjusted EBITDA</b>															
GAAP Net Income	(210)	(10,873)	(2,600)	(1,049)	(14,732)	(1,366)	(1,669)	(1,583)	(1,836)	(6,266)	(940)	(965)	(973)	(1,006)	(3,885)
Addback:															
Depreciation and amortization	86	253	372	438	1,148	619	394	188	500	1,701	500	500	500	500	2,000
Stock-based comp	84	854	1,786	921	3,645	394	861	718	1,000	2,973	1,000	1,000	1,000	1,000	4,000
Non-recurring	-	413	86	77	881	-	-	6	-	6	-	-	-	-	-
Taxes	403	9,447	-	(129)	9,721	37	11	1	-	49	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>363</b>	<b>94</b>	<b>(356)</b>	<b>258</b>	<b>663</b>	<b>(316)</b>	<b>(403)</b>	<b>(670)</b>	<b>(336)</b>	<b>(1,537)</b>	<b>560</b>	<b>535</b>	<b>527</b>	<b>494</b>	<b>2,115</b>
Margin	3.4%	0.9%	-3.4%	2.2%	1.5%	-2.4%	-3.3%	-5.3%	-2.6%	-3.0%	3.9%	3.6%	3.5%	3.1%	3.5%

Source: Company reports and Litchfield Hills Research LLC



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