

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**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): December 12, 2024

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**LEE ENTERPRISES, INCORPORATED**

(Exact name of Registrant as specified in its charter)

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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.

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**Item 2.02. Results of Operations and Financial Condition.**

On December 12, 2024, Lee Enterprises, Incorporated (the "Company") reported its preliminary results for the four quarter ended September 29, 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	<a href="#">Earnings Release</a>
99.2	<a href="#">Presentation Materials December 12, 2024</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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: December 12, 2024

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



## Lee Enterprises Reports Fourth Quarter and Full-Year FY24 results

Total Digital Revenue<sup>(1)</sup> was 51% of revenue in the quarter, representing \$82M

Digital-only subscription revenue increased 30%<sup>(2)</sup> in the quarter

Amplified Digital<sup>®</sup> Agency revenue totaled \$28M in the quarter, up 21% YOY<sup>(2)</sup>, approaching \$100M for the fiscal year

DAVENPORT, Iowa (December 12, 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 fourth quarter fiscal 2024 financial results<sup>(3)</sup> for the period ended September 29, 2024.

"The team achieved significant milestones in FY24, driving 41% revenue growth<sup>(2)</sup> in digital subscriptions and approaching \$100 million in Amplified Digital<sup>®</sup> revenue for the fiscal year," said Kevin Mowbray, Lee's President and Chief Executive Officer. "We successfully met our digital subscription unit target and laid a robust foundation for our digital transformation through talent investments in AI, technology expertise, and complex IT infrastructure. While these accomplishments reflect strong execution of our strategy, we are not satisfied with the overall operating metrics, as we fell short of our Adjusted EBITDA target," Mowbray added.

### Key Fiscal Year 2024 Highlights:

- Total operating revenue was \$611 million.
- Total Digital Revenue was \$299 million, a 11% increase over the prior year<sup>(2)</sup>, and represented about half of our total operating revenue.
- Total Print Revenue was \$312 million, a 21% decrease over the prior year<sup>(2)</sup>.
- Operating expenses totaled \$611 million and Cash Costs<sup>(4)</sup> totaled \$553 million, a 7% and 10% decrease compared to the prior year, respectively.
- Adjusted EBITDA<sup>(4)</sup> totaled \$65 million.

"As we look ahead to FY25, we remain confident in the strength of our core strategy and the opportunities it presents. We are uniquely positioned to lead the growth of local advertising driven by advancements in AI. With our vast library of hyper-local content and strong relationships with over 25,000 local advertisers, we have an unparalleled foundation to capitalize on this shift. Through strategic partnerships with leading AI and technology companies, like Perplexity and ProRata.ai, that were recently announced, we aim to scale rapidly and further solidify our dominant position in the local market, unlocking new growth opportunities and delivering enhanced value to our stakeholders," said Mowbray.

### Key Fourth Quarter Highlights:

- Total operating revenue was \$159 million.
- Total Digital Revenue was \$82 million, a 13% increase over the prior year<sup>(2)</sup>, and represented 51% of our total operating revenue.
- Revenue from digital-only subscribers totaled \$24 million, up 30% over the prior year<sup>(2)</sup>.
- Digital advertising and marketing services revenue represented 73% of our total advertising revenue and totaled \$52 million. Revenue at Amplified increased 21%<sup>(2)</sup> and totaled \$28 million.

- Digital services revenue, which is predominantly from BLOX Digital, totaled \$5 million in the quarter.
- Operating expenses totaled \$163 million and Cash Costs totaled \$143 million, a 4% and 4% increase compared to the prior year, respectively.
- Adjusted EBITDA totaled \$17 million.

**2025 Fiscal Year Outlook:**

Total Digital Revenue	YOY growth in the range of 7% - 10%
Adjusted EBITDA	YOY growth in the low-single digits

**Debt and Free Cash Flow:**

The Company has \$446 million of debt outstanding under our Credit Agreement<sup>(5)</sup> 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 September 29, 2024:

- The principal amount of debt totaled \$446 million, a reduction of \$10 million for the fiscal year.
- Cash on the balance sheet totaled \$10 million. Debt, net of cash on the balance sheet, totaled \$436 million.
- Capital expenditures totaled \$9 million in FY24. We expect capital expenditures in FY25 to be approximately \$12 million.
- For fiscal year 2024, cash paid for income taxes totaled \$7 million. We expect cash paid for income taxes to total between \$4 million and \$10 million in FY25.
- We made no pension contributions in the fiscal year.

