



Banzai International, Inc.

Q2 about inline. We believe growth and acquisitions in 2024 to be strong catalysts for stock. Lowering P/T to \$2.50.

COMPANY UPDATE

Rating: BUY

Ticker: BNZI

Price: \$0.09

Target: \$2.50 from (\$3.25)

Q2 about inline: Banzai recently (on August 14) reported its fiscal Q2 2024 (ending June) results. Revenue was \$1.1 million (-10% y-o-y), compared to our estimates of \$1.2 million. EPS was \$(0.15), compared to our estimates of \$(0.13). There was no Q2 guidance or consensus estimates.

Q2 lower due to product focus shift: The Q2 sales decrease was primarily due to lower Reach revenue due to a shift in Banzai's focus in 2023 to its Demio product and the phasing out of the Reach product. However, this decision was reversed in 2024 and now Banzai is revitalizing its focus on the Reach product through re-engineering and expanded sales efforts.

No updated guidance: The company did not provide specific forward guidance. The company did not update its prior qualitatively guidance target for December 2024 ARR (annual recurring revenue) to be \$8.1 - 10 million.

Adjusting estimates: We are adjusting our 2024 estimates for revenue to \$5.5 million, from \$6.0 million, and for EPS to \$(0.51) from \$(0.49). We are adjusting our 2025 revenue estimate to \$9.2 million, from \$10.0 million, but maintaining it for EPS of \$(0.30).

Focus on MarTech: Banzai is a marketing technology ("MarTech") company that produces data-driven marketing and sales software solutions for businesses of all sizes. Banzai is a leading enterprise SaaS (Software as a Service) Video Engagement platform used by marketers to power webinars, trainings, virtual events, and on-demand video content. As of December 31, 2023, its customer base included over 2,770 customers in over 90 countries.

Large market potential: The MarTech industry has experienced significant growth and transformation in recent years. As companies increasingly rely on digital channels to reach customers, the demand for MarTech solutions has grown. The Winterberry Report forecasted Banzai's TAM to reach an estimated \$39 billion by 2026, a CAGR of 11.8% from 2020 to 2026.

Strong growth expected: We have modeled strong revenue growth over the next several years, due to new product and feature launches, growth in its customers, and acquisitions. For 2024, we expect revenues of \$5.5 million (+21%) and for 2025, we expect revenues of \$9.2 million (+67%).

Acquisition strategy: A key part of Banzai's growth strategy is merger and acquisitions. Banzai aims to acquire companies strategically positioned to enhance its product and service offerings, increasing the value provided to current and prospective customers. Banzai has recently announced and signed non-binding LOI to acquire 2 target companies in Q1 2024. These companies are highly profitable with rapid business growth in the MarTech space.

Positive high risks versus high rewards: Overall, concerns outweighed by growth prospects and valuation. We believe the demand for Banzai's MarTech products will grow fueled by continued strong industry growth and increased enterprise demand for MarTech products. We believe the ~billion dollars market potential presents high rewards for the risks.

Valuation attractive: We are maintaining our BUY rating, but lowering our 12-month price target to \$2.50 from \$3.25, based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with its high growth prospects and large upside opportunities.

Company Description

Based in Bainbridge Island, WA, Banzai is a leading enterprise SaaS video engagement platform that produces data-driven marketing and sales solutions.

United States
Technology

August 28, 2024

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Stock Data

Exchange:	NasdaqGM
52-week Range:	0.09 – 16.57
Shares Outstanding (million):	38
Market cap (\$million):	\$3
EV (\$million):	\$18
Debt (\$million):	\$16
Cash (\$million):	\$1
Avg. Daily Trading Vol. (\$million):	\$0.4
Float (million shares):	28
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	1.1A		2.0E	
Q2 Jun	1.1A	1.2E	1.9E	2.1E
Q3 Sep	1.2E	1.4E	1.9E	2.1E
Q4 Dec	<u>2.2E</u>	<u>2.4E</u>	<u>3.4E</u>	<u>3.8E</u>
Total	5.5E	6.0E	9.2E	10.0E
EV/Revs	3x		2x	

Earnings per Share (pro forma)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Mar	(0.26)A		(0.08)E	
Q2 Jun	(0.15)A	(0.13)E	(0.08)E	
Q3 Sep	(0.09)E	(0.10)E	(0.08)E	
Q4 Dec	<u>(0.08)E</u>		<u>(0.05)E</u>	
Total	(0.51)E	(0.49)E	(0.30)E	
P/E	N/A		N/A	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 19.

OVERVIEW

- Banzai recently (on August 14) reported its fiscal Q2 2024 (ending June) results.
- Revenue was \$1.1 million (-10% y-o-y), compared to our estimates of \$1.2 million.
- EPS was \$(0.15), compared to our estimates of \$(0.13).
- There was no Q2 guidance or consensus estimates.
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ADDITIONAL DETAILS

- Gross profit for the quarter was \$0.7 million, compared with our estimate of \$0.8 million.
- Gross margin for the quarter was 69%, versus our expectation of 65% and 68% last year.
- Operating expenses were \$4.3 million, versus our expectation of \$3.5 million.
- Operating loss was \$3.6 million, versus our expectation of a loss of \$2.7 million.
- Net loss was \$4.2 million, versus our expectation of a loss of \$3.6 million.

In June, Mark Musburger resigned as Chief Financial Officer. Alvin Yip will be assuming the role of interim CFO. Mr. Yip is a certified public accountant with over 25 years of accounting experience, serving in various roles with increasing responsibility throughout his career. Mr. Yip has served as Corporate Controller for the company since December of 2022.

The company's balance sheet had \$1 million in cash and \$16 million in debt, compared with \$1 million in cash and \$17 million in debt at the end of March. In May (Q2), the company raised ~\$2.5 million selling stock (13.9 million shares at \$0.18/share).

Exhibit 1: Banzai Investment Summary

EXECUTIVE SUMMARY

Investment Summary Highlights

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The Moment for MarTech Consolidation

The divergence between M&A volume and the growing number of marketing technology (“MarTech”) companies presents an [exciting consolidation opportunity](#).

Recurring Revenue

Banzai’s integrated platform capitalizes on [economies of scale](#) and complementary customer bases to [maximize cross-selling opportunities](#).

\$28B+ Total Addressable Market¹

[\\$28B+ total addressable market](#) across the MarTech value chain driven by tailwinds of digital channels.

Award-Winning Products

Customers praise [Banzai’s award-winning products](#) for their user-friendly interfaces and powerful features.

Disciplined Acquisition Playbook

Banzai has established a [clear acquisition strategy](#) with well-defined evaluation and success criteria.

19 M&A Transactions Supported by Team

The Management team has supported [19 M&A transactions in the past decade](#) as buyer, seller, or operator.

Source: Company reports.

Exhibit 2: Banzai's Marketing Technology Opportunity

COMPANY OVERVIEW

Banzai's Marketing Technology Opportunity

banzai

11,000+ MarTech SaaS companies present a major opportunity for consolidation.¹

Banzai is building and acquiring mission-critical Marketing Technology solutions across three functions, to create a family of seamlessly integrated solutions for our customers.

Attract

Engage

Measure

Integrate

Marketing Technology is a Huge & Fast Growing Opportunity

- \$28B TAM, growing by 11.8% CAGR from 2020 to 2026²
M&A down 50%+ in 2023, creating many attractive opportunities³
- Banzai currently serves 3,000+ customers, presenting a great opportunity for customer organic & inorganic expansion
- Experienced team who has successfully executed on SaaS strategy
- Recurring revenue model, high profit margins, and significant operating leverage combined with rapid growth

Source: Company reports.

