

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 2, 2024

LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

1-6227
(Commission File Number)

42-0823980
(I.R.S. Employer Identification No.)

4600 E. 53rd Street, Davenport, Iowa 52807
(Address of Principal Executive Offices)

(563) 383-2100
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share	LEE	The Nasdaq Global Select Market
Preferred Share Purchase Rights	LEE	The Nasdaq Global Select Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On May 2, 2024, Lee Enterprises, Incorporated (the “Company”) reported its preliminary results for the second quarter ended March 24, 2024. In connection with the preliminary results, the Company issued a news release, which is attached hereto as Exhibit 99.1 (“News Release”). The Company also prepared presentation materials which were presented by management during the Company’s earnings conference call, which are attached hereto as Exhibit 99.2 and have been made available on the Company’s website, investors.lee.net (“Presentation Materials”). In addition to the information in the News Release, the Presentation Materials include content and financial figures showing its expectation to be sustainable without reliance on print media within five years.

The information furnished by and incorporated by reference in this Item 2.02, including the attached Exhibits, shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure

The disclosure contained in Item 2.02 is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d)Exhibits	
99.1	Earnings Release
99.2	Presentation Materials - May 2, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEE ENTERPRISES, INCORPORATED

Date: May 2, 2024

By: /s/ Timothy R. Millage
Timothy R. Millage
Vice President, Chief Financial Officer and Treasurer



Lee Enterprises reports second quarter Adjusted EBITDA growth and strong digital growth

Adjusted EBITDA⁽¹⁾ growth of 5% YOY
Digital-only subscription revenue increased 48%⁽²⁾ with subscriptions up 25%
Total Digital Revenue⁽³⁾ of \$71M represented 48% of total revenue

DAVENPORT, Iowa (May 2, 2024) — Lee Enterprises, Incorporated (NASDAQ: LEE), a digital-first subscription platform providing high quality, trusted, local news, information and a major platform for advertising in 73 markets, today reported preliminary second quarter fiscal 2024 financial results⁽⁴⁾ for the period ended March 24, 2024.

"Lee delivered strong second quarter operating results as we improved overall revenue trends, managed operating expenses, and grew Adjusted EBITDA," said Kevin Mowbray, Lee's President and Chief Executive Officer. "We are pleased with our impressive digital subscription revenue growth and expanding digital subscriber base. We now have 745,000 digital subscribers, a 25% increase over the prior year. Digital-only subscription revenue grew 48%⁽²⁾, and totaled nearly \$75 million over the last twelve months, positioning us toward our long-term target of \$150 million."

"Due to significant growth in digital subscription revenue along with solid performance at Amplified Digital®, digital revenue finished the quarter representing 48% of total operating revenue. Achieving the digital inflection point, where more than 50% of our revenue is digital, is a key milestone in our digital transformation. We anticipate reaching that inflection point next quarter," Mowbray added.

"The rapid growth of our digital subscriptions and revenue, the expansion of Amplified Digital® marketing solutions, and thoughtful investments into our digital infrastructure are proof we are steadily becoming sustainable solely from the revenue and cash flow generated from our digital products," said Mowbray.

Key Second Quarter Highlights:

- Total operating revenue was \$147 million. Operating revenue was affected by accelerated declines of our print revenue streams and eliminated certain print products, partially offset by growth in digital revenue.
- Total Digital Revenue was \$71 million, an 11% increase over the prior year⁽²⁾, and represented 48% of our total operating revenue.
- Revenue from digital-only subscribers totaled \$20 million, up 48% over the prior year⁽²⁾.
- Digital advertising and marketing services revenue represented 71% of our total advertising revenue and totaled \$45 million.
- Digital services revenue, which is predominantly from BLOX Digital, totaled \$5 million in the quarter.
- Operating expenses totaled \$152 million and Cash Costs⁽¹⁾ totaled \$133 million, a 10% and 16% decrease compared to the prior year, respectively.
- Adjusted EBITDA totaled \$15 million, a 5% increase over the prior year.

2024 Fiscal Year Outlook (unchanged):

Total Digital Revenue	\$310 million (+13% YOY) - \$330 million (+21% YOY)
Digital-only subscribers	771,000 (+7% YOY)
Adjusted EBITDA	\$83 million (-3% YOY) - \$90 million (+6% YOY)

Debt and Free Cash Flow:

The Company has \$454 million of debt outstanding under our Credit Agreement⁽⁵⁾ with BH Finance. The financing has favorable terms including a 25-year maturity, a fixed annual interest rate of 9.0%, no fixed principal payments, and no financial performance covenants.

As of and for the period ended March 24, 2024:

- The principal amount of debt decreased \$2 million in the first six months and totaled \$454 million.
- Cash on the balance sheet totaled \$16 million. Debt, net of cash on the balance sheet, totaled \$438 million.
- Capital expenditures totaled \$2 million for the quarter and \$3 million in the first six months. We expect \$10 million of capital expenditures in FY24.
- We expect cash paid for income taxes to total between \$9 million and \$14 million in 2024.
- We do not expect any material pension contributions in the fiscal year as our plans are fully funded in the aggregate.

Conference Call Information:

As previously announced, we will hold an earnings conference call and audio webcast today at 9 a.m. Central Time. The live webcast will be accessible at www.lee.net and will be available for replay 24 hours later. Analysts have been invited to ask questions on the call. Questions from other participants may be submitted by participating in the webcast. To participate in the live conference call via telephone, please register here. Upon registering, a dial-in number and unique PIN will be provided to join the conference call.

About Lee:

Lee Enterprises is a major subscription and advertising platform and a leading provider of local news and information, with daily newspapers, rapidly growing digital products and nearly 350 weekly and specialty publications serving 73 markets in 26 states. Lee's markets include St. Louis, MO; Buffalo, NY; Omaha, NE; Richmond, VA; Lincoln, NE; Madison, WI; Davenport, IA; and Tucson, AZ. Lee Common Stock is traded on NASDAQ under the symbol LEE. For more information about Lee, please visit www.lee.net.

