

FOURTH QUARTER FY2022 EARNINGS DECEMBER 2022

FOURTH QUARTER RESULTS
ACCELERATE PROGRESS ON LEE'S
DIGITAL TRANSFORMATION



SAFE HARBOR

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



LEE ACHIEVED ALL FISCAL YEAR GUIDANCE

- ✓ **Fastest growing digital subscription platform in media**
 - Digital Only Subscribers +32% YOY
 - Digital Only Subscription Revenue +42% YOY
- ✓ **Fastest growing DMS solution in media**
 - Amplified Digital[®] Revenue +83% YOY
- ✓ **Exceeded All External Guidance**
 - Including improved guidance provided last quarter
- ✓ **Executed on our Three Pillar Digital Growth Strategy**
 - Driving recurring, profitable digital revenue
- ✓ **Results give confidence in achieving long-term goals**

	2022 Actual	2022 Updated Guidance ⁽²⁾	Achieved Guidance
	\$240M Total Digital Revenue	\$237M Total Digital Revenue	✓
	532,000 Total Digital Only Subscribers	515,000 Total Digital Only Subscribers	✓
	\$ 40M Digital Only Subscription Revenue	\$ 39M Digital Only Subscription Revenue	✓
	\$ 76M Amplified Digital [®] Revenue	\$ 65M Amplified Digital [®] Revenue	✓
	\$ 96M Adjusted EBITDA ⁽¹⁾	\$ 95 - 98M Adjusted EBITDA ⁽¹⁾	✓

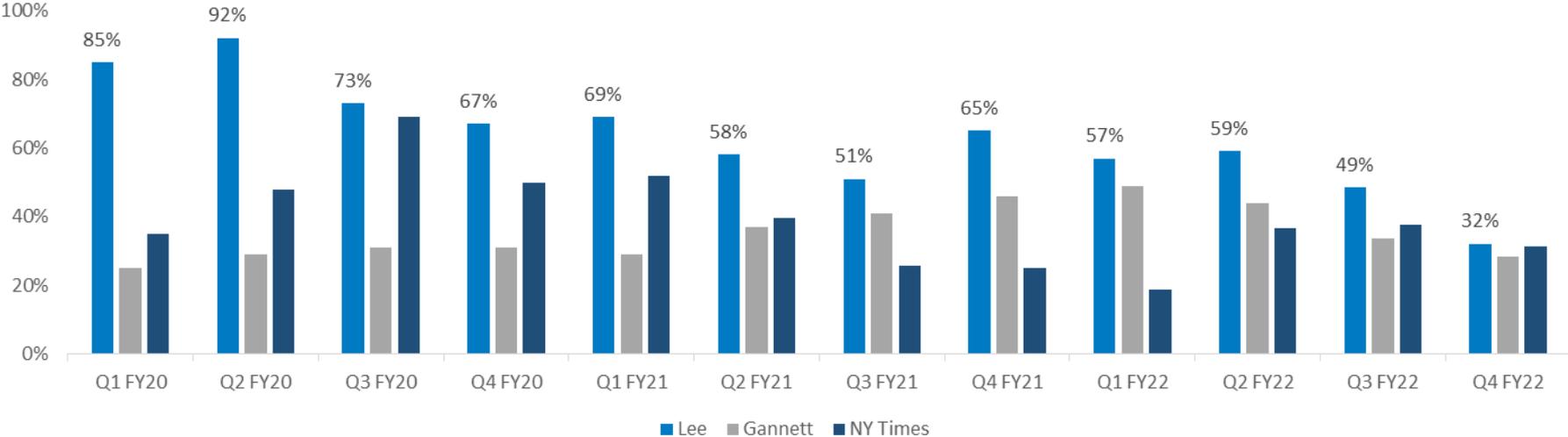


⁽¹⁾ Adjusted EBITDA is a non-GAAP financial measure. See appendix.

