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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 26, 2021

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
Preferred Share Purchase Rights	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 and post 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, 2022, 5,956,990 shares of Common Stock of the Registrant were outstanding.

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References to “we”, “our”, “us” and the like throughout this document refer to Lee Enterprises, Incorporated (the “Company”). References to “2022”, “2021" 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:

- Revenues may continue to diminish or declines in revenue could accelerate as a result of the COVID-19 pandemic;
- Revenues may continue to be diminished longer than anticipated as a result of the COVID-19 pandemic;
- The COVID-19 pandemic may result in material long-term changes to the publishing industry which may result in permanent revenue reductions for the Company and other risks and uncertainties;
- We may experience increased costs, inefficiencies and other disruptions as a result of the COVID-19 pandemic;
- 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 warrants issued in our 2014 refinancing will not be exercised;
- 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 26, 2021	September 26, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	18,585	26,112
Accounts receivable and contract assets, net	73,193	65,070
Inventories	6,340	6,297
Prepaid and other current assets	10,193	11,320
Total current assets	108,311	108,799
Investments:		
Associated companies	27,306	26,682
Other	6,281	6,065
Total investments	33,587	32,747
Property and equipment:		
Land and improvements	14,562	16,576
Buildings and improvements	92,986	106,890
Equipment	210,636	228,817
Construction in process	4,450	2,813
	322,634	355,096
Less accumulated depreciation	243,542	271,830
Property and equipment, net	79,092	83,266
Operating lease right-of-use assets	62,632	65,682
Goodwill	330,204	330,204
Other intangible assets, net	150,901	156,671
Pension plan assets, net	36,121	35,855
Medical plan assets, net	17,883	16,695
Other	13,118	13,632
Total assets	831,849	843,551

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

(Thousands of Dollars and Shares, Except Per Share Data)	(Unaudited) December 26, 2021	September 26, 2021
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of lease liabilities	8,671	8,612
Current maturities of long-term debt	—	6,112
Accounts payable	28,012	20,420
Compensation and other accrued liabilities	43,648	45,076
Unearned revenue	61,281	61,404
Total current liabilities	141,612	141,624
Long-term debt, net of current maturities	462,554	476,504
Operating lease liabilities	54,563	57,683
Pension obligations	25,727	22,444
Postretirement and postemployment benefit obligations	11,564	11,008
Deferred income taxes	38,957	40,295
Income taxes payable	8,840	9,174
Other	24,927	28,121
Total liabilities	768,744	786,853
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:	60	59
December 26, 2021; 5,957 shares; $0.01 par value		
September 26, 2021; 5,889 shares; $0.01 par value		
Class B Common Stock, $2 par value; authorized 3,000 shares; none issued	—	—
Additional paid-in capital	257,863	258,063
Accumulated deficit	(233,086)	(245,744)
Accumulated other comprehensive income	36,075	42,187
Total stockholders' equity	60,912	54,565
Non-controlling interests	2,193	2,133
Total equity	63,105	56,698
Total liabilities and equity	831,849	843,551

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

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

(Thousands of Dollars, Except Per Common Share Data)	December 26, 2021	December 27, 2020
Operating revenue:		
Advertising and marketing services	98,754	102,629
Subscription	87,519	91,309
Other	16,009	17,879
Total operating revenue	202,282	211,817
Operating expenses:		
Compensation	84,694	84,163
Newsprint and ink	7,644	7,992
Other operating expenses	85,982	81,767
Depreciation and amortization	9,676	10,441
Assets (gain) loss on sales, impairments and other, net	(12,274)	5,222
Restructuring costs and other	3,200	3,167
Total operating expenses	178,922	192,752
Equity in earnings of associated companies	1,754	1,743
Operating income	25,114	20,808
Non-operating income (expense):		
Interest expense	(10,663)	(11,882)
Curtailment gain	1,027	23,830
Pension withdrawal cost	—	(12,310)
Other, net	3,072	2,268
Total non-operating (expense) income, net	(6,564)	1,906
Income before income taxes	18,550	22,714
Income tax expense	5,351	6,311
Net income	13,199	16,403
Net income attributable to non-controlling interests	(541)	(501)
Income attributable to Lee Enterprises, Incorporated	12,658	15,902
Other comprehensive (loss) income, net of income taxes	(6,112)	1,142
Comprehensive income attributable to Lee Enterprises, Incorporated	6,546	17,044
Earnings per common share:		
Basic:	2.21	2.79
Diluted:	2.17	2.77