Exhibit 3: Marketing Technology (MarTech) Market

MARKET OPPORTUNITY

The Prize for Winning MarTech is Big

banzai

Marketing Technology Market

2023E Banzai TAM: **\$28.1B**

2023E Banzai SAM: **\$5.4B**

Banzai's **Serviceable Available Market (SAM)** is expected to grow to **\$8.4B** by 2026E, at a CAGR of **16.07%** (2020-2026E)

United States B2B MarTech Spend

2023: **\$28.1B**

2026: **\$39.4B**

11.9% CAGR ('23-'26)

Banzai's **Total Available Market (TAM)** is expected to grow to **\$39.4B** by 2026E, at a CAGR of **11.8%** (2020-2026E)

Source: Company reports.

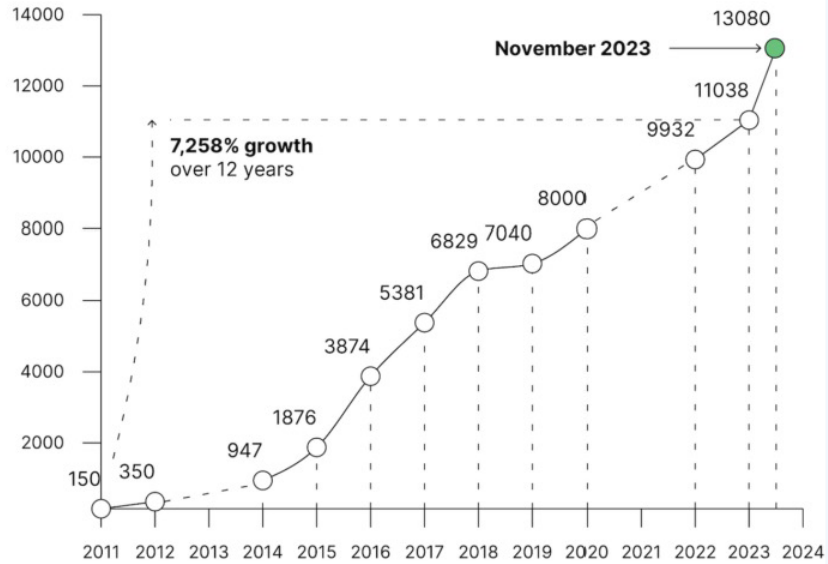
Exhibit 4: MarTech Consolidation Opportunities

MARKET OPPORTUNITY

Explosion in MarTech Vendors

banzai

7,258% Growth
in Over 12 Years

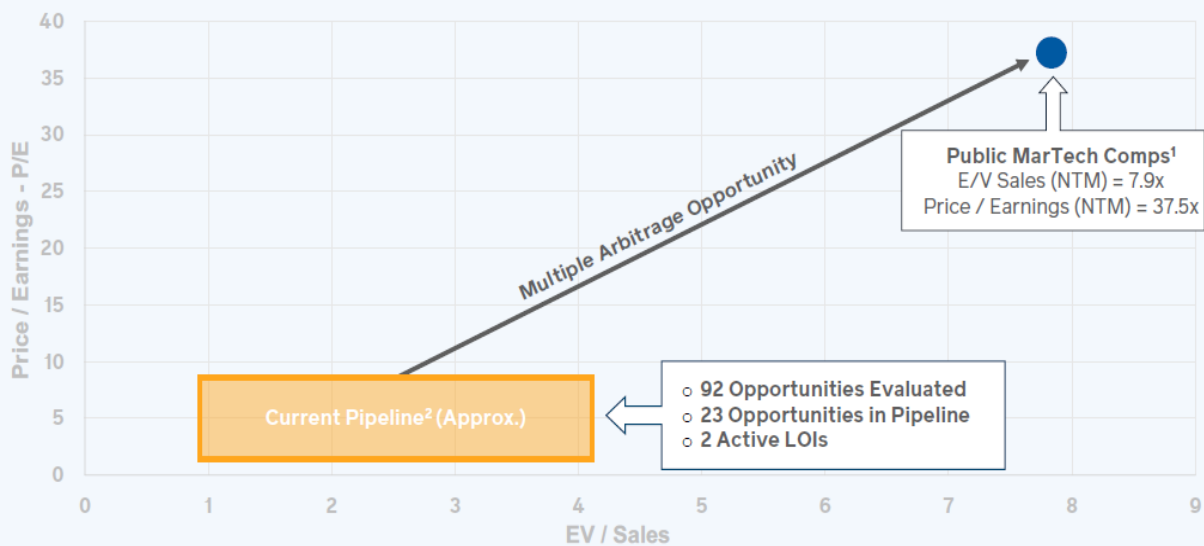


MARKET OPPORTUNITY

Buyer's Market for MarTech Industry Consolidation

banzai

Substantial multiple arbitrage opportunity from private to public market valuations.



Source: Company reports.

Exhibit 5: Banzai's Corporate Overview

Corporate Overview

Banzai develops essential marketing solutions for companies that want to grow faster, offering seamless integrations that increase customer value out of the box. We are consolidating mission-critical, sub-scale MarTech products within three key themes: Acquisition, Engagement, and Analytics, and drive growth with our secret sauce: customer expansion through cross-sales.

