ROTH·MKM

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Consumer **Initiation of Coverage**

PodcastOne | PODC - $1.91 - NASDAQ | *Buy*

Stock Data	
52-Week Low - High	$1.45 - $4.39
Shares Out. (mil)	23.15
Mkt. Cap.(mil)	$42.83
3-Mo. Avg. Vol.	68,013
12-Mo.Price Target	$4.50
Cash (mil)	$1.4
Tot. Debt (mil)	$0.0

Rev ($M)

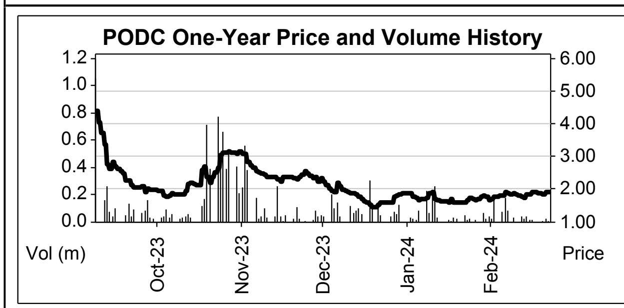
Yr Mar	—2023—	—2024E—	—2025E—
		Curr	Curr
1Q	8.7A	10.6A	12.8E
2Q	8.5A	10.5A	12.8E
3Q	8.6A	10.4A	13.0E
4Q	8.8A	11.0E	14.0E
YEAR	34.6A	42.6E	52.5E

EBITDA

Yr Mar	—2023—	—2024E—	—2025E—
		Curr	Curr
1Q	(0.1)A	0.4A	0.4E
2Q	0.6A	0.1A	0.4E
3Q	(0.5)A	(0.4)A	0.4E
4Q	(0.5)A	0.2E	0.4E
YEAR	(0.1)A	0.5E	1.6E

EPS $

Yr Mar	—2023—	—2024E—	—2025E—
		Curr	Curr
1Q	0.00A	(0.01)A	(0.04)E
2Q	0.00A	(0.52)A	(0.04)E
3Q	(0.01)A	(0.11)A	(0.04)E
4Q	(0.20)A	(0.05)E	(0.04)E
YEAR	(0.06)A	(0.68)E	(0.16)E
P/E	NM	NM	NM



PODC: Initiating Coverage Of Top-10, Rapidly Growing Podcast Network

We are initiating coverage of PodcastOne (PODC), a top-ten US podcast network, and the only pure-play podcast US-listed stock. PODC is majority-owned by LiveOne (LVO-Buy). We expect revenues of $42.6M in F2024 to grow by approximately 23%to 25% annually over the next several years, and that adjusted EBITDA, which we believe will be modestly positive in F2024, will approach $6M in F2027. We rate the stock a Buy with a $4.50 target, which implies an EV/Revenue multiple of 1.5x our calendar 2025 revenue estimate.

Podcasting remains a growth business - Podcasting is a relatively new mass medium and continues to enjoy strong growth, with ad revenues posting a CAGR of 47% from 2015 through 2023 (according to the Internet Advertising Bureau). Consumer awareness and consumption of podcasts continue to grow. Large players have rationalized some of the heady spending from a few years ago, creating opportunities for more disciplined players such as PODC to pick up additional shows and networks.

PODC enjoys a unique position in the industry - PODC is the only publicly-traded podcast network, which gives it an attractive form of "currency" to use for talent acquisition and M&A. Podcast producers can have access to the top management of PODC and its parent company. The company offers a unique set of production and monetization tools that enable new podcast producers to launch programs efficiently.

We expect rapid growth in revenues and Adjusted EBITDA - LVO acquired PODC in mid-2020 when PODC's annual revenues were approximately $20M and its adjusted EBITDA was negative $4M-$5M. For the fiscal year ending March 31, 2024, we expect revenues of just over $42M and positive adjusted EBITDA of $0.5M. We expect revenues to grow in the range of 23% to 25% for at least the next several years, and adjusted EBITDA to grow to $2.7M by F2026. We expect its growth to be driven organically by the launch of new podcasts and increases in ad revenue, as well as by the acquisition of existing podcast shows and networks.

Monetization opportunities beyond ad revenues - In addition to ad revenues and premium subscription and event revenues directly related to PODC's podcasting shows, additional revenue opportunities include converting some content into long-form television and/or film content, books, merchandise and pay-per-view events. We have assumed essentially no additional revenue from these sources in our estimates.

Valuation - Media stocks that we believe PODC can be compared to trade at a fairly wide range of EV/Revenue multiples, from 0.3x to 3.0x revenue estimates for calendar 2025, averaging approximately 1.7x. Using a 1.5x multiple on our estimate of PODC's revenue for calendar 2025, we arrive at our $4.50 price target, implying we believe the stock will more than double from its current level.

Important Disclosures & Regulation AC Certification(s) are located on page 19 to 21 of this report.

KEY INVESTMENT CONSIDERATIONS

Initiating coverage with a Buy rating and a 12-month price target of $4.50 based on our investment thesis:

1. The podcast market is growing rapidly and consolidating, and we believe PODC is uniquely positioned to benefit from this growth and consolidation.

2. We expect the company to experience strong revenue growth (~25% CAGR from FY2024 to 2026) and even more rapid growth in adjusted EBITDA over the next several years, driven by an increase in offerings, audience, and ad rates.

3. We believe PodcastOne's association with LiveOne (LVO-Buy) gives the company a reliable partner for financing and synergistic revenue opportunities.

4. Our target price assumes that in 12 months, PODC shares will trade at a discount to the EV/Sales multiples of a group of media stocks we believe are comparable.

Valuation appears quite modest when compared to other streaming media stocks. PODC currently trades at an EV/Sales multiple of 0.8x our calendar 2024 revenue estimate of $49.5M, and 0.7x our calendar 2025 revenue estimate of $65.0M. Other stocks we consider to be comparable trade at median EV/Sales multiples of approximately 1.7x revenue estimates. Our 12-month price target of $4.50 assumes that a year from now PODC will trade at an EV/Sales multiple of 1.5x our 2025 calendar revenue estimate of $65.0M. We believe PODC currently has modestly positive adjusted EBITDA, and that this will grow rapidly in the coming years.

BRIEF HISTORY OF THE COMPANY

PodcastOne was acquired in 2020, has become the 10th largest podcast publisher.

PodcastOne (PODC) is headquartered in Beverly Hills, CA in an office it shares with its parent company LiveOne (LVO). At present, the company has approximately 45 full-time employees.

PodcastOne was co-founded in 2012 by the late Mr. Norm Pattiz and Mr. Kit Gray as part of a parent company, Courtside Group. More than 30 years earlier in his career, Mr. Pattiz founded Westwood One, and grew it to be one of the largest networks of radio content in the world. (The name "PodcastOne" is meant to evoke the memory of Westwood One.) In July 2020, LiveOne acquired PodcastOne for $16.1M in stock (including $1.1M of contingent consideration). PodcastOne has grown strongly since the acquisition, and according to Podtrac, which measures podcast audiences, PodcastOne was the 10th largest podcast publisher in January 2024 as measured by monthly unique listeners. In September 2023, approximately 20% of PodcastOne was spun off to LVO shareholders, leaving LVO with a stake of approximately 80%. Following the conversion of some bridge notes that were converted upon the spinoff, this stake currently stands at approximately 73%, not counting options and warrants.

