Newsmax

Nov 14, 2025

Executing On Its Growth Strategy

Media
NMAX
NYSE

Rating
Outperform
Unchanged

Current Price
$8.52
Target Price
$23.00

Market Capitalization
1.1b

Shares Outstanding
39.24m

Float
127.76m

Institutional Holdings
29.94%

12-Month Low/High
$8.31/$265.00

Average 90-Day Volume
769190

Fiscal Year End
12/31/2025

Revenues ($ MIL)

Period	2024	2025	2026
Q1		45.3A	
Q2		46.4A	
Q3		43.8E	
Q4		45.0E	
	171.0A	180.6E	212.1E

EPS ($)

Period	2024	2025	2026
Q1		(0.38)	
Q2		(0.59)	
Q3		(0.12)E	
Q4		(0.16)E	
	(1.76)A	(1.26)E	(0.05)E

Solid Q3 Results. The company reported Q3 revenue of $45.3 million and an adj. EBITDA loss of $1.8 million, both of which were in line with our estimates of $43.8 million and a loss of $1.7 million, respectively, as illustrated in Figure #1 Q3 Results. Notably, Q3 results benefited from a 10.1% increase in broadcasting revenue and a 22.3% increase in affiliate fee revenue, a development we view favorably, given that 2024 was an election year.

Expanded distribution. Notably, the company expanded its reach in the hospitality industry, adding more than 900 hotels and over 300,000 rooms. Additionally, its partnership with Curb extended programming across 15,000 taxi screens, with over 2.3 billion annual impressions. Furthermore, the company continues to gain traction internationally through licensing deals in the Balkans and the rollout of Newsmax en Español. In our view, the company is well positioned to continue expanding distribution both domestically and internationally.

Affiliate fee growth. Notably, the company expanded its reach in the hospitality industry, adding distribution in more than 900 hotels and over 300,000 rooms. Additionally, the company expanded its partnership with Curb, adding programming across 15,000 taxi screens, generating 2.3 billion annual impressions. Furthermore, International expansion advanced through licensing deals in the Balkans and the rollout of Newsmax en Español. In our view the company is well positioned to continue expanding distribution both domestically and internationally.

Financial flexibility. As of September 30, the company had $130.4 million in cash and short-term investments and virtually no long term debt. Importantly, the company's strong liquidity position provides a solid foundation to fund strategic growth initiatives without diluting shareholder equity or taking on leverage.

Compelling valuation. Our DCF model assumes unlevered FCF grows from $8 million in 2026 to over $100 million by 2031 and supports a $3 billion intrinsic equity value, or $23 per share. We believe audience loyalty, affiliate repricing, and strong FCF conversion are the key drivers of long-term shareholder value.

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Figure #1 Q3 Results

Combined Statements of Operations (in millions of USD, except where noted)	Q3 25E	Q3 25	% Change
Service revenue	**42.570**	**43.725**	**2.7%**
% of revenue	*97.1%*	*96.6%*	
Product revenue	**1.263**	**1.548**	**22.6%**
% of revenue	*2.9%*	*3.4%*	
Total revenue	**43.833**	**45.273**	**3.3%**
% of full year	*24.3%*	*24.9%*	
Cost of Service revenue	**23.500**	**28.358**	**20.7%**
% of Service revenue	*55.2%*	*64.9%*	
Cost of Product revenue	**0.925**	**0.954**	**3.1%**
% of Product revenue	*73.3%*	*61.6%*	
Gross Profit	**19.408**	**15.961**	**-17.8%**
% of revenue	*44.3%*	*35.3%*	
Personnel costs	**10.000**	**8.202**	**-18.0%**
% revenue	*22.81%*	*18.12%*	
Advertising costs	**5.000**	**4.613**	**-7.7%**
% revenue	*11.4%*	*10.2%*	
Professional fees	**5.000**	**2.603**	**-47.9%**
% revenue	*11.4%*	*5.7%*	
Rent and Utilities	**1.450**	**1.494**	**3.0%**
% revenue	*3.3%*	*3.3%*	
Depreciation	**0.740**	**0.690**	**-6.7%**
% revenue	*1.7%*	*1.5%*	
Other Corporate Matters	**15.000**	**1.192**	**-92.1%**
% revenue	*34.2%*	*2.6%*	
Other G&A	**3.200**	**4.365**	**36.4%**
% revenue	*7.3%*	*9.6%*	
Total General & Administrative expenses	**40.390**	**23.159**	**-42.7%**
% revenue	*92.1%*	*51.2%*	
Total Operating Expenses	**64.815**	**52.471**	**-19.0%**
% revenue	*147.9%*	*115.9%*	
Stock Based Compensation	3.500	3.547	
Adjusted EBITDA	**(1.742)**	**(1.769)**	**1.5%**
% Change YoY	#DIV/0!	#DIV/0!	
Adjusted EBITDA Margin	-3.97%	-3.91%	