CUSTOMER SOLUTION

The Data-Driven Marketing Technology Platform

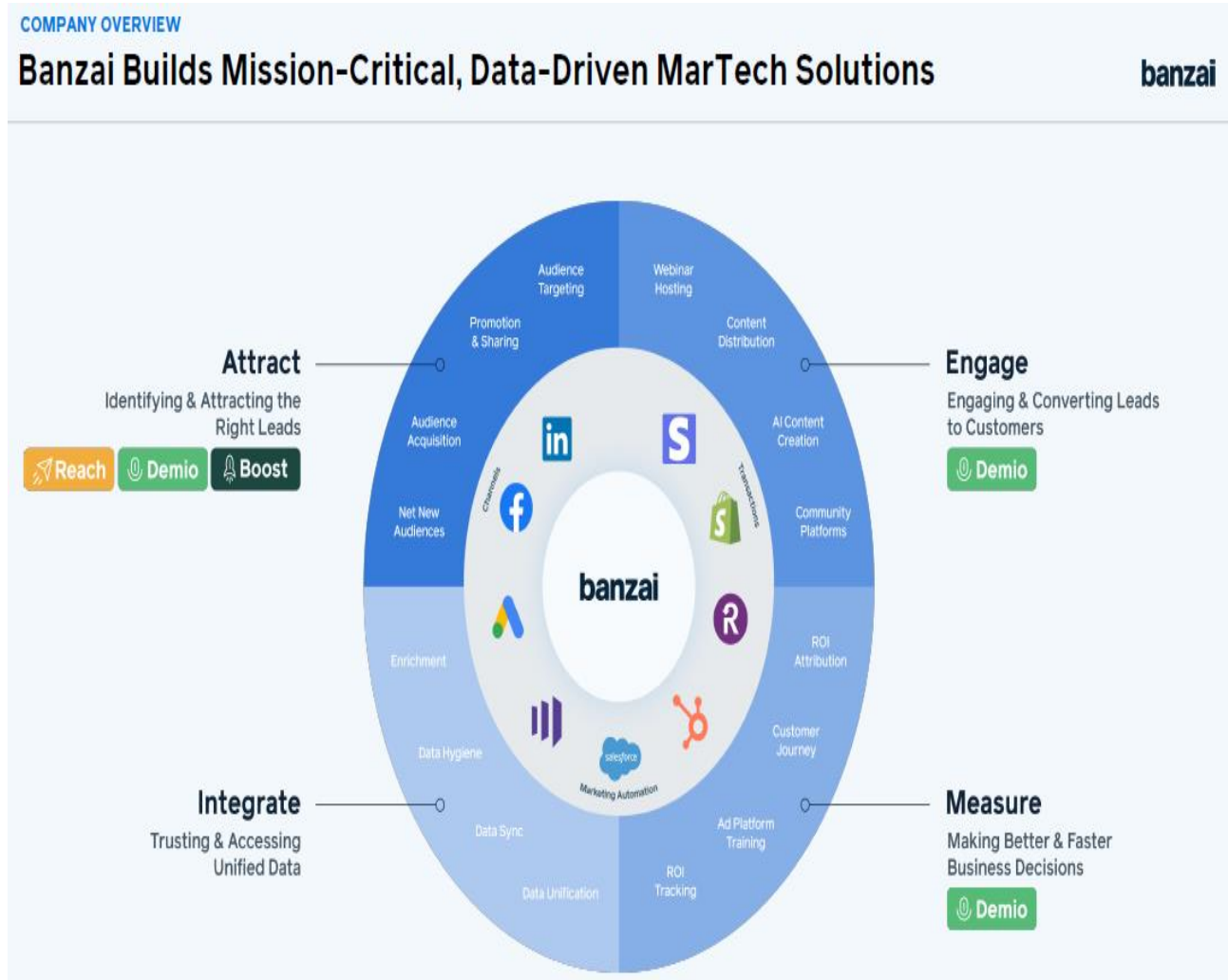
banzai

Banzai is building a platform of mission critical marketing solutions that seamlessly integrate out of the box.



Source: Company reports.

Exhibit 6: Banzai MarTech Product Overview



Source: Company reports.

Exhibit 7: Banzai's MarTech Products

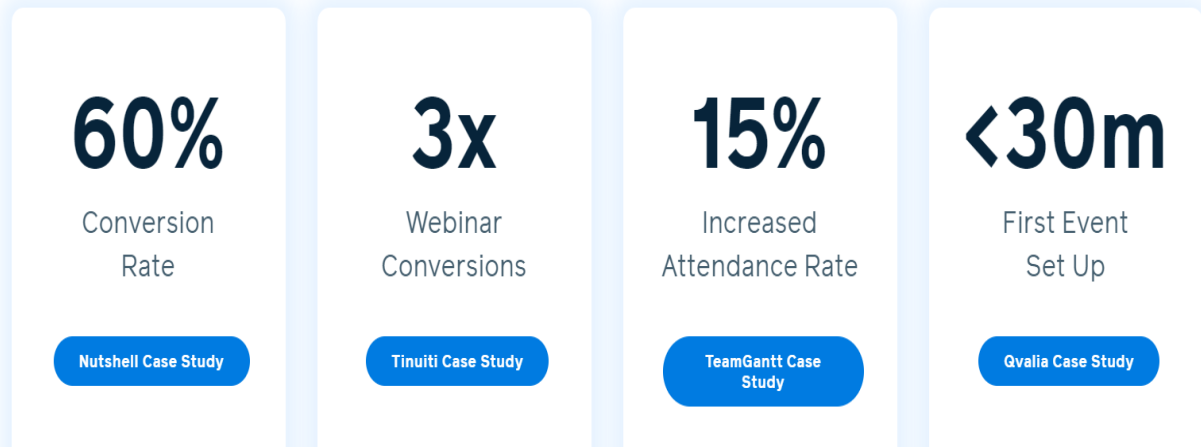


Tools for Marketers Who Love Data

Create webinars, virtual events, and engaging experiences that deliver deep analytics, and actionable insights.

- Demio
- Boost
- Reach

Real World Results from Marketers Like You



60% Conversion Rate Nutshell Case Study	3x Webinar Conversions Tinuiti Case Study	15% Increased Attendance Rate TeamGantt Case Study	<30m First Event Set Up Qvalia Case Study
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Source: Company report.

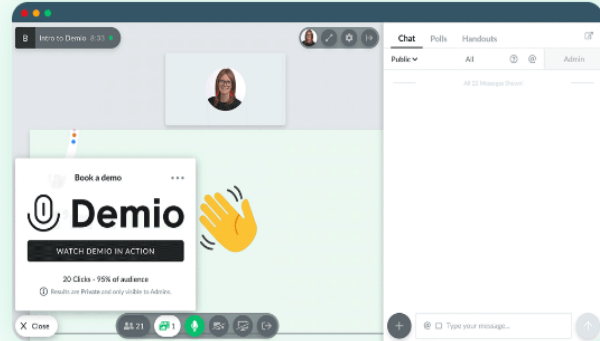
Exhibit 8: Demio



Prove Webinar Success

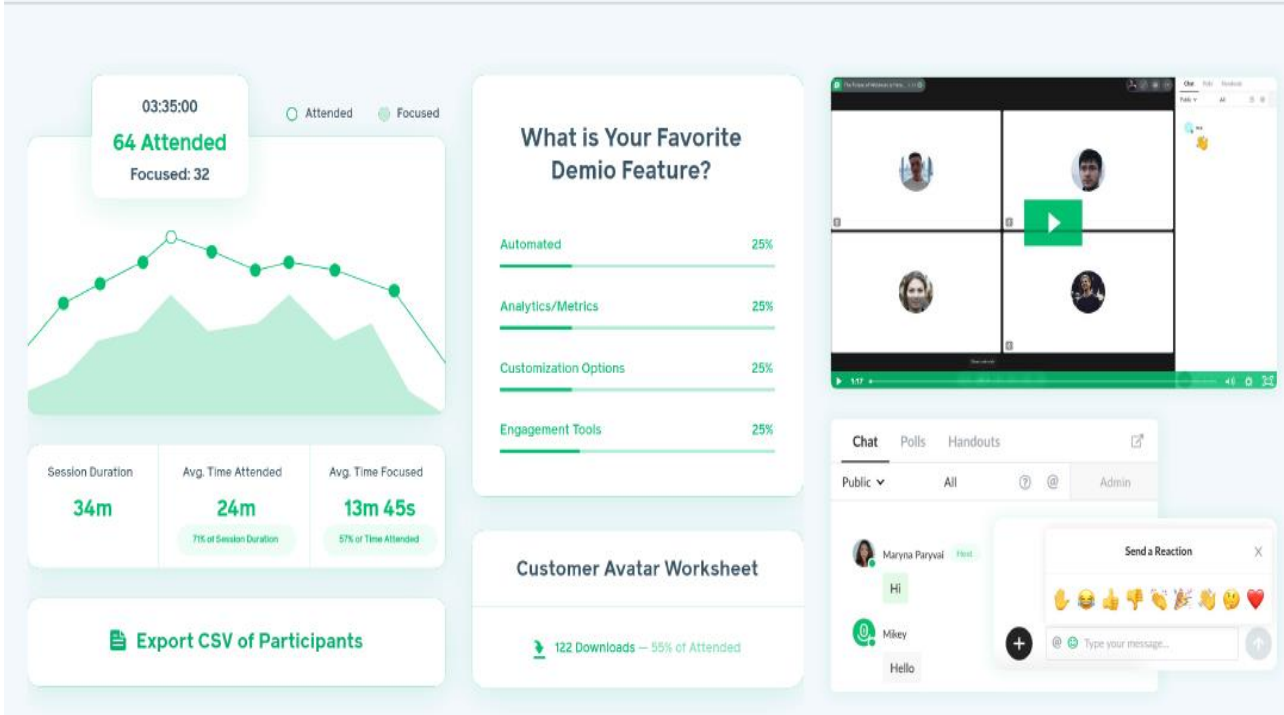
Create engaging on-demand and live video experiences with webinar analytics that unlock insights

- Invite audience participation
- Integrate Demio's data with your tech stack
- Turn engagement into data analytics
- Make your brand memorable
- Identify who was most focused



COMPANY OVERVIEW

Demio – The Top Webinar Platform for Marketers¹



Source: Company reports.