Exhibit 1:US Podcast Publishers ranking as of January 2024

PODCAST INDUSTRY RANKING HIGHLIGHTS
TOP US PODCAST PUBLISHERS
US AUDIENCE: **JANUARY 2024**

RANK	PODCAST PUBLISHER	US UNIQUE MONTHLY AUDIENCE	US DOWNLOADS & STREAMS	ACTIVE SHOWS	SALES CONTACT
1	iHeartPodcasts	34,032,000	206,572,000	850	iHeartRadio
2	Wondery	20,392,000	94,898,000	232	Wondery Brand Partnerships
3	NPR	20,356,000	117,370,000	51	National Public Media
4	New York Times	9,795,000	48,936,000	12	
5	NBC News	9,309,000	40,254,000	79	
6	The Walt Disney Company	8,699,000	32,979,000	104	
7	DailyWire+	7,036,000	46,567,000	14	
8	Barstool Sports	6,141,000	23,541,000	100	Barstool Sports Sales
9	Vox Media	5,731,000	21,084,000	61	Vox Media
10	PodcastOne	5,342,000	19,160,000	181	PodcastOne Sales
11	PRX	4,775,000	17,821,000	151	Soundrise
12	Paramount	4,448,000	19,344,000	84	
13	Fox Audio Network	4,441,000	32,944,000	118	Fox Ad Solutions
14	CNN	3,817,000	14,385,000	57	WarnerMedia Ad Sales
15	WNYC Studios	3,423,000	12,188,000	34	
16	Blaze Media	3,082,000	18,992,000	18	Blaze Media
17	This American Life	2,856,000	5,975,000	1	
18	The Athletic	1,549,000	5,105,000	94	The Athletic Sales
19	ReVolver Podcasts	1,530,000	4,401,000	85	
20	Lemonada Media	1,099,000	2,554,000	52	Lemonada Media

Total mobile and desktop US podcast audience.

Unique Monthly Audience:
Total of unique audience members who stream or download publisher's podcast content across all shows they produce.

Unique Streams & Downloads:
Total unique streams and downloads of podcast content for the month across all shows produced by publisher.

Active Shows:
Count of shows produced by publisher and measured by Podtrac which contribute to the totals in the Ranking.

Podcast Publisher:
An entity or individual which owns, creates and publishes podcasts.

Ranking data only includes publishers that participate in Podtrac measurement for the full month for which the ranking is being released.

PODTRAC

Source: Podtrac January 2024. Podtrac offers industry-standard measurement and ranks podcast publishers based on their unique monthly audience. The rating is updated monthly. Within the past several months, PODC has improved its ranking, climbing up to the top 10.

PODCASTONE IS WELL-POSITIONED TO CAPITALIZE ON INDUSTRY TRENDS

We expect PODC to derive growth from multiple sources, including:

- **Benefiting from industry growth –** Industry trends remain favorable, which provides PODC with a strong tailwind for audience growth, which will come from the launch of additional podcasts and the ability to command higher ad rates for each podcast. PODC currently generates revenue from approximately 180 podcasts and a robust pipeline of new shows. The current average revenue per show is less than $250,000, but newer programs are averaging $350,000 per show, and rising. Approximately 20 of its shows generate more than $1.0M per show in annualized revenue.

- **M&A –** With industry giants Spotify (SPOT-NC), iHeart (IHRT-NC), Amazon (AMZN-Buy; Kulkarni), and others pulling back on investments in podcasting, PODC has the ability to acquire existing shows or even whole networks. In mid-2023, the company acquired the assets of Kast Media for shares valued at less than $1.0M. We expect additional M&A opportunities to present themselves.

- **Picking up Talent –** As contracts signed during frothier times come up for renewal, the industry giants may be reluctant to re-sign some of the talent on the same terms. Superstars such as Joe Rogan have been able to maintain massive paydays (the Wall Street Journal recently reported that Rogan and Spotify signed a new deal for as much as $250M), but lesser stars may be hurt by this focus on the superstars. This could allow PODC to secure hit shows while still exercising cost discipline. More recently, PODC renewed its agreement with The Adam Carolla show, ranked #1 globally in terms of daily downloaded podcasts, and chosen for Podcast Hall of Fame's Class of 2024.

- **Getting favorable revenue splits –** Standard industry practice is for ad revenues to be split between the podcast owner (the talent or host) and the network, with splits typically in the range of 70% to the talent, and 30% to the network. Currently, PODC averages splits of around 65%/35%, and trending toward 60%/40%, resulting in steadily lower Cost of Sales as a percentage of revenue. An example, as part of the acquisition of certain Kast assets, PODC was able to negotiate splits as low as 60% for the talent and 40% for PODC.

- **Cross-platform monetization –** As PODC creates and acquires new shows, it has the ability to monetize this IP across a larger base of media, including long-form television and film content, pay-per-view events, books, merchandise, etc. These opportunities tend to have close to zero cost and thus translate to a near 100% margin. Our current model does not assume any revenue from these potential new sources, although active discussions are underway with a number of potential media partners to turn several of PODC's podcasts into TV shows and/or movies.

PODC offers a unique set of tools to new and existing podcasters.

TOOLS, SUPPORT AND ACCESS MAKE PODC'S OFFERING UNIQUELY ATTRACTIVE

As some of the industry's largest networks (Spotify, Apple (AAPL-NC), Wondery, Audible, etc.) cut back on the eye-popping guarantees and revenue splits, more disciplined companies such as PodcastOne are now better able to compete for talent. Although revenue splits likely remain the most important aspect of the relationship between podcast talent and the network on which the podcast is produced, it is not the only one. With revenue splits getting more reasonable, the importance of other factors increases. PodcastOne offers its talent partners several other incentives that make it a more attractive partner notably powerful tools and support as well as access to senior management.

LaunchPadOne is a platform for hosting, distributing, and monetizing podcasts designed to make it easier for talent to start and manage a new show. The platform provides customizable design elements, and distribution tools that allow for publication on multiple listening apps. These tools aid in the creation, promotion and discovery of new podcasts, which in turn, increases the stable of podcasts against which PODC can sell ads.

Proprietary Content Management System – This CMS allows for optimized programmatic capabilities and improved audience analytics. Hosts/talent are also able to view their download numbers, trends and analytics on this proprietary software, something many competitors don't provide at all, and, if they do, they often charge for the service.

Access – Because PODC is smaller and more focused than some of its competitors, its talent partners has access to the executive management team of PODC and its parent company LiveOne to a greater degree than is likely with larger networks.

MODEL ASSUMES STRONG REVENUE GROWTH AND EXPENSE LEVERAGE

PodcastOne's revenues are derived primarily from advertisements, either within an individual podcast or in between episodes. PodcastOne has produced over 1,000 shows and currently offers over 180 shows, and its most popular shows are The Adam Corolla Show, Ladygang, Jordan Harbinger, Cold Case Files and Victory (featuring the creators and stars of Entourage). The audience for PodcastOne shows in February 2023 was 3.5 million unique listeners. The company had over 2.1 billion downloads last year across 350 episodes distributed weekly.

Revenues – PodcastOne's primary source of revenue is advertising, but also includes premium memberships where listeners pay a monthly fee which may entitle them to access exclusive, possibly ad-free content, or access it earlier than non-members, access to live events, and more. We forecast that revenue will grow at approximately 23%-25% in fiscal years 2024-2027, modestly above the overall industry growth expectations and driven by several factors:

- Expanded offering of podcasts – Additional podcasts are added to the network either from new content producers (some of whom take advantage of tools provided by PodcastOne to facilitate content creation and monetization) or from the addition of podcasts previously affiliated with other networks.
- Increased ad rates resulting from higher audiences per program, which we believe will result from an increase in the average audience size as the company adds programs with larger audiences.
- Ancillary revenue sources such as offshoots of podcast content into other media such as film, pay-per-view, merchandise, etc.

Cost of Sales – Costs that are categorized as "costs of sales" include the share of revenue that reverts to the content producers (which ranges from 50% to 80%, with most recent agreements coming in the 65% to 70% range), commissions paid to advertising agencies (approximately 12% of revenue), stock-based compensation, and other expenses. We have assumed that the Cost of Sales will approximate 85% of revenue in the current fiscal year, and improve to 83% by fiscal 2027, as more favorable revenue-sharing arrangements with content producers reduce this expense as a percent of revenue.

Sales and marketing – We expect sales and marketing expenses as a percent of revenues will be approximately 14% of revenue in fiscal 2024, declining over the next several years to 8% by fiscal 2027.