Source: Noble estimates & Company filings

Company Profile

Newsmax is a multimedia news organization that delivers conservative-leaning content across television, digital, and print platforms. Founded in 1998 by Christopher Ruddy, the company initially focused on web and magazine publishing before expanding into television with the 2014 launch of Newsmax TV, which now reaches nearly 60 million U.S. households and ranks as the fourth-highest-rated cable news network according to Nielsen. In addition to its flagship TV network, Newsmax operates Humanix Books, a publishing arm, and distributes content through major streaming platforms including Roku, Fire TV, and YouTubeTV. These distribution gains, along with cable licensing agreements, have significantly expanded the company's affiliate revenue base, contributing to a more than 300% increase in revenue from 2019 to 2024. Newsmax is headquartered in Florida and trades on the New York Stock Exchange under the ticker symbol "NMAX."

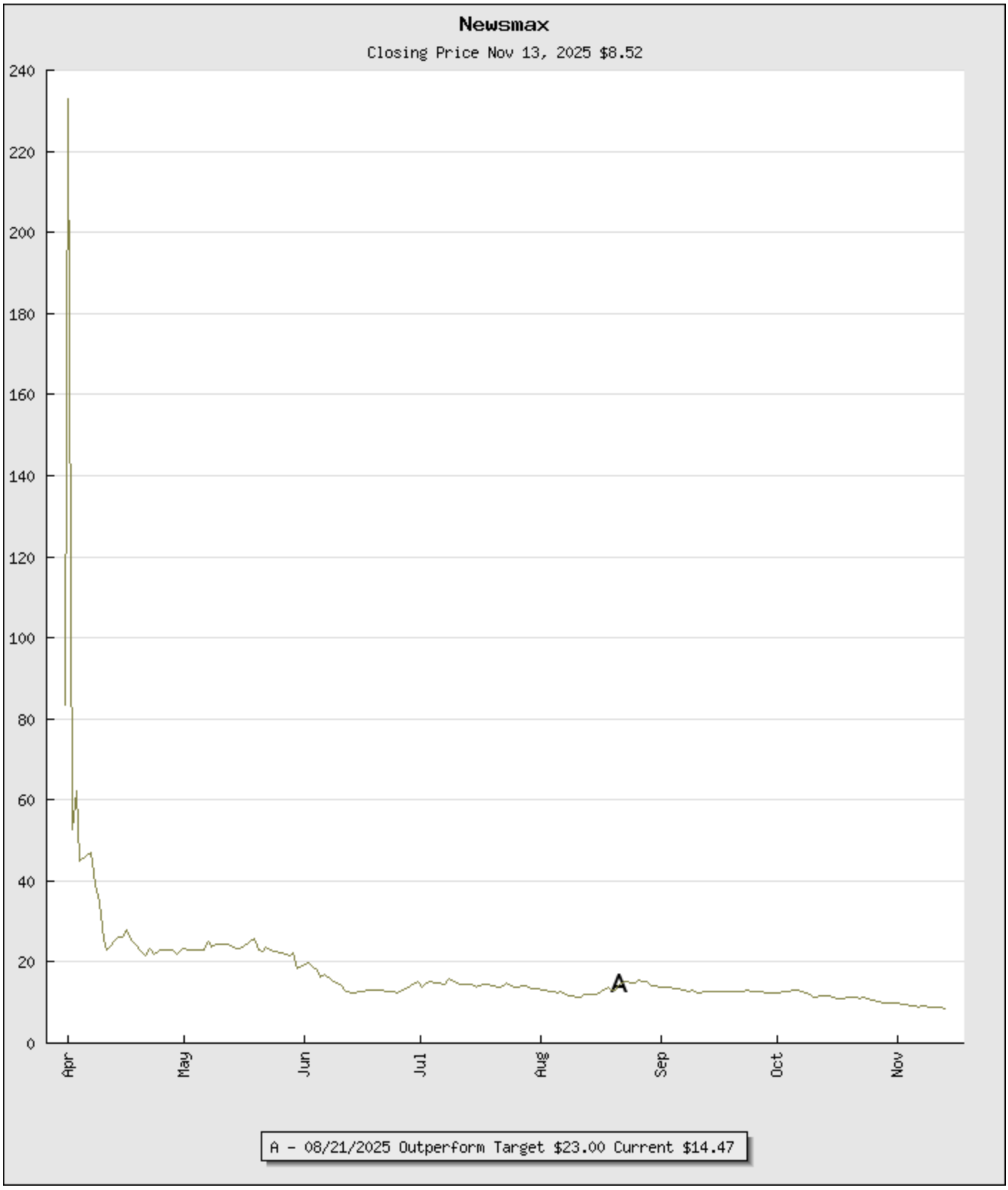
Fundamental Analysis 3.5/5.0 Checks

In our assessment, we gave the company 3.5 checks, reflecting an above-average fundamental profile. This score incorporates our evaluation of the company's corporate governance, market opportunity, competitive positioning, operating leverage, and financial flexibility. The company scored especially well on market opportunity, driven by its exposure to the growing demand for alternative conservative media across cable and streaming platforms, as well as its potential to reprice affiliate fees. It also rated highly on operating leverage, with meaningful room for revenue growth outpacing expenses. The company's significant cash reserves support financial flexibility, though the expected legal settlement payments slightly tempers this strength. Competitive intensity in streaming and among emerging media voices remains a relative weak spot.

Valuation Summary

