Comscore(Q3 2026 Results)
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Corporate Speakers

- Kevin Burns; Comscore, Inc.; Chief of Staff and Interim Chief Revenue Officer
- Matt McLaughlin; Comscore, Inc.; Chief Executive Officer
- Mary Margaret Curry; Comscore Inc.; Chief Financial Officer

Participants

- Jason Kreyer; Craig-Hallum Capital Group; Analyst

PRESENTATION

Operator: Hello, and welcome to Comscore 's Third Quarter 2026 Financial Results. (Operator Instructions)

Please be advised that today's conference is being recorded.

I would now like to hand the conference over to Kevin Burns, Chief of Staff and Interim Chief Revenue Officer.

Please go ahead.

Kevin Burns: Thank you.

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, November 3, 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, and 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 also 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 today.

When we announced our ROI strategy in mid-August, we had just begun taking the necessary steps to realign Comscore.

In the seven weeks between that announcement and the end of the third quarter, we moved quickly to execute the plan across the organization. We are already seeing some signs of progress.

Core operating expenses were down 8% compared with the third quarter a year ago due to a combination of the realignment plan and our decision to exit non-strategic lines of business.

Across our commercial, product, technology, and operations teams, we're also making progress toward clearer accountability and streamlining legacy activities so we can focus more of our capacity on scalable product development.

Revenue for the third quarter was $76.2 million, in line with what we expected going into this process. We are making progress against the ROI plan, but we recognize that changing how we operate and building a stronger business will take time. We're still in the early innings of this plan, and we have a long way to go.

I'm encouraged by how quickly we've moved from developing the plan to executing it and by the initial signs of progress. But those signs are not the same as sustained results. Our focus remains on realigning the business and optimizing how we operate while continuing to learn and adjust as we go.

Before I walk through our progress in more detail, let me return to why we're doing this.

Our mission remains unchanged, to set the standard for modern measurement. We combine intelligence across media channels and put it to work in today's workflows. This helps our customers both understand how channels work together and drive value by using those insights in planning, activation, and measurement.

The ROI strategy is our operating framework for building the focused, disciplined, and scalable comScore needed to deliver that value across modern media ecosystem.

Let me briefly revisit the ROI strategy and where we are in the work. This is not simply a cost reduction exercise. It is a change in how we make decisions, prioritize opportunities, and allocate our resources.

In August, we launched our ROI strategy and transformation plan around three principles: realign, optimize, and invest. These are connected efforts, not three separate phases that we complete one at a time.

Realignment and optimization are intended to create the capacity to invest while the opportunities we choose to pursue help shape where we focus that work. Realign means a lower, more flexible cost base, clear accountability, and a culture focused on commercial success.

Optimize means streamlining legacy activities, reducing complexity, improving economics, and developing scalable products.

Invest means directing capacity toward the largest opportunities for durable growth and long-term value creation.

Where are we today? Realignment still accounts for the largest part of our transformation effort. Optimization is ramping up alongside of it. Progress in our investment initiatives is helping shape a clearer roadmap and priorities for 2027. We are moving quickly, but this work is still in its early innings.

Now we need to make the operating model part of how comScore works every day.

Let's start with realign, where we've made meaningful progress in improving our cost structure, redefining our culture, and recentering our organizational focus.

As I said last quarter, this is not about asking fewer people to do the same work. It's about changing which work earns resources and how our teams work together.

Our product line structure is now live, giving us a framework to create clear alignment and accountability across functions. Putting that structure in place is an important first step, and now we must follow through, making discipline, urgency, and ownership part of how we operate every day.

We took difficult but necessary steps at the time of our strategy announcement to reduce headcount and streamline our teams. As a result, third quarter employee costs were significantly less than the prior year period.

We are also restructuring our geographic footprint with additional offshoring of repeatable operations underway. We have completed the majority of the headcount reductions currently planned which we estimate to have generated more than $20 million in annual run rate cost savings.

