May 18, 2026

Media

AENT
NCM

Rating
Outperform
Unchanged

Current Price
$6.70
Target Price
$9.00

Market Capitalization
341.53m

Shares Outstanding
50.97m

Float
2.85m

Institutional Holdings
47.94%

12-Month Low/High
$2.36/$8.80

Average 90-Day Volume
26620

Fiscal Year End
06/30/2026

Revenues ($ MIL)

Period	2025	2026E	2027E
Q1	229.0	253.9A	
Q2	393.7	368.7A	
Q3	213.0	258.2A	
Q4	227.8	250.0E	
	1063.5	1130.9E	1210.5E

EPS ($)

Period	2025A	2026E	2027E
Q1	0.01	0.10A	
Q2	0.14	0.18A	
Q3	0.04	0.05A	
Q4	0.11	0.02E	
	0.30	0.35E	0.53E

Alliance Entertainment Holding

Favorable Undercurrents Support Operating Momentum

Strong Q3 results. The company reported Q3 revenue of $258.2 million, up a strong 21.2% YoY, and adj. EBITDA of $5.1 million, both of which surpassed our estimates of $223.1 million and $4.2 million, respectively. Notably, nearly all of its core categories generated double-digit top-line growth year over year, with CD revenue up 90% to $39 million.

Margin expansion focus. The company is focused on driving margin expansion by shifting its product mix toward higher-margin categories, including premium collectibles, owned brands, authenticated products, and exclusive physical media releases. Importantly, revenue growth in physical media and collectibles is expected to drive operating leverage, while the integration of Endstate Authentic and the launch of Alliance Authentic position the company to capture incremental high-margin revenue and extended lifecycle participation.

Upwardly revised forecast. Given continued strength in premium physical media, collectibles, and fan-driven merchandise categories, alongside an expanded franchise pipeline through Paramount and MGM, we are raising our fiscal Q4 and full year 2026 revenue forecasts from $228.9 million and $1.07 billion to $250.0 million and $1.13 billion, respectively, while largely maintaining our adj. EBITDA estimates. Additionally, we are increasing our fiscal 2027 revenue forecast from $1.125 billion to $1.210 billion, as detailed further in the report.

Financial flexibility. As of March 31, the company had working capital of approximately $60.0 million, with roughly $56.0 million of availability under its revolving credit facility at quarter's end. In our view, the company has adequate liquidity to fund inventory investment, its exclusive partnerships, strategic growth initiatives, and accretive acquisitions.

Attractive stock valuation. Near current levels, the AENT shares trade at 8.2x EV/ fiscal 2027 adj. EBITDA, well below its peer group average of roughly 11x. Our $9 price target reflects an 11x EV/2027 adj. multiple. EBITDA, more in line with its peer group. In our view, the AENT shares offer a favorable risk/reward relationship, and we would encourage investors to be opportunistic in building positions. The shares are rated Outperform.

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Investment Appraisal

The company reported strong fiscal Q3 results, reflecting continued execution of its strategy to shift toward higher-value collectible and premium physical media categories. Revenue increased 21.2% year over year to $258.2 million, surpassing our estimate of $223.1 million, while adjusted EBITDA increased to $5.1 million, above our $4.2 million estimate, as illustrated in Figure #1 Q3 Results. Importantly, nearly every core category generated double-digit top-line growth during the quarter, with Vinyl revenue increasing 15% year over year to $99 million, CD revenue surging 90% to $39 million, Physical Movie revenue increasing 5% to $61 million, and Collectibles revenue increasing 48% year over year.

The strong segment performance was driven by broad-based strength across Music, Video, Gaming, and Collectibles. Management highlighted particularly strong demand trends across premium physical media formats, limited-edition releases, K-pop titles, SteelBooks, and licensed collectible merchandise tied to major entertainment franchises, reflecting continued consumer preference toward ownership-oriented and collectible products. Furthermore, the company benefited from favorable release schedules, improving retailers' demand for fan-driven merchandise, expanding sourcing relationships in collectibles, and growing engagement around physical ownership and collecting trends, including continued momentum tied to Record Store Day and major entertainment and gaming franchises. In our view, the accelerating mix shift toward higher-value collectible products, premium physical media, and owned brands is supportive of the company’s margin expansion strategy and improving earnings profile.