We are valuing Newsmax based on the company's unlevered free cash flow potential. We expect a substantial ramp in free cash flow generation over the near term, with free cash flow rising from approximately $8 million in 2026 to over $100 million by 2031. Our multi-stage free cash flow model projects compound annual growth of 54% from 2029 to 2031, 35% from 2032 to 2034, 18% from 2035 to 2037, and 8% from 2038-2040. A key catalyst in the early years of our model is the potential for significant step-ups in affiliate fee agreements with multichannel video programming distributors (MVPDs). While Newsmax TV ranks as the fourth most-watched cable news network, we estimate its average affiliate fee remains under 7 cents per MVPD subscriber (monthly), well below peers, which range from approximately 40 cents to more than $2, as in the case of Fox News. Any uplift in these rates would translate almost entirely to incremental free cash flow.

Our discounted cash flow analysis supports a valuation of approximately $3 billion, or $23 per share. We are initiating coverage with an **Outperform** rating and a $23 price target. The model applies a 10% cost of equity to estimates of future free cash flow. Risks in achieving our price target include disruption in the cable news network ecosystem which may adversely affect the company's audience levels and its ability to attract advertiser; lack of ability to seek favorable carriage agreements given a concentrated set of distributors; intense industry competition in an industry that faces a fragmented media environment; MVPD subscriber decline which could materially impact affiliate fee revenue; Legal risk; and, Regulatory risk, with a current FCC seemingly tipping the scale toward a deregulatory environment for local broadcasters.


Newsmax
Closing Price Nov 13, 2025 $8.52
240
220
200
180
160
140
120
100
80
60
40
20
0
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
A
A - 08/21/2025 Outperform Target $23.00 Current $14.47

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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.

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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.

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Outperform: potential return is >15% above the current price	87%	17%
Market Perform: potential return is -15% to 15% of the current price	13%	4%
Underperform: potential return is >15% below the current price	0%	0%

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Report ID: 27881