

# GANNETT

## *Gannett Announces First Quarter 2024 Results and Reiterates Business Outlook*

NEW YORK, NY — May 2, 2024 — Gannett Co., Inc. ("Gannett", "we", "us", "our", or the "Company") (NYSE: GCI) today reported its financial results for the first quarter ended March 31, 2024.

"Our first quarter results reflect an excellent start to the year. Year-over-year revenue trends were a bright spot in the quarter, reflecting the most pronounced sequential improvement in nearly three years. This top line momentum gives us confidence in our belief that we'll exit 2024 with total revenues growing over the prior year. Equally important, we continued to expand our audience, improve engagement, and grow digital revenues through diversified channels. As a result, total digital revenues increased 8% year-over-year and accounted for over 42% of total revenues, representing an all-time high," said Michael Reed, Gannett Chairman and Chief Executive Officer.

"We continued to execute on our expanded monetization strategy, and in the first quarter, each of our digital revenue streams grew over the prior year period. Digital-only subscription revenues and average revenue per user reached new highs, with growth rates exceeding 20% compared to the prior year period. Digital advertising continued to grow year-over-year, and as expected, our digital marketing solutions business returned to growth versus the prior year period. Finally, our partnership revenue continues to scale, nearly doubling over the prior year period."

"We drove free cash flow growth over the prior year period, along with improved sequential year-over-year trends in Adjusted EBITDA, which we believe positions us well for full year Adjusted EBITDA and free cash flow growth as outlined in our business outlook."

### **First Quarter 2024 Digital Highlights:**

- Total digital revenues of \$267.5 million, or 42.1% of total revenues, up 8.1% versus the same period of the prior year
- Digital-only subscription revenues of \$43.5 million grew 21.3% year-over-year
- Digital-only average revenue per user<sup>(1)</sup> of \$7.22 increased 22.4% year-over-year
- Total digital-only paid subscriptions<sup>(1)</sup> surpassed 2.0 million, representing sequential growth of 1.1%
- 187 million<sup>(2)</sup> global average monthly unique visitors in the first quarter of 2024, up 0.6% year-over-year
- Digital advertising revenues of \$84.5 million grew 5.3% year-over-year
- Digital Marketing Solutions segment core platform revenues<sup>(1)</sup> of \$116.1 million increased 4.2% year-over-year
  - Record high core platform average revenue per user<sup>(1)</sup> of \$2,697, up 6.4% year-over-year

### **Additional First Quarter 2024 Highlights:**

- Total revenues of \$635.8 million decreased 5.0% compared to the first quarter of 2023, reflecting improvement on revenue declines of 8.4% in the fourth quarter of 2023 compared to the prior year fourth quarter
  - Same store revenues<sup>(3)</sup> decreased 5.1% compared to the first quarter of 2023, reflecting improvement on revenue declines of 8.0% in the fourth quarter of 2023 compared to the prior year fourth quarter
- Net loss attributable to Gannett of \$84.8 million includes an impairment charge of approximately \$46.0 million related to the exit of our leased facility in McLean, Virginia during the first quarter of 2024
  - Adjusted Net loss attributable to Gannett<sup>(3)</sup> of \$36.4 million
- Adjusted EBITDA<sup>(3)</sup> totaled \$57.6 million, a decrease of 8.4% compared to the first quarter of 2023
- Cash provided by operating activities of \$22.5 million, an increase of \$15.7 million year-over-year
- Free cash flow<sup>(3)</sup> of \$9.5 million, an improvement of \$11.5 million year-over-year

<sup>(1)</sup> See "Key Performance Indicators" ("KPIs") below for information about our use of KPIs.

<sup>(2)</sup> 187 million average monthly unique visitors in the first quarter of 2024 with approximately 134 million average monthly unique visitors coming from our USA TODAY NETWORK (based on March 2024 Comscore Media Metrix®) and approximately 53 million average monthly unique visitors resulting from our U.K. digital properties (based on Adobe Analytics).

<sup>(3)</sup> Adjusted EBITDA, Adjusted Net income (loss) attributable to Gannett, Free cash flow, Same store revenues, and Free cash flow CAGR are non-GAAP measures. See "Use of Non-GAAP Information" below for information about these non-GAAP measures.