While gross margin declined modestly year over year to 12.8% from 13.6% due to category mix during the quarter, profitability metrics continued to improve as operating leverage, pricing discipline, and inventory management supported earnings growth. Gross profit increased to $33.0 million from $29.1 million in the prior-year period, while net income increased 25% year over year to $2.3 million. Importantly, management emphasized that the company’s strategy is increasingly centered on higher-value collectible ownership rather than traditional low-margin physical media distribution.

To support this strategic shift, the company continues to expand premium collectible offerings through Alliance Authentic and grow Endstate Authentic participation beyond initial product sales to include authentication, provenance tracking, resale infrastructure, and long-term collector engagement. Management highlighted early success surrounding encapsulated collectibles on Alliance Authentic, including limited-edition Handmade by Robots releases, which generated meaningful aftermarket demand and pricing premiums. In our view, Alliance Authentic and Endstate Authentic position the company to capture incremental high-margin revenue opportunities while increasing participation across the full lifecycle of collectible products. Furthermore, its owned brands, such as Handmade by Robots, provide additional margin expansion opportunities through greater control over product design, licensing, pricing, and distribution.

As we look toward the remainder of fiscal 2026, we believe industry and category trends remain favorable, supported by continued momentum in physical ownership and collectibles, particularly vinyl, CDs, premium video formats, and licensed collectibles. Furthermore, recent licensing agreements with Paramount, effective at the beginning of calendar 2025, and MGM Studios, added at the start of calendar 2026, have significantly expanded the company’s premium content pipeline and strengthened its positioning with both retailers and collectors.

Together, these agreements provide Alliance with distribution rights to several high-value entertainment franchises and support increased visibility across premium physical media categories. Moreover, the company is benefiting from social media engagement around collectibles, fan-driven merchandise, and premium entertainment products. In our view, Alliance remains well-positioned to benefit from these favorable industry dynamics, given its scale, vendor relationships, expanding premium content pipeline, and increasing participation in higher-margin collectible categories. As such, we are raising our fiscal Q4 and full year revenue forecasts from $228.9 million and $1.07 billion to $250.0 million and $1.13 billion, respectively. Furthermore, we are largely reiterating our Q4 and fiscal 2026 adj. EBITDA forecasts, as illustrated in Figure #2 2026 Revisions.

Looking ahead to fiscal 2027, we believe the company stands to benefit from several major entertainment and gaming releases that could provide incremental demand across multiple product categories. Including MGM Studio’s DVD release of Project Hail Mary, scheduled for August, fiscal Q1 2027, as potentially one of the largest releases in 2026, with expected strength across DVD and premium physical media formats. Additionally, the upcoming release of Grand Theft Auto VI, in November 2026, during fiscal Q2 2027, is expected to be a meaningful catalyst across gaming, soundtrack releases, collectibles, and licensed merchandise categories. Beyond direct product sales, management expects the broader franchise ecosystem surrounding these releases to drive incremental demand across Music, Video, Gaming, and Collectibles.

In our view, the company's growing exposure to major entertainment franchises, premium physical media, and fan-driven merchandise categories favorably positions Alliance to capitalize on upcoming release cycles and support continued revenue growth and margin expansion through fiscal 2027. As such, we are raising our 2027 revenue forecast from $1.125 billion to $1.210 billion, while reiterating our adj. EBITDA forecast of $49.1 million, as illustrated in Figure #3 2027 Forecast. Importantly, our 2027 revenue and adj. EBITDA estimates could prove conservative should upcoming releases outperform current expectations, particularly given the company's growing exposure to premium physical media, collectibles, and licensed merchandise categories. Furthermore, strong consumer demand tied to gaming, theatrical, and music releases could drive upside across multiple segments, while further supporting mix-driven margin expansion.

As of March 31, 2026, Alliance had approximately $60.0 million in working capital and roughly $56.0 million of availability under its revolving credit facility. Management stated that inventory levels increased during the quarter in support of higher revenue activity and inbound product timing, although inventory remains aligned with current demand trends and focused on higher-value, faster-moving categories with strong visibility into sell-through. We believe the company is well-positioned to support inventory investments, exclusive licensing partnerships, strategic growth initiatives, platform development, and potential accretive acquisitions. Management highlighted that its capital allocation priorities remain focused on disciplined investment into inventory tied to exclusive content opportunities, scalable technology infrastructure, automation capabilities, and authentication platforms that support long-term operating leverage and earnings growth.