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 27, 2021	(245,744)	59	258,063	42,187	54,565
Shares issued (redeemed)	—	1	(386)	—	(385)
Income attributable to Lee Enterprises, Incorporated	12,658	—	—	—	12,658
Stock compensation	—	—	186	—	186
Other comprehensive (loss) income	—	—	—	(8,174)	(8,174)
Deferred income taxes, net	—	—	—	2,062	2,062
December 26, 2021	(233,086)	60	257,863	36,075	60,912

(Thousands of Dollars)	Accumulated Deficit	Common Stock	Additional paid-in capital	Accumulated Other Comprehensive Loss	Total
September 28, 2020	(268,529)	58	256,957	(20,050)	(31,564)
Shares issued (redeemed)	—	1	(55)	—	(54)
Income attributable to Lee Enterprises, Incorporated	15,902	—	—	—	15,902
Stock compensation	—	—	220	—	220
Other comprehensive income	—	—	—	1,347	1,347
Deferred income taxes, net	—	—	—	(205)	(205)
December 27, 2020	(252,627)	59	257,122	(18,908)	(14,354)

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

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

(Thousands of Dollars)	December 26, 2021	December 27, 2020
Cash provided by operating activities:		
Net income	13,199	16,403
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,676	10,441
Curtailment gain	(1,027)	(23,830)
Pension withdrawal cost	—	12,310
Stock compensation expense	186	220
Assets (gain) loss on sales, impairments and other, net	(12,274)	5,222
Other, net	383	(951)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables and contract assets	(8,519)	(14,662)
Decrease in inventories and other	1,085	602
Increase (decrease) in accounts payable and other accrued liabilities	3,369	7,205
Decrease in pension and other postretirement and postemployment benefit obligations	(4,826)	(1,523)
Change in income taxes payable	2,427	6,643
Other, including warrants	(3,109)	836
Net cash provided by operating activities	570	18,916
Cash provided by (required for) investing activities:		
Purchases of property and equipment	(1,777)	(1,738)
Proceeds from sales of assets	14,406	2,236
Distributions greater (less) than earnings of TNI and MNI	(595)	(687)
Other, net	(80)	(430)
Net cash provided by (required for) investing activities	11,954	(619)
Cash provided by (required for) financing activities:		
Payments on long-term debt	(20,062)	(14,734)
Common stock transactions, net	11	(154)
Net cash required for financing activities	(20,051)	(14,888)
Net (decrease) increase in cash and cash equivalents	(7,527)	3,409
Cash and cash equivalents:		
Beginning of period	26,112	33,733
End of period	18,585	37,142

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

Basis of Presentation

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 26, 2021, 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 2021 Annual Report on Form 10-K.

The Company's fiscal year ends on the last Sunday in September. Fiscal year 2022 ends on September 25, 2022 and fiscal year 2021 ended September 26, 2021. Fiscal year 2022 and 2021 are 52-week years with 13 weeks in each quarter. Because of seasonal and other factors, the results of operations for the 13 weeks ended December 26, 2021, are not necessarily indicative of the results to be expected for the full year.

References to “we”, “our”, “us” and the like throughout the Consolidated Financial Statements refer to the Company. References to “2022”, “2021” and the like refer to the fiscal years ended the last Sunday in September.

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. (“TownNews.com”), our 50% interest in TNI Partners (“TNI”) and our 50% interest in Madison Newspapers, Inc. (“MNI”).

Investments in TNI and 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.

On March 16, 2020, the Company completed the acquisition of BH Media Group, Inc. and The Buffalo News, Inc. for a combined purchase price of $140,000,000 (collectively, the "Transactions").

COVID-19 Pandemic

The ongoing COVID-19 pandemic and related measures to contain its spread have resulted in significant volatility and economic uncertainty, which is expected to continue in the near term. The COVID-19 pandemic has had and the Company currently expects that it will continue to have a significant negative impact on the Company’s business and operating results in the near term. While vaccines have become widely available in the United States, the long-term impact of the COVID-19 pandemic remains uncertain and unpredictable as it will depend on the pace of vaccine distribution, government responses to future outbreaks, the spread of variants, as well as changes in consumer behavior, all of which are highly uncertain. Despite the significant negative impacts on our operating results, we have operated uninterrupted in providing local news, information and advertising in our print and digital editions.