### **First Quarter 2024 Capital Structure Highlights:**

- As of March 31, 2024, the Company had cash and cash equivalents of \$93.3 million
- Total principal amount of debt outstanding at Q1 end was \$1,114.2 million, including \$625.6 million in first lien debt
- First lien net leverage<sup>(4)</sup> was 2.0x, a decrease of 21.6% compared to the same period of the prior year
- The Company repaid \$16.3 million of debt in the first quarter of 2024

### **Full Year 2024 and Mid-Term 2025-2026 Business Outlook<sup>(5)</sup>**

The Company reiterates its full year 2024 outlook and its mid-term outlook over the course of 2025 and 2026.

- **Full Year 2024 Business Outlook<sup>(5)</sup>**
  - Total digital revenues are expected to grow approximately 10%
  - Total revenues are expected to be down in the low to mid-single digits on a reported and same store basis<sup>(3)</sup>
  - Net income attributable to Gannett is expected to improve, after excluding an impairment charge of approximately \$46.0 million related to the exit of our McLean, Virginia office during the first quarter of 2024
  - Adjusted EBITDA<sup>(3)</sup> is expected to grow versus the prior year
  - Cash provided by operating activities is expected to grow versus the prior year
  - Free cash flow<sup>(3)</sup> is expected to grow in excess<sup>(6)</sup> of the expected growth in Adjusted EBITDA<sup>(3)</sup>
  - Real estate and non-strategic asset sales are expected to be in the range of \$45 million and \$50 million
- **Full Year 2025 and Full Year 2026 Business Outlook<sup>(5)</sup>**
  - Total digital revenues are expected to accelerate with growth exceeding 10% year-over-year
    - Total digital revenues are expected to make up 50% of total revenues in 2025 and exceed 55% of total revenues in 2026
  - Total revenues are expected to grow in the low single digits on a reported basis and same store basis<sup>(3)</sup>
  - Net income attributable to Gannett is expected to improve to positive
  - Adjusted EBITDA<sup>(3)</sup> is expected to exhibit ongoing growth
  - Cash provided by operating activities is expected to grow with an estimated CAGR<sup>(7)</sup> of 30%
  - Free cash flow<sup>(3)</sup> is expected to grow at an accelerated rate with an estimated CAGR<sup>(3)(7)</sup> of 40%

### **Financial Highlights**

<i>In thousands</i>	<b>First Quarter 2024</b>
Revenues	\$ 635,761
Net loss attributable to Gannett	(84,768)
Adjusted EBITDA <sup>(8)</sup> (non-GAAP basis)	57,589
Adjusted net loss attributable to Gannett <sup>(8)</sup> (non-GAAP basis)	(36,425)
Cash provided by operating activities	22,451
Free cash flow <sup>(8)</sup> (non-GAAP basis)	9,452

<sup>(4)</sup> As of March 31, 2024, the First Lien Net Leverage ratio was calculated by subtracting cash on the balance sheet from the sum of both our five-year senior secured term loan facility (the "Senior Secured Term Loan") and 6% first lien notes due November 1, 2026 (the "2026 Senior Notes") and dividing that by Q1 2024 LTM Adjusted EBITDA. Our 6% Senior Secured Convertible Notes due 2027 are second lien as of the completion of the Senior Secured Term Loan refinancing in October 2021.

<sup>(5)</sup> Projections are based on Company estimates as of May 2, 2024 and are provided solely for illustrative purposes. Actual results may vary. The Company undertakes no obligation to update this information. Additionally, the Company's estimates do not factor in the impact of any future acquisitions or dispositions. The Company's future financial results could differ materially from the Company's current estimates.

<sup>(6)</sup> Capital expenditures are expected to increase as a result of investments in technology and products.

<sup>(7)</sup> Cash provided by operating activities CAGR and Free cash flow CAGR are based on 2023 to 2026 estimated growth rates.

<sup>(8)</sup> Refer to "Use of Non-GAAP Information" below for the Company's definition of Adjusted EBITDA, Adjusted net loss attributable to Gannett, and Free cash flow, as well as the reconciliation of such measures to the most comparable GAAP measure.