Product development – This is a nominal expense for PODC, and we expect it to remain fairly low, both in dollars (~$118K-$122K per year) and as a percent of revenue (less than 0.5%).

General and administrative – We expect potential operating leverage from this expense line. We expect that G&A for fiscal 2024 will approximate $6.0M, declining to $5.3M in F2025 and remain between $5.5M to $5.8M in F2026 and F2027. At these levels, the expense as a percent of revenue would fall from 14.1% in F2024 to 6.9% in F2026.

Amortization of intangibles – We expect amortization of intangibles to be approximately $0.7M for F2023, $1.0M for the years F2024 through F2027. This essentially assumes no additional intangibles, which could arise in the event of an acquisition.

Adjustments to EBITDA – Management reports on and guides to adjusted EBITDA. The typical adjustments include non-cash stock-based compensation, but also include non-recurring charges such as impairments, extraordinary severance, etc. We expect no adjustments to EBIT other than D&A and stock-based comp beyond the current period (Q4F24).

Balance Sheet – Currently, PodcastOne has no debt, but we expect the company's losses to be funded in part by interparty payables to other entities controlled by LiveOne (notably Slacker). As of December 31, 2023, PODC had $1.4M in cash and $7.8M in accounts receivable, and it owed its parent company $3.1M in payables. Because the acquisition of podcasts requires very little upfront capital, and PODC is now fully staffed, we do not believe additional capital will be needed. The company had positive adjusted EBITDA in the nine months ended 12/31/23, and we expect it to post positive quarterly adjusted EBITDA going forward.

VALUATION

PODC appears attractively valued compared to other media stocks, and is the only pure-play podcasting stock.

PodcastOne is the only "pure play" public podcast company, so there are no other public companies with the same revenue composition. At the highest level, PODC can be said to be a media content creation and distribution company that monetizes its content in a variety of manners.

Our target price of $4.50 is based on a traditional method of reviewing a group of comparable companies and what multiples of revenue and EBITDA are reflected in their enterprise values, then applying either a higher or lower multiple to the revenues and EBITDA of PODC.

Valuations of Select Media Stocks
(All values are in millions, except per share data)

								Revenue			EBITDA			Multiples EV/Revenue		EV/EBITDA	
	Symbol	Price	Market Cap.	Rating	Debt	Cash	Entperp. Value	2023	2024	2025	2023	2024	2025	2024	2025	2024	2025
Podcastone Inc	*PODC.O*	*1.85*	*43*	*Buy*	*-*	*1*	41	*40*	*50*	*62*	*(0)*	*1*	*2 x*	*0.8 x*	*0.7 x*	*NM x*	*NM x*
Live Nation Entertainment Inc	LYV	92.05	21,201	Buy	6,597	5,949	21,850	21,645	23,388	25,274	1,850	2,053	2,283 x	0.9 x	0.9 x	10.6 x	9.6 x
Spotify Technology SA	SPOT.K	243.40	47,985	NC	1,696	4,214	45,467	13,311	15,513	17,578	(214)	1,015	1,440 x	2.9 x	2.6 x	44.8 x	31.6 x
Sirius XM Holdings Inc	SIRI.O	4.73	18,175	NC	9,195	216	27,154	8,956	8,802	9,241	2,721	2,680	2,737 x	3.1 x	2.9 x	10.1 x	9.9 x
iHeartMedia Inc	IHRT.O	2.59	375	NC	5,229	213	5,390	3,727	3,972	3,953	699	890	842 x	1.4 x	1.4 x	6.1 x	6.4 x
Stingray Group Inc	RAYa.TO	7.28	371	NC	411	7	775	322	347	375	114	125	137 x	2.2 x	2.1 x	6.2 x	5.7 x
Cineverse Corp	CIDM.O	1.46	19	NC	5	6	19	68	50	61	(0)	6	5 x	0.4 x	0.3 x	3.3 x	3.6 x
												Average	x	1.8 x	1.7 x	13.5 x	11.1 x
												Median	**x**	**1.8 x**	**1.7 x**	**8.2 x**	**8.0 x**

NC= Not Covered (by ROTH MKM)
PODC estimates are those of ROTH MKM, as there are no other published estimates. These estimates have been calendarized.

Source: Refinitiv Eikon February 16, 2024

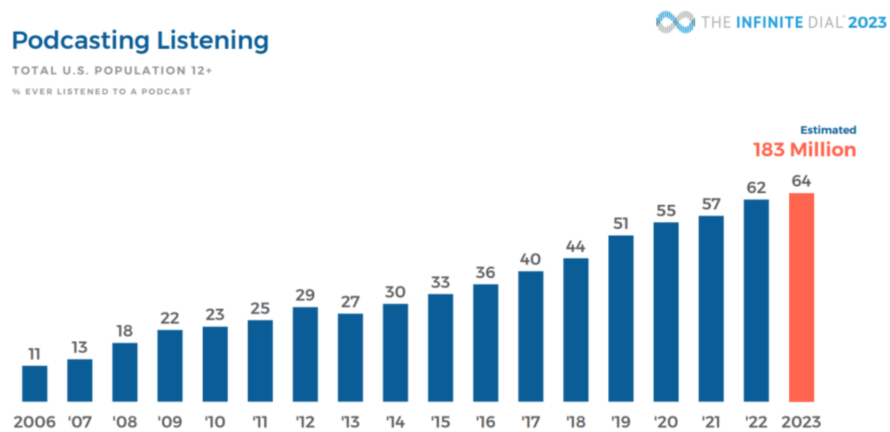
As shown above, PODC shares are selling at much lower EV/Revenue multiples than the mean and median multiples of other streaming content stocks. Looking at calendar year estimates (which adjusts for PODC's March fiscal year), PODC currently sells at an EV/Sales multiple of 0.8x our 2024 estimate, and 0.7x our 2025 revenue estimate. We have assumed that in one year, PODC shares will reflect an EV/Revenue multiple of 1.5x calendar 2025 revenue, a discount to its peer group that we believe is appropriate given its relatively high rate of Cost of Sales compared to revenue.

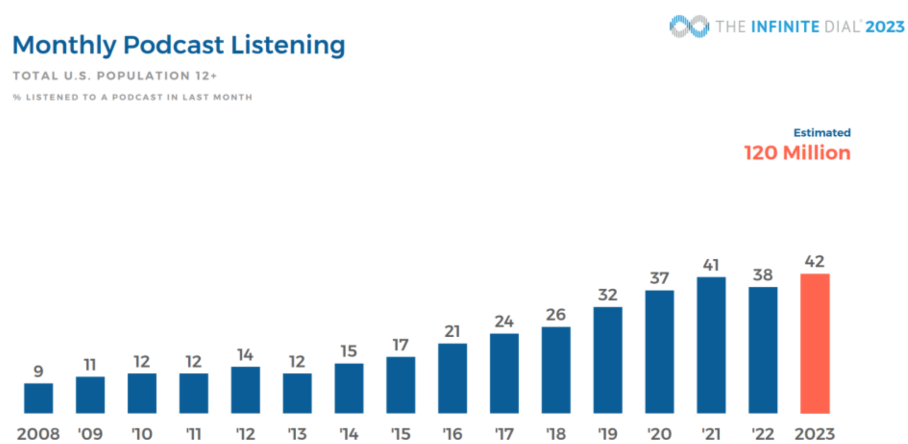
PODCAST MARKET IS MATURING BUT STILL GROWING

Podcasting is one of the newest and fastest growing genres of entertainment.

Compared to other media such as radio, television, recorded music, film, print, etc., podcasting is a relatively new sub-segment of audio entertainment. While non-music recordings have been available for many years (historically in the form of tape recordings of books, lessons, lectures, etc.), podcasting effectively began with the rise of digital audio players such as iPods and other MP3 playback devices. (The very name "podcast" derives from iPods that used to play mp3 files.) The advent of smartphones in mid-2000s meant that millions of consumers had in their pockets devices that could play recorded audio. In 2014, the podcast Serial (about the potential wrongful conviction of a man sentenced for the murder of a friend) was hugely popular and attracted many consumers to the new medium.