Near current levels, the shares trade at 8.2x fiscal 2027 adj. EBITDA, a meaningful discount to the peer group average of roughly 11x. We believe this gap undervalues the company's ability to generate improved adj. EBITDA through higher-margin revenue streams. Our price target is $9, reflecting an 11x EV/2027 EBITDA multiple, more in line with industry peers. Importantly, our valuation framework is grounded in what we view as conservative assumptions, leaving room for positive surprise if execution exceeds expectations. Looking ahead, we anticipate margin improvement driven by increased licensing revenue, the expansion of the Collectibles business, and higher-margin licensing deals. Cash flow leverage is expected to follow from this margin mix shift, while further consolidation in the distribution industry presents an additional catalyst.

Figure #1 Q3 Results

Total Consolidated (In thousands except per share data)	Q3 26E Mar	Q3 26 Mar	% Change
Total Revenues	**223.083**	**258.201**	**15.7%**
Growth	*4.7%*	*21.2%*	
Cost of Revenues	**194.000**	**225.180**	**16.1%**
Growth	*5.4%*	*22.4%*	
% of Revenues	*87.0%*	*87.2%*	
Gross Profit	**29.083**	**33.021**	**13.5%**
Growth	*0.1%*	*13.6%*	
% of Revenues	*13.0%*	*12.8%*	
Operating Expenses			
Distribution and Fulfillment Expense	**9.500**	**11.120**	**17.1%**
Growth	*-4.9%*	*11.3%*	
% of Revenues	*4.3%*	*4.3%*	
Selling, General and Administrative Expense	**15.500**	**16.878**	**8.9%**
Growth	*9.3%*	*19.0%*	
% of Revenues	*6.9%*	*6.5%*	
Stock based compensation	0.125	0.055	
Adjusted EBITDA	**4.208**	**5.078**	*20.7%*
Growth	*-13.9%*	*4.0%*	
Margin	*1.9%*	*2.0%*	

