

 LEE ENTERPRISES

Fourth Quarter Earnings

DEC
14
2018

Disclaimer

FORWARD-LOOKING STATEMENTS — The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This release contains information that may be deemed forward-looking that is based largely on our current expectations, and is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends and other uncertainties, which in some instances are beyond our control, are:

- Our ability to generate cash flows and maintain liquidity sufficient to service our debt;
- Our ability to comply with the financial covenants in our credit facilities;
- Our ability to refinance our debt as it comes due;
- Our ability to manage declining print revenue;
- That the warrants issued in our 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;
- Legislative and regulatory rulings;
- Our ability to achieve planned expense reductions;
- Our ability to maintain employee and customer relationships;
- Our ability to manage increased capital costs;
- Our ability to maintain our listing status on the NYSE;
- 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. Readers are cautioned not to place undue reliance on such forward-looking statements, which are made as of the date of this release. We do not undertake to publicly update or revise our forward-looking statements, except as required by law.

NON-GAAP FINANCIAL MEASUREMENTS – Certain financial measures included herein are presented on a non-GAAP basis and are defined as follows:

- *Same Property Basis* excludes 2017 acquisitions, 2016 and 2018 disposals, and the 53rd week of revenue and expenses in 2018.
- *Cash Costs* represent accrual basis operating expenses which are settled in cash. This category excludes certain non-cash operating expenses. A reconciliation of cash costs to operating expenses is included in the appendix.

HEADLINES

Lee... top of industry in digital transformation

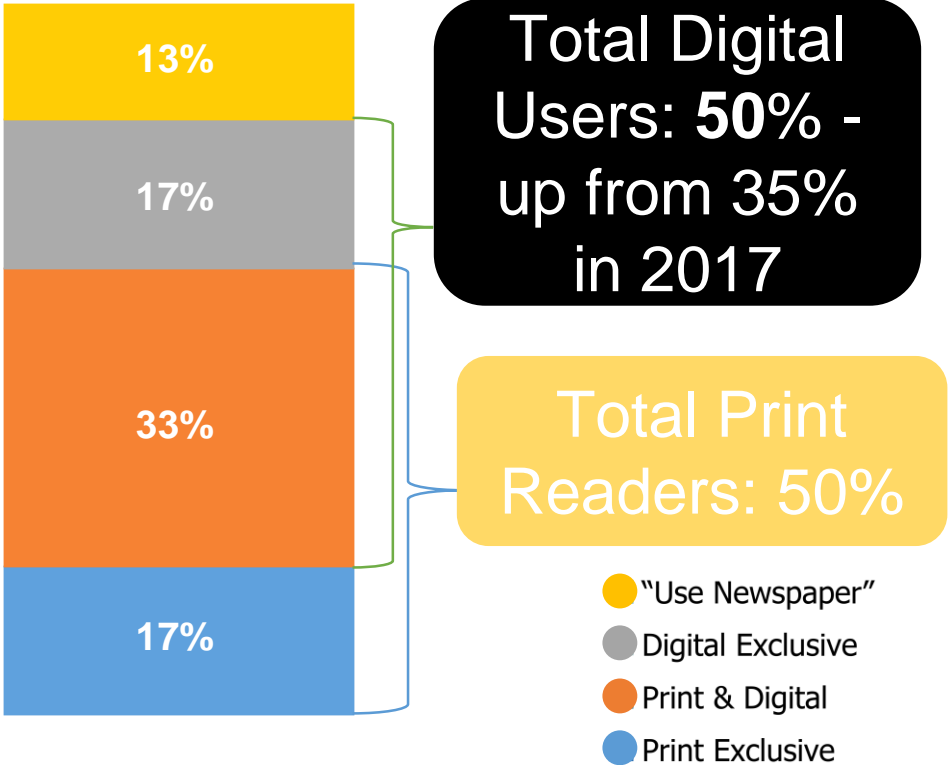
- Leading source of news, information and advertising in attractive mid-sized markets
- Huge local audiences with strength across all age groups; growing digital audiences
- 8.3% CAGR of total digital revenue since 2011
- Improved performance in local, controllable retail accounts
- Successful business transformation
- Best performance in the publishing industry