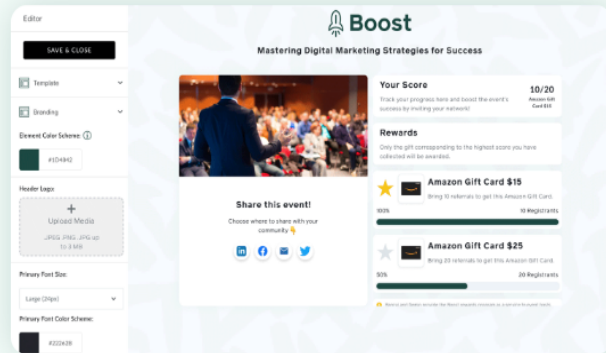
Exhibit 9: Boost



Expand Audience Reach & Event Registrations

Through automated social proof and word of mouth, your registrants become your promoters – amplifying your message, and boosting your results

- Customize promotional content
- Reward your promoters for earned registrations
- See the channels driving the most registrations
- Identify who your top promoters are



Boost

banzai

The dashboard shows the following registrant counts by channel:

Channel	Registrants
LinkedIn	876
Facebook	1876
Twitter	1287
Email	1287

Source: Company reports.

Exhibit 10: Reach

Reach

Qualified Butts in Seats at Your Event

Because identifying your target audience is easy, but reaching them is hard.

- Leverage Reach's Audience AI to access your ideal audience
- Multi-touch, multi-channel outreach campaign done for you

Virtual Event Registrants

- Amy Knight** Senior VP of Communications Registered
- George Hall** CMO
- Ida Hamilton** Regional Field
- Miles Strom** Senior Mana
- Natalie Bens** Head of Mark
- 2,031 Others Att**
[View All](#)

Field Event Registrants

- Ashley Levesque** VP of Marketing Interested
- Amy Knight** Senior VP of Communications Registered
- George Hall** CMO Registered
- Ida Hamilton** Regional Field Marketer Interested
- Miles Stromer** Senior Manager of Events Registered
- Natalie Benson** Head of Marketing Registered
- 3,502 Others Attending**
[View All](#)

COMPANY OVERVIEW

Reach – Demand Generation on Autopilot

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379M
Contact Database

\$1M Revenue
75% Increased Registrations
ThoughtSpot Case Study¹

70,000+
Registrations

5,000+
Campaigns

Mental Fitness: Exercises For Brain Health

Overview | [List](#) | [Registrations](#) | [Details](#)

Status: Running

Total leads: **1351** | Contacted leads: **88%** | Open Rate: **68%** | Reply Rate: **3%**

Total Registrations: **90**

Recent Registrations:

- Concise Program
- Money Money
- Living Data
- Case North

Reg. trend over time:

Event Basics

Registration

Attendees

Contacts

Functions *

Finance	HR	IT
Legal	Marketing	Medical and health
Operations	Sales	Product Development
All	Design	Government
Education	Manufacturing	E-Commerce
Construction	Entertainment	Consulting
Telecommunications	Technology/Software	Other (enter below)

What are the functions in your target market?

Company size

1-50	\$1-100	\$11-250
250-500	500-1000	1000-5000
5000+		

What is the Employee Size of your core registrants' Company?

Seniority

C-Suite	VP	Director
Head	Manager	Senior
Entry	Partner	

What is the Seniority level of your core registrants?

Job title keywords (include)

data science

The job titles you want to include in your event.

Job title keywords (exclude)

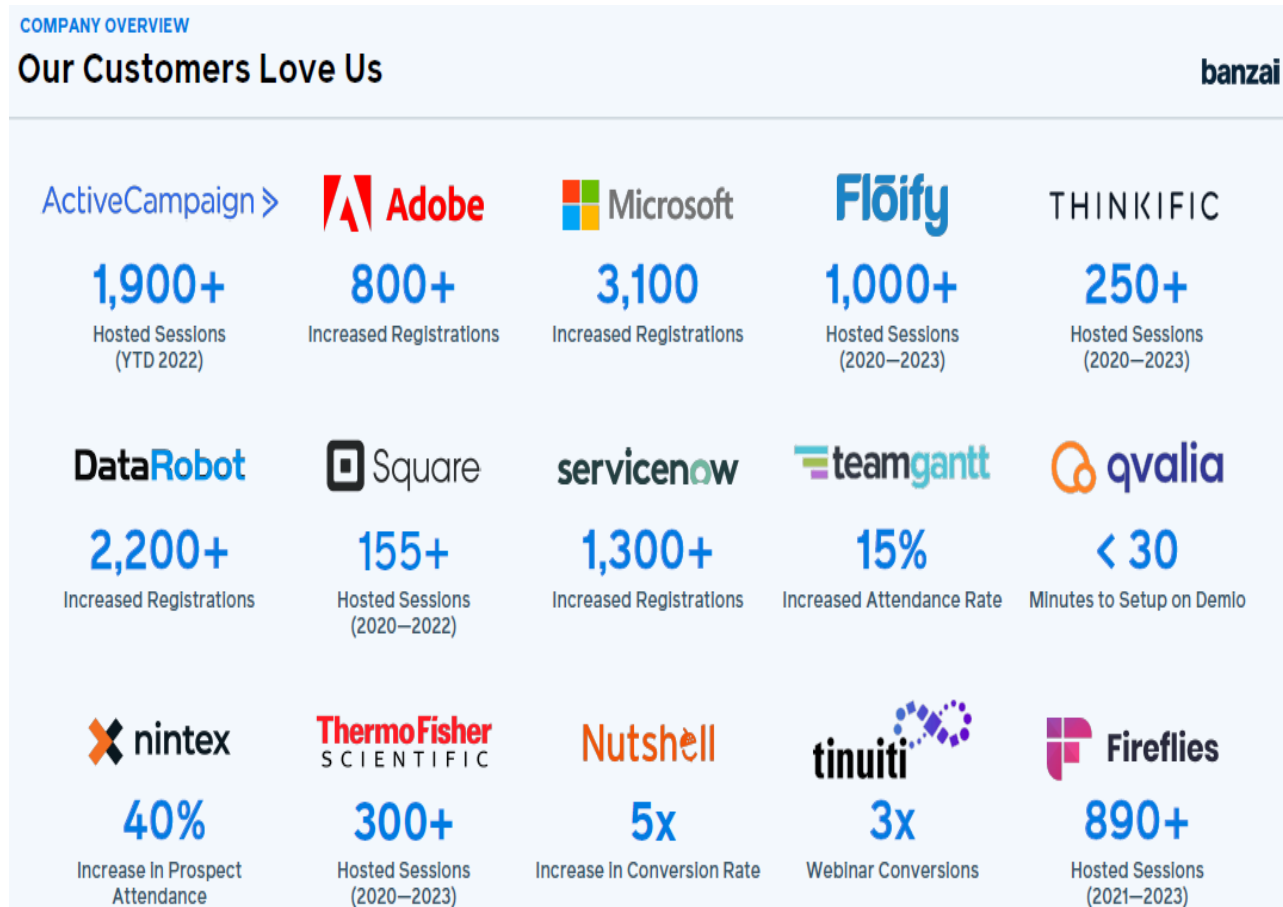
demand generation

The job titles you want to exclude from your event.

[Back](#) [Next](#)

Source: Company report.

Exhibit 11: Banzai's Customers



Source: Company report.