Source: Noble estimates & Company filings

Figure #2 2026 Revisions

Total Consolidated (In thousands except per share data)	Q4 26E Jun	Q4 26R Jun	% Change	2026E	2026 R	% Change
Vinyl Record Sales	**92.200**	**100.000**	**8.5%**	**368.000**	**386.800**	**5.1%**
% Change	*-2.9%*	*5.3%*		*2.1%*	*7.3%*	
% of Total Revenues	*40.3%*	*40.0%*		*34.2%*	*34.2%*	
% of Full Year	*25.4%*	*25.4%*			*0.0%*	
Music Compact Discs	**29.846**	**36.000**	**20.6%**	**126.229**	**149.900**	**18.8%**
% Change	*2.9%*	*24.1%*		*2.3%*	*21.5%*	
% of Total Revenues	*13.0%*	*14.4%*		*11.7%*	*13.3%*	
% of Full Year	*23.5%*	*23.5%*		*100.0%*	*100.0%*	
Movie Sales	**65.000**	**61.000**	**-6.2%**	**338.000**	**320.000**	**-5.3%**
% Change	*8.3%*	*1.7%*		*31.6%*	*24.6%*	
% of Total Revenues	*28.4%*	24.4%		*31.5%*	*28.3%*	
% of Full Year	*18.0%*	*18.0%*			*0.0%*	
Consumer Products	**9.900**	**10.000**	**1.0%**	**43.800**	**44.300**	**1.1%**
Growth	*52.3%*	*53.8%*		*29.6%*	*31.1%*	
% of Total Revenues	*4.3%*	4.0%		*4.1%*	*3.9%*	
% of Full Year	*19.8%*	*19.8%*		*100.0%*	*100.0%*	
Gaming Products	**25.000**	**32.000**	**28.0%**	**170.600**	**190.600**	**11.7%**
Growth	*-30.6%*	*-11.1%*		*-34.9%*	*-27.3%*	
% of Revenues	*10.9%*	*12.8%*		*15.9%*	*16.9%*	
% of Full Year	*13.5%*	*13.5%*		*100.0%*	*100.0%*	
Other	**7.000**	**11.000**	**57.1%**	**28.086**	**39.287**	**39.9%**
Growth	*460.0%*	*780.0%*		*5.0%*	*46.8%*	
Total Revenues	**228.946**	**250.000**	**9.2%**	**1,074.715**	**1,130.887**	**5.2%**
Growth	*0.5%*	*9.8%*		*1.1%*	*6.3%*	
Cost of Revenues	**199.000**	**218.000**	**9.5%**	**931.409**	**981.589**	**5.4%**
Growth	*3.8%*	*13.7%*		*0.1%*	*5.5%*	
% of Revenues	*86.9%*	*87.2%*		*86.7%*	*86.8%*	
Gross Profit	**29.946**	**32.000**	**6.9%**	**143.306**	**149.298**	**4.2%**
Growth	*-16.7%*	*-11.0%*		*7.9%*	*12.4%*	
% of Revenues	*13.1%*	*12.8%*		*13.3%*	*13.2%*	
Operating Expenses		**0.000**				
Distribution and Fulfillment Expense	**9.200**	**10.800**	**17.4%**	**40.741**	**43.961**	**7.9%**
Growth	*2.8%*	*20.7%*		*0.9%*	*8.9%*	
% of Revenues	*4.0%*	*4.3%*		*3.8%*	*3.9%*	
Selling, General and Administrative Expense	**15.750**	**16.600**	**5.4%**	**62.919**	**65.147**	**3.5%**
Growth	*4.7%*	10.4%		*12.0%*	*16.0%*	
% of Revenues	*6.9%*	*6.6%*		*6.0%*	*6.0%*	
Stock based compensation	0.125	0.100		0.500	0.349	
Adjusted EBITDA	**5.121**	**4.700**	*-8.2%*	**39.990**	**40.439**	**1.1%**
Growth	*-57.4%*	-60.9%		*10.0%*	*11.2%*	
Margin	*2.2%*	1.9%		*3.7%*	*3.6%*	

Source: Noble estimates

Figure #3 2027 Revisions

Total Consolidated (In thousands except per share data)	2027E	2027R	% Change
Vinyl Record Sales	**365.000**	**403.000**	**10.4%**
% Change	*-0.8%*	*4.2%*	
% of Total Revenues	*32.4%*	*33.3%*	
% of Full Year	*100.0%*	*100.0%*	
Music Compact Discs	**130.024**	**154.450**	**18.8%**
% Change	*3.0%*	*3.0%*	
% of Total Revenues	*11.6%*	*12.8%*	
% of Full Year	*100.0%*	*100.0%*	
Movie Sales	**355.000**	**353.000**	**-0.6%**
% Change	*5.0%*	*10.3%*	
% of Total Revenues	*31.5%*	*29.2%*	
% of Full Year		*0.0%*	
Consumer Products	**72.000**	**53.000**	**-26.4%**
Growth	*64.4%*	*19.6%*	
% of Total Revenues	*6.4%*	*4.4%*	
% of Full Year	*100.0%*	*100.0%*	
Gaming Products	**178.550**	**222.000**	**24.3%**
Growth	*4.7%*	*16.5%*	
% of Revenues	*15.9%*	*18.3%*	
% of Full Year	*100.0%*	*100.0%*	
Other	**25.000**	**25.000**	**0.0%**
Growth	*-11.0%*	*-36.4%*	
Total Revenues	**1,125.574**	**1,210.450**	**7.5%**
Growth	*4.7%*	*7.0%*	
Cost of Revenues	**970.000**	**1,046.000**	**7.8%**
Growth	*4.1%*	*6.6%*	
% of Revenues	*86.2%*	*86.4%*	
Gross Profit	**155.574**	**164.450**	**5.7%**
Growth	*8.6%*	*10.1%*	
% of Revenues	*13.8%*	*13.6%*	
Operating Expenses			
Distribution and Fulfillment Expense	**42.000**	**47.500**	**13.1%**
Growth	*3.1%*	*8.1%*	
% of Revenues	*3.7%*	*3.9%*	
Selling, General and Administrative Expense	**65.000**	**68.300**	**5.1%**
Growth	*3.3%*	*4.8%*	
% of Revenues	*5.8%*	*5.6%*	
Stock based compensation	0.500	0.400	
Adjusted EBITDA	**49.074**	**49.050**	**0.0%**
Growth	*22.7%*	*21.3%*	
Margin	*4.4%*	*4.1%*	