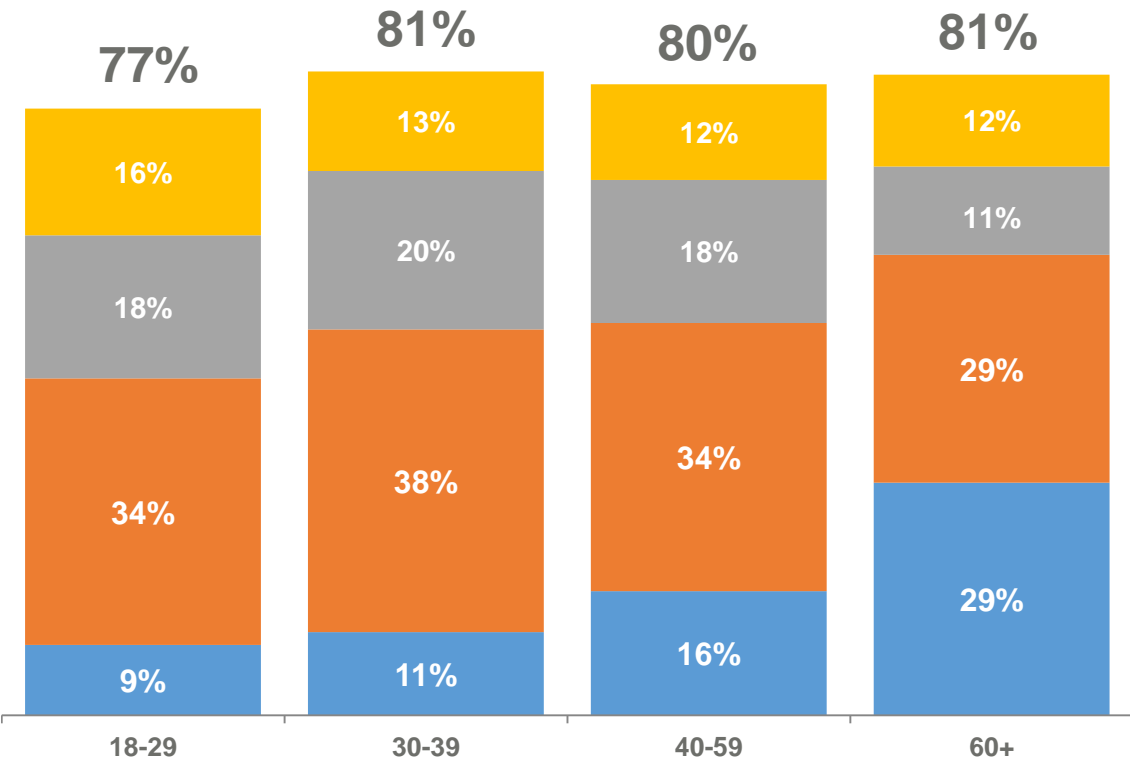
OUR LOCAL FRANCHISES REACH A HUGE AND DIVERSE AUDIENCE

- Lee audience spans all age groups

79% OF ALL ADULTS INTERACT WITH US OVER A 7-DAY PERIOD



AUDIENCE BY AGE GROUP



Lee Enterprises Audience Report, Coda Ventures, January – March 2018
 Markets: Billings, MT; Bloomington, IL; Davenport, IA; La Crosse, WI/Winona, MN; Sioux City, IA; Waterloo, IA. Margins of error: Total sample (n = 2,118)

MANAGEMENT AGREEMENT WITH BERKSHIRE HATHAWAY

OVERVIEW

- Lee assumed management of BH's newspaper and digital operations in 30 markets beginning July 2, 2018
- Provides Lee with flexibility to implement revenue initiatives and business transformation
- Significant expansion of operating scale, adding 30 markets to Lee's 49