As we continue to evaluate the needs of the business, we retain the flexibility to take additional action. These reductions are only one part of the realignment. The broader ROI strategy including the work to build clear accountability, responsibility, and ownership continues.

Recentering our organizational focus also means being more disciplined about the business we choose to pursue.

In September, we were notified that we had won an international measurement opportunity we have been pursuing since before the realignment. After reviewing the uncertainty economics and our narrower geographic priorities, we decided not to move forward.

It is difficult to turn down new business, particularly during a transition, but revenue alone is not enough.

As I said last quarter, the most successful opportunities create value for customers, for comScore, and for our investors over time. This decision is a concrete example of putting that standard into practice.

Alongside realignment, we are increasing our focus on optimizing the organization, simplifying how we operate and making the economics of what we deliver more sustainable. That means streamlining legacy costs, improving efficiency, and developing products we can reuse and scale across customers.

A few weeks ago, I told our employees that the initial wave of change had passed. The ongoing work was demanding and the benefits were not yet fully visible. That remains the reality even as we make progress.

We are still in the early innings of this work, and we need to keep moving, distinguishing temporary friction from structural problems, and correct course quickly when necessary.

Our optimization work includes three practical steps. First, address data expenses, a significant cost for comScore, particularly in linear TV.

In the third quarter, we successfully renegotiated one of our larger MVPD data contracts, securing cost savings in the mid-7 figures for 2027. Discussions with other data providers continue.

Second is to reduce legacy complexity. We are sunsetting slower growing activities including on-demand. We're not renewing those contracts, and we will fulfill our existing obligations as they run off. This helps balance investment in feature expansion with simpler operations.

Third is strengthening of commercial discipline. We are implementing guidelines to focus sales efforts on higher-value, more strategic opportunities. Pricing, customization, and servicing need to reflect both the value we deliver and the resources required.

As I said last quarter, the standard is high-quality work that comScore can sustain, reuse, and build upon, not bespoke activity that adds complexity without scale.

While most of our transformation effort currently remains focused on realign and optimize, we are also advancing selected investments in future growth. We're applying our existing data strengths to focused opportunities, testing their value with customers, and using what we learn to shape our priorities for next year.

One example is our AI-informed audience segments for activation. We identified an opportunity in our proprietary AI intent data, built an initial solution, and moved quickly to test it with a pilot client.

That client reported performance that was 38% better than its best-performing third-party data. This is an encouraging initial proof point, not yet a sustained result, but it shows how we can turn our data assets into practical value for advertisers.

We're building upon that proof point and are rolling out 25 AI-informed intent segments to initial platforms this month while continuing to build audience segments tailored to meet an advertiser's specific campaign objectives.

We are also advancing work with a top 10 creator. Using our advanced digital panel, we measure exposure to brand integrations within that creator's content and then evaluate the consumer response that follows. The goal is to help creators demonstrate advertiser impact, not just audience size, and to help advertisers understand the value of those engagements. This work is helping us define a creative offering we can build on while continuing to test and learn.

In local TV, we continue to advance toward meaningful commitments from strategic buyers and sellers. We are working to bring those relationships together and support broader use of comScore in planning and transacting local television advertising. There is still work to do to turn prospective commitments into completed business, but we believe our measurement strengths give us the focused opportunity to create long-term value and gain market share.

Taken together, these efforts are helping us sharpen the roadmap for comScore's future.

Our focus remains on executing the realign and optimize objectives while advancing selected growth opportunities with discipline.

With that, I'll turn the call over to Mary Margaret to review our third quarter financial results and full year 2026 guidance.

Mary Margaret Curry: Thank you, Matt.

Let's begin with the top line. Total revenue for the third quarter was $76.2 million, down 14.3% from the third quarter of 2025. On a pro forma basis, excluding revenue from our recently divested Movies business, total revenue for the third quarter was down $3.2 million or 4.1% from $79.4 million in the third quarter of last year.

