UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For The Quarterly Period Ended December 24, 2023

OR

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

Commission File Number 1-6227
LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its Charter)

Delaware	42-0823980
(State or other jurisdiction of incorporation or organization)	(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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files. Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		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. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 31, 2024, 6,143,119 shares of Common Stock of the Registrant were outstanding.

Table Of Contents			PAGE
FORWARD LOOKING STATEMENTS			1
PART I	FINANCIAL INFORMATION		2
	Item 1.	Financial Statements (Unaudited)	2
		Consolidated Balance Sheets - December 24, 2023, and September 24, 2023	2
		Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) -Three months ended December 24, 2023 and December 25, 2022	4
		Consolidated Statements of Stockholder's Equity - Three months ended December 24, 2023, and December 25, 2022	5
		Consolidated Statements of Cash Flows - Three months ended December 24, 2023, and December 25, 2022	6
		Notes to Consolidated Financial Statements	7
	Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	12
	Item 3.	Controls and Procedures	17
PART II	OTHER INFORMATION		18
	Item 1.	Legal Proceedings	18
	Item 1.A.	Risk Factors	18
	Item 6.	Exhibits	18
SIGNATURES			20

References to “we”, “our”, “us” and the like throughout this document refer to Lee Enterprises, Incorporated (the “Company”). References to “2024”, “2023" and the like refer to the fiscal years ended the last Sunday in September.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This report 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:

- The long-term or permanent changes the COVID-19 pandemic may have on the publishing industry; which may result in permanent revenue reductions and other risks and uncertainties;
- We may be required to indemnify the previous owners of the BH Media or 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, including statements regarding the impacts that the COVID-19 pandemic 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.

PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED BALANCE SHEETS

(Thousands of Dollars)	(Unaudited) December 24, 2023	September 24, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	15,365	14,548
Accounts receivable and contract assets, net	68,103	69,104
Inventories	7,637	7,504
Prepaid and other current assets	14,761	15,373
Total current assets	105,866	106,529
Investments:		
Associated companies	27,741	27,819
Other	5,569	5,572
Total investments	33,310	33,391
Property and equipment:		
Land and improvements	11,995	12,366
Buildings and improvements	82,989	83,140
Equipment	211,356	213,714
Construction in process	1,368	2,453
	307,708	311,673
Less accumulated depreciation	248,530	250,439
Property and equipment, net	59,178	61,234
Operating lease right-of-use assets	38,417	40,822
Goodwill	328,243	329,504
Other intangible assets, net	90,384	94,988
Pension plan assets, net	11,095	10,843
Medical plan assets, net	21,821	21,565
Other	14,195	12,741
Total assets	702,509	711,617

The accompanying Notes are an integral part of the Consolidated Financial Statements.

(Thousands of Dollars and Shares, Except Per Share Data)	(Unaudited) December 24, 2023	September 24, 2023
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of lease liabilities	7,602	7,755
Accounts payable	38,537	36,290
Compensation and other accrued liabilities	26,960	29,448
Unearned revenue	39,550	40,843
Total current liabilities	112,649	114,336
Long-term debt, net of current maturities	454,161	455,741
Operating lease liabilities	34,160	36,580
Pension obligations	561	586
Postretirement and postemployment benefit obligations	7,427	8,618
Deferred income taxes	40,735	41,351
Income taxes payable	5,980	5,809
Withdrawal liabilities and other	24,646	24,890
Total liabilities	680,319	687,911
Equity:		
Stockholders' equity:		
Serial convertible preferred stock, no par value; authorized 500 shares; none issued	—	—
Common Stock, $0.01 par value; authorized 12,000 shares; issued and outstanding:	61	61
December 24, 2023; 6,143 shares; $0.01 par value		
September 24, 2023; 6,063 shares; $0.01 par value		
Class B Common Stock, $2 par value; authorized 3,000 shares; none issued	—	—
Additional paid-in capital	260,950	260,832
Accumulated deficit	(265,808)	(266,496)
Accumulated other comprehensive income	24,529	26,843
Total stockholders' equity	19,732	21,240
Non-controlling interests	2,458	2,466
Total equity	22,190	23,706
Total liabilities and equity	702,509	711,617

The accompanying Notes are an integral part of the Consolidated Financial Statements.