**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](http://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. Our core commitment is to provide valuable, intensely local news and information to the communities we serve. Our 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](http://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)

(Thousands of Dollars, Except Per Share Data)	Three months ended		Twelve months ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
<b>Operating revenue:</b>				
Print Advertising revenue	19,370	23,302	81,488	125,804
Digital Advertising revenue	52,466	49,270	194,213	193,173
<b>Advertising and marketing services revenue</b>	<b>71,836</b>	<b>72,572</b>	<b>275,701</b>	<b>318,977</b>
Print Subscription revenue	49,141	58,792	197,584	252,591
Digital Subscription revenue	23,902	18,661	84,331	60,700
<b>Subscription revenue</b>	<b>73,043</b>	<b>77,453</b>	<b>281,915</b>	<b>313,291</b>
Print Other revenue	8,418	8,966	33,257	39,508
Digital Other revenue	5,276	5,020	20,507	19,362
<b>Other revenue</b>	<b>13,694</b>	<b>13,986</b>	<b>53,764</b>	<b>58,870</b>
<b>Total operating revenue</b>	<b>158,573</b>	<b>164,011</b>	<b>611,380</b>	<b>691,138</b>
<b>Operating expenses:</b>				
Compensation	58,824	59,048	234,581	266,907
Newsprint and ink	3,712	5,102	16,813	25,346
Other operating expenses	80,704	73,714	301,950	323,067
Depreciation and amortization	6,178	7,524	27,616	30,621
Assets loss (gain) on sales, impairments and other, net	6,466	6,137	11,193	1,882
Restructuring costs and other	7,054	4,552	19,253	12,673
<b>Operating expenses</b>	<b>162,938</b>	<b>156,077</b>	<b>611,406</b>	<b>660,496</b>
Equity in earnings of associated companies	703	2,993	4,572	6,527
<b>Operating income</b>	<b>(3,662)</b>	<b>10,927</b>	<b>4,546</b>	<b>37,169</b>
<b>Non-operating (expense) income:</b>				
Interest expense	(10,805)	(10,326)	(41,232)	(41,471)
Pension withdrawal cost	—	(1,200)	—	(1,200)
Pension and OPEB related benefit (cost) and other, net	814	162	1,910	2,420
Curtailment/Settlement gain	—	—	3,593	—
<b>Non-operating expenses, net</b>	<b>(9,991)</b>	<b>(11,364)</b>	<b>(35,729)</b>	<b>(40,251)</b>
Income (loss) before income taxes	(13,653)	(437)	(31,183)	(3,082)
Income tax (benefit) expense	(4,172)	888	(7,610)	(349)
<b>Net (loss) income</b>	<b>(9,481)</b>	<b>(1,325)</b>	<b>(23,573)</b>	<b>(2,733)</b>
Net income attributable to non-controlling interests	(609)	(659)	(2,272)	(2,534)
<b>Loss attributable to Lee Enterprises, Incorporated</b>	<b>(10,090)</b>	<b>(1,984)</b>	<b>(25,845)</b>	<b>(5,267)</b>
<b>Loss per common share:</b>				
Basic	(1.69)	(0.32)	(4.35)	(0.90)
Diluted	(1.69)	(0.32)	(4.35)	(0.90)

**DIGITAL / PRINT REVENUE COMPOSITION**  
(UNAUDITED)

	Three months ended		Twelve months ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
<i>(Thousands of Dollars)</i>				
Digital Advertising and Marketing Services Revenue	52,466	49,270	194,213	193,173
Digital Only Subscription Revenue	23,902	18,661	84,331	60,700
Digital Services Revenue	5,276	5,020	20,507	19,362
<b>Total Digital Revenue</b>	<b>81,644</b>	<b>72,951</b>	<b>299,051</b>	<b>273,235</b>
Print Advertising Revenue	19,370	23,302	81,488	125,804
Print Subscription Revenue	49,141	58,792	197,584	252,591
Other Print Revenue	8,418	8,966	33,257	39,508
<b>Total Print Revenue</b>	<b>76,929</b>	<b>91,060</b>	<b>312,329</b>	<b>417,903</b>
<b>Total Operating Revenue</b>	<b>158,573</b>	<b>164,011</b>	<b>611,380</b>	<b>691,138</b>



**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:

<i>(Thousands of Dollars)</i>	Three months ended		Twelve months ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Net loss	(9,481)	(1,325)	(23,573)	(2,733)
Adjusted to exclude				
Income tax (benefit) expense	(4,172)	888	(7,610)	(349)
Non-operating expenses, net	9,991	11,364	35,729	40,251
Equity in earnings of TNI and MNI <sup>(6)</sup>	(703)	(2,993)	(4,572)	(6,527)
Assets loss on sales, impairments and other, net	6,466	6,137	11,193	1,882
Depreciation and amortization	6,178	7,524	27,616	30,621
Restructuring costs and other	7,054	4,552	19,253	12,673
Stock compensation	553	421	1,751	1,806
Add:				
Ownership share of TNI and MNI EBITDA (50%)	874	3,476	5,519	7,604
Adjusted EBITDA	16,760	30,044	65,306	85,228