## **Earnings Conference Call**

Management will host a conference call on Thursday, May 2, 2024 at 8:30 A.M. Eastern Time to review the financial and operating results for the period. A copy of the earnings release will be posted to the Investor Relations section of Gannett's website, [investors.gannett.com](http://investors.gannett.com). The conference call may be accessed by dialing 1-888-506-0062 (from within the U.S.) or 1-973-528-0011 (from outside of the U.S.) ten minutes prior to the scheduled start of the call; please reference "Gannett First Quarter Earnings Call" or access code "207142". We use our website as a channel of distribution for important Company information and we use the [investors.gannett.com](http://investors.gannett.com) website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. A simultaneous webcast of the conference call will be available to the public on a listen-only basis at [investors.gannett.com](http://investors.gannett.com). Please allow extra time prior to the call to visit the website and download any necessary software required to listen to the internet broadcast. A telephonic replay of the conference call will also be available approximately two hours following the call's completion through 11:59 P.M. Eastern Time on Thursday, May 16, 2024 by dialing 1-877-481-4010 (from within the U.S.) or 1-919-882-2331 (from outside of the U.S.); please reference access code "13742832". A transcript of our earnings call held today also will be posted to the [investors.gannett.com](http://investors.gannett.com) website.

## **About Gannett**

Gannett Co., Inc. (NYSE: GCI) is a diversified media company with expansive reach at the national and local level dedicated to empowering and enriching communities. We seek to inspire, inform, and connect audiences as a sustainable, growth focused media and digital marketing solutions company. We endeavor to deliver essential content, marketing solutions, and experiences for curated audiences, advertisers, consumers, and stakeholders by leveraging our diverse teams and suite of products to enrich the local communities and businesses we serve. Our current portfolio of trusted media brands includes the USA TODAY NETWORK, comprised of the national publication, USA TODAY, and local media organizations in the United States, and Newsquest, a wholly-owned subsidiary operating in the United Kingdom. Our digital marketing solutions brand, LocaliQ, uses innovation and software to enable small and medium-sized businesses to grow, and USA TODAY NETWORK Ventures, our events division, creates impactful consumer engagements, promotions, and races.

## **Cautionary Statement Regarding Forward-Looking Statements**

Certain items in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, our full year 2024 business outlook, our mid-term 2025-2026 business outlook, statements regarding our business outlook, digital revenue performance and growth, growth in our Digital Marketing Solutions segment, growth of and demand for our digital-only subscriptions and audience, digital marketing and advertising services, digital revenues, monetization of our audience, print advertising trends and revenues, expected results of our targeting and pricing models, expectations regarding our cash from operating activities, free cash flows, compound annual growth rates ("CAGR"), revenues, net income (loss) attributable to Gannett, Adjusted EBITDA, same-store revenues and cash flows, expectations regarding our long-term growth, sustainable growth, and inflection in our revenue, our ability to create long-term stockholder value, our expectations, in terms of both amount and timing, with respect to debt repayment, our expected capital expenditures, expectations regarding real estate and non-strategic asset sales, the impact from changes at our McLean, Virginia property, our strategy, our partnerships, our ability to generate affiliate revenues, our ability to achieve our operating priorities, our long-term opportunities, economic impacts, our ability to navigate volatility, achieve our financial goals, optimize our capital structure and achieve optimal financial performance, our cost structure, future revenue and expense trends, and our ability to influence trends. Words such as "expect(s)", "believe(s)", "will", "outlook", "guidance", "estimate(s)", "project(s)", "focus", and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties. These and other risks and uncertainties could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. The Company can give no assurance its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the risks and other factors detailed from time to time in the Company's most recent Annual Report on Form 10-K, our quarterly reports on Form 10-Q, and our other filings with the Securities and Exchange Commission. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. Except to the extent required by law, the Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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**GANNETT CO., INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