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three months ended	
(Thousands of Dollars, Except Per Common Share Data)	December 24, 2023	December 25, 2022
Operating revenue:		
Advertising and marketing services	70,887	89,585
Subscription	71,339	79,699
Other	13,452	15,847
Total operating revenue	155,678	185,131
Operating expenses:		
Compensation	59,676	75,446
Newsprint and ink	4,843	7,432
Other operating expenses	74,776	86,774
Depreciation and amortization	7,295	7,886
Assets gain on sales, impairments and other, net	(1,469)	(2,563)
Restructuring costs and other	4,265	646
Total operating expenses	149,386	175,621
Equity in earnings of associated companies	1,541	1,668
Operating income	7,833	11,178
Non-operating (expense) income:		
Interest expense	(10,131)	(10,408)
Pension and OPEB related benefit and other, net	186	1,494
Curtailment/Settlement gains	3,593	—
Total non-operating expense, net	(6,352)	(8,914)
Income before income taxes	1,481	2,264
Income tax expense	248	440
Net income	1,233	1,824
Net income attributable to non-controlling interests	(545)	(725)
Income attributable to Lee Enterprises, Incorporated	688	1,099
Other comprehensive loss, net of income taxes	(2,314)	(140)
Comprehensive (loss) income attributable to Lee Enterprises, Incorporated	(1,626)	959
Earnings per common share:		
Basic:	0.12	0.19
Diluted:	0.12	0.19

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

(Thousands of Dollars)	Accumulated Deficit	Common Stock	Additional paid-in capital	Accumulated Other Comprehensive Income	Total
September 25, 2023	(266,496)	61	260,832	26,843	21,240
Shares redeemed	—	—	(96)	—	(96)
Income attributable to Lee Enterprises, Incorporated	688	—	—	—	688
Stock compensation	—	—	214	—	214
Other comprehensive loss	—	—	—	(2,286)	(2,286)
Deferred income taxes, net	—	—	—	(28)	(28)
December 24, 2023	(265,808)	61	260,950	24,529	19,732

(Thousands of Dollars)	Accumulated Deficit	Common Stock	Additional paid-in capital	Accumulated Other Comprehensive Income	Total
September 26, 2022	(261,229)	60	259,521	16,653	15,005
Shares redeemed	—	—	(383)	—	(383)
Income attributable to Lee Enterprises, Incorporated	1,099	—	—	—	1,099
Stock compensation	—	—	349	—	349
Other comprehensive loss	—	—	—	(200)	(200)
Deferred income taxes, net	—	—	—	60	60
December 25, 2022	(260,130)	60	259,487	16,513	15,930

The accompanying Notes are an integral part of the Consolidated Financial Statements.

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Cash (required for) provided by operating activities:		
Net income	1,233	1,824
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,295	7,886
Bad debt expense	3,724	1,936
Curtailment/Settlement gain	(3,593)	—
Stock compensation expense	214	349
Assets gain on sales, impairments and other, net	(1,469)	(2,563)
Earnings net of distributions deemed returns on investment of TNI and MNI	(59)	(522)
Gain on sale of investment	—	(1,408)
Deferred income taxes	(645)	(216)
Return of letters of credit collateral	—	778
Other, net	(550)	(459)
Changes in operating assets and liabilities:		
Increase in receivables and contract assets	(3,040)	(8,034)
(Increase) decrease in inventories and other	(66)	153
Increase (decrease) in accounts payable and other accrued liabilities	64	(1,738)
Decrease in pension and other postretirement and postemployment benefit obligations	(418)	(192)
Change in income taxes payable	(2,105)	570
Other	(505)	(578)
Net cash provided by (required for) operating activities	80	(2,214)
Cash provided by (required for) investing activities:		
Purchases of property and equipment	(1,030)	(1,187)
Proceeds from sales of assets	3,145	4,052
Other, net	(20)	1,678
Net cash provided by investing activities	2,095	4,543
Cash required for financing activities:		
Principal payments on long-term debt	(1,580)	—
Common stock transactions, net	221	(168)
Net cash required for financing activities	(1,359)	(168)
Net increase in cash and cash equivalents	816	2,161
Cash and cash equivalents:		
Beginning of period	14,548	16,185
End of period	15,364	18,346

The accompanying Notes are an integral part of the Consolidated Financial Statements.

LEE ENTERPRISES, INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited, interim, Consolidated Financial Statements included herein have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission for quarterly reports. In the opinion of management, these financial statements contain all adjustments (consisting of only normal recurring items) necessary to present fairly the financial position of Lee Enterprises, Incorporated and its subsidiaries (the “Company”) as of December 24, 2023, and our results of operations and cash flows for the periods presented. The Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's 2023 Annual Report on Form 10-K.

The Company's fiscal year ends on the last Sunday in September. Fiscal year 2024 ends on September 24, 2024, and fiscal year 2023 ended September 24, 2023. Fiscal year 2024 includes 53 weeks of operations and 2023 included 52 weeks of operations. Because of seasonal and other factors, the results of operations for the three months ended December 24, 2023, are not necessarily indicative of the results to be expected for the full year.

The Consolidated Financial Statements include our accounts and those of our wholly owned subsidiaries, as well as our 82.5% interest in INN Partners, L.C. (“BLOX Digital" formerly "TownNews”).

Our 50% interest in TNI Partners ("TNI") and our 50% interest in Madison Newspapers, Inc. ("MNI") are accounted for using the equity method and are reported at cost, plus our share of undistributed earnings since acquisition less, for TNI, amortization of intangible assets.

In 2024, certain prior period amounts within the consolidated financial statements have been adjusted to conform with current period presentation. These matters did not change operating revenues, net income (loss), accumulated deficit, and earnings per share in all periods presented.

