Comscore Second Quarter 2026 Financial Results
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Corporate Speakers

- Kevin Burns; Comscore; Chief of Staff
- Matt McLaughlin; Comscore; Chief Executive Officer
- Mary Margaret Curry; Comscore; Chief Financial Officer

PRESENTATION

Operator: Good day. And thank you for standing by. Welcome to the Comscore Second Quarter 2026 Financial Results Conference Call. (Operator Instructions) Please be advised, today's conference is being recorded. I would like to turn the conference over to your speaker today, Kevin Burns, Chief of Staff. Please go ahead.

Kevin Burns: Before we begin our prepared remarks, I'd like to remind all of you that the following discussion contains forward-looking statements. These forward-looking statements include comments about our plans, expectations and prospects, and are based on our view as of today, August 12, 2026.

Our actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. These risks and uncertainties include those outlined in our 10-K, 10-Q, other filings with the SEC which you can find on our website or at www.sec.gov. We disclaim any duty or obligation to update our forward-looking statements to reflect new information after today's call.

Please note that we will be referring to slides on this call which are available on our website, www.comscore.com, under investor relations, events and presentations. I'll now turn the call over to Comscore's Chief Executive Officer, Matt McLaughlin. Matt.

Matt McLaughlin: Thank you, Kevin. And thank you everyone, for joining us this afternoon. We closed the quarter in a far better structural position than we began, highlighted by the elimination of $40 million in long-term debt which freed up roughly $7 million in related annual interest and principal payments.

These critical actions were made possible through the sales of our movies business in late May, and in turn provide us with improved financial flexibility that allows us to refocus on our core strengths to drive growth. Since joining as CEO in June, I've spent significant time evaluating our business, our product portfolio, and our organizational structure.

Our Q2 performance, with revenue of $79 million and adjusted EBITDA of $1.3 million, made clear that we need to make change. With urgency. Comscore has tremendous assets, long-standing client relationships, and real value in the market. Both but we are not yet organized or operating in the way required to fully leverage that value.

Simply put, we must do better. That is why yesterday we announced our new ROI strategy and operating model. Plan to realign the business, optimize how we operate, and invest in future growth. Before we can move forward, we need to be clear about where ComScore is strong, where we're underperforming, and where we have the greatest opportunity to create value.

Our strengths are real. Unique data assets and intelligence algorithms, client relationships built over decades, and a trusted position as an independent measurement partner across channels. The opportunity is also concrete.

Expanding our activation footprint across enterprise buying platforms, strengthening our publisher and advertiser digital intelligence products with AI and creator metrics, and capitalizing on the strength of our local TV product to win market share are all clear dimensions where we can grow.

At the same time we need to acknowledge the issues that have held us back. cost structure does not match the realities of the business today. Established business lines face secular pressure as consumer media consumption changes. Newer products have not yet achieved the scale we need, and our organizational alignment has eliminated our ability to capitalize on the many strengths we already have.

The issue is not effort, the issue is focus, accountability, availability, and investment capacity. Those internal challenges are being compounded by a media market that is changing quickly Linear TV remains a critical foundation while consumer behavior evolves across streaming, digital, and other environments. AI is lowering barriers to entry and changing how intent is expressed and how content is consumed.

Client consolidation and platform-owned measurement are increasing the pressure on the way we've historically operated. Collectively, these dynamics make urgency important, but they also increase the value of an independent company that can help customer understand audiences, content, and advertising exposure across a complex ecosystem. In my first two months as CEO, I spent significant time with leaders across the company to understand how we were operating.

As we looked across the business, a clear pattern emerged, one that was less about any single decision and had more to do with the cumulative of how business challenges were being addressed. The operating model was built for a bigger, for a business larger than the one we currently operate. And the market backdrop adds to it. Our largest fixed data expense supports a linear TV business facing well-understood secular pressure.

So our biggest non-personnel cost sits against our most challenged revenue. The operating pattern that emerged to address these challenges in the current period was to trim expenses or prioritize near-term revenue opportunities. Both worked in the moment, but neither mechanism produced positive compounding impact. Pursuing revenue broadly rather than strategically spread our capacity across many complex opportunities, markets, and products with limited opportunity to scale. Trimming expenses to protect the current operating cycle reduced investments that would improve our long-term outlook.

Each cycle closed the immediate gap, but it left Comscore with more complexity and less capacity to grow which brought the gap back around in a future cycle. The most encouraging part is that this pattern doesn't impact our core strengths. Our data assets, our client relationships, and our position in the measurement market remains genuinely strong. This is an operating model issue, and that's something we can address and is exactly what the strategic realignment is built around.

