BENCHMARK

TNL Mediagene (TNMG)

Initiating Coverage of TNMG with a Spec Buy Rating and PT of $3.50

► We initiate coverage of TNL Mediagene (TNMG) with a Speculative Buy rating and a price target of $3.50, offering what we view as a highly attractive opportunity to invest in a differentiated, data-driven digital media platform in Asia. TNMG operates a multilingual portfolio of 25 digital media brands with over 45M monthly users across high-demand content verticals. TNMG appears well positioned to benefit from secular shifts in the global media and ad tech landscape, where audience targeting, first-party data, and measurable performance outcomes are becoming increasingly critical. With an integrated platform that combines premium content, AI-powered ad tech, and deep data capabilities, TNMG stands out as a next-generation media solution provider for brands and agencies across Asia.

► **Established Platform with Cross-Market Leverage.** We believe TNMG's unique positioning lies in its ability to operate across multiple markets and languages with a high degree of operational synergy. Its trusted media brands, combined with robust data infrastructure and ecommerce capabilities, allow for scalable cross-market monetization and audience development. The company is actively leveraging first- and zero-party data collected through AI tools, surveys, and membership programs to deliver personalized content and campaign precision. This strengthens its value proposition to advertisers while deepening audience engagement—a virtuous cycle that enhances platform stickiness and monetization. In our view, TNMG's cross-market presence is a key asset, allowing it to tap into regional advertising budgets, drive efficiencies, and unlock growth through content and data integration across borders.

► **Dual Growth Strategy: Organic Innovation and Strategic M&A.** TNMG's growth strategy is anchored in a dual approach—balancing organic development with selective, synergy-driven acquisitions. Organically, the company continues to invest in building data-rich infrastructure to power AI-driven targeting, personalized content, and performance-led marketing campaigns. This data-centric strategy not only enhances engagement but also delivers superior ROI for clients. On the M&A front, TNMG has completed 10 acquisitions since 2018. These transactions have expanded its technology capabilities, audience reach, and vertical coverage. Looking ahead, we expect M&A to remain a core lever of growth, particularly in East and Southeast Asia, as the company targets digital media, ad tech, and content businesses that offer strong audience bases and operational synergies. We view this dual-track model as well aligned with industry trends, offering both scalability and diversification across TNMG's core markets.

► **Undervalued Asset; Execution Risk Appears Priced In.** We initiate coverage with a Speculative Buy rating and a PT of $3.50, based on a 1.7x multiple of our FY26 revenue estimate. While this multiple aligns with peers, it understates TNMG's stronger growth trajectory—reflecting a discounted valuation driven by its early-stage profile as a recent SPAC listing with a limited public track record. In our view, management still needs to establish credibility in the public markets, and we acknowledge the risks tied to execution and visibility. However, we believe these challenges are already priced in, providing potential upside for investors as TNMG demonstrates consistent delivery and operational leverage over time.

Initiation of Coverage
Rating: Speculative Buy

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Price Chart

Current Price	$0.60
Price Target	$3.50
52-Week Range	$0.26 - $34.08
Shares Outstanding (M)	29
Market Cap (M)	$17
Avg Vol (000s)	4,938.4
Enterprise Value (M)	$32
Sector Weight	Overweight

Year to 31 Dec	2024A	1Q25E	2Q25E	3Q25E	4Q25E	2025E	2026E
EBITDA (000s)	$(854)					$42	$4,393
Consensus EBITDA						$42	$4,393
Delta % (+/-) v. Cons.						0.00%	0.00%
EV/EBITDA	(37.8x)					761.5x	7.3x
Revenue (m)	$48					$58	$74
EV/Rev	0.7x					0.4x	0.3x

Investment Thesis

Changing Global Ad Tech Trends Favor Digital Media Platforms like TNMG with Strong Brands & Tech Capabilities

Amid rapid shifts in regulations, macroeconomic factors and technological innovations, the global ad tech landscape has undergone significant transformation in recent years. Our observations suggest that this evolving environment favors digital media companies with strong brands, proprietary data, and robust tech capabilities, positioning them for market share gains. We've identified the key emerging trends in ad tech, as outlined below:

Shift Toward First Party and Zero-Party Data in Response to Rising Regulatory Tightening. Amid rising regulatory scrutiny, such as GDPR (General Data Protection Regulation) in Europe and CCPA (California Consumer Privacy Act) in the U.S., along with the diminishing reliability of third-party cookies, there is a growing emphasis on first party and zero-party data in the ad tech world. Advertisers are increasingly prioritizing these data types, recognizing their value in a privacy-conscious landscape. Media brands with content channels that effectively gather and leverage proprietary data are becoming more valuable and increasingly seen as prime targets for advertising opportunities.

Rise of Retail Media Networks and E-Commerce Integration. We believe that retail media networks are becoming a major trend as global retailers like Amazon and Walmart build out their own advertising platforms. These networks give advertisers direct access to zero-party data from the point of purchase, enabling more accurate targeting for performance-based ads. Outside the U.S., we see substantial opportunities in retail media, as it allows brands to reach consumers at the moment that they are most likely to make a purchase, making it highly effective for optimizing Return on Ad Spend (ROAS). Furthermore, with the continued boom in e-commerce, we observe a growing trend of advertisers using shoppable ads and integrating ads directly into e-commerce platforms. We have also noted that social commerce is gaining traction, as it enables users to purchase directly through ads, creating a more seamless synergy between advertising and retail.