⁽²⁾ 2022 Updated Guidance as of 8/4/2022

LEE DIGITAL SUBSCRIBER GROWTH LEADS THE INDUSTRY

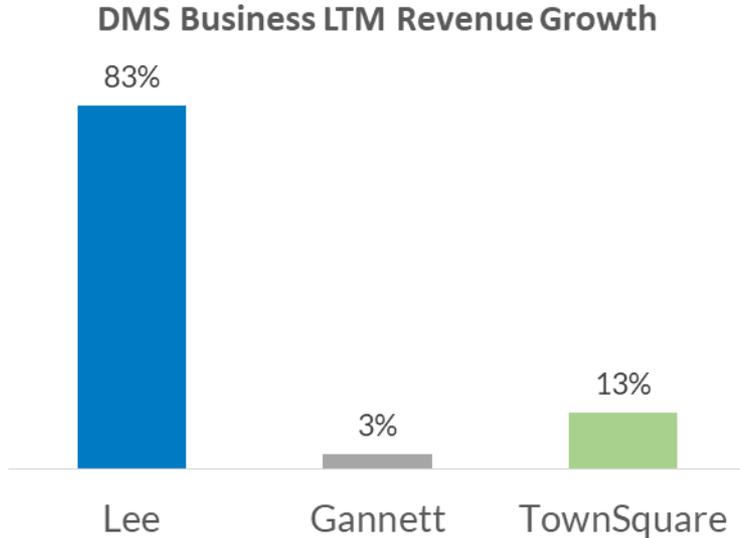
Digital Subscriber Growth YoY



Digital subscriber growth has outpaced industry peers for 12 straight quarters

DIGITAL MARKETING SERVICES REVENUE LEADS INDUSTRY

LEE'S DIGITAL MARKETING SERVICES BUSINESS HAS INDUSTRY-LEADING REVENUE GROWTH



Note: LTM Sep 2022 used for comparison purposes

Lee's DMS revenue growth **outpaces industry peers (+83% YOY)**

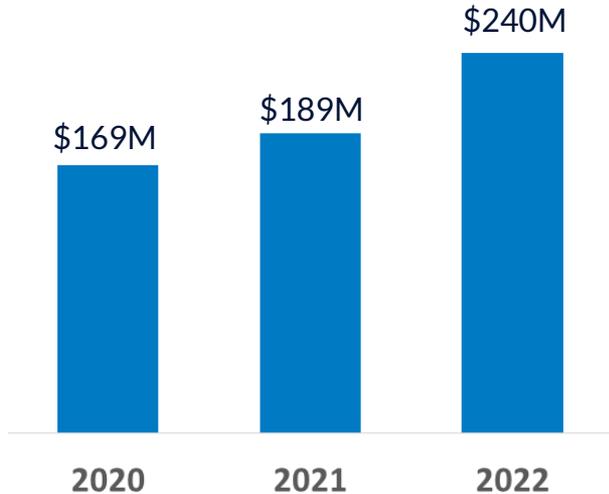
- Amplified Digital® provides **full suite of digital services**
- **Data-driven ad technology** that efficiently feeds customized proposals to sales reps through Lee's **Vision** platform
- Develops sophisticated websites for local, regional, and national customers – over **2,000 websites** developed
- Delivers **key analytics** to customers via Amplified Insights
- **Scalable custom video content** from Brand Ave. Studios continues to drive video revenue growth (**+65% YOY**)



Lee's DMS revenue growth is industry-leading

DIGITAL REVENUE CONTINUES RAPID GROWTH

Total Digital Revenue



- Total Digital Revenue two-year **CAGR 19%**
- Digital Subscribers have grown from **244,000** to **532,000**
- Digital Subscription Revenue has grown from **\$19M** to **\$40M**
- Amplified Digital[®] Revenue has grown from **\$29M** to **\$76M**
- Video Revenue has grown from **\$3M** to **\$13M**
- **Digital revenue represents 33%** of total operating revenue in the fourth quarter, up from 22% in the fourth quarter of 2020



Over \$70M of Digital Revenue growth over last two years

FOURTH QUARTER & FULL YEAR 2022 FINANCIALS

Q4 Revenue

Total Operating Revenue \$194M, Flat

Digital Revenue \$65M, +31%

- Digital Advertising Revenue \$49M, +33%
- Digital Subscription Revenue \$11M, +46%