**Table No. 1**

<i>In thousands, except share data</i>	<b>March 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>	<b>(Unaudited)</b>	
Current assets:		
Cash and cash equivalents	\$ 93,334	\$ 100,180
Accounts receivable, net of allowance of \$15,543 and \$16,338 as of March 31, 2024 and December 31, 2023, respectively	244,082	266,096
Inventories	23,622	26,794
Prepaid expenses	44,386	36,210
Other current assets	20,344	14,957
<b>Total current assets</b>	<b>425,768</b>	<b>444,237</b>
Property, plant and equipment, net of accumulated depreciation of \$330,747 and \$336,408 as of March 31, 2024 and December 31, 2023, respectively	238,902	239,087
Operating lease assets	166,911	221,733
Goodwill	533,743	533,876
Intangible assets, net	501,640	524,350
Deferred tax assets	34,243	37,125
Pension and other assets	187,959	180,839
<b>Total assets</b>	<b>\$ 2,089,166</b>	<b>\$ 2,181,247</b>
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 300,340	\$ 293,444
Deferred revenue	119,509	120,502
Current portion of long-term debt	64,263	63,752
Operating lease liabilities	43,586	45,763
Other current liabilities	9,303	10,052
<b>Total current liabilities</b>	<b>537,001</b>	<b>533,513</b>
Long-term debt	550,044	564,836
Convertible debt	419,671	416,036
Deferred tax liabilities	6,604	2,028
Pension and other postretirement benefit obligations	41,121	42,661
Long-term operating lease liabilities	192,293	203,871
Other long-term liabilities	109,451	100,989
<b>Total noncurrent liabilities</b>	<b>1,319,184</b>	<b>1,330,421</b>
<b>Total liabilities</b>	<b>1,856,185</b>	<b>1,863,934</b>
<b>Commitments and contingent liabilities</b>		
<b>Equity</b>		
Preferred stock, \$0.01 par value per share, 300,000 shares authorized, none of which were issued and outstanding at March 31, 2024 and December 31, 2023	—	—
Common stock, \$0.01 par value per share, 2,000,000,000 shares authorized, 158,564,950 shares issued and 147,585,710 shares outstanding at March 31, 2024; 158,554,705 shares issued and 148,939,463 shares outstanding at December 31, 2023	1,586	1,586
Treasury stock, at cost, 10,979,240 shares and 9,615,242 shares at March 31, 2024 and December 31, 2023, respectively	(19,927)	(17,393)
Additional paid-in capital	1,429,137	1,426,325
Accumulated deficit	(1,111,960)	(1,027,192)
Accumulated other comprehensive loss	(65,383)	(65,541)
<b>Total Gannett stockholders' equity</b>	<b>233,453</b>	<b>317,785</b>
Noncontrolling interests	(472)	(472)
<b>Total equity</b>	<b>232,981</b>	<b>317,313</b>
<b>Total liabilities and equity</b>	<b>\$ 2,089,166</b>	<b>\$ 2,181,247</b>

**GANNETT CO., INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

<b>Table No. 2</b>	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<i>In thousands, except per share amounts</i>		
Digital	\$ 267,499	\$ 247,478
Print and commercial	368,262	421,439
<b>Total revenues</b>	<b>635,761</b>	<b>668,917</b>
Operating costs	402,399	430,188
Selling, general and administrative expenses	180,489	180,390
Depreciation and amortization	38,298	43,698
Integration and reorganization costs	17,881	12,127
Asset impairments	45,989	5
Loss (gain) on sale or disposal of assets, net	552	(17,681)
Other operating expenses	39	229
<b>Total operating expenses</b>	<b>685,647</b>	<b>648,956</b>
<b>Operating (loss) income</b>	<b>(49,886)</b>	<b>19,961</b>
Interest expense	26,565	28,330
Gain on early extinguishment of debt	(617)	(496)
Non-operating pension income	(3,146)	(1,815)
Equity loss (income) in unconsolidated investees, net	185	(210)
Other non-operating expense, net	1,817	1,221
<b>Non-operating expenses</b>	<b>24,804</b>	<b>27,030</b>
<b>Loss before income taxes</b>	<b>(74,690)</b>	<b>(7,069)</b>
Provision (benefit) for income taxes	10,078	(17,329)
<b>Net (loss) income</b>	<b>(84,768)</b>	<b>10,260</b>
Net loss attributable to noncontrolling interests	—	(84)
<b>Net (loss) income attributable to Gannett</b>	<b>\$ (84,768)</b>	<b>\$ 10,344</b>
(Loss) income per share attributable to Gannett - basic	\$ (0.60)	\$ 0.07
(Loss) income per share attributable to Gannett - diluted	\$ (0.60)	\$ 0.07