Shift Toward Performance-Based Ads, Influencer Marketing, and UGC. We note that performance-based advertising is gaining significant traction, with a clear shift away from traditional metrics like impressions and CTR toward more meaningful engagement metrics, such as attention and brand lift. Attention-based metrics help brands better understand how deeply consumers engage with content, offering a clearer picture of ad effectiveness. Alongside this, we see a rise in ROAS and advanced attribution models, as advertisers increasingly prioritize performance-driven outcomes. Influencer marketing and user-generated content (UGC) are also on the rise, particularly with the growth of micro and nano-influencers who engage highly targeted, authentic communities. Brands are tapping into UGC and influencer content to build trust and foster engagement, recognizing that consumers value peer-created content over traditional ads.

Omnichannel Advertising Solutions: Maximizing Reach and Impact with AI-Driven Optimization. Omnichannel advertising has become a key strategy for brands seeking to deliver consistent, cohesive messaging across multiple touchpoints—online and offline. By leveraging integrated ad tech solutions, brands can ensure a unified experience for consumers, no matter where they interact with the brand. This approach enhances reach, improves brand recognition, and increases engagement. With the rise of cross-platform attribution and performance measurement, advertisers can better understand how campaigns perform across diverse channels and devices. As such, we view media and ad tech networks who have capabilities to provide omnichannel solutions with cross-platform access stands to gain incremental ad dollar budget and allocations. Furthermore, AI and machine learning take it a step further, optimizing targeting, personalization, and creative strategies in real-time. Predictive analytics also allow brands to anticipate consumer behavior and trends, ensuring campaigns are continually optimized for maximum ROI.

In sum, we firmly believe that new media companies like TNL Mediagene with broad audience reach, rich first- and zero-party data, and the ability to deliver measurable performance through advanced data technology offer a unique and timely value proposition. Those that combine diverse content across multiple platforms with ad tech and martech solutions are particularly well positioned. Their integration of ecommerce exposure and technological capabilities allows them to provide advertisers with end-to-end, performance-driven solutions. As a result, these media networks are highly attractive to brands and agencies, with strong potential to capture a larger share of advertising budgets by optimizing targeting, improving ROI, and scaling more efficiently.

Compelling Value Proposition Set to Capitalize on Favorable Industry Tailwinds

TNL Mediagene (TNMG) is a digital media and data analytics company headquartered in Asia, formed in May 2023 through the strategic merger of two respected independent players: Taiwan's *The News Lens* and Japan's *Mediagene*. The combined entity operates a multilingual portfolio of 25 digital media brands across Chinese, Japanese, and English, covering a wide spectrum of high-demand content verticals including news, business, technology, science, lifestyle, and food. With a monthly reach of over 45 million unique users and a total digital footprint of 189 million monthly impressions, TNMG serves as a trusted source of content for Millennials and Gen Z audiences across the region. Beyond media, the company delivers AI-powered advertising, data-driven marketing solutions, and e-commerce capabilities—uniquely positioning itself at the intersection of content, data, and performance marketing.

We believe TNL Mediagene presents a highly compelling value proposition as a next-generation media-tech platform in Asia. The merger of Taiwan's *The News Lens* and Japan's *Mediagene* brings together complementary capabilities: TNL's strengths in data analytics and ad tech, and Mediagene's expertise in content marketing and integrated campaigns. The company leverages trusted media brands, first-party data, and scalable technology infrastructure to deliver measurable advertising outcomes. With an integrated business model and strong regional footprint, TNMG is well-positioned to benefit from secular shifts in digital advertising, data privacy regulations, and evolving content consumption trends. We see meaningful long-term potential in TNMG's ability to scale across geographies, expand monetization channels, and drive operational leverage and have outlined their core competencies as follows:

1. Multilingual, Cross-Market Media Portfolio with Trusted Brand Equity

TNL Mediagene operates a diverse and complementary network of media properties, including proprietary brands such as *The News Lens*, *iCook*, *Sports Vision*, *ROOMIE*, and *MASHING UP*, along with Japanese editions of *Business Insider*, *Lifehacker*, and *Gizmodo*. The brands are recognized for their editorial independence, cultural relevance, and consistent content quality—key factors in building long-term trust and engagement, particularly among Millennial and Gen Z consumers. This content engine forms the foundation of TNMG's ecosystem, supporting both high-value advertising and rich data collection.

Figure 1: TNL Mediagene Owns 25 Media Brands Covering a Wide Range of Topics

News & Business	B2B Media	Technology	Lifestyle & Food		Sports & Entertainment
The News Lens	Digiday Japan	Gizmodo Japan	iCook	Lifehacker Japan	Sports Vision
Business Insider Japan	Mashing Up	Cool3c	Roomie	Roomie Kitchen	Agent Movie
Business Yee	Becoming Aces	INSIDE	every little d	Roomie International Mandarin Edition	Sirabee
	Modern Retail	Tech Insider	Life Insider	Money Insider	Fuze
	Glossy			iGood	

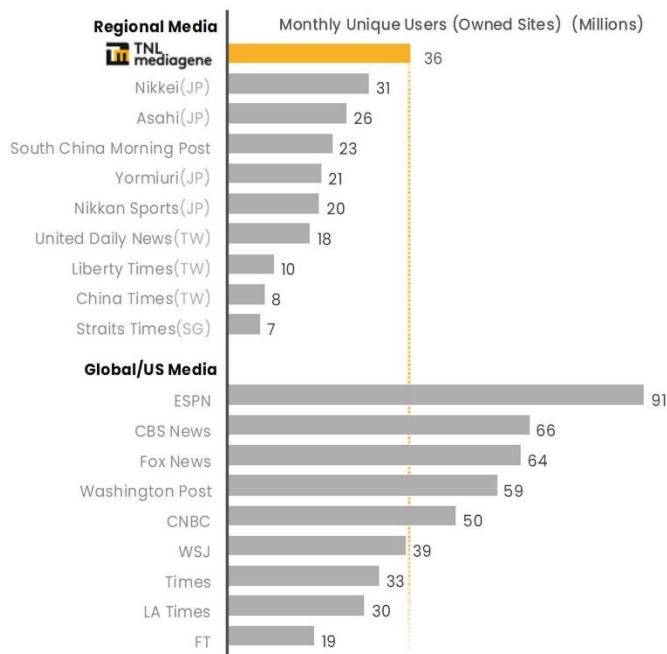*Source: Company IP, and The Benchmark Company, LLC*