Print Revenue \$129M, -11%

Full Year 2022 Revenue

Total Operating Revenue \$781M, -2%

Digital Revenue \$240M, +27%

- Digital Advertising Revenue \$181M, +28%
- Digital Subscription Revenue \$40M, +42%

Print Revenue \$541M, -11%

Q4 Cash Costs⁽¹⁾

- Total Cash Costs \$166M, -3%

Full Year 2022 Cash Costs⁽¹⁾

- Total Cash Costs \$693M, +1%

Q4 Adjusted EBITDA⁽¹⁾

- Adjusted EBITDA \$30M, +17%

Full Year 2022 Adjusted EBITDA⁽¹⁾

- Adjusted EBITDA \$96M, -18%



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

LEE'S STRATEGY FOR DIGITAL TRANSFORMATION: THE THREE PILLARS

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

PILLAR 1

Expand digital audiences by transforming the presentation of local news and information

PILLAR 2

Expand digital subscription base and revenue

PILLAR 3

Diversify and expand offerings for local advertisers



Lee expects the Three Pillar Digital Growth strategy to drive more than \$435 million of recurring, sustainable digital revenue by 2026.



DIGITAL TRANSFORMATION: EXPAND DIGITAL AUDIENCES

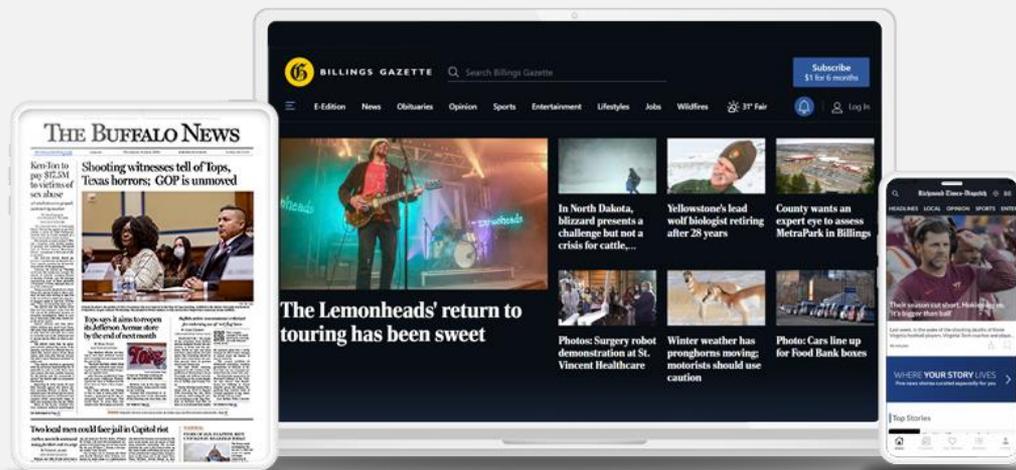
ENHANCING DIGITAL PRESENTATIONS TO PROVIDE BEST-IN-CLASS USER EXPERIENCE OF LOCAL NEWS, WITH MULTI-FORMAT, RICH CONTENT

PILLAR 1

PILLAR 2

PILLAR 3

- Multimedia presentation with an emphasis on video and audio to drive engagement and monetization
- Emphasis on recruiting, hiring and retaining the best digital-native journalists
- Significant investment in public service journalism team, with a focus on investigative, watchdog, and data analysis and storytelling that comes from the numbers
- Creating new channels (apps, podcasts) to utilize our unique content and expertise (e.g. local sports)
- Using data and analytics to drive digital conversions