TERMS

- Initial term of 5 years with option to renew
- Annual fixed fee of \$5mm plus percentage of profits over benchmarks
- Target of \$50mm+ fees over the 5-year period
- No added infrastructure or cost to Lee
 - BH Media retains operators to deploy strategies and processes
- Ability to repay debt using proceeds from this fee

"Lee Enterprises' growth in digital market share and revenue has outpaced the industry. Lee also has led the industry in overall innovation and performance, all while faithfully fulfilling its public trust as an indispensable source for local news, information and advertising. Our missions and goals match exactly, our markets are similar, and we both have excellent managers. Operating together will strengthen both of us, and Lee is logical to lead the process."

Warren Buffett

Lee Enterprises Growth Strategy

CONSUMERS

- Highly-valued local news, information and advertising
- National Desk & Content Sharing
- Digital Content Center
- Content Partners

LOCAL CONTROLLABLE RETAIL ACCOUNTS



High Impact



Amplified digital



Email



Video



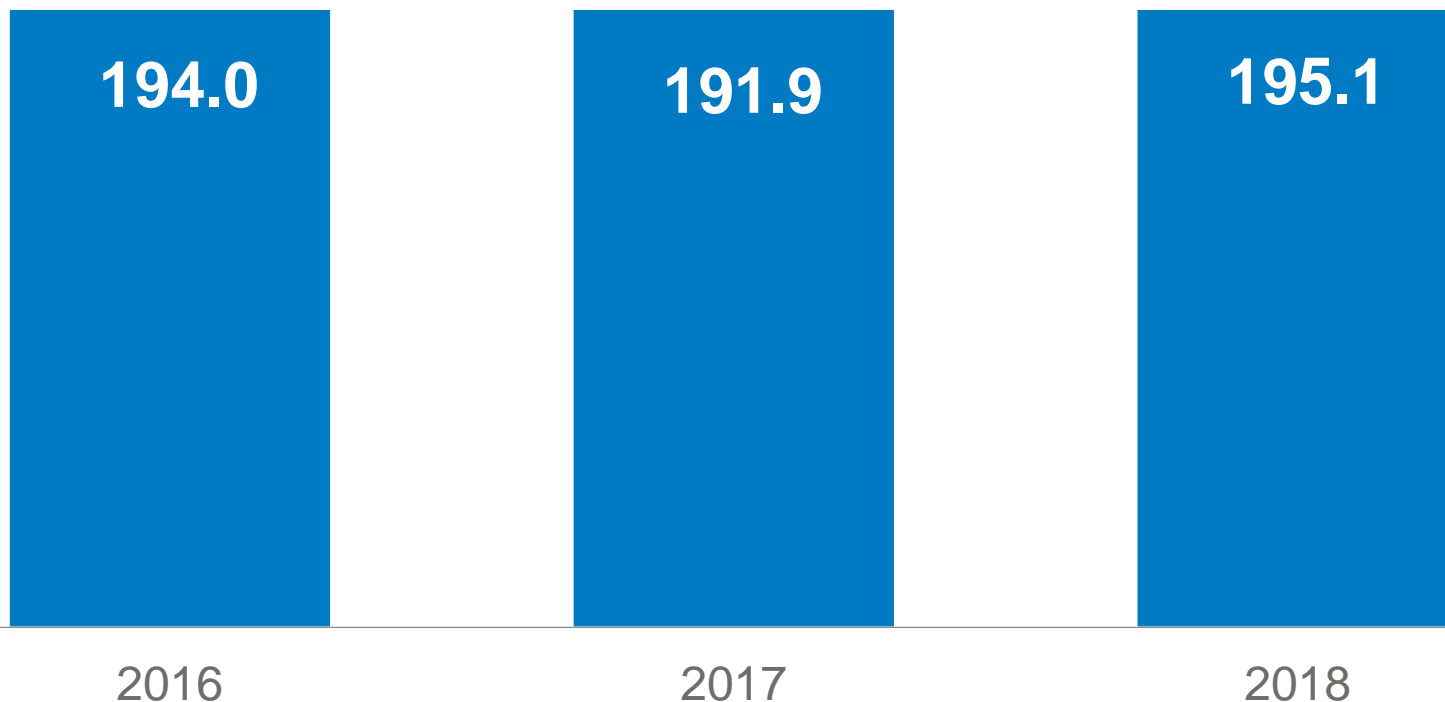
Native Advertising

DIGITAL SERVICES



Consumer Revenue Growth

Subscription revenue historical performance



■ Subscription revenue (including acquisitions and divestitures)

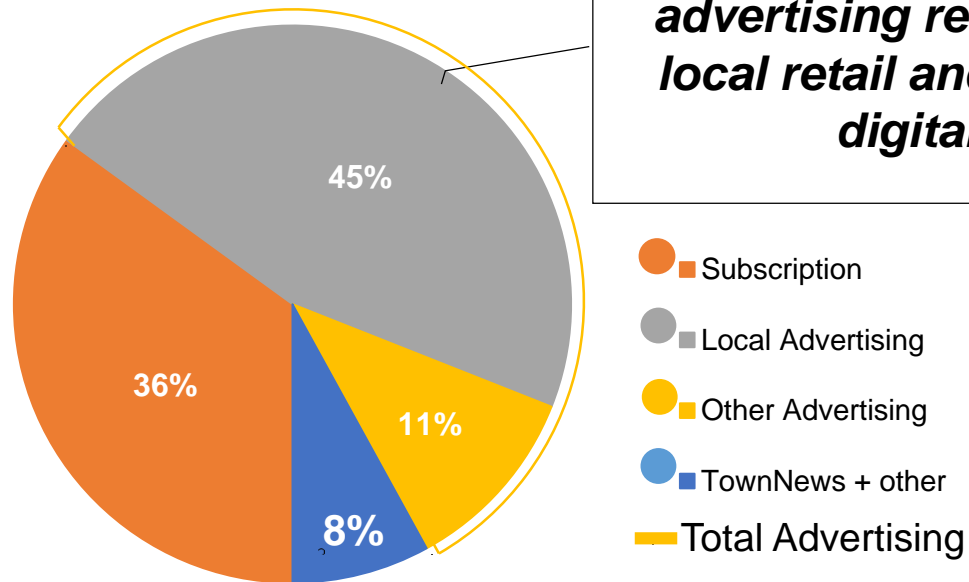
2018 HIGHLIGHTS

- Subscription revenue up 1.7%
- 57% digital activation
- Page views +17.4%
- 27.4 million monthly average unique visitors
- Digital only subscribers up 70% in 2018