2 REVENUE

The following table presents our revenue disaggregated by source:

(Thousands of Dollars)	December 26, 2021	December 27, 2020
Operating revenue:		
Print	55,970	66,614
Digital	42,784	36,015
Advertising and marketing services revenue	98,754	102,629
Print	79,628	85,033
Digital	7,891	6,276
Subscription revenue	87,519	91,309
Print	11,385	13,064
Digital	4,624	4,815
Other revenue	16,009	17,879
Total operating revenue	202,282	211,817

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.

Total Digital Revenue in the prior year was reclassified to conform to the current year presentation. Total Digital Revenue is defined as digital advertising and marketing services revenue (including Amplified), digital-only subscription revenue and digital services revenue. Previously other digital subscription revenue was included. All periods have been restated for the reclassification.

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 quarter ended December 26, 2021 that was included in the contract liability as of September 26, 2021 was $36,347,000.

Accounts receivable, excluding allowance for credit losses was $80,375,000 and $71,644,000 as of December 26, 2021 and September 26, 2021, respectively. Allowance for credit losses was $7,182,000 and $6,574,000 as of December 26, 2021 and September 26, 2021, respectively.

Sales commissions are expensed as incurred as the associated contractual periods are one year or less. These costs are recorded within compensation. The vast majority 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 Citizen Publishing Company ("Citizen"), a subsidiary of Gannett Co. Inc., 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:

(Thousands of Dollars)	December 26, 2021	December 27, 2020
Operating revenue	8,981	9,400
Operating expenses	6,465	7,005
Operating income	2,516	2,395
Company's 50% share of operating income	1,258	1,198
Less amortization of intangible assets	—	—
Equity in earnings of TNI	1,258	1,198

TNI makes periodic distributions of its earnings and for the quarter ended December 26, 2021 and December 27, 2020 we received $859,000 and $1,056,000 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:

(Thousands of Dollars)	December 26, 2021	December 27, 2020
Operating revenue	12,195	11,922
Operating expenses, excluding restructuring costs, depreciation and amortization	10,834	10,430
Restructuring costs	—	106
Depreciation and amortization	170	110
Operating income	1,191	1,276
Net income	991	1,089
Equity in earnings of MNI	496	545

MNI makes periodic distributions of its earnings and in the quarter ended December 26, 2021 we received dividends of $300,000. No dividends were received in the quarter ended December 27, 2020.

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Identified intangible assets consist of the following:

(Thousands of Dollars)	December 26, 2021	September 26, 2021
Goodwill, end of period	330,204	330,204
Non-amortized intangible assets:		
Mastheads	39,849	39,672
Amortizable intangible assets:		
Customer and newspaper subscriber lists	574,349	774,242
Less accumulated amortization	(463,297)	(657,243)
	111,052	116,999
Total intangibles, net	481,105	486,875

The weighted average amortization period for amortizable assets is 13.2 years.

5 DEBT

The Company has debt consisting of a single 25-year term loan with BH Finance LLC (“BH Finance”), in an aggregate principal balance of $462,554,000 at a 9% annual rate and matures on March 16, 2045 (referred to herein as “Credit Agreement” and “Term Loan”). At December 26, 2021, based on market quotations, the fair value approximates carrying value. This represents a level 2 fair value measurement.

During the quarter ended December 26, 2021, we made principal debt payments of $20,062,000. For the quarter, payments consisted of $10,450,000 from the sale of non-core assets, $6,112,000 from September 26, 2021 excess cash flow, and $3,500,000 in voluntary prepayments. All payments were made at par. Future payments are contingent on the Company's ability to generate future excess cash flow, as defined in the Credit Agreement. As of December 26, 2021 there was no excess cash flow payment due (as such term is defined in the Term Loan).

Warrants

We entered into a Warrant Agreement dated as of March 31, 2014 (the “Warrant Agreement”). Under the Warrant Agreement, certain warrant holders received warrants to purchase, in cash, an initial aggregate of 600,000 shares of Common Stock, subject to adjustment pursuant to anti-dilution provisions (the “Warrants”). The Warrants can be exercised at a price of $41.90 per share and expire in March 31, 2022.