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

<i>(Thousands of Dollars)</i>	Three months ended		Twelve months ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Operating expenses	162,938	156,077	611,406	660,496
Adjustments				
Depreciation and amortization	6,178	7,524	27,616	30,621
Assets loss (gain) on sales, impairments and other, net	6,466	6,137	11,193	1,882
Restructuring costs and other	7,054	4,552	19,253	12,673
Cash Costs	143,240	137,864	553,344	615,320

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:

(Thousands of Dollars)	Three months ended		Twelve months ended	
	September 29, 2024	September 24, 2023	September 29, 2024	September 24, 2023
Print Advertising Revenue	19,370	23,302	81,488	125,804
Exited operations	9	(790)	(900)	(19,051)
Same-store, Print Advertising Revenue	19,379	22,512	80,588	106,753
Digital Advertising and Marketing Services Revenue	52,466	49,270	194,213	193,173
Exited operations	(1)	(443)	(96)	(2,897)
Same-store, Digital Advertising and Marketing Services Revenue	52,465	48,827	194,117	190,276
Total Advertising Revenue	71,836	72,572	275,701	318,977
Exited operations	8	(1,233)	(996)	(21,948)
Same-store, Total Advertising Revenue	71,844	71,339	274,705	297,029
Print Subscription Revenue	49,141	58,792	197,584	252,591
Exited operations	—	(373)	(174)	(2,163)
Same-store, Print Subscription Revenue	49,141	58,419	197,410	250,428
Digital Subscription Revenue	23,902	18,661	84,331	60,700
Exited operations	—	(262)	(84)	(1,038)
Same-store, Digital Subscription Revenue	23,902	18,399	84,247	59,662
Total Subscription Revenue	73,043	77,453	281,915	313,291
Exited operations	—	(635)	(258)	(3,201)
Same-store, Total Subscription Revenue	73,043	76,818	281,657	310,090
Print Other Revenue	8,418	8,966	33,257	39,508
Exited operations	—	(73)	(1)	(396)
Same-store, Print Other Revenue	8,418	8,893	33,256	39,112
Digital Other Revenue	5,276	5,020	20,507	19,362
Exited operations	—	—	—	—
Same-store, Digital Other Revenue	5,276	5,020	20,507	19,362
Total Other Revenue	13,694	13,986	53,764	58,870
Exited operations	—	(74)	(1)	(396)
Same-store, Total Other Revenue	13,694	13,912	53,763	58,474
Total Operating Revenue	158,573	164,011	611,380	691,138
Exited operations	8	(1,942)	(1,255)	(25,545)
Same-store, Total Operating Revenue	158,581	162,069	610,125	665,593

## NOTES

- (1) Total Digital Revenue is defined as digital advertising and marketing services revenue (including Amplified Digital<sup>®</sup> Agency), digital-only subscription revenue and digital services revenue.
- (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) 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.
- (4) 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.
- (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.

# FOURTH QUARTER FY2024 EARNINGS

DECEMBER 12, 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](http://www.sec.gov). The Company does not undertake any obligation to update forward-looking statements contained in this presentation.