Emphasis on Local Controllable Retail

Total revenue by type

\$544.0 mm

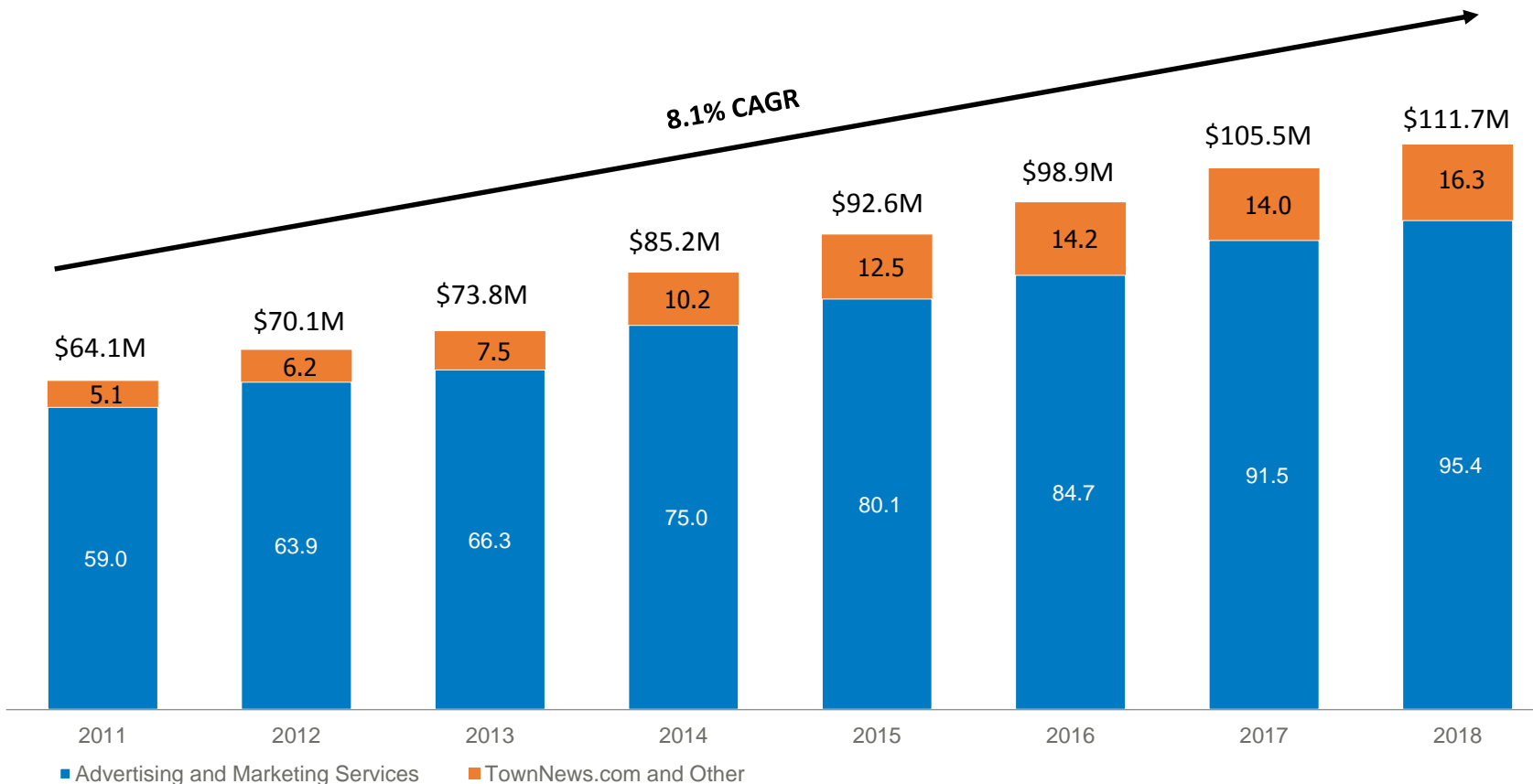


Almost 50% of total advertising revenue is local retail and 32% is digital

2018 HIGHLIGHTS

- Revenue from SMB's -2.1% in Q4 and -3.9% in 2018
- Top local accounts -1.5% in Q4 and -5.5% in 2018
- Digital retail +7.7% and represented 62% of digital advertising revenue
- 2,350 Edison customers
 - 44% revenue growth from Edison