The Warrant Agreement contains provisions requiring the Warrants to be measured at fair value and included in warrants and other liabilities in our Consolidated Balance Sheets. The initial fair value of the Warrants was $16,930,000. We re-measure the fair value of the liability each reporting period using the Black-Scholes option pricing model. The change in value of $1,929,000 is reported as expense in other, net non-operating income (expense).

The fair value of Warrants at December 26, 2021, and September 26, 2021 , were $2,000,000 and $71,000 , respectively.

In connection with the issuance of the Warrants, we entered into a Registration Rights Agreement dated as of March 31, 2014 (the “Registration Rights Agreement”). The Registration Rights Agreement requires, among other matters, that we use our commercially reasonable efforts to maintain the effectiveness for certain specified periods of a shelf registration statement related to the shares of Common Stock to be issued upon exercise of the Warrants.

6 PENSION, POSTRETIREMENT AND POSTEMPLOYMENT DEFINED BENEFIT PLANS

We have several defined benefit pension plans that together cover selected employees, including plans established under collective bargaining agreements. At the end of September two of seven plans had future benefits under the plan frozen and no new participants are permitted. Additionally, we provide retiree medical and life insurance benefits under postretirement plans at several of our operating locations. Through December 26, 2021, 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 quarter ended December 26, 2021 we notified certain participants in our defined benefit plans of changes to be made to the plans. The Company froze future benefits for an additional four of the defined benefit plans. The freeze of future benefits resulted in a non-cash curtailment gain of $1,027,000 related to the four plans. In connection with the freeze the Company provided certain plan enhancements that resulted in an increase to our net pension liability and a decrease to Accumulated Other Comprehensive income of $6,507,000. Additionally, the Company merged the six frozen plans into one defined benefit plan effective in the second quarter of fiscal 2022.

During the quarter ended December 27, 2020 we notified certain participants in one of our post-employment benefit plans of changes to be made to the plans, including elimination of coverage for certain participants. The changes resulted in a non-cash curtailment gain of $23,830,000 and a reduction in our benefit obligation by $23,830,000. This is recorded within Curtailment gain and Postretirement and postemployment benefit obligations.

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

PENSION PLANS		
(Thousands of Dollars)	December 26, 2021	December 27, 2020
Service cost for benefits earned during the period	456	633
Interest cost on projected benefit obligation	1,936	1,787
Expected return on plan assets	(4,536)	(4,672)
Amortization of net (gain) loss	(1,259)	1,004
Curtailment gain	(1,027)	—
Pension benefit	(4,430)	(1,248)

POSTRETIREMENT MEDICAL PLANS		
(Thousands of Dollars)	December 26, 2021	December 27, 2020
Service cost for benefits earned during the period	27	210
Interest cost on projected benefit obligation	85	123
Expected return on plan assets	(263)	(252)
Amortization of net gain	(249)	(172)
Amortization of prior service benefit	(162)	(161)
Curtailment gain	—	(23,830)
Postretirement medical benefit	(562)	(24,082)

In the quarter ended December 26, 2021 we had no required contributions to our pension plans. In the quarter ended December 27, 2020 we contributed $400,000 to our pension plans. We have no required contributions to our pension plans for 2022 and therefore do not expect to make contributions to our pension trust during the remainder of fiscal 2022.

Multiemployer Pension Plans

During the quarter ended December 27, 2020, we withdrew from a multiemployer pension plan and recorded a $12,310,000 charge. The withdrawal liability is recorded in Warrants and other and will be paid over 20 years. The first payment was made March 1, 2021.

7 INCOME TAXES

We recorded an income tax expense of $5,351,000 related to income before taxes of $18,550,000 for the Quarter ended December 26, 2021. For the Quarter ended December 27, 2020, we recorded $6,311,000 in income tax expense related to income before taxes of $22,714,000. The effective income tax rates for the Quarter ended December 26, 2021 was 28.9%. The effective income tax rate for the Quarter ended December 27, 2020 was 27.8%.

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

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 2014.