## FOURTH QUARTER AND FULL YEAR 2024 RESULTS

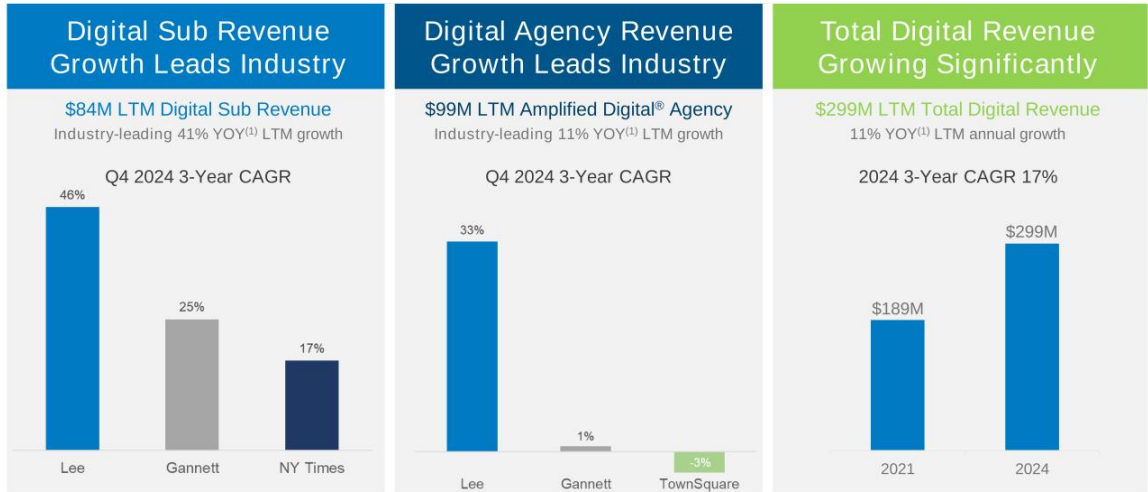
Q4 Revenue	FY24 Revenue
<p>Total Operating Revenue \$159M, down 2% YOY<sup>(1)</sup></p> <p>Total Digital Revenue \$82M, up 13%<sup>(1)</sup></p> <ul style="list-style-type: none"> <li>Digital subscription \$24M, up 30%<sup>(1)</sup></li> <li>Digital advertising \$52M, up 8%<sup>(1)</sup> <ul style="list-style-type: none"> <li>Amplified Digital<sup>®</sup> Agency \$28M, up 21%<sup>(1)</sup></li> </ul> </li> </ul> <p>Total print revenue \$77M, down 14%<sup>(1)</sup></p>	<p>Total Operating Revenue \$611M, down 8% YOY<sup>(1)</sup></p> <p>Total Digital Revenue \$299M, up 11%<sup>(1)</sup></p> <ul style="list-style-type: none"> <li>Digital subscription \$84M, up 41%<sup>(1)</sup></li> <li>Digital advertising \$194M, up 2%<sup>(1)</sup> <ul style="list-style-type: none"> <li>Amplified Digital<sup>®</sup> Agency \$99M, up 11%<sup>(1)</sup></li> </ul> </li> </ul> <p>Total print revenue \$312M, down 21%<sup>(1)</sup></p>
Q4 Cash Costs <sup>(2)</sup>	FY24 Cash Costs <sup>(2)</sup>
<ul style="list-style-type: none"> <li>Total Cash Costs \$143M, up 4% YOY</li> </ul>	<ul style="list-style-type: none"> <li>Total Cash Costs \$553M, down 10% YOY</li> </ul>
Q4 Adjusted EBITDA <sup>(2)</sup>	FY24 Adjusted EBITDA <sup>(2)</sup>
<ul style="list-style-type: none"> <li>Adjusted EBITDA \$17M</li> </ul>	<ul style="list-style-type: none"> <li>Adjusted EBITDA \$65M</li> </ul>



<sup>(1)</sup> 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.

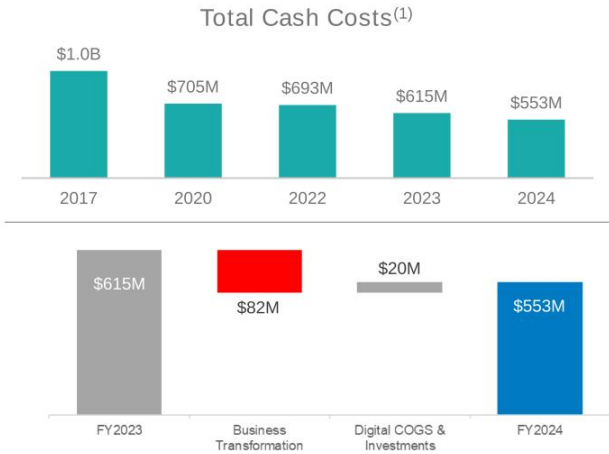
<sup>(2)</sup> Adjusted EBITDA and Cash Costs are non-GAAP financial measures. See appendix.

# INDUSTRY-LEADING DIGITAL GROWTH



<sup>(1)</sup> 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.

# STRONG TRACK RECORD OF SUSTAINABLE COST MANAGEMENT



## KEY TAKEAWAYS

- Proficient in driving efficiencies
  - Current base of \$187M 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
- Digital transformation fueled by thoughtful investments
  - Significant investments in talent and technology of \$10M funded successful execution of Lee's Three Pillar Digital Growth Strategy
  - Incremental investments in marketing & branding of \$1M drove \$24M of Digital Subscription revenue growth
  - Digital COGS increased \$8M YOY to support revenue growth at BLOX Digital, Amplified Digital<sup>®</sup> Agency, and other Digital Advertising



Managing legacy business & investing in digital future

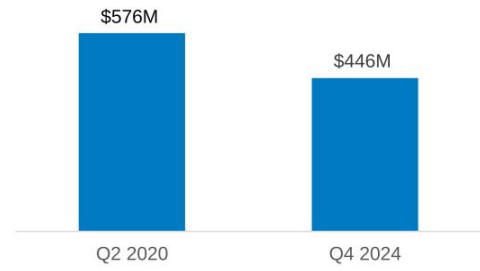
<sup>(1)</sup> Adjusted EBITDA and Cash Costs are non-GAAP financial measures. See appendix.