2 REVENUE

The following table presents our revenue disaggregated by source:

	Three months Ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Operating revenue:		
Print advertising revenue	24,435	41,836
Digital advertising revenue	46,452	47,749
Advertising and marketing services revenue	70,887	89,585
Print subscription revenue	51,872	67,370
Digital subscription revenue	19,467	12,329
Subscription revenue	71,339	79,699
Print other revenue	8,492	11,120
Digital other revenue	4,960	4,727
Other revenue	13,452	15,847
Total operating revenue	155,678	185,131

Recognition principles: Revenue is recognized when a performance obligation is satisfied by the transfer of control of the contracted goods or services to our customers, in an amount that reflects the consideration we expect to receive in exchange for those goods or services.

Arrangements with multiple performance obligations: We have various advertising and subscription agreements which include both print and digital performance obligations. Revenue from sales agreements that contain multiple performance obligations are allocated to each obligation based on the relative standalone selling price. We determine standalone selling prices based on observable prices charged to customers.

Contract Assets and Liabilities: The Company's primary source of contract liabilities is unearned revenue from subscriptions paid in advance of the service provided. The Company expects to recognize the revenue related to unsatisfied performance obligations over the next twelve months in accordance with the terms of the subscriptions and other contracts with customers. Revenue recognized in the three months ended December 24, 2023, that was included in the contract liability as of September 24, 2023, was $27.2 million.

Accounts receivable, excluding allowance for credit losses was $74.3 million and $74.4 million as of December 24, 2023, and September 24, 2023, respectively. Allowance for credit losses was $6.2 million and $5.3 million as of December 24, 2023, and September 24, 2023, respectively.

Sales commissions are expensed as incurred as the associated contractual periods are one year or less. These costs are recorded within compensation. Most of our contracts have original expected lengths of one year or less and revenue is earned at a rate and amount that corresponds directly with the value to the customer.

3 INVESTMENTS IN ASSOCIATED COMPANIES

TNI Partners

In Tucson, Arizona, TNI, acting as agent for our subsidiary, Star Publishing Company ("Star Publishing"), and Gannets Co. Inc.'s subsidiary Citizen Publishing Company ("Citizen"), is responsible for printing, delivery, advertising, and subscription activities of the *Arizona Daily Star* as well as the related digital platforms and specialty publications. TNI collects all receipts and income and pays substantially all operating expenses incident to the partnership's operations and publication of the newspaper and other media.

Income or loss of TNI (before income taxes) is allocated equally to Star Publishing and Citizen.

Summarized results of TNI are as follows:

	Three months ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Operating revenue	6,991	8,814
Operating expenses	4,681	6,285
Operating income	2,310	2,529
Company's 50% share of operating income	1,155	1,265
Equity in earnings of TNI	1,155	1,265

TNI makes periodic distributions of its earnings and for the three months ended December 24, 2023, and December 25, 2022, we received $1.2 million and $0.9 million in distributions, respectively.

Madison Newspapers, Inc.

We have a 50% ownership interest in MNI, which publishes daily and Sunday newspapers, and other publications in Madison, Wisconsin, and other Wisconsin locations, and operates their related digital platforms. Net income or loss of MNI (after income taxes) is allocated equally to us and The Capital Times Company ("TCT"). MNI conducts its business under the trade name Capital Newspapers.

Summarized results of MNI are as follows:

	Three months ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Operating revenue	10,602	11,904
Operating expenses, excluding restructuring costs, depreciation and amortization	7,810	9,346
Restructuring costs	61	26
Depreciation and amortization	120	137
Operating income	2,611	2,395
Net income	772	807
Equity in earnings of MNI	386	404

MNI makes periodic distributions of its earnings and in the three months ended December 24, 2023 and December 25, 2022, we received $0.4 million and $0.3 million in distributions, respectively.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and identified intangible assets consist of the following:

(Thousands of Dollars)	December 24, 2023	September 24, 2023
Goodwill, beginning of period	329,504	329,504
Allocated to sold operations	(1,261)	—
Goodwill, end of period	328,243	329,504
Non-amortized intangible assets:		
Mastheads	18,675	18,675
Amortizable intangible assets:		
Customer and newspaper subscriber lists	305,100	306,766
Less accumulated amortization	(233,391)	(230,453)
	71,709	76,313
Total intangibles, net	418,627	424,492

The weighted average amortization period for amortizable assets is 11.2 years.

During the three months ended December 24, 2023 the Company sold non-core operations. Goodwill was allocated on a pro-rata basis to these operations, which totaled $1.3 million.

5 DEBT

The Company has debt consisting of a single 25-year term loan with BH Finance LLC, with an aggregate principal balance of $454.2 million at a 9% annual fixed rate and maturing on March 16, 2045 (referred to herein as “Credit Agreement” and “Term Loan”). On December 24, 2023, the fair value is $382.2 million. This represents a level 2 fair value measurement.