8 EARNINGS PER COMMON SHARE

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

(Thousands of Dollars and Shares, Except Per Share Data)	December 26, 2021	December 27, 2020
Income attributable to Lee Enterprises, Incorporated:	12,658	15,902
Weighted average common shares	5,885	5,845
Less weighted average restricted Common Stock	(159)	(155)
Basic average common shares	5,726	5,690
Dilutive stock options and restricted Common Stock	118	42
Diluted average common shares	5,844	5,732
Earnings per common share:		
Basic	2.21	2.79
Diluted	2.17	2.77

For the quarter ended December 26, 2021 and December 27, 2020, 600,000 and 641,300 shares 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.

Rights Agreement

On November 24, 2021, our Board of Directors adopted a stockholder rights plan (the "Rights Agreement"). Pursuant to the Rights Agreement, on November 24, 2021, our Board of Directors declared a dividend of one preferred share purchase right (a "Right"), payable on December 6, 2021, for each share of our Common Stock outstanding to the stockholders of record on that date. Each Right entitles the registered holder to purchase from the Company one-thousandth of a share of Series B Participating Convertible Preferred Stock, without par value (the "Preferred Shares"), of the Company at a price of $120.00 per one one-thousandth of a Preferred Share represented by a Right, subject to adjustment.

The Rights will initially trade with our Common Stock and will generally become exercisable only if any person or group, other than certain exempt persons, acquires beneficial ownership of 10% (or 20% in the case of certain passive investors) or more of our Common Stock outstanding. In the event the Rights become exercisable, each holder of a Right, other than the triggering person(s), will be entitled to purchase additional shares of our Common Stock at a 50% discount or the Company may exchange each Right held by such holders for one share of our Common Stock. The Rights Agreement will continue in effect until November 23, 2022, or unless earlier redeemed or terminated by the Company, as provided in the Rights Agreement. The Rights have no voting or dividend privileges, and, unless and until they become exercisable, have no dilutive effect on the earnings of the Company.

The Rights Agreement applies equally to all current and future stockholders and is not intended to deter offers or preclude our Board of Directors from considering acquisition proposals that are fair and otherwise in the best interest of our stockholders. However, the overall effect of the Rights Agreement may render it more difficult or discourage a merger, tender offer, or other business combination involving us that is not supported by our Board of Directors.

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 13 weeks ended December 26, 2021. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes thereto, included herein, and our 2021 Annual Report on Form 10-K.

EXECUTIVE OVERVIEW

Lee Enterprises, Incorporated is a leading provider of high quality, trusted, local news and information in the markets we serve with rapidly growing digital subscription and advertising platforms.

We operate 77 principally mid-sized local media operations.

We reach nearly 70% of all adults in our larger markets through a combination of our print and digital content offerings.

- Our web and mobile sites are the number one digital source of local news in most of our markets, reaching more than 47 million monthly unique visitors, in the first quarter of December 2021 with 376 million page views and 95 million visits.

- We have approximately one million paid subscribers to our print and digital products, with estimated readership totaling three million. Digital only subscribers totaled approximately 450,000, a 57% increase over the prior year.

Our products include daily newspapers, websites and mobile applications, mobile news and advertising, video products, a digital marketing agency, digital services including web hosting and content management, niche publications and community newspapers. Our local media operations range from large daily newspapers and their 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 also operate TownNews, through our 82.5% owned subsidiary INN Partners, L.C. TownNews provides state-of-the-art web hosting, content management services and video management services to nearly 2,200 other media organizations including broadcast.

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 post-pandemic 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 through audience growth and continued conversion of our massive digital audiences.

- Diversify and expand offerings for advertisers by launching a portfolio of video advertising initiatives and e-commerce sales strategies through Lee's in-house Amplified Digital Agency that will enable advertisers to leverage our vast data-rich digital audiences and reach consumers in new ways.

QUARTER ENDED December 26, 2021

Operating results, as reported in the Consolidated Financial Statements, are summarized below.