As we move through the second half of 2026, we need to change the definition of success at Comscore. We are not going to try to capture every opportunity simply because it is available to us. Even good opportunities will compete for resources.

We need a lower, more flexible cost base, clearer accountability, simpler internal and external operations, a stronger product development mindset, and a disciplined approach to reallocating investment toward the areas that can create durable, long-term value. As you saw in our press release yesterday, we are unveiling our ROI strategy to address the issues of the past, capitalize on our strengths, and rebuild Comscore for long-term growth.

Our strategy moving forward is centered on three principles. Realign the business around a more flexible cost base, clearer accountability, and a culture focused on delivering commercial success.

Optimize how we operate by streamlining legacy activities, improving economics, and shifting towards scalable product development. and invest in future growth by directing capacity toward the largest opportunities that can drive long-term success. These changes are not only about organizational structure. They are about how we make decisions, how we prioritize opportunities, and how we allocate scarce resources.

Going forward, good ideas will still need to compete for those resources. Our mindset has to change from can we do this to generate revenue, to should we do this as part of a strategy to create long-term success. This will be our new operating model.

First, we must realign the business around a lower and more flexible cost base, clearer accountability and a culture focused on execution. Our cost structure is not aligned with the business we are today or the business we need to become. We have taken difficult but necessary steps including recent headcount reductions, and are pursuing additional initiatives to reduce complexity, improve efficiency, and rationalize our international commercial footprint.

As we look forward, we need to strengthen our operating culture around efficiency, urgency, accountability, and ownership. We need teams to move together rather than optimizing only within their individual functions. This is not about asking fewer people to do the same work. It's about changing what work earns resources and how the organization works together to create value.

That requires clear organizational focus and accountability. We need better portfolio discipline, a stronger product-led strategy, and clearer commercial accountability in order to deliver customer value and operational sustainability. Revenue matters, but revenue alone is not enough.

The most successful opportunities will create long-term value for customers and for Comscore and our investors over time. The next phase of our plan is to optimize the organization by simplifying how we operate internally and externally and by adopting a more strategic product development mindset.

We've spent many years building our reputation in technology and linear TV measurement, and it remains an important channel for customers. Every day we gain more insights about its intersection with digital exposure.

We continue to strongly believe in our local TV opportunity, but the market is under pressure and we must bring our costs to deliver TV services in line with that reality. That means streamlining legacy business costs, aligning data costs with current business value and strategic opportunity, and sunsetting expensive and underused features.

It also means enhancing our profitability profile in those legacy businesses by improving pricing and packaging so the economics of what we deliver are sustainable. As we move forward, we will set new value standards for contracting, customization, and servicing, and scale through improved enablement efficiencies.

Beyond enhancing our traditional activities, we also need to reset how we develop products. Historically, we have too often built bespoke or difficult to replicate solutions that have solved a specific problem for an individual use case, but did not scale across customers. Going forward, the standard is disciplined excellence, high-quality work delivered in a way the business can sustain, reuse, and build upon over time.

Finally, as we expand the capacity created by realignment and optimization, we will invest in future growth. That includes our people, custom, systems, and technology. And it also includes the largest product and market opportunities where Comscore's data foundation and independence can create meaningful value.

Execute, we need compensation, incentives, culture, and talent aligned with the skills required by that strategy. And we need infrastructure and systems that reduce cost, complexity, and operational friction. Beyond investment in our teams and systems, it is critical that our organization takes a long-term, growth-focused mindset in everything we do.

AI is a major example. Consumer usage of AI tools is becoming a new expression of interest and intent. Comscore has a unique opportunity to understand that behavior through our opt-in digital panel. By observing real usage, prompts and responses and sources, we can help publishers and advertisers understand how intent is forming and how discovery is changing. Creator media is another significant opportunity.

Creator content is commanding audiences that increasingly rival the largest distribution channels. And advertisers need to understand how those audiences fit alongside linear, CTV, and other channels. Comscore can help make creator media more plannable by demonstrating the unique value of creator audiences and enabling advertisers to evaluate their media plan with a creator-focused lens. Third, expanding activation through Proxemic is critical to our future growth. have an opportunity to broaden where ComScore data is available across buying workflows and to connect planning, activation, and measurement more effectively.

When combined with digital intelligence, this can support a more closed-loop approach to these activities in the largest digital buying platforms. Taken together, these opportunities show why our transformation matters. We are not changing for the sake of change.

We are changing so that Comscore can focus its resources on opportunities with the potential to create meaningful long-term value for customers, employees, and shareholders. Okay. I would now like to turn the call over to Comscore's Chief Financial Officer, Mary Margaret Curry, to discuss our second quarter financial results and the expected financial impact of our ROI strategy.