FORWARD-LOOKING STATEMENTS — The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This release contains information that may be deemed forward-looking that is based largely on our current expectations, and is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends and other uncertainties, which in some instances are beyond our control, are:

- We may be required to indemnify the previous owners of BH Media or The Buffalo News for unknown legal and other matters that may arise;
- Our ability to manage declining print revenue and circulation subscribers;
- The impact and duration of adverse conditions in certain aspects of the economy affecting our business;
- Changes in advertising and subscription demand;
- Changes in technology that impact our ability to deliver digital advertising;
- Potential changes in newsprint, other commodities and energy costs;
- Interest rates;
- Labor costs;
- Significant cyber security breaches or failure of our information technology systems;
- Our ability to achieve planned expense reductions and realize the expected benefit of our acquisitions;
- Our ability to maintain employee and customer relationships;
- Our ability to manage increased capital costs;
- Our ability to maintain our listing status on NASDAQ;
- Competition; and
- Other risks detailed from time to time in our publicly filed documents.

Any statements that are not statements of historical fact (including statements containing the words “may”, “will”, “would”, “could”, “believes”, “expects”, “anticipates”, “intends”, “plans”, “projects”, “considers” and similar expressions) generally should be considered forward-looking statements. Statements regarding our plans, strategies, prospects and expectations regarding our business and industry and our responses thereto may have on our future operations, are forward-looking statements. They reflect our expectations, are not guarantees of performance and speak only as of the date the statement is made. Readers are cautioned not to place undue reliance on such forward-looking statements, which are made as of the date of this report. We do not undertake to publicly update or revise our forward-looking statements, except as required by law.

Contact:
IR@lee.net
(563) 383-2100

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three months ended		Six months ended	
	March 24, 2024	March 26, 2023	March 24, 2024	March 26, 2023
<i>(Thousands of Dollars, Except Per Common Share Data)</i>				
Operating revenue:				
Print advertising revenue	18,742	31,450	43,177	73,286
Digital advertising revenue	45,392	46,250	91,844	93,999
Advertising and marketing services revenue	64,134	77,700	135,021	167,285
Print subscription revenue	48,966	64,586	100,838	131,956
Digital subscription revenue	20,261	13,996	39,728	26,325
Subscription revenue	69,227	78,582	140,566	158,281
Print other revenue	8,069	9,649	16,561	20,769
Digital other revenue	5,120	4,756	10,080	9,483
Other revenue	13,189	14,405	26,641	30,252
Total operating revenue	146,550	170,687	302,228	355,818
Operating expenses:				
Compensation	56,803	68,831	116,479	144,277
Newsprint and ink	4,162	6,466	9,005	13,898
Other operating expenses	72,294	82,569	147,070	169,343
Depreciation and amortization	7,293	7,733	14,588	15,619
Assets loss (gain) on sales, impairments and other, net	7,617	(792)	6,148	(3,355)
Restructuring costs and other	4,139	3,694	8,404	4,340
Total operating expenses	152,308	168,501	301,694	344,122
Equity in earnings of associated companies	1,206	672	2,747	2,340
Operating (loss) income	(4,552)	2,858	3,281	14,036
Non-operating (expense) income:				
Interest expense	(10,214)	(10,501)	(20,345)	(20,909)
Pension and OPEB related benefit and other, net	293	206	479	1,700
Curtailment/Settlement gains	—	—	3,593	—
Total non-operating expense, net	(9,921)	(10,295)	(16,273)	(19,209)
Loss before income taxes	(14,473)	(7,437)	(12,992)	(5,173)
Income tax benefit	(2,837)	(2,071)	(2,589)	(1,631)
Net loss	(11,636)	(5,366)	(10,403)	(3,542)
Net income attributable to non-controlling interests	(543)	(519)	(1,088)	(1,244)
Loss attributable to Lee Enterprises, Incorporated	(12,179)	(5,885)	(11,491)	(4,786)
Loss per common share:				
Basic:	(2.06)	(1.01)	(1.94)	(0.82)
Diluted:	(2.06)	(1.01)	(1.94)	(0.82)

DIGITAL / PRINT REVENUE COMPOSITION
(UNAUDITED)

	Three months ended		Six months ended	
	March 24, 2024	March 26, 2023	March 24, 2024	March 26, 2023
(Thousands of Dollars)				
Digital Advertising and Marketing Services Revenue	45,392	46,250	91,844	93,999
Digital Only Subscription Revenue	20,261	13,996	39,728	26,325
Digital Services Revenue	5,120	4,756	10,080	9,483
Total Digital Revenue	70,773	65,002	141,652	129,807
Print Advertising Revenue	18,742	31,450	43,177	73,286
Print Subscription Revenue	48,966	64,586	100,838	131,956
Other Print Revenue	8,069	9,649	16,561	20,769
Total Print Revenue	75,777	105,685	160,576	226,011
Total Operating Revenue	146,550	170,687	302,228	355,818

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(UNAUDITED)

The table below reconciles the non-GAAP financial performance measure of Adjusted EBITDA to Net loss, its most directly comparable U.S. GAAP measure:

	Three months ended		Six months ended	
(Thousands of Dollars)	March 24, 2024	March 26, 2023	March 24, 2024	March 26, 2023
Net loss	(11,636)	(5,366)	(10,403)	(3,542)
Adjusted to exclude				
Income tax benefit	(2,837)	(2,071)	(2,589)	(1,631)
Non-operating expenses, net	9,921	10,295	16,273	19,209
Equity in earnings of TNI and MNI	(1,206)	(672)	(2,747)	(2,340)
Depreciation and amortization	7,293	7,733	14,588	15,619
Restructuring costs and other	4,139	3,694	8,404	4,340
Assets loss (gain) on sales, impairment and other, net	7,617	(792)	6,148	(3,355)
Stock compensation	501	573	715	922
Add:				
Ownership share of TNI ⁽⁶⁾ and MNI EBITDA ⁽⁶⁾ (50%)	1,269	930	3,321	2,722
Adjusted EBITDA	15,061	14,324	33,710	31,944