DIGITAL TRANSFORMATION: STRATEGIES TO DRIVE SUBSCRIPTION REVENUE

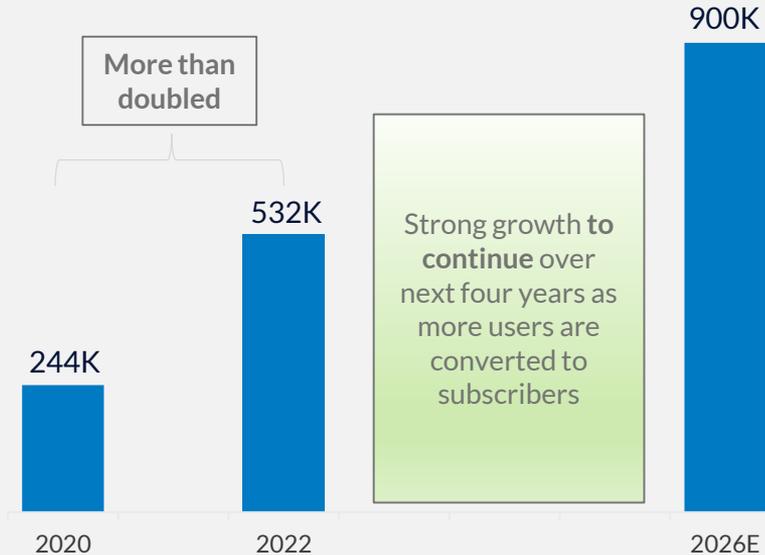
ENHANCING CONVERSION WITHIN LEE'S ADDRESSABLE MARKET

PILLAR 1

PILLAR 2

PILLAR 3

Digital Subscriptions – 5 Year Outlook



Addressable Market



Anonymous Users

33.5 million

Known Users

4.9 million

Subscribers

532,000



DIGITAL TRANSFORMATION: EXPAND DIGITAL ADVERTISING SERVICES

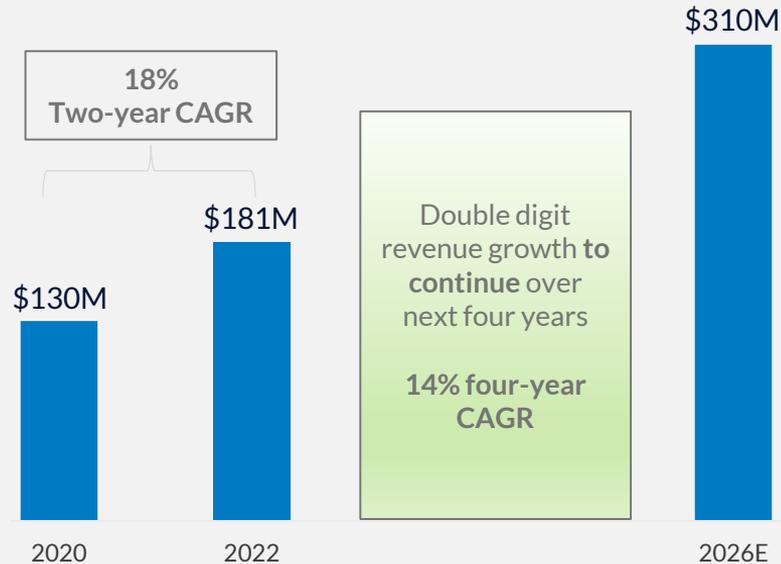
LEVERAGE "FIRST TO MARKET" POSITION WITH ARRAY OF DIGITAL PRODUCT OFFERINGS, SERVICES AND MARKETING SOLUTIONS

PILLAR 1

PILLAR 2

PILLAR 3

Digital Advertising – 5 Year Outlook



Amplified Digital® will drive digital marketing services revenue growth.

- Rapidly growing digital marketing services provider with \$76M of revenue in FY22 (+83% YOY)
- Leverage local market presence to expand client base
- Increase advertiser spending due to:
 - Growing demand for omnichannel digital advertising
 - Lee's Vision platform leverages data and derives value for local advertisers

Our **owned and operated** digital products provide a unique opportunity to grow high margin digital advertising revenue.