2. Rich Regional Audience Reach Enables Data-Driven Advertising and AI-Powered Performance Marketing

TNL Mediagene has built an established media network that leverages its audience scale, demographic diversity, and proprietary data infrastructure. With a digital footprint of 189 million monthly impressions and an average of 45 million MUUs across Japan, Taiwan, and broader Asia, the company offers brand advertisers attractive access to Millennial and Gen Z consumers—two of the most sought-after segments globally. Its reach spans languages, content categories, and regional markets, giving TNMG a strategic edge in delivering relevant, localized campaigns at scale. In today's privacy-conscious, post-cookie advertising environment, first-party and zero-party data have become mission-critical assets. We believe that TNMG's ability to capture, manage, and activate these data types, gathered through direct user interactions and voluntary audience inputs, is a core differentiator. This data enables more personalized targeting, better attribution, and higher campaign performance, while adhering to evolving data privacy regulations. We view these capabilities as crucial to global advertisers increasingly looking for partners who can offer precision marketing in fragmented, mobile-first Asian markets.

TNMG's proprietary ad tech stack, enhanced by its acquisition of Ad2, transforms its rich first- and zero-party data assets into AI-driven advertising solutions that power full-funnel marketing strategies, from brand awareness to performance-based conversion. The platform leverages real-time analytics, predictive segmentation, and automated media buying to maximize return on ad spending (ROAS) and deliver measurable results. Backed by a robust and growing base of over 850 global and regional brand advertisers, TNMG's performance in delivering ROI has been well validated. We believe that these long-standing relationships also create natural opportunities for cross-selling higher-value offerings, including branded content, creative production, retail media activations, and tech-enabled campaign optimization. As advertisers increasingly prioritize outcomes-based spending, it is our view that TNMG is well-positioned to deepen engagement with existing clients and expand its share across a wider portfolio of marketing budgets.

The company's scale and performance-driven approach make it a strategic partner of choice for advertisers seeking to navigate the complexities of Asia's digital media landscape. Its unique combination of trusted content, deep audience insight, and technology infrastructure positions TNMG to deliver sustainable value through both reach and results.

Figure 2: TNMG Is among Largest Asian & International Media

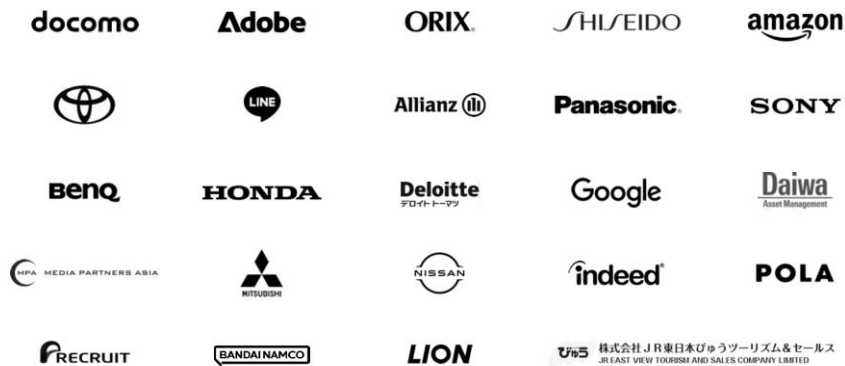*Source: Company IP, The Benchmark Company, LLC*

Figure 3: …with Diverse High Quality Regional Audience
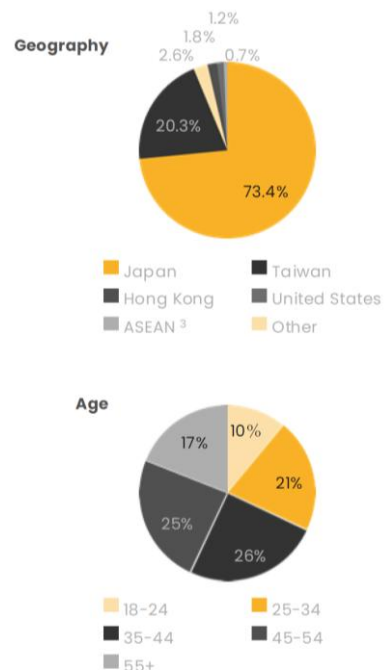
Source: Company IP, The Benchmark Company, LLC

**Figure 4: …and Reputable Brand Customer Base**

Source: Company IP, The Benchmark Company, LLC

3. Integrated Business Ecosystem Across Media, Tech, and Commerce

TNL Mediagene has built a well-integrated business model that goes beyond traditional publishing, combining digital media, data analytics, creative services, e-commerce, and advertising technology. This multi-vertical structure enables the company to deliver comprehensive, performance-focused marketing solutions while unlocking cross-selling opportunities and maximizing value across its platform.