During the three months ended December 24, 2023, we made $1.6 million principal debt payments as a result of non-core asset sales. Future payments are contingent on the Company's ability to generate future excess cash flow, as defined in the Credit Agreement. As of December 24, 2023, there was no excess cash flow payment due.

6 PENSION, POSTRETIREMENT AND POSTEMPLOYMENT DEFINED BENEFIT PLANS

We have one defined benefit pension plan that covers certain employees, including plans established under collective bargaining agreements. Additionally, we provide retiree medical and life insurance benefits under postretirement plans at several of our operating locations. Through December 24, 2023, our liability and related expense for benefits under the plans are recorded over the service period of employees based upon annual actuarial calculations.

During the three months ended December 24, 2023, the Company offered a voluntary lump sum payment of future benefits to terminated vested participants in the defined benefit pension plan. The offer was accepted by 522 participants, representing a $22.6 million settlement of related pension plan liability. The Company recognized a non-cash settlement gain of $2.4 million, which is reflected within "Curtailment/Settlement gains" on the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss). Pension plan assets and liabilities were reduced by $22.6 million.

During the three months ended December 24, 2023, the Company completed the outsourcing of certain printing operations, which ceased postretirement medical benefits for a group of employees. The Company recognized a non-cash curtailment gain of $1.2 million, which is reflected within "Curtailment/Settlement gains" on the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss).

The net periodic pension and postretirement cost (benefit) components for our plans are as follows:

PENSION PLANS	Three months ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Service cost for benefits earned during the period	1	5
Interest cost on projected benefit obligation	2,515	2,592
Expected return on plan assets	(2,453)	(2,548)
Amortization of net (gain) loss	(2)	2
Amortization of prior service benefit	212	213
Settlement gain	(2,409)	—
Net periodic pension (benefit) cost	(2,136)	264

POSTRETIREMENT MEDICAL PLANS	Three months ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Service cost for benefits earned during the period	13	17
Interest cost on projected benefit obligation	149	149
Expected return on plan assets	(320)	(295)
Amortization of net gain	(308)	(254)
Amortization of prior service benefit	(94)	(162)
Curtailment gain	(1,184)	—
Net periodic postretirement benefit	(1,744)	(545)

In the three months ended December 24, 2023 and December 25, 2022, we made no contributions to our pension plans. We have no required contributions to our pension plans for 2024.

Multiemployer Pension Plans

In prior periods, the Company effectuated withdrawals from several multiemployer plans. As of December 24, 2023 and September 24, 2023, we had $24.8 million and $25.1 million of accrued withdrawal liabilities. The liabilities reflect the estimated value of payments to the fund, payable over 20-years.

7 INCOME TAXES

We recorded an income tax expense of $0.2 million related to income before taxes of $1.5 million for the three months ended December 24, 2023. We recorded an income tax expense of $0.4 million related to income before taxes of $2.3 million for the three months ended December 25, 2022. The effective income tax rate for the three months ended December 24, 2023, was 16.7%. The effective income tax rate for the three months ended December 25, 2022, was 19.4%.

The primary differences between these rates and the U.S. federal statutory rate of 21% are because of state taxes, non-deductible expenses and adjustments to reserves for uncertain tax positions, including any related interest.

We file a consolidated federal tax return, as well as combined and separate tax returns in approximately 27 state and local jurisdictions. We do not currently have any federal or material state income tax examinations in progress. Our income tax returns have generally been audited or closed to audit through 2015.

8 EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

	Three months ended	
(Thousands of Dollars and Shares, Except Per Share Data)	December 24, 2023	December 25, 2022
Income attributable to Lee Enterprises, Incorporated:	688	1,099
Weighted average common shares	6,080	5,996
Less weighted average restricted Common Stock	(170)	(171)
Basic average common shares	5,910	5,825
Dilutive restricted Common Stock	26	71
Diluted average common shares	5,936	5,896
Earnings per common share:		
Basic	0.12	0.19
Diluted	0.12	0.19

For the three months ended December 24, 2023 and December 25, 2022, 128,019 and 74,304 shares, respectively, were not considered in the computation of diluted earnings per common share because their inclusion would result in an anti-dilutive effect on per share amounts.

9 COMMITMENTS AND CONTINGENT LIABILITIES

Legal Proceedings

We are involved in a variety of legal actions that arise in the normal course of business. Insurance coverage mitigates potential loss for certain of these matters. While we are unable to predict the ultimate outcome of these legal actions, it is our opinion that the disposition of these matters will *not* have a material adverse effect on our Consolidated Financial Statements, taken as a whole.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion includes comments and analysis relating to our results of operations and financial condition as of and for the three months ended December 24, 2023. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes thereto, included herein, and our 2023 Annual Report on Form 10-K.