The table below reconciles the non-GAAP financial performance measure of Cash Costs to Operating expenses, the most directly comparable U.S. GAAP measure:

	Three months ended		Six months ended	
(Thousands of Dollars)	March 24, 2024	March 26, 2023	March 24, 2024	March 26, 2023
Operating expenses	152,308	168,501	301,694	344,122
Adjustments				
Depreciation and amortization	7,293	7,733	14,588	15,619
Assets loss (gain) on sales, impairments and other, net	7,617	(792)	6,148	(3,355)
Restructuring costs and other	4,139	3,694	8,404	4,340
Cash Costs	133,259	157,866	272,554	327,518

The table below reconciles the non-GAAP financial performance measure of Same-store Revenues to Operating Revenues, its most directly comparable U.S. GAAP measure:

	Three months ended		Six months ended	
	March 24, 2024	March 26, 2023	March 24, 2024	March 26, 2023
<i>(Thousands of Dollars)</i>				
Print Advertising Revenue	18,742	31,450	43,177	73,286
Exited operations	—	(4,812)	(77)	(13,032)
Same-store, Print Advertising Revenue	18,742	26,638	43,100	60,254
Digital Advertising Revenue	45,392	46,250	91,844	93,999
Exited operations	—	(779)	(91)	(1,631)
Same-store, Digital Advertising Revenue	45,392	45,471	91,753	92,368
Total Advertising Revenue	64,134	77,700	135,021	167,285
Exited operations	—	(5,592)	(168)	(14,663)
Same-store, Total Advertising Revenue	64,134	72,108	134,853	152,622
Print Subscription Revenue	48,966	64,586	100,838	131,956
Exited operations	—	(578)	(174)	(1,260)
Same-store, Print Subscription Revenue	48,966	64,008	100,664	130,696
Digital Subscription Revenue	20,261	13,996	39,728	26,325
Exited operations	11	(259)	(85)	(495)
Same-store, Digital Subscription Revenue	20,272	13,737	39,643	25,830
Total Subscription Revenue	69,227	78,582	140,566	158,281
Exited operations	11	(837)	(259)	(1,755)
Same-store, Total Subscription Revenue	69,238	77,745	140,307	156,526
Print Other Revenue	8,069	9,649	16,561	20,769
Exited operations	—	(95)	(1)	(216)
Same-store, Print Other Revenue	8,069	9,554	16,560	20,553
Digital Other Revenue	5,120	4,756	10,080	9,483
Exited operations	—	—	—	—
Same-store, Digital Other Revenue	5,120	4,756	10,080	9,483
Total Other Revenue	13,189	14,405	26,641	30,252
Exited operations	—	(95)	(1)	(217)
Same-store, Total Other Revenue	13,189	14,310	26,640	30,035
Total Operating Revenue	146,550	170,687	302,228	355,818
Exited operations	11	(6,524)	(427)	(16,635)
Same-store, Total Operating Revenue	146,561	164,163	301,801	339,183

OTES

- (1) The following are non-GAAP (Generally Accepted Accounting Principles) financial measures for which reconciliations to relevant U.S. GAAP measures are included in tables accompanying this release:
- *Adjusted EBITDA* is a non-GAAP financial performance measure that enhances financial statement users' overall understanding of the operating performance of the Company. The measure isolates unusual, infrequent or non-cash transactions from the operating performance of the business. This allows users to easily compare operating performance among various fiscal periods and how management measures the performance of the business. This measure also provides users with a benchmark that can be used when forecasting future operating performance of the Company that excludes unusual, nonrecurring or one-time transactions. Adjusted EBITDA is a component of the calculation used by stockholders and analysts to determine the value of our business when using the market approach, which applies a market multiple to financial metrics. It is also a measure used to calculate the leverage ratio of the Company, which is a key financial ratio monitored and used by the Company and its investors. Adjusted EBITDA is defined as net income (loss), plus non-operating expenses, income tax expense, depreciation and amortization, assets loss (gain) on sales, impairments and other, restructuring costs and other, stock compensation and our 50% share of EBITDA from TNI and MNI, minus equity in earnings of TNI and MNI.
 - Cash Costs represent a non-GAAP financial performance measure of operating expenses which are measured on an accrual basis and settled in cash. This measure is useful to investors in understanding the components of the Company's cash-settled operating costs. Periodically, the Company provides forward-looking guidance of Cash Costs, which can be used by financial statement users to assess the Company's ability to manage and control its operating cost structure. Cash Costs are defined as compensation, newsprint and ink and other operating expenses. Depreciation and amortization, assets loss (gain) on sales, impairments and other, other non-cash operating expenses and other expenses are excluded. Cash Costs also exclude restructuring costs and other, which are typically paid in cash.
- (2) Same-store revenues is a non-GAAP performance measure based on U.S. GAAP revenues for Lee for the current period, excluding exited operations. Exited operations include (1) business divestitures and (2) the elimination of stand-alone print products discontinued within our markets.
- (3) Total Digital Revenue is defined as digital advertising and marketing services revenue (including Amplified Digital®), digital-only subscription revenue and digital services revenue.
- (4) This earnings release is a preliminary report of results for the periods included. The reader should refer to the Company's most recent reports on Form 10-Q and on Form 10-K for definitive information.
- (5) The Company's debt is the \$576 million term loan under a credit agreement with BH Finance LLC dated January 29, 2020 (the "Credit Agreement"). Excess Cash Flow is defined under the Credit Agreement as any cash greater than \$20,000,000 on the balance sheet in accordance with U.S. GAAP at the end of each fiscal quarter, beginning with the quarter ending June 28, 2020.
- (6) TNI refers to TNI Partners publishing operations in Tucson, AZ. MNI refers to Madison Newspapers, Inc. publishing operations in Madison, WI.