Moving to the Solution Groups. Content and Ad Measurement revenue of $64.6 million was down 14.4% from the prior year quarter and down 2.1% on a pro forma basis, primarily driven by a decline in revenue from our Syndicated Audience offerings.

Syndicated Audience revenue of $52.4 million was down 17% from the year ago quarter, most notably due to the divestiture of the Movies business, along with lower renewals in our Syndicated Digital offering.

Cross-platform revenue of $12.2 million was flat when compared to the third quarter of 2025, with lower usage of our Proximic products, offset by growth from new business in our comScore Content Measurement offering.

Research and Insights Solutions revenue of $11.5 million was down 13.9% from the year ago period, primarily due to lower renewals and the timing of certain custom deliveries.

Moving to adjusted EBITDA. For the third quarter, adjusted EBITDA was $5.8 million, down 47.3% from $11 million in the third quarter of 2025, resulting in an adjusted EBITDA margin of 7.6% versus 12.4% last year.

Our core operating expenses for the third quarter were $79.6 million, down 8% compared to the prior year quarter, primarily driven by lower employee compensation costs, lower data costs, and lower facilities expense. These declines were driven in part by the Movies divestiture, but are also a sign of the progress we're making with our realignment plan which I'll address shortly.

As I mentioned on last quarter's call the Movies business operated at a healthy margin and contributed to both our adjusted EBITDA and cash flow performance.

As a result, we expected a year-over-year decline in adjusted EBITDA for the third quarter and anticipate similar year-over-year declines related to the divestiture through the second quarter of next year.

Outside of adjusted EBITDA, we recorded restructuring expense of $5.5 million in the third quarter related to the realignment plan we implemented in August. We also recorded a non-cash goodwill impairment charge of $57.3 million as a result of our interim impairment testing which was largely driven by the realignment plan, and declines in our stock price and market capitalization.

I want to take a minute to address our cash position. We reported cash and cash equivalents of $19.5 million as of September 30 which is a decline of $7.3 million from year-end. We recognize the importance of liquidity and take cash management very seriously. We understand that our balance sheet needs to be strengthened, and we're taking concrete steps to do that.

At the end of last year, we revamped our capital structure and eliminated more than $18 million in annual dividend obligations.

In May, we divested our Movies business and used a portion of the proceeds to pay off our outstanding term loan, eliminating more than $7 million in annual interest and loan amortization payments.

In August, we implemented the ROI strategy and realignment plan which is designed to deliver a leaner, more efficient operating model.

During Q3, our use of cash was directly tied to these efforts. We spent approximately $3 million on the restructuring plan and almost $2 million on transaction costs, primarily related to the Movies divestiture. We do not expect significant cash outflows related to these efforts to continue in the long term, and we anticipate the majority of the remaining restructuring obligations will be paid by year-end.

Additionally, we have a large receivable balance related to transaction escrows and remaining proceeds from the Movies divestiture, along with receivables under the related transition services agreement.

We expect to see cash inflows of approximately $3 million to $4 million related to these receivables in the fourth quarter.

Our goal for 2027 is to complete our business transformation and exit the year with ongoing operations that are cash flow positive. We've got a lot of work to do between now and then that will require some continued investment and uses of cash.

As such, one of our highest priorities is evaluating options that will provide the working capital flexibility we need in the short term to support our strategy for long-term growth.

As I mentioned before we're already seeing signs of progress related to cost savings from the ROI initiatives we implemented in August. The results in the third quarter reflect only the beginning of our actions to realign and optimize our business. The actions we've taken to-date have us on track to generate the $20 million to $25 million of annual run rate cost savings we expected when we announced the plan.

With that being said, there's still a lot of work to do to get to the finish line, and we plan to use some of these savings to execute our transformational strategy and invest in long-term growth opportunities as we close out the year and move into 2027.

Based on our current expectations for the fourth quarter, we are maintaining our full year 2026 outlook with revenue expected to be between $315 million and $325 million and an adjusted EBITDA margin in the low- to mid-single digits.