## CREDIT AGREEMENT REPRESENTS STRATEGIC ASSET

- \$130M debt reduction since refinancing in March 2020
- Favorable credit agreement with Berkshire Hathaway
  - 25-year runway with 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 in 2024
- Asset sales more than \$13M for the year
  - Identified approximately \$25M of noncore assets to monetize

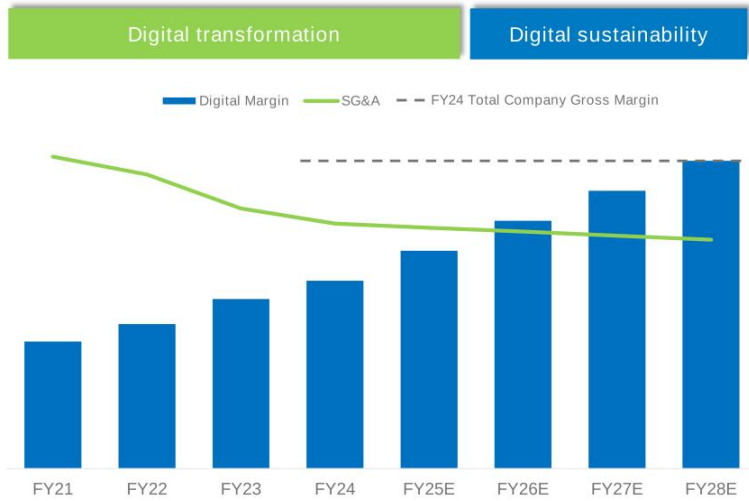
### Significant Gross Debt Reduction



Monetization of noncore assets will propel debt reduction

# LEE NEARS SUSTAINABILITY FROM DIGITAL REVENUE

## GROSS MARGIN



## KEY HIGHLIGHTS

- Digital revenue replacing print revenue and growing at 17% CAGR since 2021
- Digital gross margin<sup>(1)</sup> growing at a 13% CAGR since 2021
- Digital subscription revenue and gross margin growing at a 44% CAGR since 2021
- Amplified Digital<sup>®</sup> Agency revenue growing at a 34% CAGR since 2021
- Digital gross margin<sup>(1)</sup> expected to exceed total SG&A costs in FY26
- Digital gross margin<sup>(1)</sup> remains strong at 72% margin



<sup>(1)</sup> Digital Gross Margin is a non-GAAP performance measure calculated by Digital Revenue less Cost of Good Sold ("COGS") directly tied to digital products. Digital Margin excludes all Selling, General, and Administrative ("SG&A") costs.

# LONG-TERM OUTLOOK: DIGITAL REVENUE

DIGITAL REVENUE GROWTH IS FUELED BY AMPLIFIED AND DIGITAL SUBSCRIPTION GROWTH

- Amplified Digital<sup>®</sup> Agency 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



Lee expects \$450 million in Digital Revenue in 2028

<sup>(1)</sup> FY25 represents the midpoint of our FY25 Outlook.

## 2025 OUTLOOK

Key Metric	2025 Outlook
Total Digital Revenue	YOY growth in the range of 7% - 10%
Adjusted EBITDA <sup>(1)</sup>	YOY growth in the low-single digits



<sup>(1)</sup> Adjusted EBITDA is a non-GAAP financial measure. See appendix.

# THE TIME TO ACT IS NOW

TECTONIC SHIFT IN TECHNOLOGY & LEE'S MARKET LEADERSHIP

## CONSUMER ADOPTION ACCELERATING

### DIGITAL BEHAVIOR

- Traditional search declining
- AI search rapidly growing
- Content production costs dropping
- Hyper-personalized commerce growing

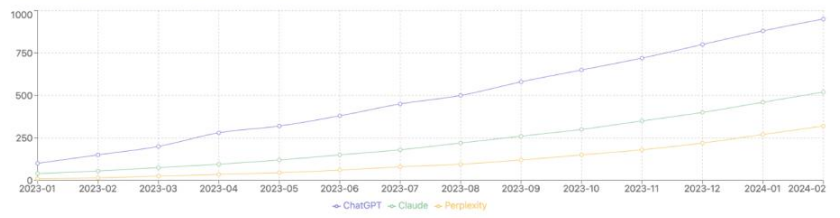
### OTHER STRATEGIES

- "Fair-Use" lawsuits
- News industry government initiatives

### WINNING STRATEGIES

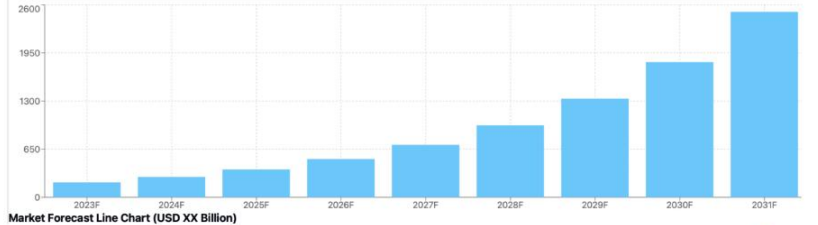
- Lee taking the leadership position
- Partnerships to build AI foundations
- Hyper-local search & content
- Disintermediating Google in the "Last Mile"
- AI paywall subscriptions
- AI-driven ad creative
- AI-enhanced news content