SECOND QUARTER FY2024 EARNINGS

MAY 2, 2024



SAFE HARBOR

The information provided in this presentation may include forward-looking statements relating to future events or the future financial performance of the Company. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as “aims”, “anticipates,” “plans,” “expects,” “intends,” “will,” “potential,” “hope” and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon current expectations of the Company and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements relating to the Company may be found in the Company’s periodic filings with the Commission, including the factors described in the sections entitled “Risk Factors,” copies of which may be obtained from the SEC’s website at www.sec.gov. The Company does not undertake any obligation to update forward-looking statements contained in this presentation.



LEE'S STRATEGY FOR DIGITAL TRANSFORMATION: THE THREE PILLARS

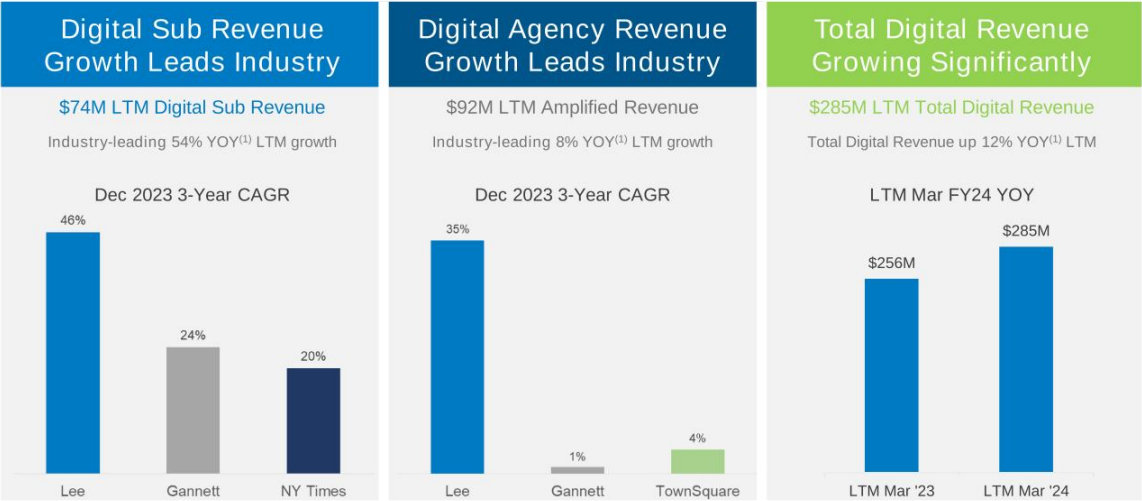
LEE IS RAPIDLY TRANSFORMING FROM A PRINT-CENTRIC TO A DIGITAL-CENTRIC COMPANY



Lee expects the Three Pillar Digital Growth Strategy to drive more than \$450 million of digital revenue within five years, resulting in a business that is sustainable and vibrant from solely our digital products

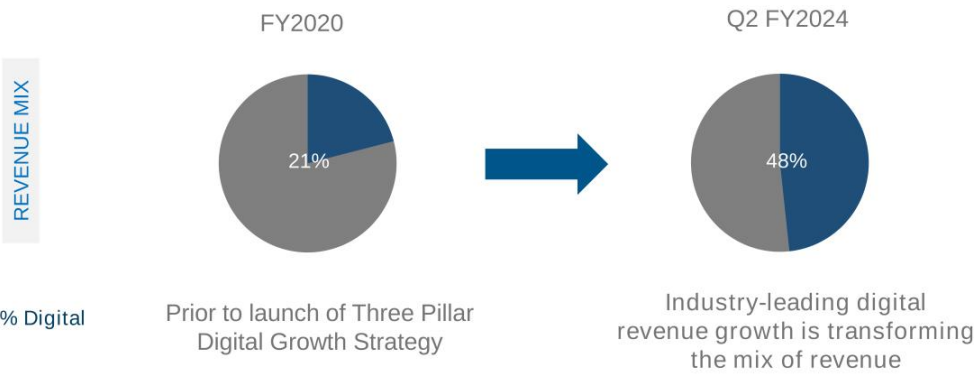


INDUSTRY-LEADING DIGITAL GROWTH



⁽¹⁾ Same-store revenues is a non-GAAP performance measure based on U.S. GAAP revenues for Lee for the current period, excluding exited operations. Exited operations include (1) business divestitures and (2) the elimination of stand-alone print products discontinued within our markets.

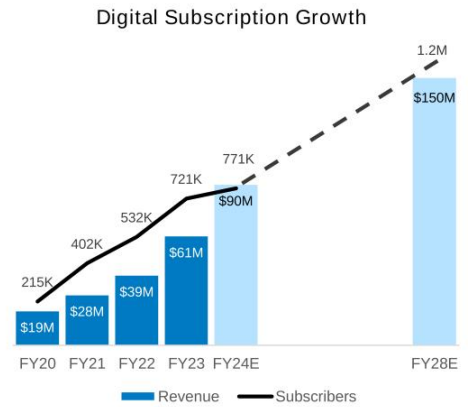
STRATEGY IS TRANSFORMING THE COMPOSITION OF REVENUE



Expected to reach inflection point in the next quarter

LONG-TERM OUTLOOK: DIGITAL SUBSCRIPTIONS

- Content that Drives Conversion
 - Impactful local journalism that informs and connects our local communities
- Branding: WHERE YOUR STORY LIVES
 - Sophisticated marketing campaign maximizes subscriber & revenue growth
- User Experience: Next-Gen App
- Meaningfully reduce churn: MarTech platforms and AI with predictive analysis allow us to price based on engagement and precisely target retention campaigns