EXECUTIVE OVERVIEW

Lee Enterprises, Incorporated, together with its subsidiaries, is a digital-first subscription business providing local markets with valuable, high quality, trusted, intensely local news, information, advertising and marketing services. We inform consumers in 73 mid-sized local communities in 26 states with a rapidly growing digital subscription platform including 735,000 digital subscribers. Our core strategy aims to grow audiences and engagement through creating, collecting, and distributing trusted local news and information, continuous improvements to subscriber experience, and offering a full suite of omni-channel advertising and marketing to more than 30,000 local advertisers.

Our product portfolio includes digital subscription platforms, daily, weekly and monthly newspapers and niche products, all delivering original local news and information as well as national and international news. Our products offer digital and print editions, and our content and advertising is available in real time through our websites and mobile apps. We operate in predominately mid-sized communities with products ranging from large daily newspapers and associated digital products, such as the *St. Louis Post-Dispatch* and *The Buffalo News*, to non-daily newspapers with news websites and digital platforms serving smaller communities.

We have made investments in talent and technology to improve user experience, content, data visualization and marketing to align with the shift in spending habits by both consumers and advertisers toward digital products.

We aim to grow our business through three main categories: subscriptions to our product offerings, advertising and marketing solutions to local advertisers, and digital services to a diverse set of customers. Execution of this strategy is expected to transform Lee into a growing and sustainable local media organization.

- Our digital subscription platforms are the fastest growing digital subscription platforms in local media.
- Amplified Digital® ("Amplified"), our digital marketing services agency, offers a full suite of digital marketing solutions to local advertisers.
- BLOX Digital (formerly known as TownNews), our software as a service (SaaS) content platform, is one of the largest web-hosting and content management SaaS providers in North America. BLOX Digital represents a powerful opportunity to drive additional digital revenue by providing state-of-the-art web hosting and content management services to more than 2,000 customers who rely on BLOX Digital for their web, over-the-top display, mobile, video and social media products.

We generate revenue primarily through advertising and marketing services, subscriptions to our digital and print products, and digital services, primarily through our majority-owned subsidiary, BLOX Digital.

STRATEGY

We are a major subscription and advertising platform, a trusted local news provider and innovative, digitally-focused marketing solutions company. Our focus is on the local market - including local news and information, local advertising and marketing services to top local accounts, and digital services to local content curators. To align with the core strength of our Company, our operating strategy is locally focused around three pillars:

- Grow digital audiences by transforming the way we present local news and information
- Expand our digital subscription base and revenue through audience growth and continued conversion of our massive digital audiences.
- Diversify and expand offerings for advertisers through our vast array of rapidly growing digital products, our large digitally adapt sales force, and Amplified, our full-service digital agency.

Table of Contents

RESULTS OF OPERATIONS

Three Months Ended December 24, 2023

Operating results are summarized below.

(Thousands of Dollars, Except Per Common Share Data)	December 24, 2023	December 25, 2022	Percent Change
Operating revenue:			
Print advertising revenue	24,435	41,836	(41.6)%
Digital advertising revenue	46,452	47,749	(2.7)%
Advertising and marketing services revenue	70,887	89,585	(20.9)%
Print subscription revenue	51,872	67,370	(23.0)%
Digital subscription revenue	19,467	12,329	57.9 %
Subscription revenue	71,339	79,699	(10.5)%
Print other revenue	8,492	11,120	(23.6)%
Digital other revenue	4,960	4,727	4.9 %
Other revenue	13,452	15,847	(15.1)%
Total operating revenue	155,678	185,131	(15.9)%
Operating expenses:			
Compensation	59,676	75,446	(20.9)%
Newsprint and ink	4,843	7,432	(34.8)%
Other operating expenses	74,776	86,774	(13.8)%
Depreciation and amortization	7,295	7,886	(7.5)%
Assets gain on sales, impairments and other	(1,469)	(2,563)	(42.7)%
Restructuring costs and other	4,265	646	NM
Total operating expenses	149,386	175,621	(14.9)%
Equity in earnings of associated companies	1,541	1,668	(7.6)%
Operating income	7,833	11,178	(29.9)%
Non-operating income (expense):			
Interest expense	(10,131)	(10,408)	(2.7)%
Pension and OPEB related benefit (cost) and other, net	186	1,494	(87.6)%
Curtailment/Settlement gains	3,593	—	NM
Total non-operating expense, net	(6,352)	(8,914)	(28.7)%
Income before income taxes	1,481	2,264	(34.6)%
Income tax expense	248	440	(43.6)%
Net Income	1,233	1,824	(32.4)%
Earnings (loss) per common share:			
Basic	0.12	0.19	(91.4)%
Diluted	0.12	0.19	(91.2)%

References to the “2024 Quarter” refer to the three months ended December 24, 2023. Similarly, references to the “2023 Quarter” refer to the three months ended December 25, 2022.

Operating Revenue

Total operating revenue was $155.7 million in the 2024 Quarter, down $29.5 million, or 15.9%, compared to the prior year.