According to The Infinite Dial 2023, a survey conducted in 2023 by Edison Research, 64% of people in the U.S. aged 12 and over (183 million) had listened to a podcast at some point, and 42% (120 million) had listened to a podcast in the last month. By comparison, the number who had ever listened to a podcast was 27 million in 2013 (ten years ago) and 11 million in 2006 (the year prior to the launch of the iPhone).





Sources: Infinite Dial 2023, Edison Research

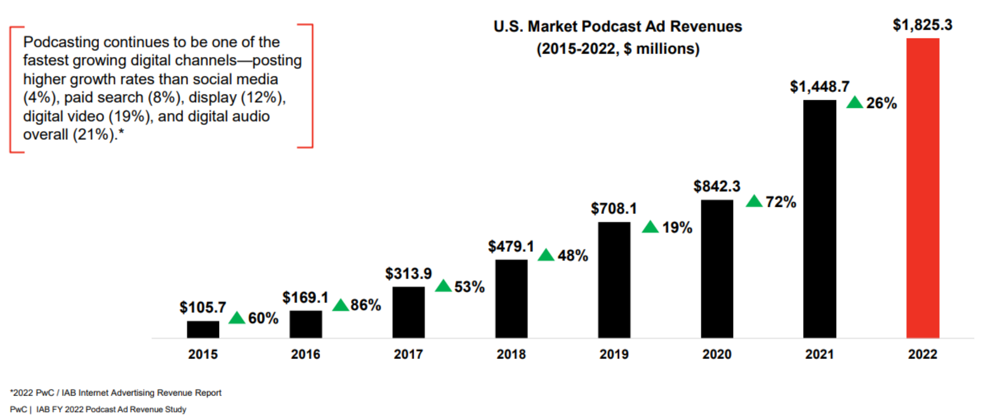
Additional findings from the 2022 Infinite Dial survey based on questions not asked in 2023:

- Most podcasts are consumed at home as opposed to in cars, but the portion consumed in cars is rising;
- Most podcasts are consumed on smartphones;
- Podcasts account for approximately 5% of the time spent listening to all audio sources.

Among the advances in consumer electronics technology that could enhance consumer interest in podcasts are growth in the adoption of smart TVs and, even more so, smart speakers. Increasingly, fans of podcasts enjoy not only listening to the audio (which is possible while doing other tasks, including driving) but watching video of the podcast announcers. This is especially true for podcasts where showing a video clip or image can enhance the discussion but, apparently, some fans just enjoy watching the hosts interact. Smart speakers, in particular, make it easier to consume podcasts, as fans of the podcast can simply tell the smart speaker to go to the podcast, without having to stop whatever other activity they are engaged in. According to Edison Research, ownership of smart TVs grew from 61% of the total population to 70% between 2021 and 2023, and ownership of smart speakers (such as Alexa) grew from 7% of the population to 36% from 2017 to 2021.

According to the IAB US Podcast Advertising Survey prepared by PricewaterhouseCoopers LLP and commissioned by the Internet Advertising Bureau (IAB), podcast ad revenues in the US grew at a CAGR of 55% from 2015 to 2021, exceeding $1.4 billion as of 2021.

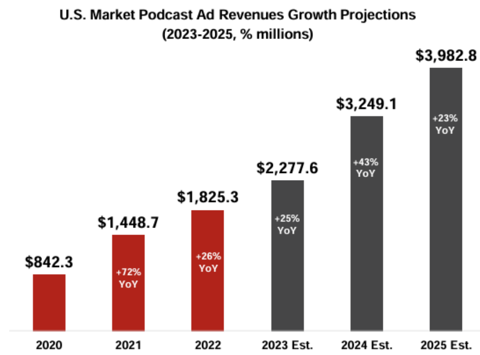
IAB Estimates US Podcast Market Revenue CAGR of 50% From 2015 To 2022



IAB expects growth in ad revenue to moderate, but remain strong, rising to just under $4.0B by 2025, a CAGR of just under 30% from 2021 to 2025.

IAB Projects US Podcast Market Revenue Will Reach $4.0B By 2025

Podcasting grew more than twice as fast as total internet ad revenue (+11%) and continues to be one of the fastest growing digital channels—posting higher growth rates than social media (+4%), paid search (+8%), display (+12%), digital video (+19%), and digital audio overall (+21%).*

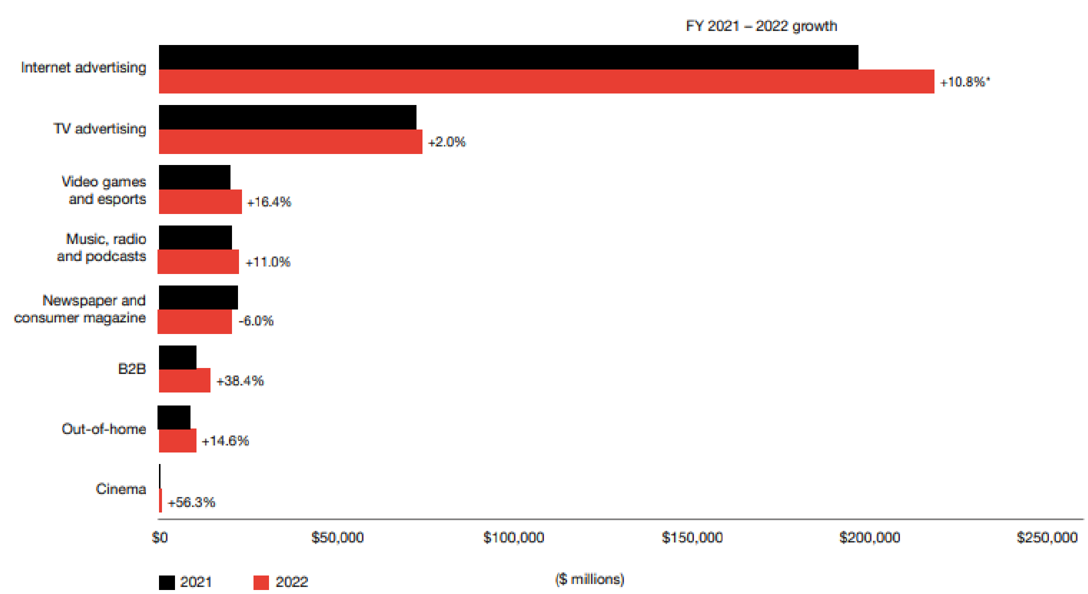


*2022 PwC / IAB Internet Advertising Revenue Report, April 2023
PwC | IAB U.S. Podcast Advertising Revenue Study 2023

In a follow-up dated January 26, 2023, IAB added the following:

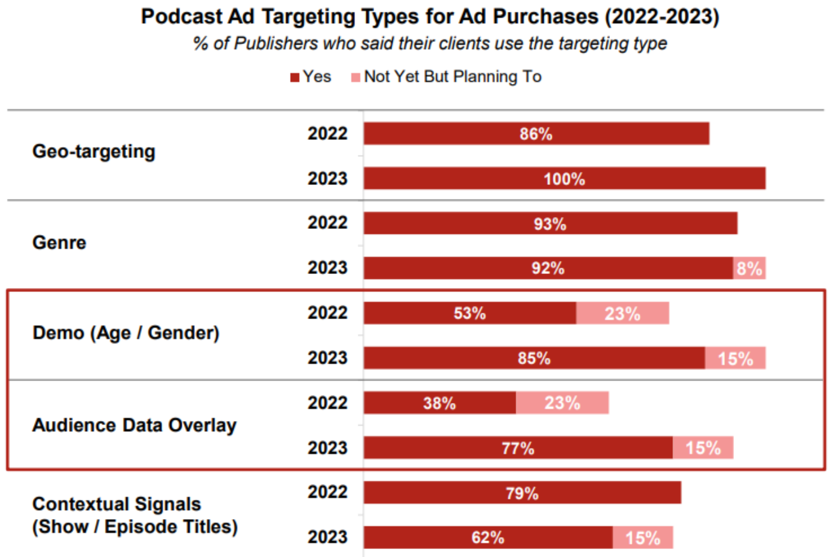
- Podcast downloads increased by 20% in 2022 with the average listener downloading 3.8 hours of content per week.
- Listeners downloaded an average of 5.6 episodes per week.
- Monthly podcast listeners are younger than the general population with 25% aged 25 to 34.
- Compared to the general U.S. population, podcast listeners tend to have a higher household income, higher levels of education, and more demographically diverse compositions.