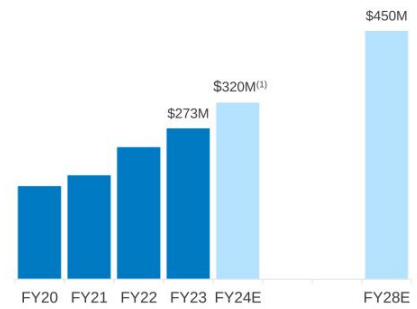
Lee expects \$150 million in digital sub revenue in 2028

LONG-TERM OUTLOOK: DIGITAL REVENUE

DIGITAL REVENUE GROWTH IS FUELED BY AMPLIFIED AND DIGITAL SUBSCRIPTION GROWTH

- Amplified will drive digital marketing services revenue growth
- Our owned & operated digital products provide a unique opportunity to grow high margin digital advertising revenue
- We expect significant growth in digital subscribers
 - Expect 1.2 million digital subscribers by 2028, assuming modest penetration of the current addressable market
- We expect to drive digital subscription revenue even faster
 - Expect ARPU expansion as introductory pricing becomes a smaller piece of the subscriber base
 - Maximizing ARPU through data and sophisticated analytics

Digital Revenue Outlook



Lee expects \$450 million in Digital Revenue in 2028

⁽¹⁾ \$320M represents the midpoint of our 2024 Outlook.

SECOND QUARTER 2024 RESULTS

Q2 Revenue
Total Digital Revenue \$71M, +11% YOY on a Same-store basis ⁽¹⁾ <ul style="list-style-type: none">Digital subscription revenue \$20M, +48%⁽¹⁾Digital advertising revenue \$45M, flat⁽¹⁾<ul style="list-style-type: none">Amplified Digital[®] revenue \$23M, +5%⁽¹⁾
Total Print Revenue \$76M, -24% ⁽¹⁾
Total Operating Revenue \$147M, -11% ⁽¹⁾
Q2 Cash Costs ⁽²⁾
<ul style="list-style-type: none">Total Cash Costs \$133M, -16%
Q2 Adjusted EBITDA ⁽²⁾
<ul style="list-style-type: none">Adjusted EBITDA \$15M, +5%

- Adjusted EBITDA growth
- Continued digital revenue growth
- Strong cost control of legacy business
- Investments to drive digital transformation



⁽¹⁾ Same-store revenues is a non-GAAP performance measure based on U.S. GAAP revenues for Lee for the current period, excluding exited operations. Exited operations include (1) business divestitures and (2) the elimination of stand-alone print products discontinued within our markets.
⁽²⁾ Adjusted EBITDA and Cash Costs are non-GAAP financial measures. See appendix.

LEE EXPECTS TO BE SUSTAINABLE WITHOUT RELIANCE ON PRINT IN 5 YEARS

DIGITAL REVENUE, DIRECT COSTS, DIRECT MARGIN

	Q2 FY24
Digital Revenue	\$71M
Digital Direct Costs ⁽¹⁾	\$21M
Digital Direct Margin ⁽²⁾	\$49M
Margin %	70%

Key Transformation Priorities:

- Maximize monetization of O&O products
- Retain and grow spending from local advertising partners
- Increase ARPU with local advertisers through Amplified
- Acquire and retain strategic top agency accounts
- Maximize subscription & revenue opportunities in our vast addressable market
- Invest and create local content that drives engagement

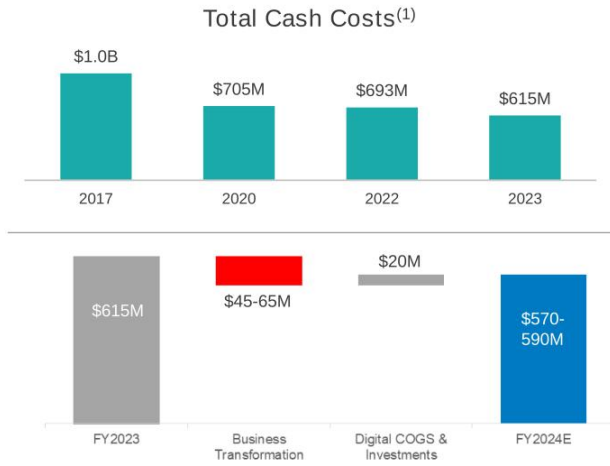
Scaling digital business can sustain long-term outlook



⁽¹⁾ Digital Direct Costs is a non-GAAP performance measure that includes Cost of Goods Sold ("COGS") directly tied to digital products. Digital Direct Costs excludes all Selling, General, and Administrative ("SG&A") costs.

⁽²⁾ Digital Direct Margin is a non-GAAP performance measure calculated as Digital Revenue less Digital Direct Costs.

STRONG TRACK RECORD OF SUSTAINABLE COST MANAGEMENT



KEY TAKEAWAYS

- Proficient in driving efficiencies
 - Current base of \$237M of direct costs associated with our legacy revenue streams that will be managed with associated revenue trends
 - Ongoing initiatives aimed at optimizing manufacturing, distribution, and corporate services
- Thoughtful investments in digital future
 - Significant investments made in talent and technology to fund successful execution of three-pillar strategy
 - Hired Chief Transformation and Commercial Officer with deep passion and expertise in media, tech, and innovation
 - Acquisition and retention of top talent focused on digital subscriber growth and expanding reach of Amplified Digital®
 - Increase in digital COGS driven by rapid growth in digital revenue



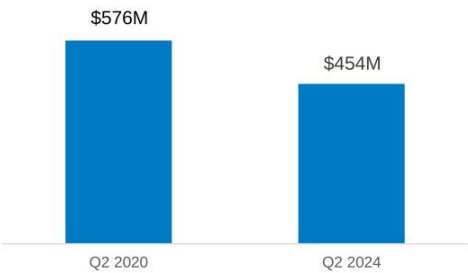
Managing legacy business & investing in digital future

⁽¹⁾ Adjusted EBITDA and Cash Costs are non-GAAP financial measures. See appendix.