Exhibit 12: Recent Customer Wins

Banzai Welcomes 1,255 Customers in 2024, Demonstrating Robust Adoption and Customer Loyalty

August 6, 2024

Marketing technology company maintains strong organic growth with customer wins

SEATTLE, Aug. 06, 2024 (GLOBE NEWSWIRE) -- Banzai International, Inc. (NASDAQ: BNZI) ("Banzai" or the "Company"), a leading marketing technology company that provides essential marketing and sales solutions, is thrilled to announce 147 additional customers in July 2024 in addition to 1,108 customers in the first half of 2024. In 2024, Banzai has added users including Cisco, Nextiva, Sprinklr, Globe Life Insurance, and LoanDepot. This includes 867 new customers and 388 reactivating customers, highlighting Banzai's strong organic growth and customer loyalty.

The new and returning customers represent various industries, such as software, technology, healthcare, and finance. These organizations utilize Banzai's platform to improve their marketing efforts and efficiently engage their pipeline.

"It's incredibly gratifying to see 147 new and reactivating logos such as Community Brands, Sprinklr, VAST Data, and Infinidat trusting Banzai in July," said Joe Davy, CEO of Banzai. "We are excited to support these organizations in growing their businesses and achieving marketing success."

Banzai has seen a dramatic acceleration in its Reach business and continues to innovate and expand its offerings. Recent enhancements to its platform provide even more robust data-driven insights and seamless user experiences. These developments are part of Banzai's strategy to stay ahead in the dynamic marketing technology landscape and to meet the evolving needs of its customers.

"We are especially proud of the 388 reactivating customers so far this year," said Rachel Stanley, VP of Customer Experience. "Their return underscores the long-term benefits and trust they place in Banzai's solutions. It validates our ongoing efforts to provide exceptional service and continuous improvement."

As Banzai looks forward to the remainder of 2024, the company remains committed to driving growth, fostering customer success, and delivering cutting-edge marketing technology solutions.

Banzai Signs 169 Customers in May

June 6, 2024

Marketing technology company continues organic growth momentum with customer wins

SEATTLE, June 06, 2024 (GLOBE NEWSWIRE) -- [Banzai International, Inc.](#) (NASDAQ: BNZI) ("Banzai" or the "Company"), a leading marketing technology company that provides essential marketing and sales solutions, today announces the addition of 110 new and 59 reactivating customers during May 2024, bringing the total year-to-date sign-ups to 979.

Customers added during May include [Nextiva](#), a leading AI-powered customer experience platform for businesses of all sizes; [ViB](#), a B2B lead generation company; [Polar](#), a leader in personal guidance for fitness, sport, and health; [Optimal Strategix Group](#), a customer-centric global technology and analytics provider; [Brightly Works](#), a trusted strategic digital solutions partner; [Orbia](#), a company with a collective focus on expanding access to health and well-being; and [The Adecco Group](#), a leading talent company.

"We continue to see customer momentum build as we move through Q2, including adding several new large accounts and key renewals in May," said Joe Davy, CEO and Founder of Banzai. "We've added nearly 1,000 logos this year so far and we look forward to providing our new and current customers with powerful solutions to engage their customers and grow their organizations."

Banzai Continues Strong Organic Growth with the Addition of Over 230 Customers in April

May 13, 2024

Customer Wins and Reactivations Momentum Carries Over into Q2 Signaling Continuous Demand

SEATTLE, May 13, 2024 (GLOBE NEWSWIRE) -- [Banzai International, Inc.](#) (NASDAQ: BNZI) ("Banzai" or the "Company"), a leading marketing technology company that provides essential marketing and sales solutions, today celebrates the Company's successful and continuous customer acquisitions efforts with the addition of 169 new and 62 reactivating customers during April 2024. Banzai previously added over 580 customers in Q1 2024, bringing the total sign-ups year-to-date to 810.

Customers added during April include well renowned names like [The Economist Impact](#), which offers partnership solutions combining think-tank rigor, media brand creativity and global influence to catalyze growth and change in the world, [Crowdstrike](#), a leader in global cybersecurity, [Vaisala Xweather](#) (HEL: VAIAS), which provides top-quality weather data enhanced with AI and machine learning, and [ConvertKit](#), a marketing technology leader in email, automation, and monetization for creators.

"During the first quarter of 2024 we saw an acceleration in customer wins and I'm excited to see the momentum continue into Q2," said Joe Davy, CEO and Founder of Banzai.

Source: Company report.

Exhibit 13: Q1 2024 Financial Update and Guidance (as of May 15, 2024)

Banzai Reports First Quarter 2024 Financial Results

May 15, 2024

SEATTLE, May 15, 2024 (GLOBE NEWSWIRE) -- [Banzai International, Inc.](#) (NASDAQ: **BNZI**) ("Banzai" or the "Company"), a leading SaaS marketing technology company, today reported financial results for the first quarter ended March 31, 2024.

First Quarter 2024 Financial Summary and Recent Operational Highlights

- Annual Recurring Revenue ("ARR") for March 2024 was \$4.9 million, a 14.2% increase compared to Q4 2023, and a 5% increase year-over-year.
- Revenue of \$1.1 million exceeded the operating forecast as of the previous quarter by 4%.
- Net Income increased sequentially by \$1.9 million, a 30% increase from Q4 2023.
- The Company [added over 230 customers in April](#), bringing the total number of customer wins and reactivations during the first four months of 2024 to 810.
- Banzai [unveiled Reach 2.0](#), a major milestone release of the Company's flagship marketing product. Companies using Reach 2.0 include Cisco (NASDAQ: CSCO), a Fortune 500 communications and security technology company; The Economist Impact, which offers partnership solutions combining think-tank rigor, media brand creativity and global influence to catalyze growth and change in the world; and CrowdStrike (NASDAQ: CRWD), a fast-growing cloud security software company.

"Q1 was a strong rebuilding quarter for Banzai compared to Q4 2023. Our positive quarterly growth was driven by improvements to both our Demio product and our customer acquisition efficiency. We are excited about the transformative potential of our new Reach 2.0 product and the new customers we've added so far in 2024," said Joe Davy, CEO of Banzai. "We have many new, exciting product releases coming in 2024 as Banzai continues to leverage AI and data to deliver solutions that give marketers superpowers."