(Thousands of Dollars, Except Per Share Data)	December 26, 2021	December 27, 2020	Percent Change
Operating revenue:			
Print	55,970	66,614	(16.0)
Digital	42,784	36,015	18.8
Advertising and marketing services revenue	98,754	102,629	(3.8)
Print	79,628	85,033	(6.4)
Digital	7,891	6,276	25.7
Subscription revenue	87,519	91,309	(4.2)
Print	11,385	13,064	(12.9)
Digital	4,624	4,815	(4.0)
Other revenue	16,009	17,879	(10.5)
Total operating revenue	202,282	211,817	(4.5)
Operating expenses:			
Compensation	84,694	84,163	0.6
Newsprint and ink	7,644	7,992	(4.4)
Other operating expenses	85,982	81,767	5.2
Depreciation and amortization	9,676	10,441	(7.3)
Assets (gain) loss on sales, impairments and other, net	(12,274)	5,222	NM
Restructuring costs and other	3,200	3,167	1.0
Operating expenses	178,922	192,752	(7.2)
Equity in earnings of associated companies	1,754	1,743	0.6
Operating income	25,114	20,808	20.7
Non-operating income (expense):			
Interest expense	(10,663)	(11,882)	(10.3)
Curtailment Gain	1,027	23,830	(95.7)
Pension withdrawal cost	—	(12,310)	NM
Other, net	3,072	2,268	35.4
Non-operating expenses, net	(6,564)	1,906	NM
Income before income taxes	18,550	22,714	(18.3)
Income tax expense	5,351	6,311	(15.2)
Net income	13,199	16,403	(19.5)
Net income attributable to non-controlling interests	(541)	(501)	8.0
Income attributable to Lee Enterprises, Incorporated	12,658	15,902	(20.4)
Other comprehensive (loss) income, net of income taxes	(6,112)	1,142	NM
Comprehensive income attributable to Lee Enterprises, Incorporated	6,546	17,044	(61.6)
Earnings per common share:			
Basic	2.21	2.79	(20.9)
Diluted	2.17	2.77	(21.9)

References to the “2022 Quarter” refer to the 13 weeks ended December 26, 2021. Similarly, references to the “2021 Quarter” refer to the 13 weeks ended December 27, 2020.

Operating Revenue

Total operating revenue was $202,282,000 in the 2022 Quarter, down $9,535,000, or 4.5%, compared to the prior year.

Advertising and marketing services revenue totaled $98,754,000 in the 2022 Quarter, down 3.8% compared to the prior year. Print advertising revenues were $55,970,000 in the 2022 Quarter, down 16.0% compared to the prior year due to continued secular declines in demand for print advertising. Digital advertising and marketing services totaled $42,784,000 in the 2022 Quarter, up 18.8% compared to the prior year. These gains resulted from in an increase in Amplified revenue and an increase in advertising on our owned and operated sites. Digital advertising and marketing services represented 43.3% of the 2022 Quarter total advertising and marketing services revenue, compared to 35% in the same period last year.

Subscription revenue totaled $87,519,000 in the 2022 Quarter, down 4.2% compared to the 2021 Quarter. The growth in digital only subscribers and selective price increases on our full access subscriptions, were partially offset by a decline in full access volume, consistent with historical and industry trends. Digital only subscribers grew 57% since the 2021 Quarter and now total 450,000.

Other revenue, which primarily consists of commercial printing revenue and digital services from TownNews, decreased $1,870,000, or 10.5%, in the 2022 Quarter compared to the 2021 Quarter. Digital services revenue totaled $4,624,000 in the 2022 Quarter, a 4.0% decrease compared to the 2021 Quarter. Commercial printing revenue totaled $5,723,000 in the 2022 Quarter, a 15.2% decrease compared to the 2021 Quarter primarily driven by the continued downward trend in traditional print product demand.

Total digital revenue including digital advertising revenue, digital subscription revenue and digital services revenue totaled $55,299,000 in the 2022 Quarter, an increase of 17.4% over the 2021 Quarter, and represented 27.3% of our total operating revenue in the 2022 Quarter.

Equity in earnings of TNI and MNI increased $11,000 in the 2022 Quarter.

Operating Expenses

Total operating expenses were $178,922,000 in the 2022 Quarter, a 7.2% decrease compared to the 2021 Quarter. Operating expenses include compensation expense, newsprint and ink, other operating expenses, depreciation, amortization, restructuring and other expenses, assets gain (loss) on sales, and impairments. Cash Costs were $178,320,000, a 2.5% increase compared to the 2021 Quarter.

