

# 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 13, 2019

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## LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its charter)

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Commission File Number 1-6227

Delaware  
(State of Incorporation)

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	New York Stock Exchange

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 7.01. Regulation FD Disclosure.**

The supplemental financial information is furnished as **Exhibit 99.1** to this Form 8-K and is hereby incorporated by reference. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

Lee Legacy only and Pulitzer Inc. ("Pulitzer") only supplemental financial information is being provided because it is a required reporting covenant in the debt agreements of the Company. Lee Legacy constitutes the business of the Company, including its 50% interest in Madison Newspapers, Inc. ("MNI"), but excluding Pulitzer and the Company's 50% interest in TNI Partners ("TNI").

The Lee Legacy and Pulitzer separate income statement presentations are not prepared in accordance with Generally Accepted Accounting Principles ("GAAP") as non-operating income (expense) and income tax expense are allocations of the consolidated balances and have not been prepared in accordance with Accounting Standards Codification 280: *Segment Reporting*. This presentation is only intended to be used for purposes of complying with covenants under the Company's debt agreements and should not be used as a substitute for the Company's consolidated financial statements prepared in accordance with GAAP. Refer to the Company's consolidated financial statements prepared in accordance with GAAP as periodically filed on Form 10-Q and Form 10-K with the Securities and Exchange Commission.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 [Supplemental Financial Information – Fourth fiscal quarter ended September 29, 2019](#)

**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 13, 2019

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

Exhibit 99.1 - Supplemental Financial Information – Fourth fiscal quarter ended September 29, 2019.



4600 E 53rd Street.  
Davenport, IA 52807  
[www.lee.net](http://www.lee.net)

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**Quarter Ended (unaudited)**

(in thousands)	September 29, 2019			September 30, 2018		
	Consolidated	Lee Legacy	Pulitzer Inc.	Consolidated	Lee Legacy	Pulitzer Inc.
<b>Operating revenue:</b>						
Advertising and marketing services	61,282	42,846	18,436	73,695	51,702	21,993
Subscription	48,726	34,012	14,714	52,703	36,904	15,799
Other	13,657	12,109	1,548	13,348	11,792	1,556
<b>Total operating revenue</b>	<b>123,665</b>	<b>88,967</b>	<b>34,698</b>	<b>139,746</b>	<b>100,398</b>	<b>39,348</b>
<b>Operating expenses:</b>						
Compensation	42,672	31,699	10,973	49,614	37,334	12,280
Newsprint and ink	4,843	3,245	1,598	7,028	4,836	2,192
Other operating expenses	47,793	29,188	18,605	50,824	30,148	20,676
Depreciation and amortization	7,069	4,619	2,450	7,794	5,082	2,712
Assets loss (gain) on sales, impairments, and other	2,676	2,361	315	7,626	695	6,931
Restructuring costs and other	6,022	3,294	2,728	1,400	1,021	379
<b>Total operating expenses</b>	<b>111,075</b>	<b>74,406</b>	<b>36,669</b>	<b>124,286</b>	<b>79,116</b>	<b>45,170</b>
Equity in earnings of associated companies	1,823	1,183	640	3,679	2,605	1,074
<b>Operating income</b>	<b>14,413</b>	<b>15,744</b>	<b>(1,331)</b>	<b>19,139</b>	<b>23,887</b>	<b>(4,748)</b>
Non-operating income (expense), net	(11,310)	(14,433)	3,123	(14,140)	(17,558)	3,418
Income tax expense (benefit)	1,758	1,310	448	561	1,044	(483)
<b>Net income</b>	<b>1,345</b>	<b>1</b>	<b>1,344</b>	<b>4,438</b>	<b>5,285</b>	<b>(847)</b>

Adjusted EBITDA is a non-GAAP financial measure. Below is a reconciliation of adjusted EBITDA to net income, the most directly comparable measure under GAAP:

Net Income	1,345	1	1,344	4,438	5,285	(847)
Adjusted to exclude						
Non-operating expenses (income), net	11,310	14,433	(3,123)	14,140	17,558	(3,418)
Income tax expense (benefit)	1,758	1,310	448	561	1,044	(483)
Equity in earnings of TNI and MNI	(1,823)	(1,183)	(640)	(3,679)	(2,605)	(1,074)
Depreciation and amortization	7,069	4,619	2,450	7,794	5,082	2,712
Assets loss (gain) on sales, impairments, and other	2,676	2,361	315	7,626	695	6,931
Restructuring costs and other	6,022	3,294	2,728	1,400	1,021	379
Stock compensation	428	428	—	417	417	—
Add:						
Ownership share of TNI and MNI EBITDA (50%)	2,325	1,580	745	2,449	1,270	1,179
<b>Adjusted EBITDA</b>	<b>31,110</b>	<b>26,843</b>	<b>4,267</b>	<b>35,146</b>	<b>29,767</b>	<b>5,379</b>