We think a key growth area is the company's ability to participate in the rapid expansion of retail media networks in a high-demand segment where content and commerce converge. With its own e-commerce platform and deep access to first-party data, TNMG can offer advertisers more precise targeting and better attribution, delivering ads at key moments of consumer intent. This connection between content, audience behavior, and transactional environments positions the company well to drive measurable outcomes for both branding and sales. Through this ecosystem, TNMG could also support omnichannel advertising strategies, delivering AI-optimized campaigns across web, mobile, social, video, and retail channels. Advertisers benefit from consistent, data-driven messaging and improved ROI across touchpoints. This level of integration—spanning creative execution to conversion—makes TNMG a differentiated partner for brands navigating Asia's increasingly complex and performance-driven digital landscape.

Figure 5: Integrated Business Ecosystem With 3 Segments
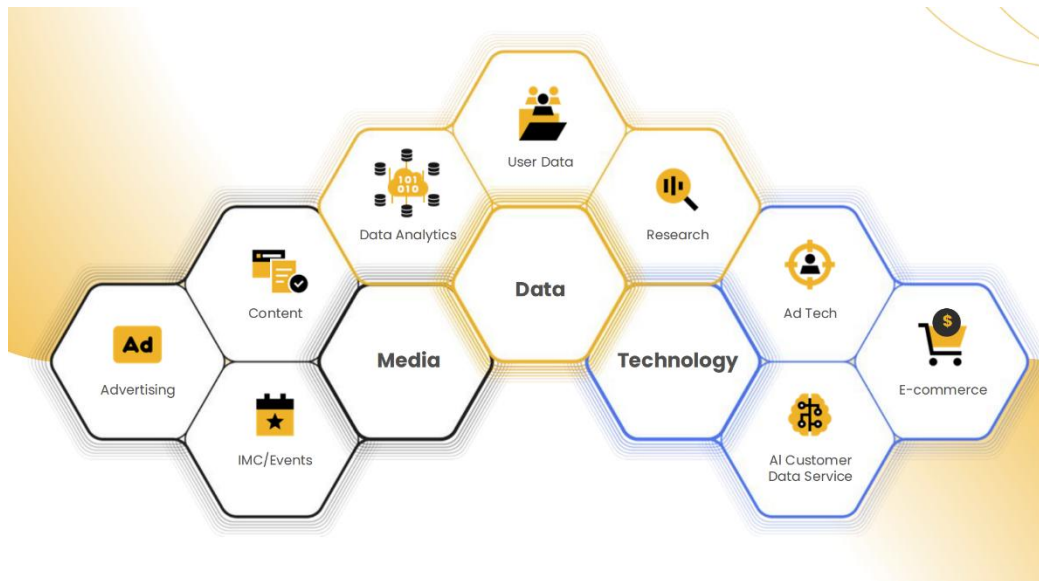
Source: Company IP, The Benchmark Company, LLC

4. Scalable Platform Positioned for Regional Expansion

With strong operations in Japan and Taiwan, TNMG is gearing to build a scalable foundation for future growth across East and Southeast Asia. The company's multilingual content, deep audience insights, and robust infrastructure allow it to enter new markets efficiently. Its regional presence, combined with demographic depth and category leadership, supports a flywheel effect for content distribution, user growth, and revenue expansion.

In sum, it is our view that TNL Mediagene stands out as a forward-looking media-tech platform uniquely equipped to navigate and lead Asia's dynamic digital media landscape. Its strength lies in the integration of high-quality content, proprietary data assets, and scalable advertising technology. The company's hybrid model—balancing editorial credibility with tech-driven monetization—provides durability in an evolving market and aligns well with emerging industry trends such as data privacy, GenAI, and the shift toward performance marketing. With a clear vision, operational leverage, and a differentiated regional footprint, we believe TNMG is well-positioned to deliver sustainable long-term value for both its clients and stakeholders.

Figure 6: Potential Addressable Markets on Targeted Audience and Ad Spending

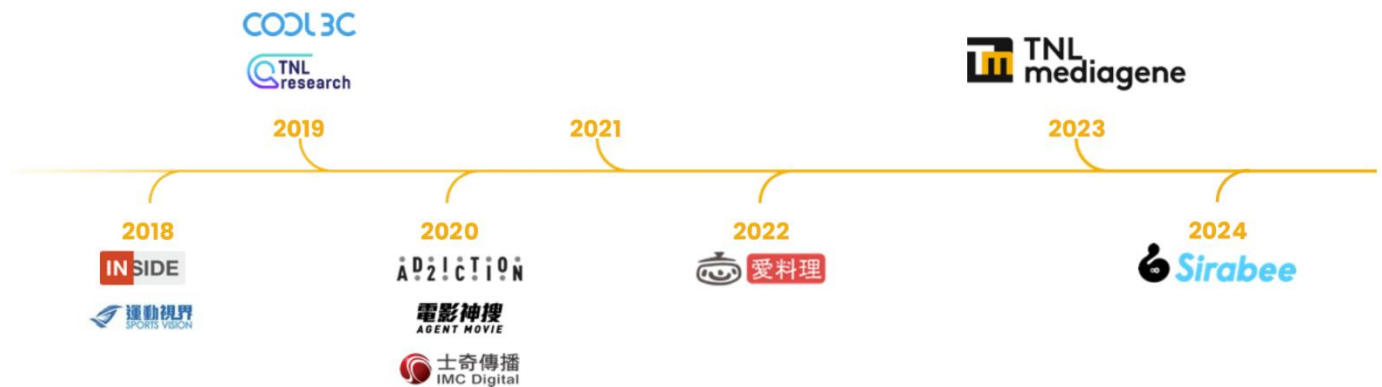*Source: Company IP, The Benchmark Company, LLC*

Growth Fueled by Both Organic Initiatives and Strategic M&A

TNL Mediagene's growth strategy is anchored in a dual approach: 1) organic development powered by data and technology and 2) strategic acquisitions that accelerate scale, audience reach, and category expansion. Organically, the company is committed to building sophisticated first- and zero-party data assets through AI-powered tools, membership programs, proprietary survey products, and its e-commerce ecosystem. These data capabilities not only support more personalized content and higher audience engagement but also enable superior campaign targeting and ROI for clients. A continuous feedback loop between content interaction and user profiling fuels long-term platform stickiness and deepens monetization.