U.S. Advertising revenues and growth, by media (2021 vs. 2022 growth) ($ millions)



*Source: Internet advertising data from IAB / PwC Internet Ad Revenue Report, FY 2022
Source: All other data points from PwC Entertainment and Media Outlook 2022-2026
Note: Definitions for the above media types can be found in the appendix

Advertising revenue through podcasts and radio, posted an 11% growth rate in 2022, now among the top 4 categories for advertisement.



Note: 1| Based on self-reported data
PwC | IAB U.S. Podcast Advertising Revenue Study 2023

Eighty-five percent (85%) of ad targeting is now done based on Demographics, well above the 53% in the prior year, suggesting a more sophisticated approach to targeting audiences. This is expected to yield a better return on advertisement spending and, thus, promote greater overall ad spending moving forward.

We expect M&A activity to remain robust in podcasting, and that M&A will play a part in PODC's growth.

M&A IN THE PODCAST MARKET

In recent years, as the number of podcasts and their audiences grew, there has been a high level of M&A activity, led by streaming audio giants Spotify, Sirius (SIRI-NC) and Amazon.

- In February 2020, Spotify bought The Ringer for $196 million. Top shows in this network include The Bill Simmons Podcast, The Rewatchables, The Press Box and many others.
- In May 2020, Spotify paid $100 million for exclusive rights to The Joe Rogan Experience, a top-rated podcast.
- In July 2020, Sirius purchased Stitcher for $325 million. Top shows include Freakonomics Radio, LeVar Burton Reads, No Stupid Questions, and others.
- In December 2020, Amazon bought Wondery for $300 million. Wondery's top shows were Business Wars, American Scandal, Dr. Death, Morbid and many others.
- In May 2022, Sirius bought Team Coco for $150 million, Conan O'Brien's podcast network, which includes such shows as Conan O'Brien Needs a Friend, Parks and Recollection, Literally! With Rob Lowe and others.

For most of these companies, there is very little public data on what the revenues or audience sizes were at the time of the acquisitions. It has been reported (The Verge, May 24, 2022) that Team Coco had 180 million downloads annually at the time of its acquisition, which would make the purchase price equate to $1.20 for each download. But we believe the prices paid as a multiple of revenues range extremely widely, from low/mid-single-digits to 30x or more.

Industry giants have pulled back over the last year.

RECENT SIGNS OF SOFTNESS IN PODCAST MARKET

The surge in available content created an inevitable glut in the market. The barriers to entry for podcasters are fairly low, but costs can be high to produce some programming. This makes it easy to produce inexpensive shows but challenging to produce higher-quality programs. In an effort to significantly increase their presence in podcasting, giants such as Spotify and Amazon spent heavily in recent years but began pulling back last year. According to an article a year ago in the New York Times (February 15, 2023):

> "Spotify has spent more than $1 billion in recent years acquiring production companies and signing exclusive deals with celebrities like Joe Rogan and Kim Kardashian. But in January it reduced podcast staff for the third time in five months, and the company's chief content officer, Dawn Ostroff, resigned…. Two other prominent podcast publishers, Vox Media and Pushkin Industries, also announced layoffs last month. And Amazon, SiriusXM, NPR and Spotify have all curbed podcast budgets in the last year, sometimes allowing expensive deals to sunset or canceling others before they closed."

While this suggests that the optimism reflected in the actions of the industry giants was perhaps a bit excessive, in our view, these are signs of a market maturing, not declining. Audience data continues to show strong increases in the number of listeners, time spent listening each week, and episodes listened to each week. Spotify recently renewed its agreement with Joe Rogan for a reported $250M multi-year deal. While the market may not support spending hundreds of millions of dollars per show for many shows, we believe that, like other mature media markets, there are opportunities to make money if costs are managed properly.

EXECUTIVES AND DIRECTORS

Executives

Robert Ellin, Executive Chairman of the Board – Mr. Ellin has served as Chairman (or Executive Chairman prior to September 1, 2017) of LiveOne's board of directors since September 2011 and as Chief Executive Officer (or President prior to September 1, 2017) since September 2011. Mr. Ellin formerly served as Chief Executive Officer from September 9, 2011, to April 30, 2014, and as Chief Financial Officer from April 26, 2012, until September 30, 2013. He is a Managing Director and Portfolio Manager of Trinad Capital, LVO's largest stockholder.

Mr. Ellin was a founder of Mandalay Digital Group in 2004, which changed its name in 2015 to Digital Turbine. He served as a member of the board of directors from February 2005 to September 2013, and as Executive Chairman of the Board of Directors from December 2011 to April 2013. He has also served on the Board of Governors at Cedars-Sinai Hospital in Los Angeles, California since March 2007. Prior to founding Trinad Capital in 2004, Mr. Ellin was the founder and President of Atlantis Equities, Inc., a private investment company. Through Atlantis and related companies, he spearheaded investments in THQ, Inc., Grand Toys, Forward Industries, Inc. (FORD), Majesco Entertainment (COOL), and iWon.com. Mr. Ellin received his BBA degree from Pace University.

Aaron Sullivan, Chief Financial Officer – Mr. Sullivan, age 40, was named CFO on January 30, 2024, having previously served as interim CFO since December 2021. Previously, he served as LiveOne's Vice President and Controller from March 2019 to December 2021. Mr. Sullivan is a seasoned executive with extensive financial, mergers and acquisitions, and operational experience in building, managing, and scaling organizations, as well as with financial reporting and internal controls. Mr. Sullivan has built and led financial organizations across multi-billion-dollar technology companies. Prior to his appointment as the Company's Vice President and Controller, Mr. Sullivan served as the Controller - Cloud of j2 Global, Inc. (now Consensus Cloud Solutions, Inc.), a cloud software company, since July 2015. Before that, Mr. Sullivan worked at PricewaterhouseCoopers LLP, a global public accounting firm. Mr. Sullivan holds a B.A, Business & Economics degree from Trinity College Dublin, Ireland and is a Certified Public Accountant.

Kit Gray, President – Mr. Gray has served as the President and Co-Founder of PodcastOne since October 2012. Previously, Mr. Gray worked at Katz Media Group (subsidiary of Clear Channel/iHeart Communications) in the Boston, New York, and Los Angeles offices. Mr. Gray is a seasoned executive with extensive podcasting experience together with substantial financial and operational experience in building, managing and scaling the podcasting industry. Mr. Gray holds an MBA in finance and marketing from the Crummer Graduate School of Business at Rollins College, where he also received his undergraduate degree. In his role at PodcastOne, Mr. Gray has attracted high-impact podcast talent including Adam Carolla, *The LadyGang* and Kaitlyn Bristowe. Mr. Gray has been recently named a "Top Influencer in Podcasting" by *Podcast Magazine*.

Sue McNamara – EVP Sales. Ms. McNamara has served as Executive Vice President of Sales at PodcastOne since April 2019. She is a seasoned sales executive with 20+ years of extensive audio experience, including creating new revenue streams, expanding market reach and driving revenue and market share to new heights. Prior to joining PodcastOne, Ms. McNamara was the VP of Northeast Sales for the United States Traffic Network, after almost a decade as Senior Vice President of Advertising Sales at CBS and 12+ years as the Executive Vice President/General Manager at Interep, for CBS Radio Sales. Ms. McNamara builds world-class teams, spearheads revenue growth strategies and cross-platform campaigns that cultivate client loyalty, develops sustainable businesses, and delivers revenue growth. She was named one of Radio Ink's Most Influential Women in Radio for six years in a row from 2009-2014.