AI Search Engine Monthly Active Users Growth (Indexed)



## AI INVESTMENT PROVIDES

Market Forecast Bar Chart (USD XX Billion)



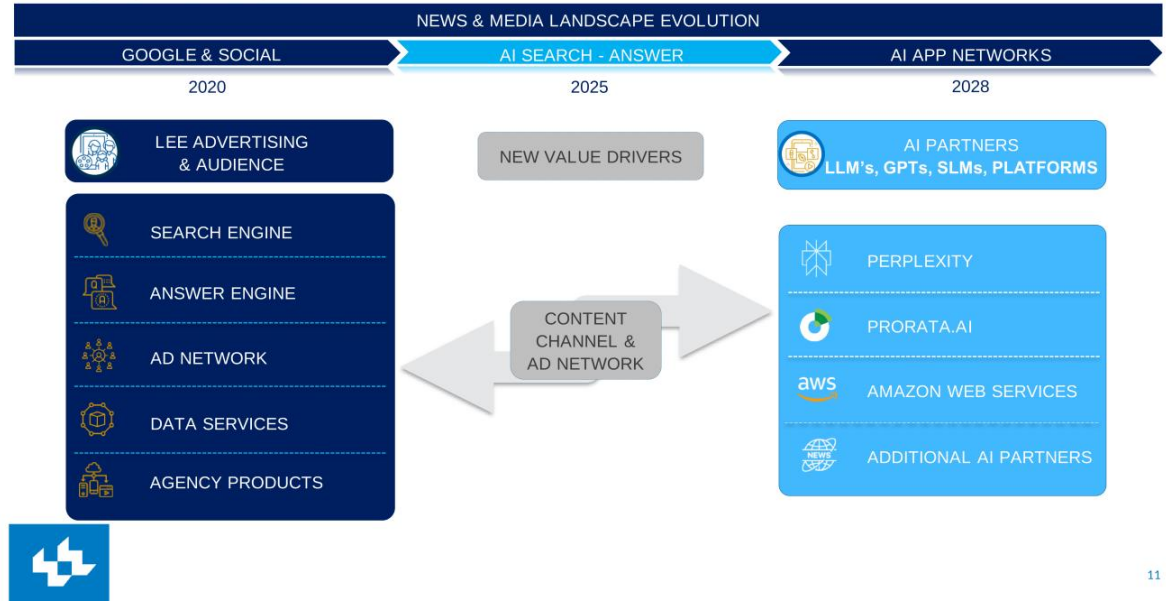
Market Forecast Line Chart (USD XX Billion)



<sup>(1)</sup> Data conglomerated from various sources. See appendix for additional details.

# AI CREATES A NEW ECONOMIC MODEL

PARTNERSHIPS DRIVE THE MODEL





## 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.

Gross Margin 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 from Gross Margin.