STRENGTHENED BALANCE SHEET

- \$122M debt reduction since refinancing in March 2020
- Favorable credit agreement with Berkshire Hathaway
 - 25-year runway w/ no breakage costs or prepayment penalties
 - Fixed annual interest rate, no financial performance covenants and no fixed amortization
- Pension plans now frozen and fully funded in the aggregate with no material pension contributions expected in 2024
- Asset sales of \$3M year to date
 - Identified approximately \$25M of noncore assets to monetize

Significant Gross Debt Reduction



Achieve long-term leverage target of under 2.5x

2024 OUTLOOK (UNCHANGED)

	2023	2024 Outlook
Total Digital Revenue	\$273M	\$310-\$330M
YoY	14%	13% to 21%
Digital-only subscribers	721,000	771,000
YoY	37%	7%
Cash Costs ⁽¹⁾	\$615M	\$570-\$590M
YoY	-11%	-4% to -7%
Adjusted EBITDA ⁽¹⁾	\$85M	\$83-\$90M
YoY	-11%	-3% to 6%



⁽¹⁾ Adjusted EBITDA and Cash Costs are non-GAAP financial measures. See appendix

LEE INVESTMENT THESIS

WE BELIEVE OUR THREE PILLAR DIGITAL GROWTH STRATEGY WILL CREATE SUBSTANTIAL VALUE:





NON-GAAP RECONCILIATION

The Company uses non-GAAP financial performance measures to supplement the financial information presented on a U.S. GAAP basis. These non-GAAP financial measures, which may not be comparable to similarly titled measures reported by other companies, should not be considered in isolation from or as a substitute for the related U.S. GAAP measures and should be read together with financial information presented on a U.S. GAAP basis.

The Company defines its non-GAAP measures as follows:

Adjusted EBITDA is a non-GAAP financial performance measure that enhances financial statement users overall understanding of the operating performance of the Company. The measure isolates unusual, infrequent or non-cash transactions from the operating performance of the business. This allows users to easily compare operating performance among various fiscal periods and how management measures the performance of the business. This measure also provides users with a benchmark that can be used when forecasting future operating performance of the Company that excludes unusual, nonrecurring or one-time transactions. Adjusted EBITDA is a component of the calculation used by stockholders and analysts to determine the value of our business when using the market approach, which applies a market multiple to financial metrics. It is also a measure used to calculate the leverage ratio of the Company, which is a key financial ratio monitored and used by the Company and its investors. Adjusted EBITDA is defined as net income (loss), plus non-operating expenses, income tax expense, depreciation and amortization, assets loss (gain) on sales, impairments and other, restructuring costs and other, stock compensation and our 50% share of EBITDA from TNI and MNI, minus equity in earnings of TNI and MNI.

Cash Costs represent a non-GAAP financial performance measure of operating expenses which are measured on an accrual basis and settled in cash. This measure is useful to investors in understanding the components of the Company's cash-settled operating costs. Periodically, the Company provides forward-looking guidance of Cash Costs, which can be used by financial statement users to assess the Company's ability to manage and control its operating cost structure. Cash Costs are defined as compensation, newsprint and ink and other operating expenses. Depreciation and amortization, assets loss (gain) on sales, impairments and other, other non-cash operating expenses and other expenses are excluded. Cash Costs also exclude restructuring costs and other, which are typically paid in cash.

Same-store revenues is a non-GAAP performance measure based on U.S. GAAP revenues for Lee for the current period, excluding exited operations. Exited operations include (1) business divestitures and (2) the elimination of stand-alone print products discontinued within our markets.

Direct Costs is a non-GAAP financial performance measure that enhances financial statement users overall understanding of the operating performance of the Company. The measure isolates operating costs that directly support revenue. Depreciation and amortization, assets loss (gain) on sales, impairments and other, net, other non-cash operating expenses, Selling, General, and Administrative ("SG&A") compensation and SG&A other operating expenses are excluded.

TNI and MNI – TNI refers to TNI Partners publishing operations in Tucson, AZ. MNI refers to Madison Newspapers, Inc. publishing operations in Madison, WI.

Management's Use of Non-GAAP Measures

These Non-GAAP Measures are not measurements of financial performance under U.S. GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss), revenues, or any other measure of performance or liquidity derived in accordance with U.S. GAAP. We believe these non-GAAP financial measures, as we have defined them, are helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. These measures provide an assessment of controllable expenses and afford management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance. We use these Non-GAAP measures of our day-to-day operating performance, which is evidenced by the publishing and delivery of news and other media and excludes certain expenses that may not be indicative of our day-to-day business operating results.

Limitations of Non-GAAP Measures

Each of our non-GAAP measures have limitations as analytical tools. They should not be viewed in isolation or as a substitute for U.S. GAAP measures of earnings. Material limitations in making the adjustments to our earnings to calculate Adjusted EBITDA using these non-GAAP financial measures as compared to U.S. GAAP net income (loss) include: the cash portion of interest / financing expense, income tax (benefit) provision, and charges related to asset impairments, which may significantly affect our financial results. Management believes these items are important in evaluating our performance, results of operations, and financial position. We use non-GAAP financial measures to supplement our U.S. GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.