**Supplemental cash flow information**

Distributions from MNI and TNI	2,007	1,000	1,007	2,339	900	1,439
Capital expenditures	(2,148)	(1,606)	(542)	(1,744)	(1,529)	(215)
Cash income tax payments	(2,097)	(2,097)	—	(35)	(30)	(5)
Interest income	165	(2,245)	2,410	154	(2,556)	2,710
Interest to be settled in cash	(11,232)	(8,305)	(2,927)	(13,004)	(10,046)	(2,958)
Debt financing and administrative costs	159	159	—	(4)	(4)	—

**Year Ended (unaudited)**

(in thousands)	September 29, 2019			September 30, 2018		
	Consolidated	Lee Legacy	Pulitzer Inc.	Consolidated	Lee Legacy	Pulitzer Inc.
<b>Operating revenue:</b>						
Advertising and marketing services	265,933	184,648	81,285	303,446	212,265	91,181
Subscription	186,691	129,053	57,638	195,108	135,309	59,799
Other	57,230	51,077	6,153	45,401	38,543	6,858
<b>Total operating revenue</b>	<b>509,854</b>	<b>364,778</b>	<b>145,076</b>	<b>543,955</b>	<b>386,117</b>	<b>157,838</b>
<b>Operating expenses:</b>						
Compensation	182,869	137,172	45,697	199,164	149,924	49,240
Newsprint and ink	22,237	15,172	7,065	24,949	17,591	7,358
Other operating expenses	193,709	118,738	74,971	199,653	119,673	79,980
Depreciation and amortization	29,332	19,135	10,197	31,766	20,676	11,090
Assets loss (gain) on sales, impairments, and other	2,464	2,247	217	6,429	(475)	6,904
Restructuring costs and other	11,635	7,118	4,517	5,550	4,587	963
<b>Total operating expenses</b>	<b>442,246</b>	<b>299,582</b>	<b>142,664</b>	<b>467,511</b>	<b>311,976</b>	<b>155,535</b>
Equity in earnings of associated companies	7,121	2,885	4,236	9,249	4,629	4,620
<b>Operating income</b>	<b>74,729</b>	<b>68,081</b>	<b>6,648</b>	<b>85,693</b>	<b>78,770</b>	<b>6,923</b>
Non-operating income (expense), net	(50,889)	(64,596)	13,707	(54,873)	(67,071)	12,198
Income tax expense (benefit)	7,931	2,842	5,089	(16,228)	(23,173)	6,945
<b>Net income</b>	<b>15,909</b>	<b>643</b>	<b>15,266</b>	<b>47,048</b>	<b>34,872</b>	<b>12,176</b>

Adjusted EBITDA is a non-GAAP financial measure. Below is a reconciliation of adjusted EBITDA to net income, the most directly comparable measure under GAAP:

Net Income	15,909	643	15,266	47,048	34,872	12,176
<b>Adjusted to exclude</b>						
Non-operating expenses (income), net	50,889	64,596	(13,707)	54,873	67,071	(12,198)
Income tax expense (benefit)	7,931	2,842	5,089	(16,228)	(23,173)	6,945
Equity in earnings of TNI and MNI	(7,121)	(2,885)	(4,236)	(9,249)	(4,629)	(4,620)
Depreciation and amortization	29,332	19,135	10,197	31,766	20,676	11,090
Assets loss (gain) on sales, impairments, and other	2,464	2,247	217	6,429	(475)	6,904
Restructuring costs and other	11,635	7,118	4,517	5,550	4,587	963
Stock compensation	1,638	1,638	—	1,857	1,857	—
<b>Add:</b>						
Ownership share of TNI and MNI EBITDA (50%)	8,811	4,157	4,654	9,883	4,845	5,038
<b>Adjusted EBITDA</b>	<b>121,488</b>	<b>99,491</b>	<b>21,997</b>	<b>131,929</b>	<b>105,631</b>	<b>26,298</b>

**Supplemental cash flow information:**

Distributions from MNI and TNI	7,595	3,350	4,245	9,214	3,400	5,814
Capital expenditures	(5,901)	(4,794)	(1,107)	(6,025)	(4,660)	(1,365)
Cash income tax payments	(8,439)	(8,440)	1	(464)	(396)	(68)
Interest income	655	(10,204)	10,859	489	(8,879)	9,368
Interest to be settled in cash	(47,488)	(36,821)	(10,667)	(52,842)	(39,988)	(12,854)
Debt financing and administrative costs	(1,773)	(1,773)	—	(437)	(437)	—