Mary Margaret Curry: Thank you, Matt. Total revenue for the second quarter was $79.2 million, down 11.3% from the second quarter of 2025. On a pro forma basis, excluding revenue from our recently divested movies business in both periods, total revenue for the second quarter was $79.2 million. Total revenue for the second quarter was $73 million, down $6.8 million, or 8.5%, from $79.8 million in the second quarter of last year.

At a more granular level, content and ad measurement revenue of $67.8 million was down 11.7% from the prior year quarter, driven by declines in both our syndicated audience and cross-platform offerings.

Syndicated audience revenue of $55.2 million was down 13.6% from the year-ago quarter, driven largely by the divestiture of our movies business, along with lower renewals in our national TV and syndicated digital offerings. Local TV also contributed to the decline, primarily due to a large one-time deliverable recognized in the second quarter of last year. Cross-platform revenue of $12.5 million was down 2.1% compared to the year-ago quarter, driven by lower usage of our Proximate products, partially offset by growth from new business and our ComScore content measurement offering.

Research and Insight Solutions revenue of $11.5 million was down 9.2% from the second quarter of 2025, primarily due to lower renewals and the timing of certain deliveries. Adjusted EBITDA for the second quarter was $1.3 million, down 85% from $8.9 million in the prior year quarter, resulting in an adjusted EBITDA margin of 1.7% versus 10% last year.

Our core operating expenses for the second quarter were $87.9 million, down 2.8% compared to the prior year quarter, primarily driven by lower employee compensation costs which were partially offset by an increase in professional fees related to the movies divestiture. The movies business, while non-core to Comscore's go-forward strategy, operated at a healthy margin and contributed to our adjusted EBITDA and cash flow results.

In addition, the largest costs on our P&L are our data costs and employee compensation costs. most of which are somewhat fixed in nature. As a result, any underperformance on the top line has a disproportionate impact on the bottom line.

The mismatch between revenue and costs, along with the movie's divestiture, have put additional pressure on our adjusted EBITDA margin and cash flow generation which are currently challenged. This is one of the many reasons why we've moved with speed to implement the ROI strategy including the actions that were taken yesterday. As Matt said earlier, these results are not where we want them to be and are not a reflection of what this organization is capable of.

So for the balance of the year, we will be keenly focused on executing our transformational ROI strategy and will work to build a lasting foundation for value creation. The first step in the transformation was yesterday's implementation of the realignment plan which we expect to generate between $20 and $25 million in annual run rate cost savings upon completion.

The one-time costs associated with the plan, primarily related to severance and other employee-related costs, are estimated to range between $7 and $9 million, with the bulk of the costs expected to be paid by year-end.

We plan to use a portion of these savings to hire key leaders that are critical to the ROI strategy, invest more meaningfully in our continuing employees, and fund other transformational initiatives. Given the divestiture of our movies business and the significant transformation we are undertaking, we do not anticipate near-term growth.

Our outlook for the full year, 2026, now calls for revenue to be between $315 and $325 million, with an adjusted EBITDA margin and the low to mid-single digits. We expect to enter 2027 with a leaner, more flexible cost model that will allow us to stabilize our business and plan for future growth. We look forward to sharing our progress on these initiatives later this fall during our third quarter earnings call. With that, I'll turn the call back over to Matt.

Matt McLaughlin: Thank you, Mary Margaret. I'd like to quickly summarize and reiterate why we are taking such aggressive action now. Comscore is at a critical juncture. We need to make significant changes to how we operate in order to drive sustainable long-term growth. We are acting quickly but not hastily.

The ROI strategy is designed to give us a simple operating framework. a lower and more flexible cost base, improved organizational focus and execution culture, Simplified operations, a more balanced portfolio approach to our stage diverse opportunities, strategic product development mindset that guides our daily work, and a collective approach that drives long-term enterprise contribution.

We are well positioned to connect linear and digital content audiences and ad exposures through cross-channel intelligence that drives channel-level utility. The value of Comscore is not in measuring individual media channels. It is in combining all channels so we can derive intelligence from modern media consumption and then deliver the data and utility that customer workflows require.

I'm pleased to see that some of the initial steps taken to focus the organization prior to establishing the ROI strategy are showing early but meaningful signs of progress. New technical leadership and team alignment has delivered meaningful progress on our next generation audience measurement solution which is long desired by the largest broadcast and buying enterprises. The solution is a large-scale data-driven platform.