On the inorganic side, TNMG has integrated 10 acquisitions since 2018 and maintains an active target sourcing pipeline focused on digital media, ad tech, content, and data-driven businesses across regions with the key focus in East and Southeast Asia. These acquisitions have consistently been strategic and synergy-driven—aimed at strengthening regional market presence, enhancing technology capabilities, and expanding into new content verticals or demographic segments. This track record highlights TNMG's ability to identify and integrate complementary businesses that accelerate growth and expand its ecosystem efficiently. On the inorganic side, TNMG has demonstrated a clear M&A track record, most notably the merger of *The News Lens* and *Mediagene* in 2023 and the acquisition of Ad2 in 2020, which brought critical ad tech and data analytics capabilities in-house. These moves reflect the company's disciplined approach to acquiring assets that enhance audience scale, improve targeting precision, and enable entry into high-value verticals or new markets. Looking ahead, TNL Mediagene plans to continue expanding via acquisitions in content-rich digital media companies across East and Southeast Asia (excluding mainland China), especially those with strong audience bases and synergy potential with TNMG's proprietary platform.

Figure 7: Strong Track Record of Growing through M&As

Source: Company IP, The Benchmark Company, LLC

Looking ahead, we view TNMG as well positioned to capitalize on the evolving media and advertising landscape across Asia. Its continued focus on M&As is, in our view, the right strategic move—targeting opportunities that align with its core priorities: audience scale, data capabilities, emerging content verticals, and adjacent monetization models such as ecommerce and retail media. Coupled with strong organic growth through content innovation, geographic expansion, and platform integration, we believe TNMG has both the momentum and the foundation to capture sustained growth. In our assessment, the company's integrated approach provides a compelling path to scale efficiently while strengthening its overall value proposition.

Management Profiles

Joey (Tzu-Wei) Chung. Mr. Chung served as Chairman and Chief Executive Officer at TNL, which he co-founded, prior to its merger with Mediagene and now serves as Director and Chief Executive Officer of TNL Mediagene. Prior to founding TNL, Mr. Chung was the General Manager of Sanrio Co., Ltd. in China and New Business Development Manager at Sanrio, Inc. in the United States. Prior to that, Mr. Chung worked in the Equity Research Department of UBS Securities Pte., Ltd., Taipei Branch, and as a columnist for Business Weekly. Mr. Chung holds a Bachelor of Arts in Foreign Languages and Literature from National Taiwan University and an M.B.A. from Harvard Business School.

Motoko Imada. Ms. Imada served as a Representative Director and Chief Executive Director at Mediagene prior to its merger with TNL and now serves as Director and President of TNL Mediagene. Ms. Imada co-founded Mediagene, then INFOBAHN Group, Inc., in 1998 and founded the digital advertising agency INFOBAHN Inc. in 2015. Prior to her career as a founder, Ms. Imada held various roles in the publishing industry, where she helped launch the Japanese edition of WIRED Magazine and served as that publication's business manager. Ms. Imada holds a Bachelor's degree in Economics from Doshisha University.

Richard Lee. Mr. Lee was the Group Chief Integration Officer at TNL and presently serves as Chief Technology Officer of TNL Mediagene. Prior to joining the group, Mr. Lee founded and sold INSIDE and iCook to TNL, where he served as Chief Technology Officer and led product development. Mr. Lee holds a Bachelor of Science in Computer Science degree from National Chengchi University.

Hiroyuki Terao. Mr. Terao has served as Chief Financial Officer of Mediagene, then INFOBAHN Group, Inc., since 2017, and concurrently as Director of Mediagene since 2018. Following the Merger, Mr. Terao serves as Chief Financial Officer of TNL Mediagene. Before joining Mediagene in 2017, he previously served as a director of Japan Elevator Service Holdings, where he helped the company prepare for its IPO, and as an analyst and certified public accountant at KPMG AZSA, where for fifteen years he audited the financial statements of various listed companies in Japan, advised pre-IPO companies on preparing their financial statements for listing, and assisting external audits of local governments.

Financial Projections

The company achieved strong growth in FY24, with revenue rising 35% year-over-year, supported by momentum across its key segments. Looking ahead, we expect organic growth to remain in the 10–20% range, driven by continued cross-selling, up-selling, and product innovation, while accounting for some macroeconomic and FX uncertainty. In addition, we see a meaningful potential upside from M&A. TNMG's ability to operate across multiple markets and languages with operational synergies is a core differentiator. Its trusted media brands, robust data infrastructure, and expanding ecommerce capabilities support scalable cross-market monetization and audience cross-pollination. For example, potential expansion into Southeast Asia through future acquisitions could present compelling upside, as the region offers pricing arbitrage opportunities in lower-CPM markets—enhancing the monetization potential of those deals. With an active M&A pipeline, we believe inorganic growth could contribute significantly, helping to sustain overall revenue growth at 25-30% annually over the next 3–4 years.