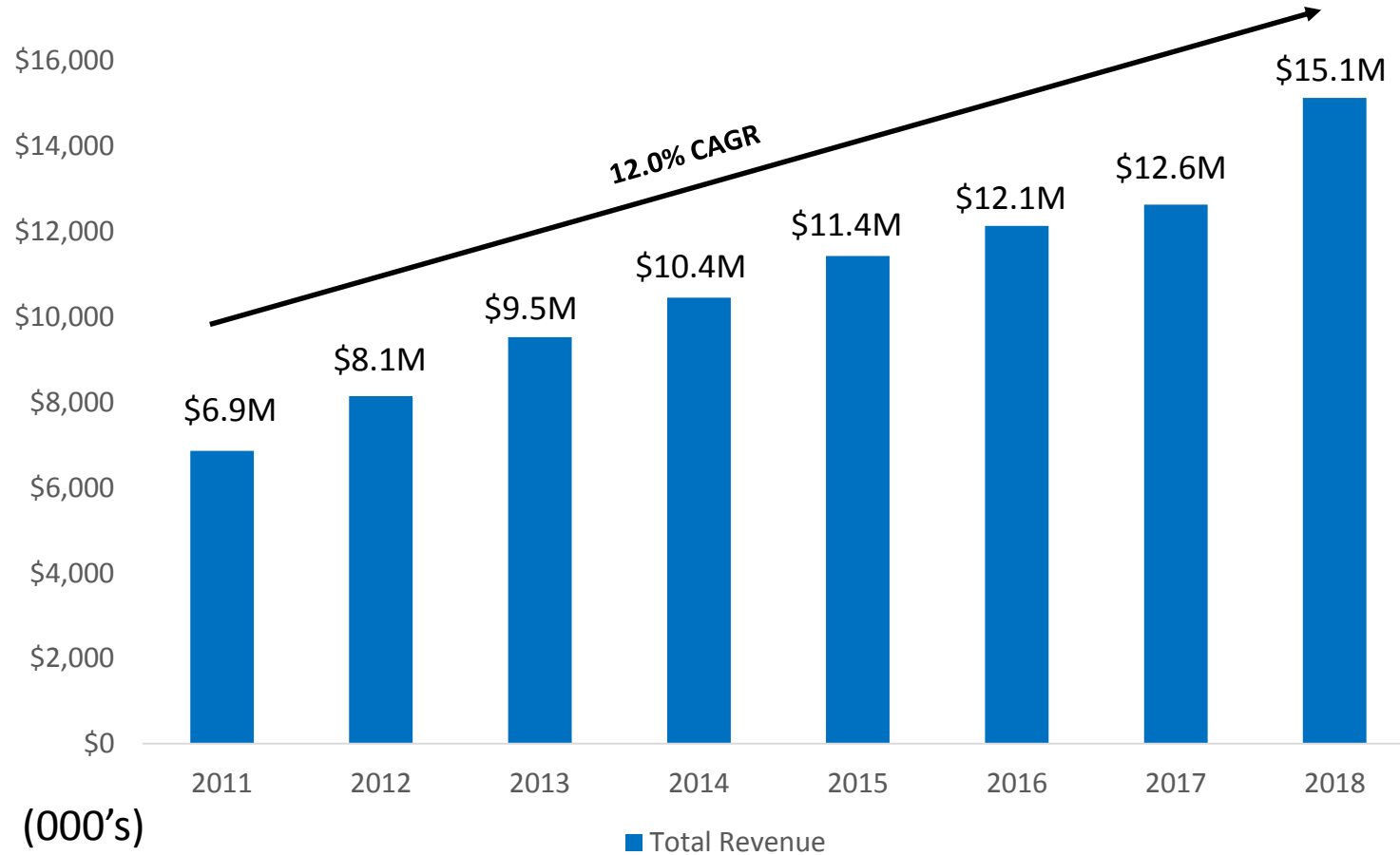
Digital Performance Trend



2018 HIGHLIGHTS

- Digital Advertising and Marketing Services up 4.7% in 2018
- National Digital up 13.2%
- TownNews up 19.8%