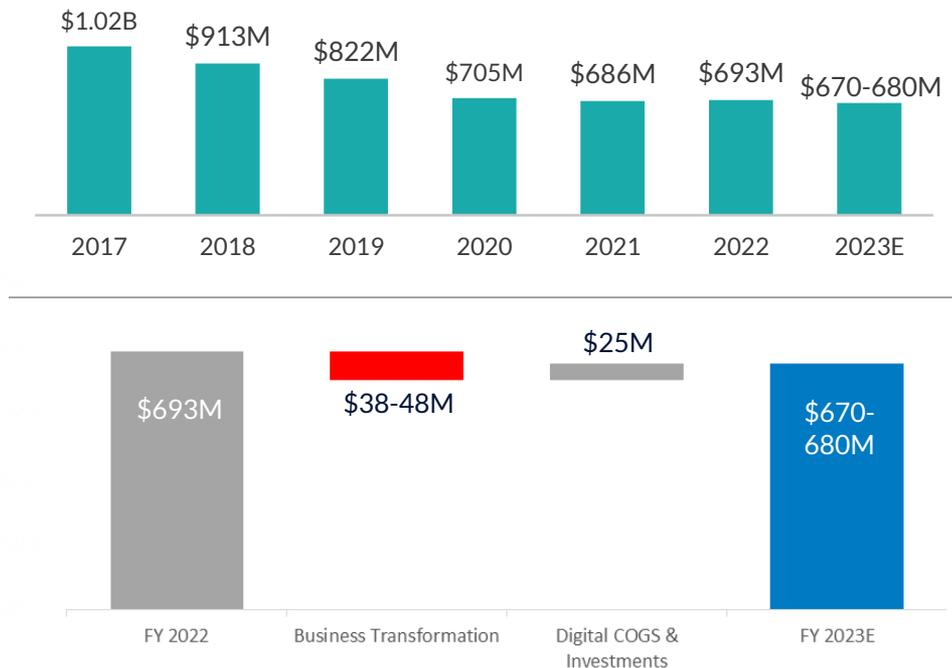
- Improve local market penetration, ultimately increasing customer counts
- Leverage Lee's **Vision** platform to increase sell-thru rates and eCPM's to drive higher value digital advertising revenue



STRONG TRACK RECORD OF SUSTAINABLE COST MANAGEMENT

- Proficient in driving efficiencies
 - Current base of +\$300M of direct costs associated with our legacy revenue streams that will be managed with associated revenue trends
 - \$25M flow thru impact from cost reductions executed in FY22
 - Ongoing initiatives aimed at optimizing manufacturing, distribution, and corporate services
- Thoughtful investments in digital future
 - Significant investments made in talent and technology to fund successful execution of three-pillar strategy
 - Acquisition and retention of top talent focused on digital subscriber growth and expanding reach of Amplified Digital[®]
 - Increase in digital COGS driven by rapid growth in digital revenue

Total Cash Costs⁽¹⁾



Optimizing operating structure by investing in the digital future & managing the legacy business

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

DIGITAL TRANSFORMATION: 2023 OUTLOOK

	2021	2022	2023 Outlook
Total Digital Revenue	\$189M	\$240M	\$280-285M
YoY	12%	27%	17% to 19%
Digital Only Subscribers	402,000	532,000	632,000
YoY	65%	32%	19%
Cash Costs ⁽¹⁾	\$686M	\$693M	\$670-680M
YoY	-3%	+1%	-3% to -2%
Adjusted EBITDA ⁽¹⁾	\$117M	\$96M	\$94-100M
YoY	-5%	-18%	-2% to +4%

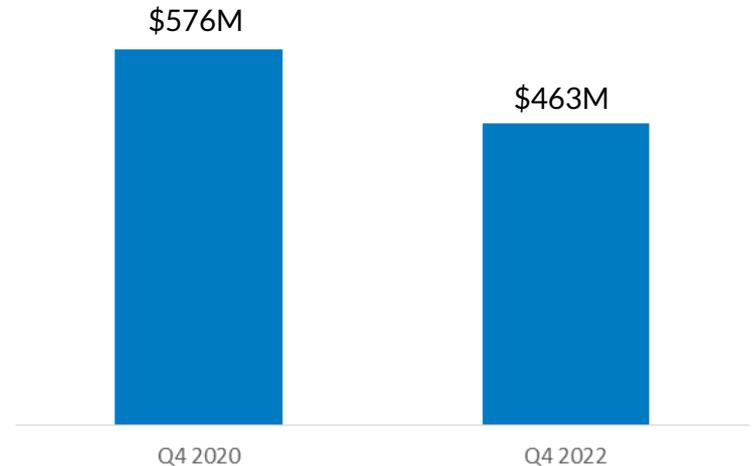


⁽¹⁾ Adjusted EBITDA and Cash Costs are non-GAAP financial measures. See appendix.