End-of-Year 2024 Target

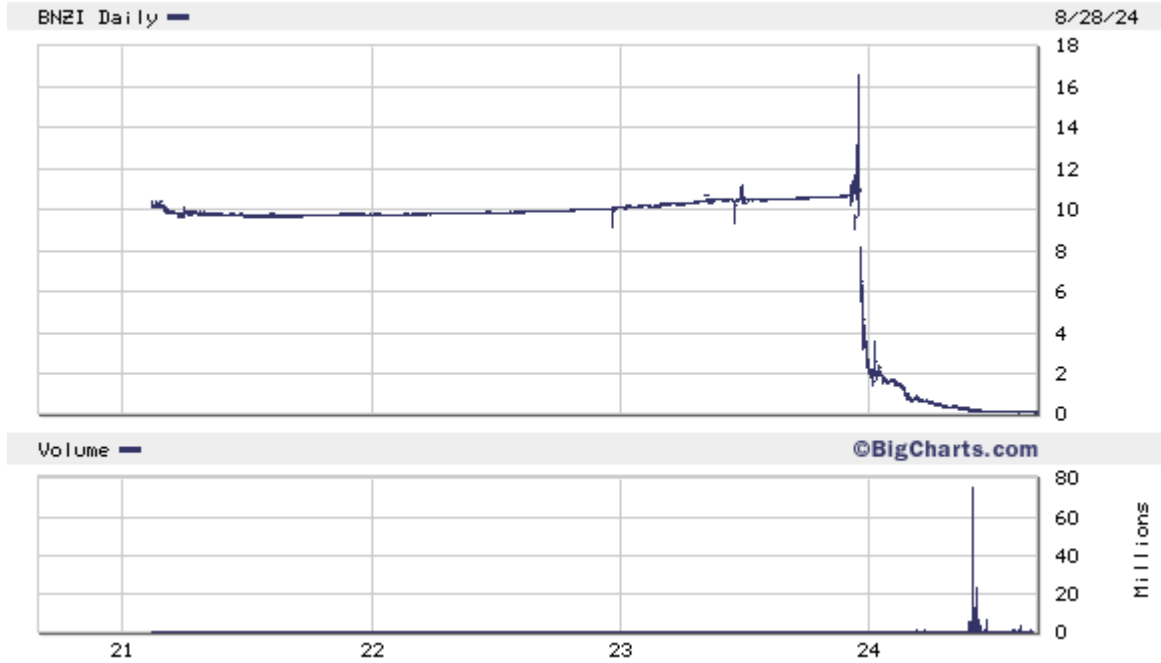
Banzai targets December 2024 ARR to be \$8.1 – \$10 million, based on the Company's March 2024 ARR, organic growth during the year as demonstrated by year-to-date 2024 customer wins and reactivations, and currently signed non-binding LOIs to acquire Cliently and Boast. The targeted December 2024 ARR does not include any additional intended acquisitions.

The midpoint target, or \$9.1 million, foresees a 97% increase in ARR, which would be equally attributable to organic growth and the acquisitions currently under LOI. Banzai's management anticipates tracking the Company's progress to its targeted December 2024 ARR as part of the Company's 2024 quarterly earnings reports.

Annual recurring revenue refers to revenue, normalized on an annual basis, that Banzai expects to receive from its customers for providing them with products or services. The December 2024 ARR information provided above is based on Banzai's current estimates of internal growth, the completion of the Cliently and Boast acquisitions and those companies contributing ARR based on current levels and is not a guarantee of future performance. These statements are forward-looking and actual ARR may differ materially. Refer to the "Forward-Looking Statements" section below for information on the factors that could cause Banzai's actual ARR to differ materially from these forward-looking statements.

Source: Company report.

Exhibit 14: Banzai International, Inc. Stock Price (4-years since IPO in December 2020)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 15: Banzai's Stock Price (since merger on December 14, 2023)



Source: Capital IQ

FINANCIAL MODEL

Banzai International, Inc.

Income Statement (\$ mils)	2021	9-Months		2022	Mar-23	Jun-24	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	Q1/2/3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	5.207	4.312	1.021	5.333	1.177	1.193	1.108	1.083	4.561	1.079	1.068	1.200	2.165	5.513	1.997	1.869	1.908	3.432	9.206
<u>Cost of Revenues</u>	<u>2.072</u>	<u>1.448</u>	<u>0.509</u>	<u>1.957</u>	<u>0.412</u>	<u>0.379</u>	<u>0.341</u>	<u>0.312</u>	<u>1.445</u>	<u>0.381</u>	<u>0.330</u>	<u>0.420</u>	<u>0.758</u>	<u>1.889</u>	<u>0.619</u>	<u>0.579</u>	<u>0.591</u>	<u>1.064</u>	<u>2.854</u>
Gross Profit	3.135	2.864	0.512	3.376	0.765	0.814	0.767	0.771	3.117	0.698	0.738	0.780	1.407	3.624	1.378	1.290	1.317	2.368	6.352
General & administrative	11.006	7.227	2.048	9.275	3.170	2.929	2.838	3.968	12.905	4.309	4.319	3.500	3.500	15.628	3.500	3.500	3.500	3.500	14.000
Depreciation & amortization	0.481	0.007	0.003	0.010	0.002	0.002	0.002	0.002	0.007	0.002	0.001	0.001	0.001	0.005	0.001	0.001	0.001	0.001	0.005
Restructuring and other	1.634	0.303	0.000	0.303	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total operating expenses	13.121	7.537	2.051	9.588	3.172	2.931	2.840	3.969	12.912	4.310	4.320	3.501	3.501	15.633	3.501	3.501	3.501	3.501	14.005
Operating income (loss)	(9.986)	(4.673)	(1.539)	(6.212)	(2.408)	(2.117)	(2.072)	(3.199)	(9.796)	(3.612)	(3.582)	(2.721)	(2.094)	(12.010)	(2.123)	(2.211)	(2.185)	(1.133)	(7.653)
Interest income (expense)	(1.213)	(1.498)	(0.882)	(2.380)	(0.921)	(1.074)	(1.498)	(2.060)	(5.554)	(1.029)	(0.781)	(0.805)	(0.950)	(3.565)	(0.950)	(0.950)	(0.950)	(0.950)	(3.800)
Other income (expense)	0.809	(2.821)	(4.055)	(6.876)	(0.433)	(0.283)	2.790	(1.131)	0.943	0.140	0.205	0.000	0.000	0.345	0.000	0.000	0.000	0.000	0.000
Income before income taxes	(10.390)	(8.992)	(6.477)	(15.469)	(3.762)	(3.474)	(0.781)	(6.390)	(14.406)	(4.501)	(4.158)	(3.526)	(3.044)	(15.230)	(3.073)	(3.161)	(3.135)	(2.083)	(11.453)
Income taxes	(0.409)	0.015	(0.015)	0.000	0.003	0.012	0.001	(0.017)	0.000	(0.001)	0.007	0.000	0.000	0.006	0.000	0.000	0.000	0.000	0.000
Net income (loss)	(9.981)	(9.007)	(6.462)	(15.469)	(3.765)	(3.486)	(0.782)	(6.373)	(14.406)	(4.500)	(4.165)	(3.526)	(3.044)	(15.236)	(3.073)	(3.161)	(3.135)	(2.083)	(11.453)
Nonrecurring/noncash adjustme	0.000			0.000					0.000					0.000					0.000
Net income (pro forma)	(9.981)	(9.007)	(6.462)	(15.469)	(3.765)	(3.486)	(0.782)	(6.373)	(14.406)	(4.500)	(4.165)	(3.526)	(3.044)	(15.236)	(3.073)	(3.161)	(3.135)	(2.083)	(11.453)
EBITDA	(8.118)	(3.888)	(0.939)	(4.827)	(0.626)	(0.937)	(0.945)	(8.336)	(10.844)	(1.508)	(1.843)	(2.181)	(1.554)	(7.086)	(1.583)	(1.671)	(1.644)	(0.593)	(5.492)
Shares, Basic	7.557	8.039		6.441	6.382	6.460	8.164	6.854	6.854	17.356	27.092	37.500	37.600	29.887	37.700	37.800	37.900	38.000	37.850
Shares, Diluted	7.557	8.039		6.441	6.382	6.460	8.164	6.854	6.854	17.356	27.092	37.500	37.600	29.887	37.700	37.800	37.900	38.000	37.850
EPS Basic (pro forma)	(\$1.32)	(\$1.12)		(\$2.40)	(\$0.59)	(\$0.54)	(\$0.10)	(\$0.93)	(\$2.10)	(\$0.26)	(\$0.15)	(\$0.09)	(\$0.08)	(\$0.51)	(\$0.08)	(\$0.08)	(\$0.08)	(\$0.05)	(\$0.30)
EPS Diluted (pro forma)	(\$1.32)	(\$1.12)		(\$2.40)	(\$0.59)	(\$0.54)	(\$0.10)	(\$0.93)	(\$2.10)	(\$0.26)	(\$0.15)	(\$0.09)	(\$0.08)	(\$0.51)	(\$0.08)	(\$0.08)	(\$0.08)	(\$0.05)	(\$0.30)
Margins																			
Gross margin	60%	66%	50%	63%	65%	68%	69%	71%	68%	65%	69%	65%	65%	66%	69%	69%	69%	69%	69%
General & administrative	211%	168%	201%	174%	269%	245%	256%	367%	283%	399%	404%	292%	162%	283%	175%	187%	183%	102%	152%
Operating margin	-192%	-108%	-151%	-116%	-205%	-177%	-187%	-296%	-215%	-335%	-335%	-227%	-97%	-218%	-106%	-118%	-115%	-33%	-83%
Tax rate, GAAP	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-192%	-209%	-633%	-290%	-320%	-292%	-71%	-589%	-316%	-417%	-390%	-294%	-141%	-276%	-154%	-169%	-164%	-61%	-124%
Y/Y % change																			
Total Revenue				2%				6%	-14%	-8%	-10%	8%	100%	21%	85%	75%	59%	59%	67%
Gross margin				8%				50%	-8%	-9%	-9%	2%	83%	16%	97%	75%	69%	68%	75%
General & administrative				-16%				94%	39%	36%	47%	23%	-12%	21%	-19%	-19%	0%	0%	-10%
Operating income (loss)				-38%				108%	58%	50%	69%	31%	-35%	23%	-41%	-38%	-20%	-46%	-36%
Net income (loss)				55%				-1%	-7%	20%	19%	351%	-52%	6%	-32%	-24%	-11%	-32%	-25%
EPS Diluted (pro forma)				82%				#DIV/0!	-12%	-56%	-72%	-2%	-91%	-76%	-69%	-46%	-12%	-32%	-41%