We project a FY24–FY27 revenue CAGR of ~24%, incorporating a more conservative FY25 outlook (+20% YoY) due to the company's recent transition to the public markets. On the margin side, we expect TNMG to achieve breakeven on an adjusted EBITDA basis by FY25, despite the incremental costs associated with being publicly traded. Beyond that, we anticipate ongoing margin expansion, supported by the inherently scalable nature of digital media and technology platforms. As operational leverage builds, we see potential for meaningful profitability upside over the medium term and look for an adjusted EBITDA margin of 12% in FY27.

Figure 8: Strong Growth across Key Segments in FY24
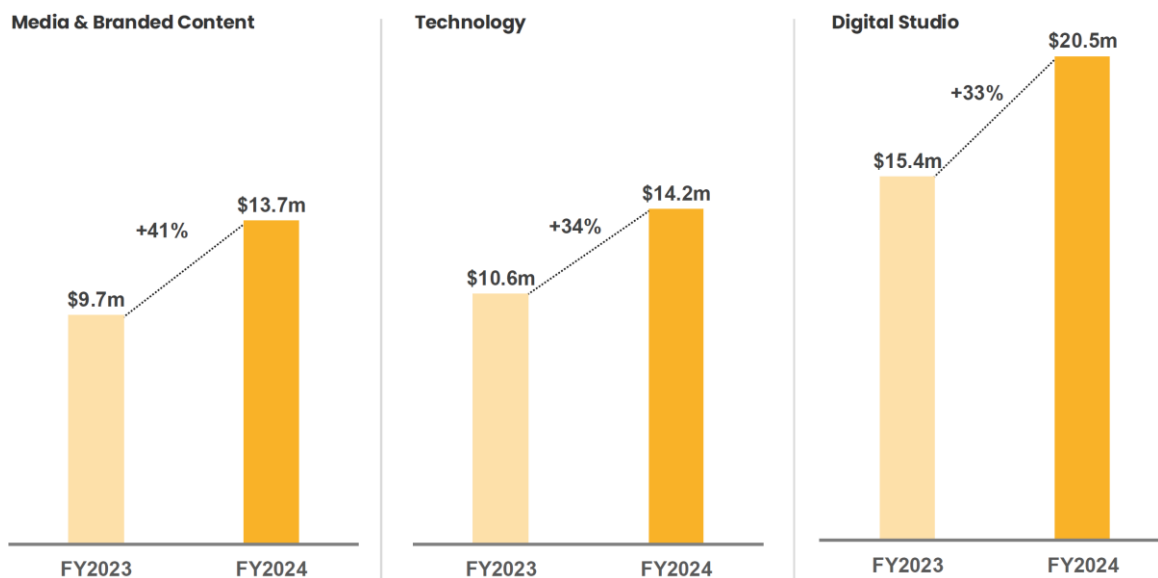
Source: Company IP, and The Benchmark Company, LLC

Valuation

We believe TNL Mediagene presents an attractive opportunity for investors seeking early exposure to a differentiated, data-driven digital media platform in Asia. We are initiating coverage on the stock with a Speculative Buy rating and a price target of $3.50, based on a 1.7x multiple of our FY26 revenue estimate of $74M. While this valuation is in line with global peers, we believe it significantly undervalues TNMG's stronger growth profile and expanding addressable market. We project a ~24% revenue CAGR through FY27, compared to ~3% for peers, and apply a meaningful discount to the PEG ratio to reflect the company's unique challenges. As a recently listed SPAC, TNMG lacks a meaningful public track record, and management must demonstrate consistent execution—posing near-term risks related to visibility and investor confidence. That said, we believe these concerns are already reflected in the current deep-discounted stock valuation. As the company delivers results and improves financial transparency, we see potential for multiple expansion. In our view, TNMG is a compelling early-stage investment opportunity in a scalable media-tech platform with substantial long-term value creation potential.

Figure 9: Publicly Traded Comparable Company Analysis

Company	Ticker	Price LAST ($)	Mkt. Value ($ 'mm)	EV ($ 'mm)	Revenue ($mm) 2024	2025E	2026E	2027E	EBITDA ($mm) 2024	2025E	2026E	2027E
Digital Media Company												
Future plc	FUTR-LON	6.40	681	951	788	761	781	816	239	229	237	237
Naspers Limited Class N	NPN-JSE	5,270.00	867,566	648,268	128,652	144,396	160,909	-	4,979	10,340	15,061	15,061
Nexstar Media Group, Inc.	NXST	174.27	5,254	11,135	5,407	4,949	5,456	5,114	2,004	1,531	1,924	1,924
Sinclair, Inc. Class A	SBGI	14.73	1,025	4,531	3,548	3,198	3,508	3,311	876	464	733	558
TEGNA, Inc.	TGNA	17.29	2,779	5,270	3,102	2,757	3,090	2,845	931	589	911	633
Zee Entertainment Enterprises Limited	ZEEL-NSE	128.50	123,427	105,261	82,941	88,226	94,260	99,832	11,938	14,576	16,613	16,613
Ditigal Marketing/Ad Tech												
Appier Group, Inc.	4180-TKS	1,351.00	138,292	142,627	34,057	44,998	56,730	70,790	4,916	7,747	10,461	14,395
Criteo SA Sponsored ADR Repr 1 Sh	CRTO	28.00	1,500	1,237	1,121	1,157	1,187	1,302	390	378	395	442
Integral Ad Science Holding Corp	IAS	8.08	1,333	1,387	530	595	662	730	191	206	235	265
Magnite, Inc.	MGNI	15.32	2,162	2,576	607	658	732	832	197	218	250	310
Trade Desk, Inc. Class A	TTD	76.32	37,507	36,897	2,445	2,855	3,383	3,977	1,011	1,117	1,361	1,635
Agency Media/Compunications												
Interpublic Group of Companies, Inc.	IPG	25.46	9,413	10,942	9,188	8,711	8,942	9,232	1,647	1,513	1,665	1,759
Omnicom Group Inc	OMC	76.96	15,016	19,309	15,689	16,049	16,563	17,235	2,556	2,615	2,734	2,852
Publicis Groupe SA	PUB-PAR	95.84	24,373	23,404	13,965	14,706	15,426	16,599	3,036	3,183	3,343	3,533
WPP Plc	WPP-LON	5.99	6,460	8,546	11,359	10,641	10,793	11,057	2,019	1,898	1,930	1,992