Source: Noble estimates

Company Profile

Alliance Entertainment (Nasdaq: AENT) is a premier distributor and fulfillment partner serving the entertainment and collectibles industry. The company provides a broad range of products across music, video, video games, licensed merchandise, and pop culture collectibles, reaching major online marketplaces and tens of thousands of retail storefronts. Alliance's platform is distinguished by its exclusive content partnerships with leading studios and labels, including Paramount Pictures, and its growing presence in higher-margin categories such as collectibles through brands like Handmade by Robots and its partnership with Master Replicas. The company significantly expanded its scale in 2013 through the acquisition of the Alliance Entertainment brand. Since then, it has completed more than a dozen acquisitions and today operates with a capital-light, asset-based model supported by nationwide logistics capabilities. Headquartered in Plantation, Florida, Alliance continues to build on its role as a key intermediary between content owners and retailers.

Fundamental Analysis 3.5/5.0 Checks

We assign a fundamental score of 3.5 out of 5.0, which is above average. The company scores highly on financial leverage following its low-cost revolving credit facility and lack of long-term debt, as well as on competitive position given its exclusive distribution agreements and leadership in physical media and collectibles. Experienced management is another strength, though the potential dilutive impact of equity awards remains a consideration. The lowest scoring attribute is operating leverage, as the business continues to work toward margin expansion through licensing and collectibles. Overall, Alliance's strong positioning and balance sheet flexibility provide a solid foundation, while execution on margin improvement will be key to lifting the fundamental profile further.