Advertising and marketing services revenue totaled $70.9 million in the 2024 Quarter, down 20.9% compared to the 2023 Quarter. Print advertising revenues were $24.4 million in the 2024 Quarter, down 41.6% compared to the 2023 Quarter due to continued secular declines in demand for print advertising and a reduced product portfolio through sales and elimination of products that do not met profitability standards. Digital advertising and marketing services totaled $46.5 million in the 2024 Quarter, down 2.7% compared to the 2023 Quarter. Digital advertising and marketing services represented 65.5% of the 2024 Quarter total advertising and marketing services revenue, compared to 53.3% in the same period last year.

Subscription revenue totaled $71.3 million in the 2024 Quarter, down 10.5% compared to the 2023 Quarter. Decline in full access volume, consistent with historical and industry trends were partially offset by selective increases on our full access subscriptions, growth in digital-only subscribers and price increases on digital subscriptions. Digital-only subscribers grew 30.4% since the 2023 Quarter and now total 735,000, and revenue from digital-only subscribers totaled $19.5 million, up 57.9% compared to the 2023 Quarter.

Other revenue, which primarily consists of commercial printing revenue and digital services from BLOX Digital, decreased $2.4 million, or 15.1%, in the 2024 Quarter compared to the 2023 Quarter. Digital services revenue totaled $5.0 million in the 2024 Quarter, a 4.9% increase compared to the 2023 Quarter. Commercial printing revenue totaled $4.5 million in the 2024 Quarter, a 16.7% decrease compared to the 2023 Quarter, primarily driven by reduction in print volumes from our partners.

Total digital revenue including digital advertising revenue, digital subscription revenue and digital services revenue totaled $70.9 million in the 2024 Quarter, an increase of 9.4% over the 2023 Quarter, and represented 45.5% of our total operating revenue in the 2024 Quarter.

Equity in earnings of TNI and MNI decreased 0.1 in the 2024 Quarter.

Operating Expenses

Total operating expenses were $149.4 million in the 2024 Quarter, a 14.9% decrease compared to the 2023 Quarter. Cash Costs, a non-GAAP financial measure used to summarize certain operating expense (see reconciliation of Non-GAAP financial measures below), were down 17.9% in the 2024 Quarter.

Compensation expense decreased $15.8 million in the 2024 Quarter, or 20.9%, compared to the 2023 Quarter from reductions in full time employees ("FTEs") due to continued business transformation efforts, partially offset by investments in digital talent.

Newsprint and ink costs decreased $2.6 in the 2024 Quarter, or 34.8%, compared to the 2023 Quarter. The decrease is attributable to declines in newsprint volumes.

Other operating expenses decreased $12.0 in the 2024 Quarter, or 13.8%, compared to the 2023 Quarter. Other operating expenses include all operating costs not considered to be compensation, newsprint, depreciation and amortization, or restructuring costs and assets loss on sales, impairments, and other, net. The largest components are costs associated with printing and distribution of our printed products, digital cost of goods sold and facility expenses. The decrease is attributable to lower delivery and other print-related costs due to lower volumes of our print edition, partially increases in investments to fund our digital growth strategy partially offset by

Restructuring costs and other totaled $4.3 million and $0.6 million in the 2024 Quarter and 2023 Quarter, respectively. Restructuring costs and other include severance costs, litigation expenses, restructuring expenses, and advisor expenses. Restructuring costs in the 2024 and 2023 Quarter's are predominately severance related to our ongoing business transformation.

Depreciation and amortization expense decreased $0.6 million, or 7.5%, in the 2024 Quarter. The decrease in both is attributable to assets becoming fully depreciated or amortized.

Assets gain on sales, impairments and other, was a net gain of $1.5 million in the 2024 Quarter compared to a net gain of $2.6 million in the 2023 Quarter. Assets gain on sales, impairments and other in the 2024 Quarter and in the 2023 Quarter were the result of the disposition of non-core assets, including real estate.

The factors noted above resulted in an operating income of $7.8 million in the 2024 Quarter compared to operating income of $11.2 million in the 2023 Quarter.

Non-operating Income and Expense

Interest expense decreased $0.3 million, or 2.7%, to $10.1 million in the 2024 Quarter, compared to the same period last year. The decrease was due to a lower outstanding balance on our Term Loan. Our weighted average cost of debt was 9.0% at the end of the 2024 Quarter and 2023 Quarter.

Other non-operating income and expense consists of benefits associated with our pension and other postretirement plans and the fair value adjustment of our Warrants. We recorded $3.9 million periodic pension and other postretirement benefits in the 2024 Quarter compared to $0.3 million in the 2023 Quarter. The increase was a result of recognized a non-cash curtailment gain of $1.2 million in the 2023 Quarter as a result of outsourcing certain postemployment defined benefit plan functions. Additionally, during the Quarter, the Company completed a voluntary lump sum payment of future benefits to terminated vested participants. The offer was accepted by 522 participants representing $22.6 million in plan liabilities. As a result of the offer, a non-cash settlement gain of $2.4 million was recorded in Curtailment/Settlement gain on the Consolidated Statements of Income and Comprehensive Income. Both assets and liabilities of the plan were reduced by $22.6 million.