QUARTERLY REVENUE COMPOSITION

(Millions of Dollars)	Q1 FY2023	Q2 FY2023	Q3 FY2023	Q4 FY2023	FY 2023	Q1 FY2024	Q2 FY2024
Digital Advertising and Marketing Services Revenue	47.7	46.3	49.9	49.3	193.2	46.5	45.4
YoY ⁽¹⁾	11.3%	6.2%	7.8%	1.1%	6.4%	-1.1%	-0.2%
Digital Only Subscription Revenue	12.3	14.0	15.7	18.7	60.7	19.5	20.3
YoY ⁽¹⁾	56.2%	38.7%	43.3%	67.5%	51.4%	60.2%	47.6%
Digital Services Revenue	4.7	4.8	4.9	5.0	19.4	5.0	5.1
YoY ⁽¹⁾	2.2%	2.1%	12.6%	15.3%	7.8%	4.9%	7.6%
Total Digital Revenue ⁽²⁾	64.8	65.0	70.5	73.0	273.2	70.9	70.8
YoY ⁽¹⁾	16.9%	11.5%	14.4%	13.6%	14.1%	10.9%	10.7%
% of Total Revenue	35.0%	38.1%	41.1%	44.5%	39.5%	45.5%	48.3%
Print Advertising Revenue	41.8	31.5	29.2	23.3	125.8	24.4	18.7
YoY ⁽¹⁾	-24.3%	-23.2%	-26.9%	-30.2%	-26.0%	-27.5%	-29.6%
Print Subscription Revenue	67.4	64.6	61.8	58.8	252.6	51.9	49.0
YoY ⁽¹⁾	-15.4%	-16.3%	-20.7%	-25.0%	-19.3%	-22.5%	-23.5%
Other Print Revenue	11.1	9.6	9.8	9.0	39.5	8.5	8.1
YoY ⁽¹⁾	-2.2%	-6.7%	-8.3%	-14.8%	-7.9%	-22.8%	-15.5%
Total Print Revenue	120.3	105.7	100.8	91.1	417.9	84.8	75.8
YoY ⁽¹⁾	-17.2%	-17.5%	-21.4%	-25.5%	-20.3%	-24.0%	-24.4%
Total Revenue	185.1	170.7	171.3	164.0	691.1	155.7	146.5
YoY ⁽¹⁾	-7.4%	-8.2%	-9.6%	-12.1%	-9.3%	-11.3%	-10.7%



⁽¹⁾ Same-store revenues is a non-GAAP performance measure based on U.S. GAAP revenues for Lee for the current period, excluding exited operations. Exited operations include (1) business divestitures and (2) the elimination of stand-alone print products discontinued within our markets. Same-store revenue trends are displayed for year-over-year comparisons.

⁽²⁾ Total Digital Revenue is defined as digital advertising and marketing services revenue (including Amplified), digital-only subscription revenue and digital services revenue.

Rounding – Items may not foot due to rounding.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Millions of Dollars)	Q2 FY2024
Net loss	(11.6)
Adjusted to exclude	
Income tax benefit	(2.8)
Non-operating expenses, net	9.9
Equity in earnings of TNI and MNI	(1.2)
Depreciation and amortization	7.3
Restructuring costs and other	4.1
Assets loss on sales, impairments and other, net	7.6
Stock compensation	0.5
Add	
Ownership share of TNI and MNI EBITDA (50%)	1.3
Adjusted EBITDA	15.1

Adjusted EBITDA is a non-GAAP financial performance measure that enhances financial statement users' overall understanding of the operating performance of the Company. The measure isolates unusual, infrequent or non-cash transactions from the operating performance of the business. This allows users to easily compare operating performance among various fiscal periods and how management measures the performance of the business. This measure also provides users with a benchmark that can be used when forecasting future operating performance of the Company that excludes unusual, nonrecurring or one-time transactions. Adjusted EBITDA is a component of the calculation used by stockholders and analysts to determine the value of our business when using the market approach, which applies a market multiple to financial metrics. It is also a measure used to calculate the leverage ratio of the Company, which is a key financial ratio monitored and used by the Company and its investors. Adjusted EBITDA is defined as net income (loss), plus non-operating expenses, income tax expense, depreciation and amortization, assets loss (gain) on sales, impairments and other, restructuring costs and other, stock compensation and our 50% share of EBITDA from TNI and MNI, minus equity in earnings of TNI and MNI.

TNI and MNI – TNI refers to TNI Partners publishing operations in Tucson, AZ. MNI refers to Madison Newspapers, Inc. publishing operations in Madison, WI.

Rounding – Items may not visually foot due to rounding.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Millions of Dollars)	Q2 FY2024	Q2 FY2023
Operating Expenses	152.3	168.5
Adjusted to exclude		
Depreciation and amortization	7.3	7.7
Assets loss (gain) on sales, impairments and other, net	7.6	(0.8)
Restructuring costs and other	4.1	3.7
Cash Costs	133.3	157.9

Cash Costs represent a non-GAAP financial performance measure of operating expenses which are measured on an accrual basis and settled in cash. This measure is useful to investors in understanding the components of the Company's cash-settled operating costs. Periodically, the Company provides forward-looking guidance of Cash Costs, which can be used by financial statement users to assess the Company's ability to manage and control its operating cost structure. Cash Costs are defined as compensation, newsprint and ink and other operating expenses. Depreciation and amortization, assets loss (gain) on sales, impairments and other, other non-cash operating expenses and other expenses are excluded. Cash Costs also exclude restructuring costs and other, which are typically paid in cash.

Rounding – Items may not visually foot due to rounding.