Eli Dvorkin – Chief Content Officer. Mr. Dvorkin has over 10 years of experience in the podcasting industry. Formerly VP of Talent and Brand Partnerships at PodcastOne, Mr. Dvorkin has constantly brought winning talent to the network and developed multiple Apple-ranking and award-winning shows. Prior to becoming a founding member of PodcastOne, Dvorkin worked closely with Norm Pattiz at WestwoodOne. In addition, he was named as one of the 2022 Top 40 Under 40 in podcasting by Podcast Magazine.

Members of the Board of Directors

In addition to **Robert Ellin, Chairman of the Board** of LiveOne, other Board members include:

Craig Foster - Mr. Foster previously served as the Chief Financial Officer and Chief Accounting Officer of Amobee, Inc., a digital advertising platform, from April 2015 until May 2017. From February 2013 until April 2015, Mr. Foster served as Chief Financial Officer and Chief Accounting Officer of Ubiquiti Networks, Inc. From June 2012 to February 2013, Mr. Foster served as Director in the technology infrastructure and software group of Credit Suisse Securities (USA) LLC, an investment bank. From August 2007 to June 2012, Mr. Foster served as an Executive Director and co-head of the software group of UBS Securities LLC. Mr. Foster has also held various management positions at RBC Capital Markets, an investment bank, Loudcloud, a software and services platform, PricewaterhouseCoopers, a public accounting firm and Deloitte, a public accounting firm. Mr. Foster holds an M.B.A. in Finance from the Wharton School of Business and a B.A. in Economics from the University of California, San Diego.

Jay Krigsman - Mr. Krigsman has been the Executive Vice President and Asset Manager of The Krausz Companies since 1992, where he assists in property acquisitions, oversees the company's property management team and is responsible for developing and implementing strategic leasing programs. Prior to joining The Krausz Companies, Mr. Krigsman had the senior leasing responsibilities for Birtcher Development Co. Mr. Krigsman holds a Certified Commercial Investment Member designation from the CCIM Institute, a Sr. Certified Leasing Specialist designation from the International Council of Shopping Centers and holds a California Real Estate Broker's License. Mr. Krigsman currently serves on the board of directors of Trinad Capital, LVO's principal stockholder. Mr. Krigsman received a BA in Business Administration from the University of Maryland.

Ramin Arani - Mr. Arani was the portfolio manager at Fidelity Management & Research Company ("FMR") until his retirement at the end of 2018. FMR is a greater than 5% stockholder of LVO and acquired its position as part of the public offering completed in December 2017. Mr. Arani held various roles within FMR Co's Equity Research group. He has been in the investments industry since 1992. Mr. Arani earned his Bachelor of Arts degree in international relations from Tufts University. He also received the 1994, 1996 and 1998 Institutional Investor "Best of the Buyside" awards for his research work.

Patrick Wachsberger - Mr. Wachsberger currently serves as the founder and manager of Picture Perfect Entertainment LLC, a film and television production and distribution studio he founded in 2018. Prior to that, Mr. Wachsberger was serving as Co-Chairman of Lionsgate Films, joining in January 2012 when Lionsgate acquired Summit Entertainment, which he helped launch in 1993. Mr. Wachsberger has risen to become one of the leading international film executives in the world during his 30-year motion picture industry career. During his tenure, Lionsgate's feature film slate generated nearly $10 billion at the global box office over five years. Mr. Wachsberger was awarded in 2017 the prestigious honor of Chevalier des Arts et des Lettres, received CineEurope's International Distributor of the Year award in 2018 and was named as a "Game Changer" at the 2016 Zurich Film Festival.

James Berk - Mr. Berk currently serves as Chairman and CEO of Goodman Media Partners, investing in early-stage media and tech companies. Previously, he was CEO of PodcastOne/Courtside Entertainment, where he led company operations and strategy, positioning the company for acquisition. Prior to that, he was the CEO of Participant Media, a global media and entertainment company that created content that inspired positive social change. Earlier, Berk was Chairman and CEO of Gryphon Colleges Corporation, a private company operating for-profit post education schools. Other prior engagements include President and CEO and Board Member for Fairchild Communications, Inc., President and CEO of Hard Rock Café International, and founding Executive Director of the National Academy of Recording Arts & Sciences Foundation. He currently serves as Chairman of the UCLA School of Theater, Film and Television Executive Board, is a member of the USC Rossier School of Education Board and is a voting member of the Academies of Recording, Television and Motion Picture Arts and Science.

VALUATION

The current valuation of PODC shares implies an EV/Revenue multiple of 1.0x times our fiscal 2024 revenue estimate of $42.6M (which we expect will be $49.5M for calendar 2024), and 0.8x our F2025 revenue estimate of $52.5M ($62.1M for calendar 2025). As discussed in detail above, media stocks we believe are comparable to PODC trade at a wide range of EV/Revenue multiples, with an average of 1.7x estimated calendar 2025 revenue. Assuming a discount to this multiple to account for the fact that PODC is currently breakeven on an adjusted EBITDA basis and has higher costs of sales as a percent of revenue than the peer group, we believe a multiple of 1.5x is more appropriate. Using this multiple on our PODC revenue estimate for calendar 2025, we arrive at a price target of $4.50.

Factors that could impede PODC's ability to achieve our price target include the inability to secure favorable revenue sharing splits with podcast talent, stronger than expected competition when seeking to acquire shows and networks, failure of new shows to gain audience acceptance and weakness in the overall advertising market.

RISKS

Risks include:

- Inability to contain cost increase in a manner sufficient to lead to positive cash flow;
- Potential inability to fund potential losses from existing capital;
- Competition from much bigger media companies with much greater revenues and financial resources;
- Macroeconomic factors that could lead to weakness in the market for podcast ad revenues.

COMPANY DESCRIPTION

PodcastOne Inc., formerly Courtside Group, Inc., is a podcast network company. The Company is engaged in providing creators and advertisers with a full 360-degree solution in sales, marketing, public relations, production, and distribution delivering over 2.1 billion downloads per year with a community of 250 of the top podcasters, including Adam Carolla, Kaitlyn Bristowe, Jordan Harbinger, LadyGang, I've Had It, and A&E's Cold Case Files. It has built a distribution network reaching over one billion listeners a month across all of its own properties, LiveOne, Spotify, Apple Podcasts, iHeartRadio, Samsung and over 150 shows available in Tesla vehicles. Refinitiv Eikon *February 21, 2024.*

MENTIONED COMPANIES

Cick on ticker for Valuation and Risks: AMZN, LVO, LYV.