**GANNETT CO., INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

<b>Table No. 3</b>	<b>Three months ended March 31,</b>	
<i>In thousands</i>	<b>2024</b>	<b>2023</b>
<b>Operating activities</b>		
Net (loss) income	\$ (84,768)	\$ 10,260
Adjustments to reconcile net (loss) income to operating cash flows:		
Depreciation and amortization	38,298	43,698
Share-based compensation expense	2,826	3,736
Non-cash interest expense	5,260	5,267
Loss (gain) on sale or disposal of assets, net	552	(17,681)
Gain on early extinguishment of debt	(617)	(496)
Asset impairments	45,989	5
Pension and other postretirement benefit obligations	(11,211)	(3,725)
Equity loss (income) in unconsolidated investees, net	185	(210)
Change in other assets and liabilities, net	25,937	(34,136)
<b>Cash provided by operating activities</b>	<b>22,451</b>	<b>6,718</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(12,999)	(8,798)
Proceeds from sale of real estate and other assets	575	29,502
Change in other investing activities	(2)	—
<b>Cash (used for) provided by investing activities</b>	<b>(12,426)</b>	<b>20,704</b>
<b>Financing activities</b>		
Repayments of long-term debt	(15,290)	(36,178)
Treasury stock	(2,532)	(2,139)
Changes in other financing activities	(423)	(323)
<b>Cash used for financing activities</b>	<b>(18,245)</b>	<b>(38,640)</b>
Effect of currency exchange rate change on cash	984	38
Decrease in cash, cash equivalents and restricted cash	(7,236)	(11,180)
Cash, cash equivalents and restricted cash at beginning of period	110,612	104,804
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 103,376</b>	<b>\$ 93,624</b>

**GANNETT CO., INC.**  
**SEGMENT INFORMATION**  
**(Unaudited)**

	<b>Three months ended March 31,</b>	
<i>In thousands</i>	<b>2024</b>	<b>2023</b>
<b>Revenues:</b>		
Domestic Gannett Media	\$ 495,719	\$ 529,937
Newsquest	60,198	59,158
Digital Marketing Solutions	117,045	112,817
Corporate and other	1,604	1,398
Intersegment eliminations	(38,805)	(34,393)
<b>Total</b>	<b>\$ 635,761</b>	<b>\$ 668,917</b>



## USE OF NON-GAAP INFORMATION

The Company uses non-GAAP financial performance and liquidity measures to supplement the financial information presented on a U.S. generally accepted accounting principles ("U.S. GAAP") basis. These non-GAAP financial performance and liquidity measures, which may not be comparable to, and may be defined differently than, similarly titled measures used or reported by other companies, should not be considered in isolation from or as a substitute for the related U.S. GAAP measures and should be read together with financial information presented on a U.S. GAAP basis.

We define our non-GAAP financial performance and liquidity measures as follows:

- Adjusted EBITDA is a non-GAAP financial performance measure we believe offers a useful view of the overall and segment operations of our business. We define Adjusted EBITDA as Net income (loss) attributable to Gannett before (1) Income tax expense (benefit), (2) Interest expense, (3) Gains or losses on the early extinguishment of debt, (4) Non-operating pension income, (5) Loss on convertible notes derivative, (6) Depreciation and amortization, (7) Integration and reorganization costs, (8) Third-party debt expenses and acquisition costs, (9) Asset impairments, (10) Goodwill and intangible impairments, (11) Gains or losses on the sale or disposal of assets, (12) Share-based compensation, (13) Other non-operating (income) expense, net, and (14) Non-recurring items. The most directly comparable U.S. GAAP financial performance measure is Net income (loss) attributable to Gannett.
- Adjusted EBITDA margin is a non-GAAP financial performance measure we believe offers a useful view of the overall and segment operations of our business. We define Adjusted EBITDA margin as Adjusted EBITDA divided by total Revenues.
- Adjusted Net income (loss) attributable to Gannett is a non-GAAP financial performance measure we believe offers a useful view of the overall operations of our business and is useful to analysts and investors in evaluating the results of operations and operational trends. We define Adjusted Net income (loss) attributable to Gannett as Net income (loss) attributable to Gannett before (1) Gains or losses on the early extinguishment of debt, (2) Loss on convertible notes derivative, (3) Integration and reorganization costs, (4) Third-party debt expenses and acquisition costs, (5) Asset impairments, (6) Goodwill and intangibles impairments, (7) Gains or losses on the sale or disposal of assets, (8) Other items, including (Gain) loss on sale of investments, and (9) the tax impact of the above items.
- Free cash flow is a non-GAAP liquidity measure that adjusts our reported U.S. GAAP results for items we believe are critical to the ongoing success of our business. We define Free cash flow as Cash provided by (used for) operating activities as reported on the condensed consolidated statements of cash flows less capital expenditures, which results in a figure representing Free cash flow available for use in operations, additional investments, debt obligations, and returns to stockholders. The most directly comparable U.S. GAAP financial liquidity measure is Cash provided by (used for) operating activities.
- Same store revenues is a non-GAAP financial performance measure based on our U.S. GAAP revenues for the current period, excluding (1) acquired revenues, (2) currency impact, and (3) exited operations.