SAME-STORE NON-GAAP REVENUE RECONCILIATION⁽¹⁾

(Millions of Dollars)	Q2 FY2024	Q2 FY2023	\$ Change	% Change
Print Advertising Revenue	18.7	31.5	(12.7)	-40.4%
Exited operations	-	(4.8)		
Same-store, Print Advertising Revenue	18.7	26.6	(7.9)	-29.6%
Digital Advertising Revenue	45.4	46.3	(0.9)	-1.9%
Exited operations	0.0	(0.8)		
Same-store, Digital Advertising Revenue	45.4	45.5	(0.1)	-0.2%
Total Advertising Revenue	64.1	77.7	(13.6)	-17.5%
Exited operations	0.0	(5.6)		
Same-store, Total Advertising Revenue	64.1	72.1	(8.0)	-11.1%

(Millions of Dollars)	Q2 FY2024	Q2 FY2023	\$ Change	% Change
Print Subscription Revenue	49.0	64.6	(15.6)	-24.2%
Exited operations	-	(0.6)		
Same-store, Print Subscription Revenue	49.0	64.0	(15.0)	-23.5%
Digital Subscription Revenue	20.3	14.0	6.3	44.8%
Exited operations	0.0	(0.3)		
Same-store, Digital Subscription Revenue	20.3	13.7	6.5	47.6%
Total Subscription Revenue	69.2	78.6	(9.4)	-11.9%
Exited operations	0.0	(0.8)		
Same-store, Total Subscription Revenue	69.2	77.7	(8.5)	-10.9%

(Millions of Dollars)	Q2 FY2024	Q2 FY2023	\$ Change	% Change
Print Other Revenue	8.1	9.6	(1.6)	-16.4%
Exited operations	(0.0)	(0.1)		
Same-store, Print Other Revenue	8.1	9.6	(1.5)	-15.5%
Digital Other Revenue	5.1	4.8	0.4	7.6%
Exited operations	-	-		
Same-store, Digital Other Revenue	5.1	4.8	0.4	7.6%
Total Other Revenue	13.2	14.4	(1.2)	-8.4%
Exited operations	(0.0)	(0.1)		
Same-store, Total Other Revenue	13.2	14.3	(1.1)	-7.8%

(Millions of Dollars)	Q2 FY2024	Q2 FY2023	\$ Change	% Change
Total Operating Revenue	146.5	170.7	(24.1)	-14.1%
Exited operations	0.0	(6.5)		
Same-store, Total Operating Revenue	146.6	164.2	(17.6)	-10.7%



⁽¹⁾ Same-store revenues is a non-GAAP performance measure based on U.S. GAAP revenues for Lee for the periods presented, excluding exited operations. Exited operations include (1) businesses divested and (2) the elimination of stand-alone print products discontinued within our markets.

Rounding – Items may not foot due to rounding.

SAME-STORE NON-GAAP REVENUE RECONCILIATION⁽¹⁾

(Millions of Dollars)	FY2023	FY2022	\$ Change	% Change
Print Advertising Revenue	125.8	185.0	(59.2)	-32.0%
Exited operations	(14.6)	(34.8)		
Same-store, Print Advertising Revenue	111.2	150.2	(39.0)	-26.0%
Digital Advertising Revenue	193.2	181.5	11.7	6.5%
Exited operations	(1.1)	(1.0)		
Same-store, Digital Advertising Revenue	192.1	180.5	11.6	6.4%
Total Advertising Revenue	319.0	366.4	(47.5)	-12.9%
Exited operations	(15.7)	(35.7)		
Same-store, Total Advertising Revenue	303.3	330.7	(27.4)	-8.3%

(Millions of Dollars)	FY2023	FY2022	\$ Change	% Change
Print Subscription Revenue	252.6	313.5	(60.9)	-19.4%
Exited operations	(0.4)	(0.8)		
Same-store, Print Subscription Revenue	252.2	312.7	(60.5)	-19.3%
Digital Subscription Revenue	60.7	40.1	20.6	51.3%
Exited operations	(0.2)	(0.1)		
Same-store, Digital Subscription Revenue	60.5	40.0	20.6	51.4%
Total Subscription Revenue	313.3	353.6	(40.3)	-11.4%
Exited operations	(0.5)	(1.0)		
Same-store, Total Subscription Revenue	312.7	352.6	(39.9)	-11.3%

(Millions of Dollars)	FY2023	FY2022	\$ Change	% Change
Print Other Revenue	39.5	43.0	(3.5)	-8.0%
Exited operations	(0.0)	(0.1)		
Same-store, Print Other Revenue	39.5	42.9	(3.4)	-7.9%
Digital Other Revenue	19.4	18.0	1.4	7.8%
Exited operations	-	-		
Same-store, Digital Other Revenue	19.4	18.0	1.4	7.8%
Total Other Revenue	58.9	60.9	(2.0)	-3.4%
Exited operations	(0.0)	(0.1)		
Same-store, Total Other Revenue	58.9	60.8	(2.0)	-3.2%

(Millions of Dollars)	FY2023	FY2022	\$ Change	% Change
Total Operating Revenue	691.1	781.0	(89.8)	-11.5%
Exited operations	(16.2)	(36.8)		
Same-store, Total Operating Revenue	674.9	744.2	(69.3)	-9.3%



⁽¹⁾ Same-store revenues is a non-GAAP performance measure based on U.S. GAAP revenues for Lee for the periods presented, excluding exited operations. Exited operations include (1) businesses divested and (2) the elimination of stand-alone print products discontinued within our markets.

Rounding – Items may not foot due to rounding.

DIRECT COSTS RECONCILIATION

(Millions of Dollars)	Q2 FY24
Operating expenses	152.3
Adjusted to exclude	
Depreciation and amortization	7.3
Assets loss on sales, impairments and other, net	7.6
Restructuring costs and other	4.1
Selling, General, and Administrative compensation	41.6
Selling, General, and Administrative other operating expenses	25.0
Direct Costs	66.7
(Millions of Dollars)	Q2 FY24
Print Direct Costs	45.3
Digital Direct Costs	21.4
Total Direct Costs	66.7

Direct Costs is a non-GAAP financial performance measure that enhances financial statement users overall understanding of the operating performance of the Company. The measure isolates operating costs that directly support revenue. Depreciation and amortization, assets loss (gain) on sales, impairments and other, net, other non-cash operating expenses, Selling, General, and Administrative ("SG&A") compensation and SG&A other operating expenses are excluded.

Rounding – Items may not visually foot due to rounding.