PodcastOne
Quarterly Income Statement

(Thousands of dollars, except per-share data)
Fiscal years ending March 31

		2023					2024E					2025E						
	2022	Q1	Q2	Q3	Q4	2023	Q1A	Q2A	Q3A	Q4	2024E	Q1	Q2	Q3	Q4	2025E	2026E	2027E
Revenues	**$32,348**	**$8,716**	**$8,497**	**$8,589**	**$8,843**	**$34,645**	**$10,637**	**$10,516**	**$10,442**	**$11,000**	**$42,595**	**$12,750**	**$12,750**	**$13,000**	**$14,000**	**$52,500**	**$65,625**	**$82,031**
Operating expenses																		
Cost of sales	**26,271**	**6,581**	**6,328**	**7,045**	**7,625**	**27,579**	**8,222**	**9,057**	**9,387**	**9,460**	**36,126**	**10,838**	**10,838**	**11,050**	**11,900**	**44,625**	**55,125**	**68,086**
Sales and marketing	5,155	1,590	1,226	1,115	1,243	5,174	1,250	1,451	732	1,100	4,533	1,275	1,275	1,300	1,400	5,250	6,563	6,563
Product development	251	65	43	26	178	312	27	28	15	28	98	29	29	30	30	118	122	122
General and administrative	4,871	936	676	1,111	593	3,316	920	1,215	2,601	1,275	6,011	1,300	1,300	1,325	1,325	5,250	5,475	5,700
Amortization of intangible assets	502	25	26	25	23	99	25	191	307	200	723	225	250	250	250	975	1,000	1,000
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses	37,050	9,197	8,299	9,322	9,662	36,480	10,444	11,942	13,042	12,063	47,491	13,667	13,692	13,955	14,905	56,218	68,285	81,470
Income (loss) from operations	(4,702)	(481)	198	(733)	(819)	(1,835)	193	(1,426)	(2,600)	(1,063)	(4,896)	(917)	(942)	(955)	(905)	(3,718)	(2,660)	561
Other income (expense)																		
Interest income (expense), net	(5)	0	(1,382)	(1,661)	(1,631)	(4,674)	(1,593)	(654)	0	0	(2,247)	0	0	0	0	0	0	0
Change in fair value of bifurcated embedded derivatives	0	0	865	178	(1,502)	(459)	1,190	(8,793)	0	0	(7,603)	0	0	0	0	0	0	0
Other income	1,103	0	(138)	138	1	1	0	0	0	0	0	0	0	0	0	0	0	0
Total other income (expenses), net	1,098	0	(655)	(1,345)	(3,132)	(5,132)	(403)	(9,447)	0	0	(9,850)	0	0	0	0	0	0	0
Income (loss) before income taxes	(3,604)	(481)	(457)	(2,078)	(3,951)	(6,967)	(210)	(10,873)	(2,600)	(1,063)	(14,746)	(917)	(942)	(955)	(905)	(3,718)	(2,660)	561
Provision for (benefit from) income taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income (loss)	(3,604)	(481)	(457)	(2,078)	(3,951)	(6,967)	(210)	(10,873)	(2,600)	(1,063)	(14,746)	(917)	(942)	(955)	(905)	(3,718)	(2,660)	561
Earnings per diluted share	**($0.02)**	**($0.00)**	**($0.00)**	**($0.01)**	**($0.20)**	**($0.06)**	**($0.01)**	**($0.52)**	**($0.11)**	**($0.05)**	**($0.68)**	**($0.04)**	**($0.04)**	**($0.04)**	**($0.04)**	**($0.16)**	**($0.12)**	**$0.02**
Shares outstanding	147,984	147,984	147,984	147,984	20,000	110,816	20,000	20,714	23,072	23,072	21,715	23,072	23,072	23,072	23,072	23,072	23,072	23,072
Margin Analysis (as % of revenue)																		
Cost of sales	81.2%	75.5%	74.5%	82.0%	86.2%	79.6%	77.3%	86.1%	89.9%	86.0%	84.8%	85.0%	85.0%	85.0%	85.0%	85.0%	84.0%	83.0%
Sales and marketing	15.9%	18.2%	14.4%	13.0%	14.1%	14.9%	11.8%	13.8%	7.0%	10.0%	10.6%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	8.0%
General and administrative	15.1%	10.7%	8.0%	12.9%	6.7%	9.6%	8.6%	11.6%	24.9%	11.6%	14.1%	10.2%	10.2%	10.2%	9.5%	10.0%	8.3%	6.9%
Operating margin	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Margin (continuing operations)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percentage Change																		
Revenues						**7%**	**22%**	**24%**	**22%**	**24%**	**23%**	**20%**	**21%**	**24%**	**27%**	**23%**	**25%**	**25%**
Cost of Sales						5%	25%	43%	33%	24%	31%	32%	20%	18%	26%	24%	24%	24%
Sales and marketing						0%	(21%)	18%	(34%)	(12%)	(12%)	2%	(12%)	78%	27%	16%	25%	0%
General and administrative						(32%)	(2%)	80%	134%	115%	81%	41%	7%	(49%)	4%	(13%)	4%	4%
Pretax income						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Net Income (continuing operations)						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Adjusted EBITDA	**($1,542)**	**($120)**	**$585**	**($483)**	**($487)**	**($52)**	**$363**	**$94**	**($442)**	**$217**	**$537**	**$389**	**$389**	**$375**	**$425**	**$1,577**	**$2,661**	**$5,881**
Adjusted EBITDA margin	**-5%**	**-1%**	**7%**	**-6%**	**-6%**	**0%**	**3%**	**1%**	**-4%**	**2%**	**1%**	**3%**	**3%**	**3%**	**3%**	**3%**	**4%**	**7%**

NM - Not meaningful.

Source: ROTH MKM estimates, PodcastOne's SEC filings and press releases

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PodcastOne
Annual Income Statement

(Thousands of dollars, except per-share data)
Fiscal years ending March 31

	2022	2023	2024E	2025E	2026E	2027E
Revenues	**$32,348**	**$34,645**	**$42,595**	**$52,500**	**$65,625**	**$82,031**
Operating expenses						
Cost of sales	26,271	27,579	36,126	44,625	55,125	68,086
Sales and marketing	5,155	5,174	4,533	5,250	6,563	6,563
Product development	251	312	98	118	122	122
General and administrative	4,871	3,316	6,011	5,250	5,475	5,700
Amortization of intangible assets	502	99	723	975	1,000	1,000
Other	0	0	0	0	0	0
Total Operating Expenses	**37,050**	**36,480**	**47,491**	**56,218**	**68,285**	**81,470**
Income (loss) from operations	**(4,702)**	**(1,835)**	**(4,896)**	**(3,718)**	**(2,660)**	**561**
Other income (expense)						
Interest income (expense), net	(5)	(4,674)	(2,247)	0	0	0
Change in fair value of bifurcated embedded derivatives	0	(459)	(7,603)	0	0	0
Other income	1,103	1	0	0	0	0
Total other income (expenses), net	1,098	(5,132)	(9,850)	0	0	0
Income (loss) before income taxes	**(3,604)**	**(6,967)**	**(14,746)**	**(3,718)**	**(2,660)**	**561**
Provision for (benefit from) income taxes	0	0	0	0	0	0
Net income (loss)	**($3,604)**	**($6,967)**	**($14,746)**	**($3,718)**	**($2,660)**	**$561**
Earnings per diluted share	**($0.02)**	**($0.06)**	**($0.68)**	**($0.16)**	**($0.12)**	**$0.02**
Shares outstanding	147,984	110,816	21,715	23,072	23,072	23,072
Margin Analysis						
Cost of sales	81.2%	79.6%	84.8%	85.0%	84.0%	83.0%
Sales and marketing	15.9%	14.9%	10.6%	10.0%	10.0%	8.0%
Product development	0.8%	0.9%	0.2%	0.2%	0.2%	0.1%
General and administrative	15.1%	9.6%	14.1%	10.0%	8.3%	6.9%
Operating income (loss)	(14.5%)	(5.3%)	(11.5%)	(7.1%)	(4.1%)	0.7%
Adjusted EBITDA	**($1,542)**	**($52)**	**$537**	**$1,577**	**$2,661**	**$5,881**
Adjusted EBITDA Margin	**(4.8%)**	**(0.2%)**	**1.3%**	**3.0%**	**4.1%**	**7.2%**
Growth						
Revenues	35.7%	7.1%	22.9%	23.3%	25.0%	25.0%
Cost of sales	43.7%	5.0%	31.0%	23.5%	23.5%	23.5%
Sales and marketing	29.1%	0.4%	-12.4%	15.8%	25.0%	0.0%
Product development	-61.0%	24.3%	-68.6%	20.4%	3.4%	0.0%
General and administrative	31.2%	-31.9%	81.3%	-12.7%	4.3%	4.1%

NM - Not meaningful.