### Management's Use of Non-GAAP Measures

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income (loss) attributable to Gannett, Free cash flow and Same store revenues are not measurements of financial performance or liquidity under U.S. GAAP and should not be considered in isolation or as an alternative to net income (loss), margin, income (loss) from operations, cash flow provided by (used for) operating activities, revenues, or any other measure of performance or liquidity derived in accordance with U.S. GAAP. We believe these non-GAAP financial performance and liquidity measures, as we have defined them, are helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. These measures provide an assessment of core expenses and afford management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance.

We use Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income (loss) attributable to Gannett, Free cash flow and Same store revenues as measures of our day-to-day operating performance, which is evidenced by the publishing and delivery of news and other media and excludes certain expenses that may not be indicative of our day-to-day business operating results.

## **Limitations of Non-GAAP Measures**

Each of our non-GAAP measures have limitations as analytical tools. They should not be viewed in isolation or as a substitute for U.S. GAAP measures of earnings or cash flows. Material limitations in making the adjustments to our earnings to calculate Adjusted EBITDA and Adjusted Net income (loss) attributable to Gannett using these non-GAAP financial measures as compared to U.S. GAAP net income (loss) include: the cash portion of interest / financing expense, income tax (benefit) provision, and charges related to asset impairments, which may significantly affect our financial results.

Management believes these items are important in evaluating our performance, results of operations, and financial position. We use non-GAAP financial performance and liquidity measures to supplement our U.S. GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income (loss) attributable to Gannett, Free cash flow and Same store revenues are not alternatives to net income (loss), margin, income (loss) from operations, cash flow provided by (used for) operating activities, revenues, or any other measure of performance or liquidity derived in accordance with U.S. GAAP. As such, they should not be considered or relied upon as substitutes or alternatives for any such U.S. GAAP financial measures. We strongly urge you to review the reconciliations of Net income (loss) attributable to Gannett to Adjusted EBITDA, Adjusted EBITDA margin, Net income (loss) attributable to Gannett to Adjusted Net income (loss) attributable to Gannett, Cash provided by (used for) operations to Free cash flow and Revenues to Same Store revenues along with our condensed consolidated financial statements included elsewhere in this report. We also strongly urge you not to rely on any single financial performance or liquidity measure to evaluate our business. In addition, because Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income (loss) attributable to Gannett, Free cash flow and Same store revenues are not measures of financial performance under U.S. GAAP and are susceptible to varying calculations, the Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net income (loss) attributable to Gannett, Free cash flow and Same store revenues measures as presented in this release may differ from and may not be comparable to similarly titled measures used by other companies.

## **Non-GAAP Outlook**

Our 2024 business outlook and our mid-term 2024-2025 outlook included in this release include certain non-GAAP financial performance and liquidity measures, including Same store revenues, Adjusted EBITDA, Free cash flow, and Free cash flow CAGR. CAGR is a compound annual growth rate over the time period noted for Free cash flow. We believe providing expected Free cash flow CAGR as part of our outlook is meaningful to share with investors and an indication of what management believes is an important measure of growth. The outlook for each of these non-GAAP items does not factor in the impact of any future acquisitions or dispositions. We have provided these non-GAAP measures for future guidance for the same reasons that were outlined above for historical non-GAAP measures. We have not reconciled non-GAAP forward-looking Same store revenues, Adjusted EBITDA, Free cash flow, and Free cash flow CAGR to their most directly comparable U.S. GAAP measure, as permitted by Item 10(e)(1)(i)(B) of Regulation S-K. Such reconciliations would require unreasonable efforts to estimate and quantify various necessary U.S. GAAP components largely because forecasting or predicting our future operating results is subject to many factors or future events out of our control, is unavailable, or is not readily predictable, and could significantly impact, either individually or in the aggregate, our comparable U.S. GAAP measures. Accordingly, we are unable to provide a full reconciliation of the non-GAAP measures used in our outlook without unreasonable efforts.