DIGITAL TRANSFORMATION FIVE YEAR OUTLOOK: STRENGTHENED BALANCE SHEET

- \$20M in debt reduction in 2022 and \$113M since refinancing in March 2020
- Favorable credit agreement with Berkshire Hathaway
 - 25-year runway w/ no breakage costs or prepayment penalties
 - Fixed annual interest rate, no financial performance covenants and no fixed amortization
- Pension plans now frozen and fully funded in the aggregate with no material pension contributions in 2022
- Asset sales of \$15M in 2022

Significant Gross Debt Reduction



Achieve long-term leverage target of under 2.5x in five years

LEE INVESTMENT THESIS

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



Execute Three Pillar Digital Growth Strategy

Generate long-term sustainable digital revenue growth, margin expansion, and strong free cash flow



Continued Debt Reduction & Strengthened Balance Sheet

Expect to reach <2.5x leverage target within five years



Increased Shareholder Value

Operating cash flow and profits are enhanced

Debt reduction drives shareholder value

Multiple expansion fueled by increased recurring, high-margin digital revenue





QUARTERLY REVENUE COMPOSITION

(Millions of Dollars)	Q1 FY2022	Q2 FY2022	Q3 FY2022	Q4 FY2022	FY 2022
Digital Advertising and Marketing Services	42.8	43.4	46.2	49.1	181.5
YoY %	19%	36%	27%	33%	28%
Digital Only Subscription Revenue	7.9	10.1	11.0	11.2	40.1
YoY %	26%	44%	50%	46%	42%
Digital Services Revenue	4.6	4.7	4.3	4.4	18.0
YoY %	-4%	-3%	-8%	-7%	-5%
Total Digital Revenue	55.3	58.2	61.5	64.7	239.6
YoY %	17%	33%	27%	31%	27%
% of Total Revenue	27%	31%	32%	33%	31%
Print Advertising Revenue	56.0	44.2	44.8	39.9	185.0
YoY %	-16%	-18%	-18%	-25%	-19%
Print Subscription Revenue	79.6	77.3	78.1	78.5	313.5
YoY %	-6%	-7%	-4%	-2%	-5%
Other Print Revenue	11.4	10.4	10.7	10.5	43.0
YoY %	-13%	-15%	-10%	-8%	-12%
Total Print Revenue	147.0	131.9	133.6	128.9	541.5
YoY %	-11%	-11%	-10%	-11%	-11%
Total Revenue	202.3	190.1	195.1	193.6	781.1
YoY %	-4%	-1%	-1%	0%	-2%

Total Digital Revenue – 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. The reclassification was made to conform with a similar metric of the Company's peers. All periods have been restated for the reclassification.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Millions of Dollars)	Q4 FY2022
Net Loss	(5.8)
Adjusted to exclude	
Income tax benefit	(2.5)
Non-operating expenses, net	4.8
Equity in earnings of TNI and MNI	(1.4)
Assets loss on sales, impairments and other	21.1
Depreciation and amortization	9.1
Restructuring costs and other	2.9
Stock compensation	0.3
Add	
Ownership share of TNI and MNI EBITDA (50%)	1.7
Adjusted EBITDA	30.1

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



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(Millions of Dollars)	Q4 FY2022	Q4 FY2021	FY2022
Operating Expenses	198.6	181.9	761.8
Adjusted to exclude			
Depreciation and amortization	9.1	9.0	36.5
Assets loss on sales, impairments and other	21.1	1.3	9.7
Restructuring costs and other	2.9	1.3	22.7
Cash Costs	165.5	170.2	692.8

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