Compensation expense increased $531,000 in the 2022 Quarter, or 0.6%, compared to the 2021 Quarter due to investments in digital talent and increasing average compensation levels partially offset by reductions in FTE's due to continued business transformation efforts.

Newsprint and ink costs decreased $348,000 in the 2022 Quarter, or 4.4%, compared to the 2021 Quarter. The decrease is attributable to declines in newsprint volumes offset by higher newsprint prices. See Item 3, “Commodities”, included herein, for further discussion and analysis of the impact of newsprint on our business.

Other operating expenses increased $4,215,000 in the 2022 Quarter, or 5.2%, compared to the 2021 Quarter. Other operating expenses include all operating costs not considered to be compensation, newsprint, depreciation and amortization, or restructuring costs and other. The largest components are costs associated with printing and distribution of our printed products, digital cost of goods sold and facility expenses. The increase is attributable to increases in investments to fund our digital growth strategy partially offset by lower delivery and other print-related costs due to lower volumes of our print editions.

Restructuring costs and other totaled $3,200,000 and $3,167,000 in the 2022 Quarter and 2021 Quarter, respectively. These costs relate to costs associated with the hostile takeover attempt in November 2021 in the 2022 Quarter. Restructuring costs in the 2021 Quarter are predominately severance related to our ongoing business transformation.

Depreciation and amortization expense decreased $765,000, or 7.3%, in the 2022 Quarter.

Assets (gain) loss on sales, impairments and other, was a net gain of $12,274,000 in the 2022 Quarter compared to a net loss of $5,222,000 in the 2021 Quarter. The gains and losses in the 2022 Quarter and in the 2021 Quarter were the result of the disposition of non-core assets, including real estate.

The factors noted above resulted in operating income of $25,114,000 in the 2022 Quarter compared to $20,808,000 in the 2021 Quarter.

Non-operating Income and Expense

Interest expense decreased $1,219,000, or 10.3%, to $10,663,000 in the 2022 Quarter, compared to the same period last year. The decrease was due to a lower outstanding balance on our Term Loan. Debt has been reduced by $113,400,000 million since our refinancing in March 2020. Our weighted average cost of debt was 9.0% at the end of the 2022 Quarter and 2021 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 $4,448,000 periodic pension and other postretirement benefits in the 2022 Quarter compared to $2,343,000 in the 2021 Quarter. We recorded non-operating expense of $1,929,000 in the 2022 Quarter and non-operating income of $116,000 in the 2021 Quarter, related to the changes in the value of the Warrants.

We recognized a non-cash curtailment gain of $1,027,000 in the 2022 Quarter as a result of freezing certain pension plans. We recognized a non-cash curtailment gain of $23,830,000 and a reduction in our benefit obligation in the 2021 Quarter by eliminating post-retirement medical coverage for certain employees.

We recognized pension withdrawal costs in the 2021 Quarter of $12,310,000 in connection with the withdrawal from a pension plan that covered certain employees. This withdrawal liability will be paid in equal quarterly installments over the next 20 years.

Income Tax Expense

We recorded an income tax expense of $5,351,000, or 28.8% of pretax income in the 2022 Quarter. In the 2021 Quarter, we recognized an income tax expense of $6,311,000, or 27.8% of pretax income.

Net Income and Earnings Per Share

Net income was $13,199,000 and diluted earnings per share were $2.17 for the 2022 Quarter compared to net income of $16,403,000 and diluted earnings per share of $2.77 for the 2021 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 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:

(Thousands of Dollars)	December 26, 2021	December 27, 2020
Net income	13,199	16,403
Adjusted to exclude		
Income tax expense	5,351	6,311
Non-operating expenses, net	6,564	(1,906)
Equity in earnings of TNI and MNI	(1,754)	(1,743)
(Gain) loss on sale of assets and other, net	(12,274)	5,222
Depreciation and amortization	9,676	10,441
Restructuring costs and other	3,200	3,167
Stock compensation	186	220
Add:		
Ownership share of TNI and MNI EBITDA (50%)	1,939	1,890
Adjusted EBITDA	26,087	40,005

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

(Thousands of Dollars)	December 26, 2021	December 27, 2020
Operating expenses	178,922	192,752
Adjusted to exclude		
Depreciation and amortization	9,676	10,441
Assets (gain) loss on sales, impairments and other, net	(12,274)	5,222
Restructuring costs and other	3,200	3,167
Cash Costs	178,320	173,922

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 $570,000 in 2021 compared to $18,916,000 in 2020, a decrease of $18,346,000. The decrease was driven by a decrease in operating results of $9,670,000 (defined as net income (loss) adjusted for non-working capital items) and a decrease in cash from working capital of $8,677,000, primarily related to unfavorable changes in accounts payable, postretirement liabilities, income taxes payable and warrants, partially offset by favorable changes in accounts receivable.