It combines real viewing behavior from millions of televisions with enhanced U.S. population modeling to provide more consistent national and local measurement across today's fragmented TV ecosystem. With our renewed focus and leadership, we are on track to begin testing this solution with some of our largest strategic TV opportunities this year. Shifting to AI, new senior product management has organized disparate initiatives and validated them to identify the best strategies for Comscore's rich AI data.

One of the clearest opportunities identified by this alignment exercise is in the emerging market of A, answer engine optimization, and generative engine optimization. AEO and DEO solutions help brands understand the visibility, citations, and sentiment included in large language model responses. and the associated responses in order to derive these insights.

Comscore can enhance their intelligence by licensing the real-world consumer prompt and response information collected from our opt-in digital panel. Our data often has meaningful differences from computer-generated LLM activity because it accounts for actual consumer prompt behavior. The LLM response is crafted with respect to the cumulative totality of the user's interactions.

We have validated the utility of our AI data for this use case with some of the leading AEO and GEO firms. We developed a commercial strategy for this value and have initiated negotiations with several of the leading AEO and GEO firms.

These early actions and seeds of progress as a result of focus, alignment, and strategic product thinking are demonstrative of the broader success we expect to deliver as a result of implementing the ROI strategy across all of Comscore. Despite the breadth of the changes we announced yesterday and today, our mission remains unchanged. We will set the standard for modern measurement.

We can derive incredible intelligence from our comprehensive cross-channel media measurement and deliver substantial value to customers across the ecosystem by making it available to them within their existing and emerging workflows. A more focused, more disciplined, and more scalable Comscore is how we will create durable value from applying our existing assets to our modern measurement mission.

I'm excited to lead Comscore through this next phase. We will continue to share progress against our transformation plan in the coming quarters, and we appreciate your support as we execute against the opportunity ahead. I would now like to turn the call over to the operator to open the line for questions.

QUESTIONS AND ANSWERS

Operator: Thank you. Ladies and gentlemen, if you have a question or a comment at this time please press star 1-1 on your telephone. If your question has been answered, or if you wish to move yourself from the queue, please press star 1-1 again. We will pause for a moment while we compile our Q&A roster. Our first question comes from Jason with Craig Howland. Your line is open.

Participant: Hi. Guys, this is Thomas on for Jason. Thanks for taking my questions. Maybe first, can you talk about what's changing the trajectory of the top line performance? I know you touched on it a little bit, but specifically with cross-platform, where results change pretty dramatically from last quarter. I'm kind of just trying to understand if there's a way any customer attrition occurred in the quarter, something like that.

Matt McLaughlin: Yes. I think it's thanks for joining the call. I think, you know there is no one thing that we've identified related to this. I think we've all seen in the market. You know, so sort of, some of the noise around the activation space, you know some of our biggest, the platforms that we're in, you know have had similar results which again, refocuses our attention on ensuring that we have our solutions in a diverse set of enterprise platforms so that the impact of any one platform doesn't dramatically impact our results, but I think it's really a combination of a variety of things that has led to the results that you're seeing. Okay.

Participant: Thank you. That makes sense. Maybe a follow-up on that. On the new product you mentioned, could you just walk us through what the new measurement solution will do differently for customers versus what's currently in the portfolio, both in its underlying methodology and maybe some insights it delivers, and maybe as testing with the the larger TV opportunity called out, kind of progressed through the year, what customer feedback or validation would support a broader, you know commercial role out of that?.

Matt McLaughlin: Yes. So when we're talking about local TV ratings, or the new, you know more flexible system. I think the benefit to customers is in the comprehensiveness of the solution, how many local markets it covers, and the alignment of a common methodology that uses our broad TV data measurement to produce results you know local results that then roll up to accurate national results as well. So it's that combination of local measurement coverage in the number of markets and also the direct alignment with our national ratings that our customers are most excited about.

Participant: Sure. Maybe last one for me. What are the key milestones you think investors should be expecting to see over the next two or three quarters to demonstrate the strategic investments and portfolio changes that are.

Matt McLaughlin: Hoping to translate into durable revenue growth and profitability? Yes. I think over the next two to three quarters, you know we're looking to execute this strategy and to see, you know just greater number of success around some of our initiatives, like we mentioned with local TV and AI. And I think we'll begin to see, you know we will have a narrow focus on those opportunities that, you know we are talking about between local TV, activation, expansion, creator, and AI.

You know we will continue to see progress and enhance commercial activity in those areas. I think as Mary Margaret talked about, as we enter 2027, we will see the full impact of the reduced expense rate operating expenses, and that will create additional flexibility in how and where we invest.

Operator: Great. Thank you, guys. Thank you. And I'm not showing any further questions at this time. And as such, this does conclude today's presentation. We thank you for your participation. You may now disconnect. And have a wonderful day.