With that, I'll turn the call back over to Matt.

Matt McLaughlin: Thank you, Mary Margaret.

Before we open the call to questions, let me leave you with a simple message. The ROI strategy is underway, and we are moving quickly.

Initial progress is encouraging, but we remain in the early innings with substantial work ahead.

Our priority today is realign and optimize, building new processes while closing out legacy systems and addressing the most critical areas first.

In parallel, we are advancing selected growth opportunities to sharpen our priorities for 2027.

We will keep learning, adjusting and acting with discipline. The purpose is unchanged; a more focused, disciplined, and scalable comScore that can deliver on our mission to set the standard for modern measurement.

As we close out 2026 and look toward next year, I'm encouraged by our progress and excited about the opportunity ahead. Thank you for your continued interest in Comscore.

I would now like to turn the call over to the operator to open the line for questions.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions) Our first question comes from the line of Jason Kreyer from Craig-Hallum.

Jason Kreyer: So Matt, you're nearly half a year into running Comscore. Just wondering if you can provide some perspective over the course of the last several months on what is working, maybe what is not working, and how you view the opportunity ahead for a return to growth?

Matt McLaughlin: I think we are really encouraged by how the actions we've taken have been received by the organization. I think we are pointed in the right direction.

As you know, this is a portfolio business, is how I like to describe it, and there are a lot of different dynamics related to different segments, whether you talk about linear TV versus Proximic versus our -- some of our newer efforts around AI and creator.

So I think the return to growth is predicated upon continued execution of the ROI plan and doing -- investing and prioritizing those opportunities that we think will have the most significant both near-term impact, but also long-term scalability as a result of the trends we're seeing in consumer behavior and how they're consuming media.

So our goal, our return to growth is a combination across the portfolio business of stabilizing those segments where we're experiencing secular decline due to changing consumer behavior and investing and seeing growth in the areas where consumer behavior or market expansion presents a real opportunity for us.

Jason Kreyer: Fair enough. Thank you for the perspective.

We've seen a lot of volatility in cross-platform this year. Last year, it seemed like cross-platform was on a pretty nice trajectory. Just curious if you can maybe walk through what the strategy is there, what actions you're kind of taking to optimize and reposition that business?

Matt McLaughlin: Yes. I think that's a great point, Jason.

We definitely see that there's continued opportunity. I think the factors that impacted us this year is a combination of things.

One, it's -- we have some platforms that have shut down, and that's impacted some of the revenue associated with those. We're seeing broader trends in open web advertising that is changing some of the dynamics and platform usage.

And we're also seeing a need to change our strategy to a more focused approach where our highest leverage products are in the platforms that matter most, both for today and the future, along with a commercial organization that is really focused on maximizing utilization.

And I think you'll hear a lot more about that strategy and our plans to roll out some changes over the next few quarters.

Jason Kreyer: I'll pull Mary Margaret in.

I just wanted to get some perspective on seasonality. Historically, we've seen a nice uptick from Q3 to Q4.

I know that's not really embedded in the low end of the guidance range.

But just curious if you expect similar seasonality this year or if we should anticipate maybe some changes to the historical progression?

Mary Margaret Curry: Yes. No. you're right, Jason, we do typically see seasonality in Q4.

There are a couple of things that have historically driven revenue to be higher in Q4 than the other quarters. The first one is the seasonality impact on our sort of volume-driven products and areas of business, primarily activation. So as the holiday advertising and spending ramps up, we do expect to see that trend continue for 2026.

The other thing is that we do have -- Q4 is our quarter where we have the largest number of contract renewals. And while that does typically drive more of the revenue trending for the following year, there still is an in-quarter impact for those renewals.

So the success of getting those renewals closed out over the next six weeks is also going to help with that. But we would expect a similar trend this year.

Operator: All right. Thank you. This concludes the question-and-answer session and today's conference call. Thank you for your participation in today's conference.

This concludes the program. You may now disconnect.