Income Tax Expense

We recorded an income tax expense of $0.2 million, or 16.7% of pretax income in the 2024 Quarter. In the 2023 Quarter, we recognized an income tax expense of $0.4 million, or 19.4% of pretax income.

Net Income and Earnings Per Share

Net income was $1.2 million and diluted earnings per share were $0.12 for the 2024 Quarter compared to net income of $1.8 million and diluted earnings per share of $0.19 for the 2023 Quarter. The change reflects the various items discussed above.

NON-GAAP FINANCIAL MEASURES

We use non-GAAP financial performance measures to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation or as a substitute for the relevant GAAP measures and should be read in conjunction with information presented on a GAAP basis.

In this report, we present Adjusted EBITDA and Cash Costs which are non-GAAP financial performance measures that exclude from our reported GAAP results the impact of certain items consisting primarily of restructuring charges and non-cash charges. We believe such expenses, charges and gains are not indicative of normal, ongoing operations, and their inclusion in results makes for more difficult comparisons between years and with peer group companies. In the future, however, we are likely to incur expenses, charges and gains similar to the items for which the applicable GAAP financial measures have been adjusted and to report non-GAAP financial measures excluding such items. Accordingly, exclusion of those or similar items in our non-GAAP presentations should not be interpreted as implying the items are non-recurring, infrequent, or unusual.

We define our non-GAAP measures, which may not be comparable to similarly titled measures reported by other companies, 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 also 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. Generally, 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 settled in cash.

Adjusted EBITDA and Cash Costs are reconciled to net income (loss) and operating expenses, below, the closest comparable numbers under GAAP.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(UNAUDITED)

The table below reconciles the non-GAAP financial performance measure of Adjusted EBITDA to net income, the most directly comparable GAAP measure:

	Three months ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Net income	1,233	1,824
Adjusted to exclude		
Income tax expense	248	440
Non-operating expenses, net	6,352	8,914
Equity in earnings of TNI and MNI	(1,541)	(1,668)
Depreciation and amortization	7,295	7,886
Restructuring costs and other	4,265	646
Assets gain on sales, impairments and other, net	(1,469)	(2,563)
Stock compensation	214	349
Add:		
Ownership share of TNI and MNI EBITDA (50%)	2,052	1,791
Adjusted EBITDA	18,649	17,619

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

	Three months ended	
(Thousands of Dollars)	December 24, 2023	December 25, 2022
Operating expenses	149,386	175,621
Adjustments		
Depreciation and amortization	7,295	7,886
Assets gain on sales, impairments and other, net	(1,469)	(2,563)
Restructuring costs and other	4,265	646
Cash Costs	139,295	169,652

LIQUIDITY AND CAPITAL RESOURCES

Our operations have historically generated strong positive cash flow and are expected to provide sufficient liquidity, together with cash on hand, to meet our requirements, primarily operating expenses, interest expense and capital expenditures. A summary of our cash flows is included in the narrative below.

Operating Activities

Cash provided by operating activities totaled $0.1 million in 2024 compared to cash required for operating activities of $2.2 million in 2023, an increase of $2.3 million. The increase was driven by an increase in working capital of $3.7 million, primarily related to favorable change in accounts receivable and accounts payable, partially offset by a decrease in operating results of $1.5 million (defined as net income (loss) adjusted for non-working capital items).

Investing Activities

Cash provided by investing activities totaled $2.1 million in the 2024 Period compared to cash provided by investing activities of $4.5 million in the 2023 Period. 2024 and 2023 included $3.1 million and $4.1 million, respectively, in proceeds from the sale of assets as the Company divested non-core real estate.

We anticipate that funds necessary for capital expenditures, which are expected to total up to $10.0 million in 2024, and other requirements, will be available from internally generated funds.

Financing Activities

Cash required for financing activities totaled $1.4 million in the 2024 Period compared to $0.2 million in the 2023 Period. Debt reduction accounted for nearly all the usage of funds in 2024.

Additional Information on Liquidity

Our liquidity, consisting of cash on the balance sheet, totaled $15.4 million on December 24, 2023. This liquidity amount excludes any future cash flows from operations. We expect all interest and principal payments due in the next twelve months will be satisfied by existing cash and our cash flows, which will allow us to maintain an adequate level of liquidity.

CHANGES IN LAWS AND REGULATIONS

Wage Laws

The United States and various state and local governments are considering increasing their respective minimum wage rates. Most of our employees are paid more than the current United States or state minimum wage rates. However, until changes to such rates are enacted, the impact of the changes cannot be determined.

Item 3. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As of September 24, 2023, under the supervision and with the participation of our senior management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation the Company has concluded that, because the material weakness in the Company's internal control that existed as of September 24, 2023 and have not been remediated by the end of the period covered by this report, our disclosure controls and procedures were not effective.