Valuation Summary

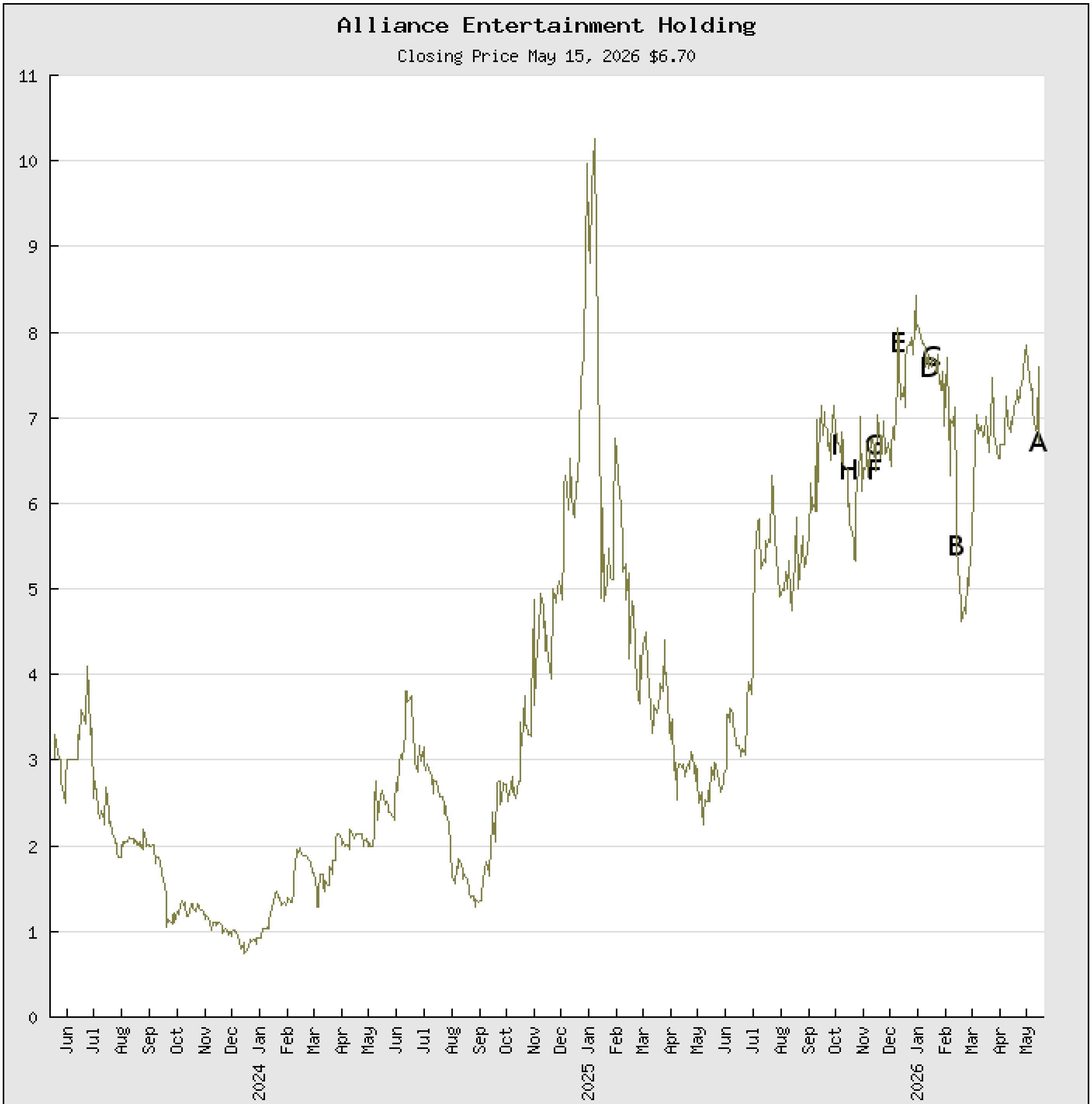
Near current levels, the shares trade at 8.2x fiscal 2027 adj. EBITDA, a meaningful discount to the peer group average of roughly 11x. We believe this gap undervalues the company's ability to generate improved adj. EBITDA through higher-margin revenue streams. Our price target is $9, which reflects a target multiple of 11x EV/2027 EBITDA, more in line with industry peers. Importantly, our valuation framework is grounded in what we view as conservative assumptions, leaving room for positive surprise if execution exceeds expectations. Looking forward, we anticipate margin improvement driven by increased licensing revenue and expansion of the Collectibles business and higher margin licensing deals. Cash flow leverage is expected to follow from this margin mix shift, while further consolidation in the distribution industry presents an additional catalyst. Alliance has a demonstrated history of executing accretive tuck-in acquisitions, and its financing structure provides the flexibility to pursue further M&A that can augment the revenue and cash flow growth profile.

In our view, the shares present a compelling risk/reward opportunity. AENT is trading below its peer set despite a broad distribution scale and improving unit economics. The combination of balance sheet improvements, margin expansion, and potential consolidation should support multiple expansion toward peer averages, with additional upside if industry conditions or M&A opportunities provide incremental tailwinds.

Risks to achieving our price target include potential shifts in consumer demand away from physical media, supply chain or logistics disruptions, loss of key supplier or customer relationships, execution risk around acquisitions, and broader macroeconomic pressures such as tariffs, inflation, or rising interest rates.