Company	Ticker	Valuation Multiples EV/Revenue 2024	2025E	2026E	2027E	Growth CAGR	EV/EBITDA 2024	2025E	2026E	2027E
Future plc	FUTR-LON	1.8x	1.3x	1.3x	1.2x	1.1%	4.0x	4.0x	3.4x	2.5x
Naspers Limited Class N	NPN-JSE	9.6x	9.4x	8.5x	-	-	177.8x	84.3x	56.0x	-
Nexstar Media Group, Inc.	NXST	2.2x	2.4x	2.2x	2.3x	(1.8%)	5.8x	7.5x	5.8x	6.8x
Sinclair, Inc. Class A	SBGI	1.3x	1.4x	1.3x	1.4x	(2.3%)	3.1x	6.0x	0.9x	-
TEGNA, Inc.	TGNA	1.8x	1.9x	1.7x	1.8x	(2.8%)	5.5x	8.5x	5.1x	-
Zee Entertainment Enterprises Limited	ZEEL-NSE	0.9x	1.2x	1.1x	1.0x	6.4%	9.2x	7.0x	5.8x	5.1x
	Median	**1.9x**	**1.5x**	**1.4x**	**(1.8%)**	**Median**	**7.2x**	**5.5x**	**5.1x**
Appier Group, Inc.	4180-TKS	4.2x	3.0x	2.4x	1.9x	29.1%	26.9x	17.0x	12.4x	8.8x
Criteo SA Sponsored ADR Repr 1 Sh	CRTO	1.9x	1.2x	1.2x	1.1x	2.9%	3.2x	3.3x	2.9x	2.2x
Integral Ad Science Holding Corp	IAS	3.2x	2.2x	2.0x	1.8x	11.8%	6.7x	5.7x	5.0x	3.4x
Magnite, Inc.	MGNI	4.1x	3.6x	3.2x	2.8x	9.8%	8.5x	7.8x	6.2x -	
Trade Desk, Inc. Class A	TTD	23.5x	13.0x	10.9x	9.3x	17.6%	35.3x	31.9x	25.7x	20.6x
	Median	**3.0x**	**2.4x**	**1.9x**	**11.8%**	**Median**	**7.8x**	**6.2x**	**6.1x**
Interpublic Group of Companies, Inc.	IPG	1.4x	1.4x	1.3x	1.3x	(1.3%)	6.3x	6.9x	6.2x	5.7x
Omnicom Group Inc	OMC	1.3x	1.2x	1.2x	1.1x	2.7%	6.6x	6.3x	5.9x	5.4x
Publicis Groupe SA	PUB-PAR	2.0x	1.8x	1.7x	1.6x	5.1%	7.8x	7.3x	6.9x	6.4x
WPP Plc	WPP-LON	1.1x	1.0x	1.0x	1.0x	(2.5%)	5.0x	5.5x	5.3x	4.9x
	Median	**1.3x**	**1.3x**	**1.2x**	**0.7%**		**6.6x**	**6.1x**	**5.6x**

Source: Factset and The Benchmark Company, LLC

Select Investment Risks

Macroeconomic Risks

TNL Mediagene is significantly exposed to the economic health of Japan and Taiwan, where its core operations and customer base are located. A global or regional downturn, inflationary pressures, currency fluctuations, or shifts in monetary and trade policies could materially affect performance. The economic outlook in both markets remains uncertain and subject to external factors beyond the company's control.

Execution and M&A Integration Risks

Operating across multiple Asian markets, TNL Mediagene plans to expand further through both organic growth and acquisitions. Success will depend on accurately understanding local user behavior, business environments, and market dynamics. Missteps in market entry or M&A integration could disrupt growth and erode value, making effective execution and integration critical to long-term success.

Competitive and Regulatory Risks

TNL Mediagene faces a highly competitive digital media landscape, with increasing pressure from both regional and local players. Local market competitors may benefit from stronger market familiarity and regulatory alignment. In addition, evolving policy landscapes, particularly around data protection and privacy, could introduce further complexity and affect the company's ability to scale efficiently.

AI Technology Disruption Risks

Rapid advancements in AI technologies are reshaping the digital media landscape, potentially altering content creation, user engagement, and monetization models. If the company fails to adapt or invest in relevant AI capabilities, it risks falling behind more tech-savvy competitors. The pace of innovation, coupled with unpredictable shifts in consumer behavior driven by AI tools, could create disruptive challenges to current operating models.