Investing Activities

Cash provided by investing activities totaled $11,954,000 in the 2022 Period compared to cash required for investing activities of $619,000 in the 2021 Period. 2022 included $14,406,000 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 be $12,000,000 in 2022, and other requirements, will be available from internally generated funds.

Financing Activities

Cash required for financing activities totaled $20,051,000 in the 2022 Period compared to $14,888,000 in the 2021 Period. Debt reduction accounted for nearly all of the usage of funds in the 2022 and 2021 Periods.

Additional Information on Liquidity

Our liquidity, consisting of cash on the balance sheet, totals $18,585,000 at December 26, 2021. 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.

The Warrants, as defined in Note 5, if and when exercised, would provide additional liquidity in an amount up to $25,140,000.

In February 2020 our filing of a replacement Form S-3 registration statement ("Shelf") with the SEC was declared effective and expires February 2023. The Shelf registration gives us the flexibility to issue and publicly distribute various types of securities, including preferred stock, common stock, warrants, secured or unsecured debt securities, purchase contracts and units consisting of any combination of such securities, from time to time, in one or more offerings, up to an aggregate amount of $750,000,000. SEC issuer eligibility rules require us to have a public float of at least $75,000,000 in order to use the Shelf.

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 earn an amount in excess of 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. Among other provisions, the CARES Act allows the Company to defer payments of the employer’s share of social security taxes which shall be paid between December 31, 2021 and December 31, 2022. The CARES Act also provides for an Employee Retention Credit which can be applied to the employer’s share of payroll taxes. The Company has elected to defer the employer’s share of social security tax payments and is currently determining the applicability of the Employee Retention Credit.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk stemming from changes in interest rates and commodity prices. Changes in these factors could cause fluctuations in earnings and cash flows. In the normal course of business, exposure to certain of these market risks is managed as described below.

INTEREST RATES ON DEBT

Our debt structure, which is entirely fixed rate, eliminates the potential impact of an increase in interest rates. We have no interest rate hedging in place.

COMMODITIES

All North American newsprint producers implemented an October 2021 price increase of $25 per tonne, the seventh increase in 2021. Additional January and March price increases of $25 per tonne have been announced. The newsprint supply chain is challenged due to significant capacity reductions taken in the last two years including paper machine permanent shutdowns, conversion to paper grades other than newsprint, and recovering demand, domestically and exports, for newsprint. Like other industries, the supply chain is further challenged by shipping delays due to restrictions of personnel crossing the US/Canada boarder.

Our long-term supply strategy continues to align the Company with those cost-effective suppliers most likely to continue producing and supplying newsprint to the North American market and geographically aligned with our print locations. Where possible the Company will align supply with the lowest cost material, but may be restricted due to shipping expenses and paper production availability.

A $10 per tonne price increase on 27.7 pound newsprint would result in an annualized reduction in income before taxes of approximately $470,000 based on current and anticipated consumption trends in 2022, excluding consumption of TNI and MNI and the impact of LIFO accounting.

SENSITIVITY TO CHANGES IN VALUE

Our fixed rate debt consists of $462,554,000 principal amount of the Term Loan recorded at carrying value. At December 26, 2021, based on market price quotations, the fair value approximates carrying value.

Item 4. Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

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, as of the end of the period covered by this Quarterly Report on Form 10-Q (the “Evaluation Date”). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of the Evaluation Date, our disclosure controls and procedures were effective.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in our internal control over financial reporting that occurred during the 13 weeks ended December 26, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 1.A 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 2021 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 4, 2022
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 4, 2022

/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 4, 2022

/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 26, 2021 ("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 4, 2022

/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 26, 2021 ("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 4, 2022

/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.