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	Q3 FY2024	Q4 FY2024	FY 2024
Digital Advertising and Marketing Services	47.7	46.3	49.9	49.3	193.2	46.5	45.4	49.9	52.5	194.2
YoY % <sup>(1)</sup>	11.3%	6.2%	7.8%	1.1%	6.4%	-1.1%	-0.2%	1.6%	7.5%	2.0%
Digital Only Subscription Revenue	12.3	14.0	15.7	18.7	60.7	19.5	20.3	20.7	23.9	84.3
YoY % <sup>(1)</sup>	56.2%	38.7%	43.3%	67.5%	51.4%	60.2%	47.6%	34.1%	29.9%	41.2%
Digital Services Revenue	4.7	4.8	4.9	5.0	19.4	5.0	5.1	5.2	5.3	20.5
YoY % <sup>(1)</sup>	2.2%	2.1%	12.6%	15.3%	7.8%	4.9%	7.6%	6.0%	5.1%	5.9%
<b>Total Digital Revenue<sup>(2)</sup></b>	<b>64.8</b>	<b>65.0</b>	<b>70.5</b>	<b>73.0</b>	<b>273.2</b>	<b>70.9</b>	<b>70.8</b>	<b>75.8</b>	<b>81.6</b>	<b>299.1</b>
YoY % <sup>(1)</sup>	16.9%	11.5%	14.4%	13.6%	14.1%	11.0%	10.7%	9.2%	13.0%	11.0%
% of Total Revenue	35.0%	38.1%	41.1%	44.5%	39.5%	45.5%	48.3%	50.3%	51.5%	48.9%
Print Advertising Revenue	41.8	31.5	29.2	23.3	125.8	24.4	18.7	18.9	19.4	81.5
YoY % <sup>(1)</sup>	-24.3%	-23.2%	-26.9%	-30.2%	-26.0%	-27.6%	-29.4%	-24.8%	-13.9%	-24.5%
Print Subscription Revenue	67.4	64.6	61.8	58.8	252.6	51.9	49.0	47.6	49.1	197.6
YoY % <sup>(1)</sup>	-15.4%	-16.3%	-20.7%	-25.0%	-19.3%	-22.5%	-23.5%	-22.4%	-15.9%	-21.2%
Other Print Revenue	11.1	9.6	9.8	9.0	39.5	8.5	8.1	8.3	8.4	33.3
YoY % <sup>(1)</sup>	-2.2%	-6.7%	-8.3%	-14.8%	-7.9%	-22.8%	-15.5%	-14.4%	-5.3%	-15.0%
<b>Total Print Revenue</b>	<b>120.3</b>	<b>105.7</b>	<b>100.8</b>	<b>91.1</b>	<b>417.9</b>	<b>84.8</b>	<b>75.8</b>	<b>74.8</b>	<b>76.9</b>	<b>312.3</b>
YoY % <sup>(1)</sup>	-17.2%	-17.5%	-21.4%	-25.5%	-20.3%	-24.0%	-24.3%	-22.2%	-14.3%	-21.5%
<b>Total Revenue</b>	<b>185.1</b>	<b>170.7</b>	<b>171.3</b>	<b>164.0</b>	<b>691.1</b>	<b>155.7</b>	<b>146.5</b>	<b>150.6</b>	<b>158.6</b>	<b>611.4</b>
YoY % <sup>(1)</sup>	-7.4%	-8.2%	-9.6%	-12.1%	-9.3%	-11.3%	-10.6%	-9.1%	-2.2%	-8.3%



<sup>(1)</sup> 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.

<sup>(2)</sup> 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)	Q4 FY2024
Net loss	(9.5)
Adjusted to exclude	
Income tax benefit	(4.2)
Non-operating expenses, net	10.0
Equity in earnings of TNI and MNI	(0.7)
Depreciation and amortization	6.2
Restructuring costs and other	7.1
Assets loss on sales, impairments and other, net	6.5
Stock compensation	0.6
Add	
Ownership share of TNI and MNI EBITDA (50%)	0.9
Adjusted EBITDA	16.8

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)	Q4 FY2024	Q4 FY2023
Operating Expenses	162.9	156.1
Adjusted to exclude		
Depreciation and amortization	6.2	7.5
Assets loss on sales, impairments and other, net	6.5	6.1
Restructuring costs and other	7.1	4.6
Cash Costs	143.2	137.9

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.



## Q4 SAME-STORE NON-GAAP REVENUE RECONCILIATION<sup>(1)</sup>

(Millions of Dollars)	Q4	Q4	\$	%
	FY2024	FY2023		
Print Advertising Revenue	19.4	23.3	(3.9)	-16.9%
Exited operations	0.0	(0.8)	0.8	NM
Same-store, Print Advertising Revenue	19.4	22.5	(3.1)	-13.9%
Digital Advertising and Marketing Services Revenue	52.5	49.3	3.2	6.5%
Exited operations	(0.0)	(0.4)	0.4	NM
Same-store, Digital Advertising and Marketing Services	52.5	48.8	3.6	7.5%
Total Advertising Revenue	71.8	72.6	(0.7)	-1.0%
Exited operations	0.0	(1.2)	1.2	NM
Same-store, Total Advertising Revenue	71.8	71.3	0.5	0.7%

(Millions of Dollars)	Q4	Q4	\$	%
	FY2024	FY2023		
Print Other Revenue	8.4	9.0	(0.5)	-6.1%
Exited operations	-	(0.1)	0.1	NM
Same-store, Print Other Revenue	8.4	8.9	(0.5)	-5.3%
Digital Other Revenue	5.3	5.0	0.3	5.1%
Exited operations	-	-	-	NM
Same-store, Digital Other Revenue	5.3	5.0	0.3	5.1%
Total Other Revenue	13.7	14.0	(0.3)	-2.1%
Exited operations	-	(0.1)	0.1	NM
Same-store, Total Other Revenue	13.7	13.9	(0.2)	-1.6%

(Millions of Dollars)	Q4	Q4	\$	%
	FY2024	FY2023		
Print Subscription Revenue	49.1	58.8	(9.7)	-16.4%
Exited operations	(0.0)	(0.4)	0.4	NM
Same-store, Print Subscription Revenue	49.1	58.4	(9.3)	-15.9%
Digital Subscription Revenue	23.9	18.7	5.2	28.1%
Exited operations	-	(0.3)	0.3	NM
Same-store, Digital Subscription Revenue	23.9	18.4	5.5	29.9%
Total Subscription Revenue	73.0	77.5	(4.4)	-5.7%
Exited operations	(0.0)	(0.6)	0.6	NM
Same-store, Total Subscription Revenue	73.0	76.8	(3.8)	-4.9%

(Millions of Dollars)	Q4	Q4	\$	%
	FY2024	FY2023		
Total Operating Revenue	158.6	164.0	(5.4)	-3.3%
Exited operations	0.0	(1.9)	1.9	NM
Same-store, Total Operating Revenue	158.6	162.1	(3.5)	-2.2%

<sup>(1)</sup> 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.