Source: Company reports and Ascendant Capital Markets estimates.

Banzai International, Inc.

Balance Sheet (\$ mils)	Dec-21	Dec-22	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Fiscal Year End: December 31	Q4A	Q4A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets												
Cash and cash equivalents	1.787	1.023	0.397	2.094	1.027	0.472	0.362	(0.890)	(8.695)	(11.862)	(14.291)	(9.317)
Short term investments							0.000	0.000	0.000	0.000	0.000	0.000
Accounts receivable, net	0.075	0.068	0.094	0.105	0.035	0.026	0.133	0.241	0.444	0.415	0.424	0.763
Deferred contract acquisition costs, c	0.091	0.070	0.022				0.000	0.000	0.000	0.000	0.000	0.000
Deferred income taxes							0.000	0.000	0.000	0.000	0.000	0.000
<u>Prepaid expenses and other</u>	<u>0.668</u>	<u>0.264</u>	<u>0.143</u>	<u>0.741</u>	<u>1.074</u>	<u>1.081</u>	<u>1.214</u>	<u>1.083</u>	<u>0.999</u>	<u>0.935</u>	<u>0.954</u>	<u>1.716</u>
Total current assets	2.620	1.425	0.656	2.940	2.136	1.579	1.709	0.433	(7.252)	(10.512)	(12.913)	(6.839)
Property and equipment, net	0.011	0.012	0.006	0.005	0.003	0.002	0.001	(0.001)	(0.002)	(0.003)	(0.004)	(0.006)
Leases		0.307	0.178	0.134	0.090		0.000	0.000	0.000	0.000	0.000	0.000
Intangibles, net	2.172	2.172	2.172	2.172	2.172	2.172	2.172	2.172	2.172	2.172	2.172	2.172
Deferred income tax							0.000	0.000	0.000	0.000	0.000	0.000
Deferred offering costs		1.525	2.291				0.000	0.000	0.000	0.000	0.000	0.000
Other	0.091	0.038	0.038	0.038	0.038	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Total assets	4.893	5.479	5.341	5.288	4.439	3.837	3.966	2.688	(4.998)	(8.259)	(10.661)	(4.588)
Liabilities and stockholders' equity												
Accounts payable	0.439	1.100	2.396	6.440	8.337	9.430	9.120	6.495	7.988	7.477	7.632	13.726
Accrued expenses	0.361	0.745	0.617	5.261	3.863	4.264	4.790	8.642	1.997	1.869	1.908	3.432
Deferred revenue	1.060	0.930	0.891	1.214	1.245	1.322	1.322	1.322	1.322	1.322	1.322	1.322
Deferred income tax							0.000	0.000	0.000	0.000	0.000	0.000
Leases		0.285	0.305	0.234	0.159	0.082	0.082	0.082	0.082	0.082	0.082	0.082
Warrant liabilities	0.004	2.782	4.577	1.216	0.693	0.309	0.309	0.309	0.309	0.309	0.309	0.309
Other	1.000	9.755	7.436	6.559	4.104	4.104	4.104	4.104	4.104	4.104	4.104	4.104
<u>Short term debt</u>	<u>7.980</u>	<u>13.686</u>	<u>20.344</u>	<u>16.165</u>	<u>16.805</u>	<u>16.100</u>	<u>19.000</u>	<u>19.000</u>	<u>19.000</u>	<u>19.000</u>	<u>19.000</u>	<u>19.000</u>
Total current liabilities	10.844	29.284	36.567	37.090	35.206	35.611	38.727	39.955	34.802	34.164	34.357	41.975
Deferred income taxes							0.000	0.000	0.000	0.000	0.000	0.000
Leases		0.234	0.002				0.000	0.000	0.000	0.000	0.000	0.000
Deferred revenue							0.000	0.000	0.000	0.000	0.000	0.000
Warrant liabilities							0.000	0.000	0.000	0.000	0.000	0.000
Other long term liabilities	3.470	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075
<u>Long term debt</u>	<u>3.470</u>	<u>0.309</u>	<u>0.077</u>	<u>0.075</u>	<u>0.075</u>	<u>0.075</u>	<u>0.075</u>	<u>0.075</u>	<u>0.075</u>	<u>0.075</u>	<u>0.075</u>	<u>0.075</u>
Total other liabilities	3.470	0.309	0.077	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075
Preferred stock	6.318	6.318	6.318				0.000	0.000	0.000	0.000	0.000	0.000
Common stock	0.001	0.001	0.001	0.002	0.002	0.004	0.543	1.082	1.621	2.160	2.699	3.238
Additional paid-in capital	1.151	1.927	2.771	14.889	20.422	23.579	23.579	23.579	23.579	23.579	23.579	23.579
Retained earnings	(16.892)	(32.360)	(40.394)	(46.766)	(51.267)	(55.432)	(58.958)	(62.002)	(65.075)	(68.237)	(71.371)	(73.455)
Other							0.000	0.000	0.000	0.000	0.000	0.000
<u>Accumulated other comprehensive income</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Total stockholders' equity	(9.421)	(24.114)	(31.303)	(31.876)	(30.843)	(31.849)	(34.836)	(37.341)	(39.875)	(42.498)	(45.093)	(46.638)
Total stockholders' equity and liabili	4.893	5.479	5.341	5.288	4.439	3.837	3.966	2.688	(4.998)	(8.259)	(10.661)	(4.588)

Balance Sheet Drivers

	Dec-21	Dec-22	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
	Q4A	Q4A	Q3A	Q4A	Q1A	Q2A	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	13%	26%		68%	99%	101%	101%	50%	50%	50%	50%	50%
A/P as % of total rev	8%	108%		595%	772%	883%	760%	300%	400%	400%	400%	400%
Accrued exp related as % of total rev	7%	73%		486%	358%	399%	399%	399%	100%	100%	100%	100%
Activity Ratios												
A/R Days Sales Outstanding	0	6		9	3	2	10	10	20	20	20	20
Book & Cash Value (per share)												
Book Value per Share (diluted)	-\$1.25	#DIV/0!	-\$3.83	-\$4.65	-\$1.78	-\$1.18	-\$0.93	-\$0.99	-\$1.06	-\$1.12	-\$1.19	-\$1.23
Cash per Share (diluted)	\$0.24	#DIV/0!	\$0.05	\$0.31	\$0.06	\$0.02	\$0.01	-\$0.02	-\$0.23	-\$0.31	-\$0.38	-\$0.25
Net cash per Share (diluted)	-\$0.82	#DIV/0!	-\$2.44	-\$2.05	-\$0.91	-\$0.58	-\$0.50	-\$0.53	-\$0.73	-\$0.82	-\$0.88	-\$0.75

Source: Company reports and Ascendant Capital Markets estimates

Banzai International, Inc.