TownNews

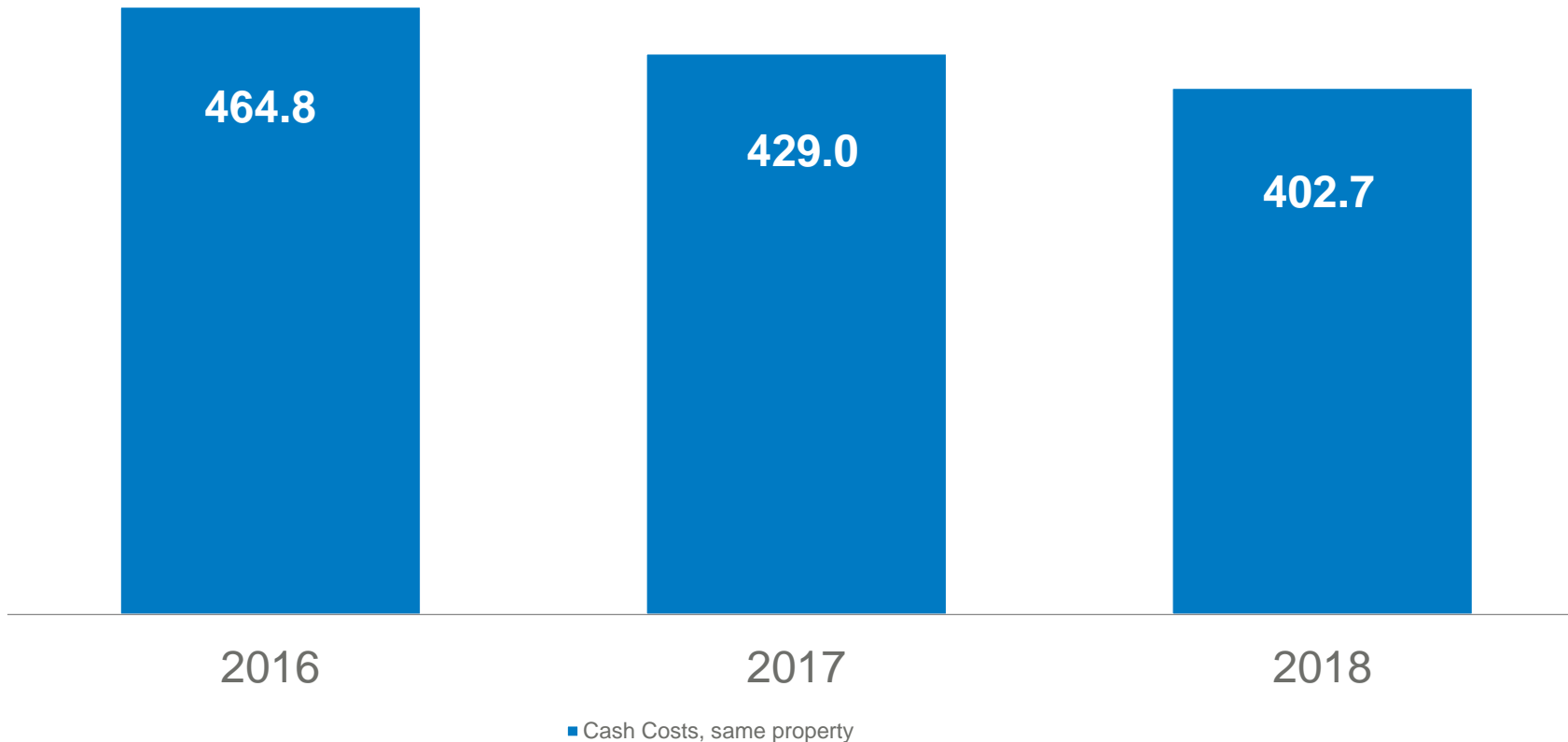


2018 HIGHLIGHTS

- Total revenue +19.8%
- Stand alone revenue \$18.9m
- Invested in video and over-the-top technology
- Grown from 1,300 to over 1,700 customers since 2012
 - 40 broadcast customers