TNL Mediagene

Earnings Model ($'000, except per share items) Fiscal Year Ended Dec 31	1H24	2H24	1H25E	2H25E	2022	2023	2024	2025E	2026E	2027E
Revenue	20,605	27,888	26,233	32,062	20,010	35,839	48,494	58,295	73,705	93,485
Cost of revenues	(12,418)	(18,337)	16,527	20,199	(12,269)	(23,187)	(30,755)	36,726	45,697	57,026
Gross profit	8,187	9,552	9,706	11,863	7,741	12,651	17,739	21,569	28,008	36,459
Sales, general and administrative expenses	(12,257)	(49,747)	(9,968)	(12,184)	(8,649)	(16,421)	(62,004)	(22,152)	(24,323)	(26,176)
Research and development expenses	(1,503)	(1,549)	(1,443)	(1,763)	(2,509)	(3,327)	(3,053)	(3,206)	(3,464)	(3,739)
Total operating expenses	(13,761)	(80,322)	(11,411)	(13,947)	(11,158)	(20,047)	(94,083)	(25,358)	(27,787)	(29,915)
Income (Loss) from operations	(5,574)	(70,771)	(1,705)	(2,084)	(3,417)	(7,396)	(76,344)	(3,789)	221	6,544
Interest income	10	12	9	11	11	19	22	20	20	20
Other income	13	45	23	28	76	410	58	50	50	50
Profit (Loss) before income tax expense	(5,875)	(79,409)	(1,674)	(2,046)	(11,642)	(1,807)	(85,284)	(3,719)	291	6,614
Income tax expense	(59)	366	-	-	247	591	307	-	(44)	(992)
Net income (loss)	(5,934)	(79,043)	(1,674)	(2,046)	(11,395)	(1,216)	(84,977)	(3,719)	247	5,622
Adjusted EBITDA	**(1,371)**	**516**	**19**	**23**	**(1,688)**	**(998)**	**(854)**	**42**	**4,393**	**11,055**
Margin and expenses analysis										
Gross margin	40%	34%	37%	37%	39%	35%	37%	37%	38%	39%
Operating margin	(27%)	(254%)	(7%)	(7%)	(17%)	(21%)	(157%)	(7%)	0%	7%
Net margin	(29%)	(283%)	(6%)	(6%)	(57%)	(3%)	(175%)	(6%)	0%	6%
Adjusted EBITDA	**(7%)**	**2%**	**0%**	**0%**	**(8%)**	**(3%)**	**(2%)**	**0%**	**6%**	**12%**
Cost of revenue	(60%)	(66%)	(63%)	(63%)	(61%)	(65%)	(63%)	(63%)	(62%)	(61%)
Sales, general and administrative expenses	(59%)	(178%)	(38%)	(38%)	(43%)	(46%)	(128%)	(38%)	(33%)	(28%)
Research and development expenses	(7%)	(6%)	(6%)	(6%)	(13%)	(9%)	(6%)	(6%)	(5%)	(4%)
Growth y/y										
Revenue	**129%**	**4%**	**27%**	**15%**	**(24%)**	**79%**	**35%**	**20%**	**26%**	**27%**
Gross profit	107%	10%	19%	24%	(20%)	63%	40%	22%	30%	30%
Adjusted EBITDA	(53%)	(73%)	NM	(95%)	NM	NM	NM	NM	10273%	152%

Source: Company filings and Benchmark Company estimates

Important Disclosures

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Firm-Wide Stock Ratings Distribution

As of June 30, 2025

	All Covered Companies		Investment Banking Clients	
Buy	272	74.5%	62	17.0%
Hold	70	19.2%	5	1.4%
Speculative Buy	21	5.8%	12	3.3%
Sell	2	0.6%	0	0.0%

Company Ratings

Buy: Stock is expected to outperform the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Speculative Buy: The stock has a market value below $100M and/or a higher financial risk profile. It is expected to outperform the analyst's defined sector/industry index over the following 6 to 12 months.

Hold: Stock is expected to perform in-line with the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Sell: Stock is expected to underperform the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Industry Ratings

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Market Weight: Analyst's defined Sector/Industry Index* is expected to perform in-line with the S&P 500 over the following 6 to 12 months.

Underweight: Analyst's defined Sector/Industry Index* is expected to underperform the S&P 500 over the following 6 to 12 months.

Benchmark Disclosures as of May 19, 2025

Company	Disclosure
TNL Mediagene	3

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Investment Risk

TNL Mediagene faces macroeconomic and execution risks tied to its core markets in Japan and Taiwan, where economic volatility, currency fluctuations, or M&A missteps could impact growth and value creation. Additionally, the company must navigate a competitive and evolving regulatory landscape while keeping pace with rapid AI-driven disruption in content, engagement, and monetization.

Valuation Methodology

We believe TNL Mediagene presents an attractive opportunity for investors seeking early exposure to a differentiated, data-driven digital media platform in Asia. We are initiating coverage on the stock with a Speculative Buy rating and a price target of $3.50, based on a 1.7x multiple of our FY26 revenue estimate of $74M. While this valuation is in line with global peers, we believe it significantly undervalues TNMG's stronger growth profile and expanding addressable market. We project a ~24% revenue CAGR through FY27, compared to ~3% for peers, and apply a meaningful discount to the PEG ratio to reflect the company's unique challenges. As a recently listed SPAC, TNMG lacks a meaningful public track record, and management must demonstrate consistent execution posing near-term risks related to visibility and investor confidence. That said, we believe these concerns are already reflected in the current deep-discounted stock valuation. As the company delivers results and improves financial transparency, we see potential for multiple expansion.

Price Charts

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TNMG Rating History
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SPECULATIVE BUY $3.50
05/20/2025
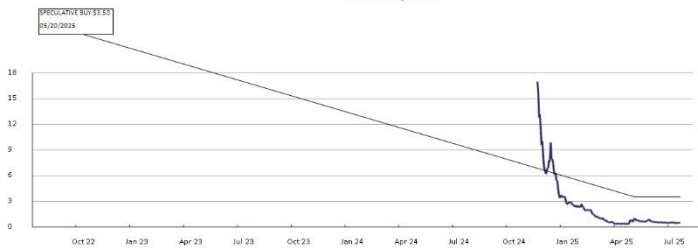
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