Total Consolidated	2025	Q1 26	Q2 26	Q3 26	Q4 26E	2026E	2027E
(In thousands except per share data)		Sep	Dec	Mar	Jun		
Vinyl Record Sales	**360.500**	**75.800**	**112.000**	**99.000**	**100.000**	**386.800**	**403.000**
% Change	*9.6%*	*7.5%*	*2.8%*	*15.1%*	*5.3%*	*7.3%*	*4.2%*
% of Total Revenues	*33.9%*	*29.8%*	*30.4%*	*38.3%*	*40.0%*	*34.2%*	*33.3%*
% of Full Year	*100.0%*	*20.3%*	*30.5%*	*23.9%*	*25.4%*		*100.0%*
Music Compact Discs	**123.400**	**33.900**	**41.000**	**39.000**	**36.000**	**149.900**	**154.450**
% Change	*-5.1%*	*-1.5%*	*5.1%*	*85.7%*	*24.1%*	*21.5%*	*3.0%*
% of Total Revenues	*11.6%*	*13.3%*	*11.1%*	*15.1%*	*14.4%*	*13.3%*	*12.8%*
% of Full Year		*26.6%*	*33.0%*	*16.9%*	*23.5%*	*100.0%*	*100.0%*
Movie Sales	**256.900**	**84.000**	**114.000**	**61.000**	**61.000**	**320.000**	**353.000**
% Change	*25.9%*	*58.8%*	*32.6%*	*5.2%*	*1.7%*	*24.6%*	*10.3%*
% of Total Revenues	*24.2%*	*33.1%*	*30.9%*	*23.6%*	*24.4%*	*28.3%*	*29.2%*
% of Full Year		*24.0%*	*34.0%*	*21.0%*	*18.0%*		
Consumer Products	**33.800**	**8.300**	**14.000**	**12.000**	**10.000**	**44.300**	**53.000**
Growth	*-21.4%*	*13.7%*	*16.7%*	*50.0%*	*53.8%*	*31.1%*	*19.6%*
% of Total Revenues	*3.2%*	*3.3%*	*3.8%*	*4.6%*	*4.0%*	*3.9%*	*4.4%*
% of Full Year		*21.0%*	*36.0%*	*23.2%*	*19.8%*	*100.0%*	*100.0%*
Gaming Products	**262.100**	**45.600**	**80.000**	**33.000**	**32.000**	**190.600**	**222.000**
Growth	*-22.5%*	*-20.1%*	*-42.9%*	*13.8%*	*-11.1%*	*-27.3%*	*16.5%*
% of Revenues	*24.6%*	*18.0%*	*21.7%*	*12.8%*	*12.8%*	*16.9%*	*18.3%*
% of Full Year	*100.0%*	*22.0%*	*53.4%*	*11.1%*	*13.5%*	*100.0%*	*100.0%*
Other	**26.757**	**6.374**	**7.712**	**14.201**	**11.000**	**39.287**	**25.000**
Growth	*-52.6%*	*-6.1%*	*0.5%*	*28.6%*	*780.0%*	*46.8%*	*-36.4%*
Total Revenues	**1,063.457**	**253.974**	**368.712**	**258.201**	**250.000**	**1,130.887**	**1,210.450**
Growth	*-3.4%*	*10.9%*	*-6.3%*	*21.2%*	*9.8%*	*6.3%*	*7.0%*
Cost of Revenues	**930.605**	**216.793**	**321.616**	**225.180**	**218.000**	**981.589**	**1,046.000**
Growth	*-4.2%*	*6.6%*	*-8.5%*	*22.4%*	*13.7%*	*5.5%*	*6.6%*
% of Revenues	*87.5%*	*85.4%*	*87.2%*	*87.2%*	*87.2%*	*86.8%*	*86.4%*
Gross Profit	**132.852**	**37.181**	**47.096**	**33.021**	**32.000**	**149.298**	**164.450**
Growth	*3.1%*	*45.6%*	*11.4%*	*13.6%*	*-11.0%*	*12.4%*	*10.1%*
% of Revenues	*12.5%*	*14.6%*	*12.8%*	*12.8%*	*12.8%*	*13.2%*	*13.6%*
Operating Expenses							
Distribution and Fulfillment Expense	**40.375**	**9.920**	**12.121**	**11.120**	**10.800**	**43.961**	**47.500**
Growth	*-17.3%*	*10.0%*	*-2.4%*	*11.3%*	*20.7%*	*8.9%*	*8.1%*
% of Revenues	*3.8%*	*3.9%*	*3.3%*	*4.3%*	*4.3%*	*3.9%*	*3.9%*
Selling, General and Administrative Expense	**56.172**	**15.078**	**16.591**	**16.878**	**16.600**	**65.147**	**68.300**
Growth	*-2.6%*	*14.7%*	*20.2%*	*19.0%*	*10.4%*	*16.0%*	*4.8%*
% of Revenues	*5.3%*	*5.9%*	*4.5%*	*6.5%*	*6.6%*	*6.0%*	*5.6%*
Stock based compensation		0.125	0.069	0.055	0.100	0.349	0.400
Adjusted EBITDA	**36.363**	**12.208**	**18.453**	**5.078**	**4.700**	**40.439**	**49.050**
Growth	*53.1%*	*262.0%*	*14.8%*	*4.0%*	*-60.9%*	*11.2%*	*21.3%*
Margin	*3.4%*	*4.8%*	*5.0%*	*2.0%*	*1.9%*	*3.6%*	*4.1%*
Depreciation & Amortization	5.154	1.286	1.290	1.392	1.350	5.318	5.600
Transaction Costs	0.957	0.370	0.225	0.313	0.300	1.208	
Total Operating Expenses	**102.716**	**26.634**	**29.817**	**29.703**	**29.050**	**115.204**	**121.400**
Growth	*-10.5%*	*13.5%*	*8.5%*	*16.3%*	*10.7%*	*12.2%*	*5.4%*
% of Revenues	*9.7%*	*10.5%*	*8.1%*	*11.5%*	*11.6%*	*10.2%*	*10.0%*
Operating income (loss)	**30.136**	**10.547**	**17.279**	**3.318**	**2.950**	**34.094**	**43.050**
Growth	*113.1%*	*407.3%*	*16.8%*	*-6.0%*	*-69.7%*	*13.1%*	*26.3%*
% of Revenues	*2.8%*	*4.2%*	*4.7%*	*1.3%*	*1.2%*	*3.0%*	*3.6%*
Change in fair value of warrants	0.853	1.462	0.850	(0.884)		1.428	1.600
Interest expense	10.575	2.347	3.454	1.568	1.500	**8.869**	5.100
Other expenses (income), net							
Total other expense	11.428	3.809	4.304	0.684	1.500	10.297	6.700
Income before income taxes	**18.708**	**6.738**	**12.975**	**2.634**	**1.450**	**23.797**	**36.350**
Provision for income taxes	3.630	1.858	3.587	0.323	0.362	6.131	9.088
Effective Tax Rate		*25.0%*	*25.0%*	*25.0%*	*25.0%*		
Net Income	**15.078**	**4.880**	**9.388**	**2.311**	**1.088**	**17.667**	**27.263**
Net fully diluted income per Share	**$0.30**	**$0.10**	**$0.18**	**$0.05**	**$0.02**	**$0.35**	**$0.53**
Net Fully Diluted Shares	**50.966**	**50.996**	**51.011**	**51.028**	**51.100**	**51.100**	**51.300**