Cash Flow Statement (\$ mils)	2021	9-Months	Sep-22	Dec-22	2022	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025
Fiscal Year End: December 31	FY-A	Q1/2/3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																				
Net income	(9.982)	(9.007)	(6.462)	(15.469)	(3.765)	(3.486)	(0.782)	(6.373)	(14.406)	(4.500)	(4.165)	(3.526)	(3.044)	(15.236)	(3.073)	(3.161)	(3.135)	(2.083)	(11.453)	
Depreciation	0.007	0.007	0.003	0.010	0.002	0.002	0.002	0.002	0.007	0.002	0.001	0.001	0.001	0.005	0.001	0.001	0.001	0.001	0.005	
Amortization	0.474	0.111	0.041	0.152	0.043	0.043	0.043	(0.130)	0.000	0.044	0.044			0.088					0.000	
Debt related amortization exper	0.366	0.685	0.946	1.631	0.684	0.994	1.497	1.394	4.570	0.608	1.021			1.628					0.000	
Stock comp	0.803	0.631	0.140	0.770	0.402	0.219	0.210	0.415	1.246	0.302	0.539	0.539	0.539	1.919	0.539	0.539	0.539	0.539	2.156	
Deferred income taxes								0.306	0.306					0.000	0.000				0.000	
Change in fair value of warrant	(0.478)	2.801	4.169	6.970	0.496	0.305	(2.804)	(4.703)	(6.706)	0.021	(0.269)			(0.248)					0.000	
Lease						(0.139)	0.139	(0.112)	(0.112)		(0.152)			(0.152)					0.000	
A/R reserve	0.232	0.218	(0.125)	0.093	(0.068)		0.072	(0.106)	(0.102)	(0.002)	0.000			(0.002)					0.000	
Writedowns and impairments	1.634	0.303	0.000	0.303					0.000	0.375	(0.175)			0.200					0.000	
Other gains/losses	(0.522)	0.057	0.000	0.057					0.000	(0.157)	(0.200)			(0.357)					0.000	
Other								5.288	5.288					0.000					0.000	
Changes in operating assets and liabilities:																				
Accounts receivable	(0.274)	(0.285)	0.198	(0.086)	0.075	(0.048)	(0.057)	0.095	0.065	0.073	0.009	(0.107)	(0.107)	(0.133)	(0.203)	0.028	(0.009)	(0.339)	(0.522)	
Deferred contract acquisition cc	0.046	0.001	0.020	0.021			0.048	(0.048)	0.000					0.000					0.000	
Prepaid expenses & other curre	(0.302)	0.385	0.019	0.404	(0.032)	(0.061)	0.214	(0.528)	(0.408)	(0.187)	0.006	(0.133)	0.132	(0.182)	0.084	0.064	(0.019)	(0.762)	(0.633)	
Income tax									0.000					0.000					0.000	
Other assets		0.057	(0.004)	0.053	(0.127)	(0.301)	0.428	(1.438)	(1.438)			0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Accounts payable	(0.257)	(0.168)	0.829	0.661	1.176	0.043	0.077	4.044	5.340	1.897	1.093	(0.310)	(2.625)	0.055	1.493	(0.511)	0.155	6.094	7.231	
Accrued expenses	0.054	0.375	0.010	0.385	(0.200)	(0.136)	0.208	4.577	4.449	(0.525)	0.401	0.526	3.852	4.255	(6.645)	(0.128)	0.039	1.524	(5.211)	
Deferred revenue	0.319	(0.118)	(0.012)	(0.130)	0.103	(0.071)	(0.072)	0.323	0.284	0.031	0.077			0.108					0.000	
Other liabilities	1.037	(0.777)	(0.216)	(0.992)	(0.268)	0.068	(0.218)	0.485	0.067	(0.097)	0.075	0.000	0.000	(0.022)	0.000	0.000	0.000	0.000	0.000	
Net cash (used in) provided by	(6.843)	(4.725)	(0.443)	(5.168)	(1.479)	(2.567)	(0.995)	3.491	(1.551)	(2.117)	(1.696)	(3.010)	(1.252)	(8.075)	(7.804)	(3.167)	(2.429)	4.974	(8.427)	
Cash flow from investing activities																				
Purchases of property and equi	(0.002)	(0.009)	(0.001)	(0.011)								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Purchases of short-term investments														0.000					0.000	
Acquisitions	(3.576)													0.000					0.000	
Other	0.009													0.000					0.000	
Net cash used in investing activ	(3.569)	(0.009)	(0.001)	(0.011)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Cash flow from financing activities																				
Issuance of debt	8.099	5.936	0.000	5.936	1.500	1.933	1.735	5.038	10.206	2.250		2.900	0.000	5.150	0.000	0.000	0.000	0.000	0.000	
Repayment of debt	(0.644)								0.000	(1.200)	(0.715)			(1.915)					0.000	
Issuance of stock	3.964	0.005	0.000	0.005	0.006	0.008	0.000	0.017	0.031		1.856	0.000	0.000	1.856	0.000	0.000	0.000	0.000	0.000	
Proceeds from stock option exercises									0.000					0.000					0.000	
Other		(0.248)	(1.277)	(1.525)		(0.766)	(6.849)		(7.615)					0.000					0.000	
Dividends and distributions									0.000					0.000					0.000	
Cash provided by (used in) fina	11.419	5.693	(1.277)	4.416	1.506	1.941	0.969	(1.794)	2.621	1.050	1.141	2.900	0.000	5.091	0.000	0.000	0.000	0.000	0.000	
Effect of exchange rate on cash														0.000					0.000	
Net increase (decrease) in cash	1.007	0.959	(1.722)	(0.763)	0.026	(0.627)	(0.026)	1.697	1.070	(1.067)	(0.555)	(0.110)	(1.252)	(2.984)	(7.804)	(3.167)	(2.429)	4.974	(8.427)	
Beginning cash and equivalents	0.779	1.787	2.745	1.787	1.023	1.050	0.423	0.397	1.023	2.094	1.027	0.472	0.362	2.094	(0.890)	(8.695)	(11.862)	(14.291)	(0.890)	
Ending cash and equivalents	1.787	2.745	1.023	1.023	1.050	0.423	0.397	2.094	2.094	1.027	0.472	0.362	(0.890)	(0.890)	(8.695)	(11.862)	(14.291)	(9.317)	(9.317)	

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

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Banzai International, Inc.

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

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Risks & Considerations

Risks to attainment of our share price target include balance sheet/liquidity risks, changes and demand for marketing and software technologies, investor sentiment for investing in technology stocks, and consumer sentiment and industry growth for software technology companies, competition, changing macroeconomic factors, and changes in government regulations.

Ascendant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of July 12, 2024)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	58	98%	21	36%
Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	59	100%	21	36%

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

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