Source: ROTH MKM estimates, PodcastOne's SEC filings and press releases

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PodcastOne
Balance Sheet (as of March 31)

(Thousands of dollars)

	2022	2023	2024E	2025E	2026E	2027E
ASSETS						
Cash and cash equivalents	$1,103	$3,562	$1,160	$997	$1,408	$5,738
Accounts receivable, net	7,995	6,876	8,500	11,000	14,250	17,750
Prepaid expenses and other	543	1,006	1,200	1,500	1,900	1,900
Property and equipment, gross	490	710	1,014	1,254	1,554	1,854
Accumulated depreciation	(243)	(468)	(735)	(1,055)	(1,375)	(1,695)
Property and equipment, net	247	242	279	199	179	159
Goodwill	12,041	12,041	12,041	12,041	12,041	12,041
Intangibles, net	831	732	2,852	1,877	877	(123)
Related party receivable	1,167	3,768	2,650	2,650	2,650	2,650
Other assets, net	0	0	0	0	0	0
TOTAL ASSETS	**23,927**	**28,227**	**28,682**	**30,264**	**33,305**	**40,115**
LIABILITIES AND EQUITY						
Accounts payable and accrued liabilities	6,998	6,898	8,500	11,000	14,000	17,250
Notes payable, current portion	0	0	0	0	0	0
Bridge loan	0	7,155	0	0	0	0
Derivative liabilities	0	4,767	0	0	0	0
Other current liabilities	0	0	0	0	0	0
Related party payable	3,844	2,288	3,500	2,300	1,000	0
Other	2,965	0	0	0	0	0
Total current liabilities	13,807	21,108	12,000	13,300	15,000	17,250
Commitments and Contingencies	0	0	0	0	0	0
Other	0	0	276	276	276	276
Total Liabilities	13,807	21,108	12,276	13,576	15,276	17,526
Equity	0	0	0	0	0	0
Common stock	0	0	0	0	0	0
Additional paid-in-capital	17,684	19,785	46,031	50,031	54,031	58,031
Treasury stock	0	0	0	0	0	0
Retained earnings (deficit)	(7,564)	(12,666)	(29,625)	(33,343)	(36,003)	(35,442)
Total Stockholders' Equity	10,120	7,119	16,406	16,688	18,029	22,589
TOTAL LIABILITIES AND EQUITY	**23,927**	**28,227**	**28,682**	**30,264**	**33,305**	**40,115**

Source: ROTH MKM estimates, PodcastOne's SEC filings and press releases

Sean McGowan, Managing Director
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PodcastOne
Summary Cash Flow Statement

(Thousands of dollars)
Fiscal years ending March 31

	2022	2023	2024E	2025E	2026E	2027E
Net Income	**($3,604)**	**($6,967)**	**($14,746)**	**($3,718)**	**($2,660)**	**$561**
Adjustments to reconcile net income to net cash from operating activities						
Depreciation and amortization	634	323	990	1,295	1,320	1,320
Stock-based compensation	2,526	1,001	3,724	4,000	4,000	4,000
Amortization of debt discount	0	4,081	1,949	0	0	0
Change in fair value of bifurcated embedded derivatives	0	459	7,603	0	0	0
Provision for credit losses	62	85	(344)	(1,376)	(5,504)	(22,016)
Impairment of intangibles	0	0	0	0	0	0
Other	(1,103)	(1)	0	0	0	0
Cash flow before changes in working capital	**(1,485)**	**(1,019)**	**(824)**	**201**	**(2,844)**	**(16,135)**
Changes in working capital						
Accounts receivable	(4,068)	1,034	(1,280)	(1,124)	2,254	18,516
Prepaid expense	(253)	(462)	(194)	(300)	(400)	0
Related party receivable/payables	1,979	(4,157)	2,330	(1,200)	(1,300)	(1,000)
Accounts payable and accrued liabilities	1,839	(94)	1,281	2,500	3,000	3,250
Other current liabilities	0	0	278	0	0	0
Total changes in working capital	**(503)**	**(3,679)**	**2,415**	**(124)**	**3,554**	**20,766**
Total cash flow from operations	**(1,988)**	**(4,698)**	**1,591**	**77**	**711**	**4,631**
Investments						
Purchases of property and equipment	(283)	(219)	(305)	(240)	(300)	(300)
Purchases of intangible assets	0	0	(688)	0	0	0
Other	0	0	0	0	0	0
Net cash provided by (used in investing activity	**(283)**	**(219)**	**(993)**	**(240)**	**(300)**	**(300)**
Free Cash Flow	**(2,271)**	**(4,917)**	**598**	**(163)**	**411**	**4,331**
Financing						
Proceeds from (repayment of) note payable	0	0	0	0	0	0
Proceeds from (repayment of) secured convertible notes	0	0	0	0	0	0
Proceeds from exercise of options or warrants	0	0	0	0	0	0
Proceeds from (payments on) bridge loan	0	7,376	(3,000)	0	0	0
Other	0	0	0	0	0	0
Purchase of treasury stock	0	0	0	0	0	0
Net Financing	**0**	**7,376**	**(3,000)**	**0**	**0**	**0**
INCREASE (DECREASE) IN CASH	**(2,271)**	**2,459**	**(2,402)**	**(163)**	**411**	**4,331**
ADJUSTED EBITDA						
Net income (loss)	(3,604)	(6,967)	(14,746)	(3,718)	(2,660)	561
Interest expense	5	4,674	2,247	0	0	0
Income tax expense	0	0	0	0	0	0
EBIT	**(3,599)**	**(2,293)**	**(12,499)**	**(3,718)**	**(2,660)**	**561**
Depreciation and Amortization	634	323	990	1,295	1,320	1,320
Other	(1,103)	(1)	0	0	0	0
EBITDA	**(4,068)**	**(1,971)**	**(11,509)**	**(2,423)**	**(1,340)**	**1,881**
Stock-based compensation	2,526	1,001	3,724	4,000	4,000	4,000
Change in fair value of bifurcated embedded derivatives	0	459	0	0	0	0
Non-recurring acquisition and realignment costs	0	0	719	0	0	0
Other	0	459	7,603	0	0	0
Adjusted EBITDA	**(1,542)**	**(52)**	**537**	**1,577**	**2,661**	**5,881**

Source: ROTH MKM estimates, PodcastOne's SEC filings and press releases

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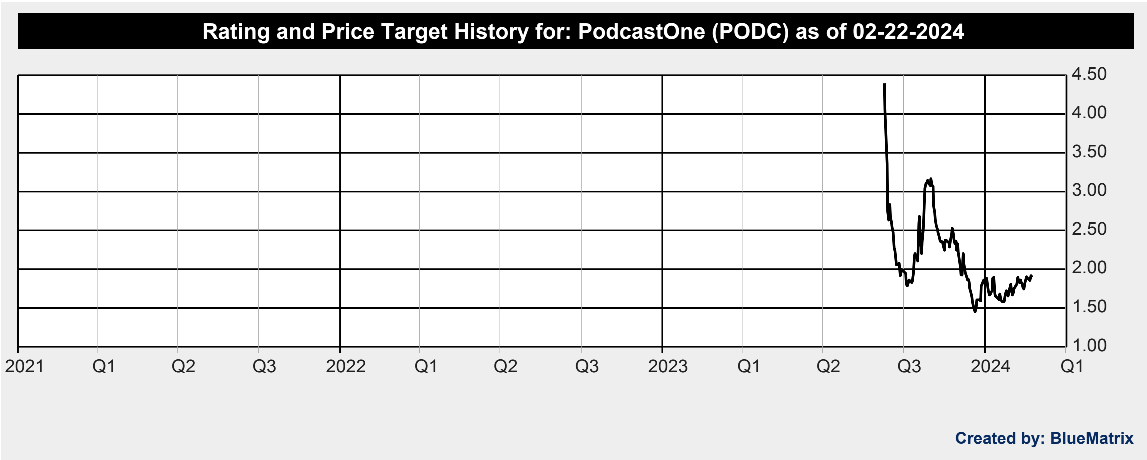

Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

			IB Serv./Past 12 Mos. as of 02/25/24	
Rating	**Count**	**Percent**	**Count**	**Percent**
Buy [B]	**350**	**73.53**	**76**	**21.71**
Neutral [N]	**81**	**17.02**	**5**	**6.17**
Sell [S]	**2**	**0.42**	**0**	**0**
Under Review [UR]	**41**	**8.61**	**3**	**7.32**

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Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

Under Review [UR]: A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

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