Source: Company Reports & Noble Financial



A – 05/15/2026 Outperform Target $9.00 Current $6.70
B – 02/13/2026 Outperform Target $9.00 Current $5.50
C – 01/16/2026 Outperform Target $11.00 Current $7.70
D – 01/13/2026 Outperform Target $11.00 Current $7.57
E – 12/10/2025 Outperform Target $11.00 Current $7.87
F – 11/14/2025 Outperform Target $11.00 Current $6.38
G – 11/13/2025 Outperform Target $11.00 Current $6.66
H – 10/14/2025 Outperform Target $11.00 Current $6.37
I – 10/06/2025 Outperform Target $11.00 Current $6.67

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The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company's fundamental analysis):

Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or under-served needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclicality, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

ANALYST CREDENTIALS, PROFESSIONAL DESIGNATIONS, AND EXPERIENCE

Director of Research. Senior Equity Analyst specializing in Media & Entertainment. 34 years of experience as an analyst. Member of the National Cable Television Society Foundation and the National Association of Broadcasters. BS in Management Science, Computer Science Certificate and MBA specializing in Finance from St. Louis University.
Named WSJ 'Best on the Street' Analyst six times.
FINRA licenses 7, 24, 66, 86, 87.

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Outperform: potential return is >15% above the current price	89%	16%
Market Perform: potential return is -15% to 15% of the current price	11%	1%
Underperform: potential return is >15% below the current price	0%	0%

NOTE: On August 20, 2018, Noble Capital Markets, Inc. changed the terminology of its ratings (as shown above) from "Buy" to "Outperform", from "Hold" to "Market Perform" and from "Sell" to "Underperform." The percentage relationships, as compared to current price (definitions), have remained the same.

Additional information is available upon request. Any recipient of this report that wishes further information regarding the subject company or the disclosure information mentioned herein, should contact Noble Capital Markets, Inc. by mail or phone.

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