The material weakness identified by the Company is described below:

- Management did not design and implement controls to assess the reliability of certain internally generated information, or evaluate information received from certain third-party service providers, that are relevant to certain revenue recognized in the Company's Consolidated Financial Statements.

Remediation Plans and Actions

Management is committed to remediating the material weakness that has been identified and maintaining an effective system of disclosure controls and procedures. During fiscal 2023, management executed certain actions steps to remediate the material weakness, including:

- Established a project team to review, evaluate and remediate the material weakness in internal controls over financial reporting. The Company's recently expanded Corporate Compliance function is leading management's efforts related to effective control design, documentation and implementation, as well as remediate ineffective controls.

- Enhanced the design of internal controls around evaluating data provided by third-parties, which included the initial implementation of a new revenue IT system.

Management will continue to execute the remediation steps outlined above until the material weakness is remediated. The material weakness will not be considered remediated until the remediated and/or newly implemented internal controls operate for a sufficient period of time and management has concluded, through testing, that these internal controls are operating effectively. We are working to have the material weakness remediated as soon as possible.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in a variety of legal actions that arise in the normal course of business. Insurance coverage mitigates potential loss for certain of these matters. While we are unable to predict the ultimate outcome of these legal actions, it is our opinion that the disposition of these matters will not have a material adverse effect on our Consolidated Financial Statements, taken as a whole.

Item 1A Risk Factors

Except as otherwise described herein, there have been no material changes in the risk factors previously disclosed in “Part I, Item 1A. Risk Factors” of our 2023 Form 10-K.

In addition, the Company may, from time to time, evaluate and pursue other opportunities for growth, including through strategic investments, joint ventures, and other acquisitions. These strategic initiatives involve various inherent risks, including, without limitation, general business risk, integration and synergy risk, market acceptance risk and risks associated with the potential distraction of management. Such transactions and initiatives may not ultimately create value for us or our stockholders and may harm our reputation and materially adversely affect our business, financial condition, and results of operations.

Item 6. Exhibits

Exhibits marked with an asterisk (*) are incorporated by reference to documents previously filed by us with the SEC, as indicated. Exhibits marked with a plus (+) are management contracts or compensatory plan contracts or arrangements filed pursuant to Item 601(b)(10)(iii)(A) of Regulation S-K. All other documents listed are filed with this Quarterly Report on Form 10-Q.

Number	Description	
31.1	Rule 13a-14(a) Certification of Chief Executive Officer	Attached
31.2	Rule 13a-14(a) Certification of Chief Financial Officer	Attached
32.1	Section 1350 Certification of Chief Executive Officer	Attached
32.2	Section 1350 Certification of Chief Financial Officer	Attached
101.INS	Inline XBRL Instance Document (the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)	Attached
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Attached
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Attached
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Attached
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Attached
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Attached
104	Cover Page Interactive Data File (formatted as Inline XBRL and embedded within the Inline XBRL document)	Attached

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

/s/ Timothy R. Millage	February 2, 2024
Timothy R. Millage	
Vice President, Chief Financial Officer and Treasurer	
(Principal Financial and Accounting Officer)	

Exhibit 31.1

CERTIFICATION

I, Kevin D. Mowbray, certify that:

1 I have reviewed this Quarterly report on Form 10-Q ("Quarterly Report") of Lee Enterprises, Incorporated ("Registrant");

2 Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3 Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4 The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Quarterly Report based on such evaluation; and

d) disclosed in this Quarterly Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an Annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5 The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 2, 2024

/s/ Kevin D. Mowbray

Kevin D. Mowbray
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Timothy R. Millage, certify that:

1 I have reviewed this Quarterly report on Form 10-Q ("Quarterly Report") of Lee Enterprises, Incorporated ("Registrant");

2 Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3 Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4 The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Quarterly Report based on such evaluation; and

d) disclosed in this Quarterly Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an Annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5 The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 2, 2024

/s/ Timothy R. Millage

Timothy R. Millage
Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

The following statement is being furnished to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: Lee Enterprises, Incorporated

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), the undersigned hereby certifies that to his knowledge:

(i) this Quarterly report on Form 10-Q for the period ended December 24, 2023 ("Quarterly Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Lee Enterprises, Incorporated for the periods presented in the Quarterly Report.

Date: February 2, 2024

/s/ Kevin D. Mowbray
Kevin D. Mowbray
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Lee Enterprises, Incorporated and will be retained by Lee Enterprises, Incorporated and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.2

The following statement is being furnished to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: Lee Enterprises, Incorporated

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), the undersigned hereby certifies that to his knowledge:

(i) this Quarterly report on Form 10-Q for the period ended December 24, 2023 ("Quarterly Report"), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Lee Enterprises, Incorporated for the periods presented in the Quarterly Report.

Date: February 2, 2024

/s/ Timothy R. Millage

Timothy R. Millage
Vice President, Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to Lee Enterprises, Incorporated and will be retained by Lee Enterprises, Incorporated and furnished to the Securities and Exchange Commission upon request.