Business Transformation

Cash costs, same property⁽¹⁾



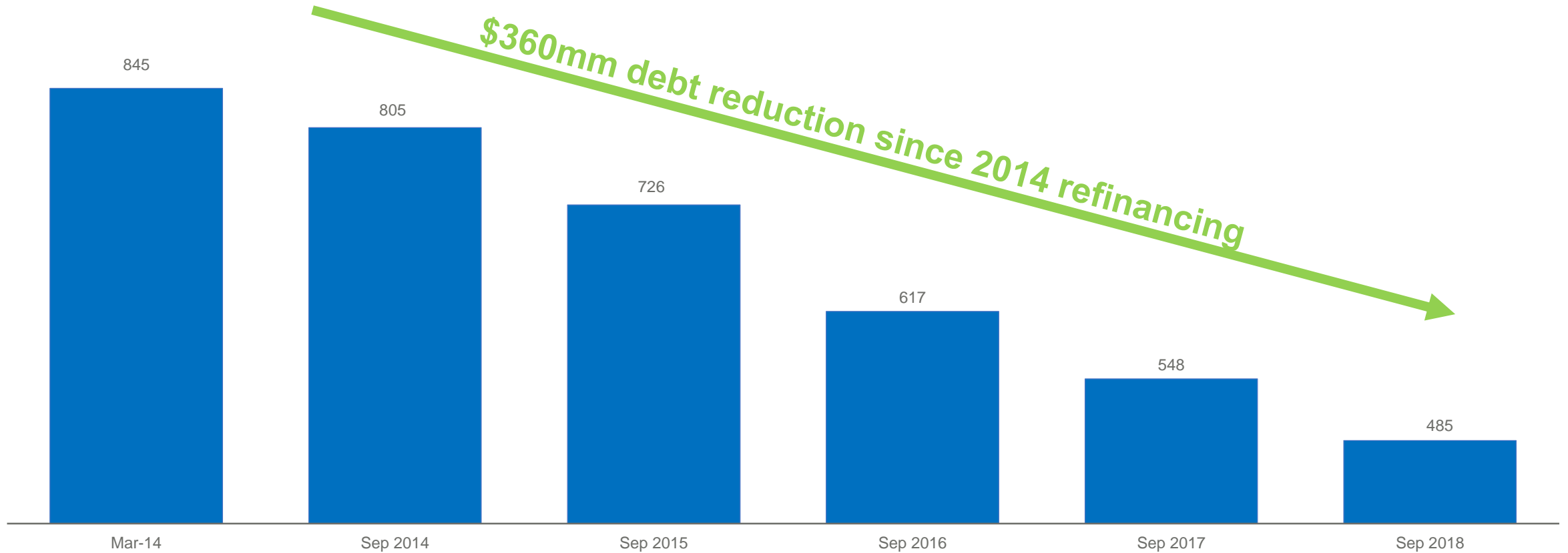
(1) Cash costs are a non-GAAP financial measure.

2018 HIGHLIGHTS

- Regionalization initiatives:
 - HR, Finance, Production and IT
- Centralized design center
 - New page layout
 - Advertising layout
- Ad production outsourcing
- Production process efficiencies and site reviews
- Production outsourcing and insourcing
- More centralization and outsourcing in the future

AGGRESSIVE DEBT REDUCTION

- Debt¹ reduction since 2014 refinancing (\$mm)



¹ Amounts represents the principal amount of debt

SUMMARY

CONFIDENT ABOUT LEE'S FUTURE

- ✔ Strong track record of solid financial performance
- ✔ Business transformation strategies in place
- ✔ Growing digital audience and revenue
- ✔ Among the industry leaders in margins and other key measures
- ✔ Lower leverage and strong Adjusted EBITDA



Appendix - Reconciliation of Non-GAAP Financial Measures Cash Costs, Same Property

<i>(Millions of Dollars)</i>	2018	2017	2016
Operating Expenses	464.7	482.0	518.9
Less:			
Depreciation and Amortization	(31.8)	(41.3)	(43.4)
Assets loss (gain) on sales, impairments and other	(6.4)	1.2	1.0
Restructuring costs and other	(5.6)	(7.5)	(1.8)
Acquisitions and Disposals	(11.6)	(5.4)	(9.9)
53rd Week of Operations	(6.6)	—	—
Cash Costs	402.7	429.0	464.8