FY24 includes the 53<sup>rd</sup> fiscal week.

Rounding – Items may not foot due to rounding.



## FY24 SAME-STORE NON-GAAP REVENUE RECONCILIATION<sup>(1)</sup>

(Millions of Dollars)	FY2024	FY2023	\$ Change	% Change
Print Advertising Revenue	81.5	125.8	(44.3)	-35.2%
Exited operations	(0.9)	(19.1)	18.2	NM
Same-store, Print Advertising Revenue	80.6	106.8	(26.2)	-24.5%
Digital Advertising and Marketing Services Revenue	194.2	193.2	1.0	0.5%
Exited operations	(0.1)	(2.9)	2.8	NM
Same-store, Digital Advertising and Marketing Services	194.1	190.3	3.8	2.0%
Total Advertising Revenue	275.7	319.0	(43.3)	-13.6%
Exited operations	(1.0)	(21.9)	21.0	NM
Same-store, Total Advertising Revenue	274.7	297.0	(22.3)	-7.5%

(Millions of Dollars)	FY2024	FY2023	\$ Change	% Change
Print Other Revenue	33.3	39.5	(6.3)	-15.8%
Exited operations	(0.0)	(0.4)	0.4	NM
Same-store, Print Other Revenue	33.3	39.1	(5.9)	-15.0%
Digital Other Revenue	20.5	19.4	1.1	5.9%
Exited operations	-	-	-	NM
Same-store, Digital Other Revenue	20.5	19.4	1.1	5.9%
Total Other Revenue	53.8	58.9	(5.1)	-8.7%
Exited operations	(0.0)	(0.4)	0.4	NM
Same-store, Total Other Revenue	53.8	58.5	(4.7)	-8.1%

(Millions of Dollars)	FY2024	FY2023	\$ Change	% Change
Print Subscription Revenue	197.6	252.6	(55.0)	-21.8%
Exited operations	(0.2)	(2.2)	2.0	NM
Same-store, Print Subscription Revenue	197.4	250.4	(53.0)	-21.2%
Digital Subscription Revenue	84.3	60.7	23.6	38.9%
Exited operations	(0.1)	(1.0)	1.0	NM
Same-store, Digital Subscription Revenue	84.2	59.7	24.6	41.2%
Total Subscription Revenue	281.9	313.3	(31.4)	-10.0%
Exited operations	(0.3)	(3.2)	2.9	NM
Same-store, Total Subscription Revenue	281.7	310.1	(28.4)	-9.2%

(Millions of Dollars)	FY2024	FY2023	\$ Change	% Change
Total Operating Revenue	611.4	691.1	(79.8)	-11.5%
Exited operations	(1.3)	(25.5)	24.3	NM
Same-store, Total Operating Revenue	610.1	665.6	(55.5)	-8.3%

<sup>(1)</sup> 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.

FY24 includes the 53<sup>rd</sup> fiscal week.

Rounding – Items may not foot due to rounding.



## EXTERNAL SOURCE LINKS

<https://www.abiresearch.com/news-resources/chart-data/report-artificial-intelligence-market-size-global/>  
<https://www.nextmsc.com/report/artificial-intelligence-market>  
<https://www.grandviewresearch.com/industry-analysis/artificial-intelligence-ai-market>  
<https://www.marketsandmarkets.com/Market-Reports/artificial-intelligence-market-74851580.html>  
<https://www.statista.com/forecasts/1474143/global-ai-market-size>  
<https://explodingtopics.com/blog/ai-statistics>  
<https://www.pwc.com/gx/en/issues/artificial-intelligence/publications/artificial-intelligence-study.html>  
<https://www.forbes.com/councils/forbestechcouncil/2023/07/10/as-ai-becomes-mainstream-who-will-remain-in-the-fourth-stage-of-technological-business-development/>  
<https://explodingtopics.com/blog/perplexity-ai-stats?t>  
<https://productify.substack.com/p/how-perplexitys-growth-is-changing?t>  
<https://whatsthebigdata.com/perplexity-ai-stats/?t>  
<https://whatsthebigdata.com/claude-ai-statistics/?t>  
<https://www.cnn.com/2024/12/04/openai-active-user-count-soars-to-300-million-people-per-week.html?t>  
<https://www.namepepper.com/chatgpt-users?t>