**GANNETT CO., INC.**  
**NON-GAAP FINANCIAL INFORMATION**  
**ADJUSTED EBITDA**  
(Unaudited)

**Table No. 5**

**Three months ended March 31, 2024**

<i>In thousands</i>	<b>Domestic Gannett Media</b>	<b>Newsquest</b>	<b>Digital Marketing Solutions</b>	<b>Corporate and other</b>	<b>Consolidated Total</b>
Net income (loss) attributable to Gannett	\$ 5,463	\$ 14,544	\$ 609	\$ (105,384)	\$ (84,768)
Provision for income taxes	—	—	—	10,078	10,078
Interest expense	—	—	—	26,565	26,565
Gain on early extinguishment of debt	—	—	—	(617)	(617)
Non-operating pension income	(1,306)	(1,840)	—	—	(3,146)
Depreciation and amortization	24,877	2,035	5,880	5,506	38,298
Integration and reorganization costs	14,889	169	25	2,798	17,881
Third-party debt expenses and acquisition costs	—	—	—	178	178
Asset impairments	—	—	—	45,989	45,989
Loss (gain) on sale or disposal of assets, net	904	(445)	89	4	552
Share-based compensation expense	—	—	—	2,826	2,826
Other non-operating (income) expense, net	(347)	(300)	1,546	918	1,817
Non-recurring items	—	—	630	1,306	1,936
Adjusted EBITDA (non-GAAP basis)	\$ 44,480	\$ 14,163	\$ 8,779	\$ (9,833)	\$ 57,589
Net income (loss) attributable to Gannett margin	1.1 %	24.2 %	0.5 %	NM	(13.3)%
Adjusted EBITDA margin (non-GAAP basis)	9.0 %	23.5 %	7.5 %	NM	9.1 %

NM indicates not meaningful.

**Three months ended March 31, 2023**

<i>In thousands</i>	<b>Domestic Gannett Media</b>	<b>Newsquest</b>	<b>Digital Marketing Solutions</b>	<b>Corporate and other</b>	<b>Consolidated Total</b>
Net income (loss) attributable to Gannett	\$ 23,009	\$ 12,018	\$ 5,623	\$ (30,306)	\$ 10,344
Benefit for income taxes	—	—	—	(17,329)	(17,329)
Interest expense	—	—	—	28,330	28,330
Gain on early extinguishment of debt	—	—	—	(496)	(496)
Non-operating pension income	303	(2,118)	—	—	(1,815)
Depreciation and amortization	31,751	1,758	5,860	4,329	43,698
Integration and reorganization costs	4,049	600	20	7,458	12,127
Third-party debt expenses and acquisition costs	—	—	—	229	229
Asset impairments	5	—	—	—	5
(Gain) loss on sale or disposal of assets, net	(16,271)	3	35	(1,448)	(17,681)
Share-based compensation expense	—	—	—	3,736	3,736
Other non-operating expense (income), net	1,567	502	145	(993)	1,221
Non-recurring items	4	83	—	446	533
Adjusted EBITDA (non-GAAP basis)	\$ 44,417	\$ 12,846	\$ 11,683	\$ (6,044)	\$ 62,902
Net income attributable to Gannett margin	4.3 %	20.3 %	5.0 %	NM	1.5 %
Adjusted EBITDA margin (non-GAAP basis)	8.4 %	21.7 %	10.4 %	NM	9.4 %

NM indicates not meaningful.

**GANNETT CO., INC.**  
**NON-GAAP FINANCIAL INFORMATION**  
**ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO GANNETT**  
(Unaudited)

<b>Table No. 6</b> <i>In thousands</i>	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net (loss) income attributable to Gannett	\$ (84,768)	\$ 10,344
Gain on early extinguishment of debt	(617)	(496)
Integration and reorganization costs	17,881	12,127
Third-party debt expenses and acquisition costs	178	229
Asset impairments	45,989	5
Loss (gain) on sale or disposal of assets, net	552	(17,681)
Other items	(14)	(121)
Subtotal	(20,799)	4,407
Tax impact of above items	(15,626)	1,428
Adjusted net (loss) income attributable to Gannett (non-GAAP basis)	\$ (36,425)	\$ 5,835

**GANNETT CO., INC.**  
**NON-GAAP FINANCIAL INFORMATION**  
**FREE CASH FLOW**  
(Unaudited)

<i>In thousands</i>	<b>Three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Cash provided by operating activities (GAAP basis)	\$ 22,451	\$ 6,718
Capital expenditures	(12,999)	(8,798)
Free cash flow (non-GAAP basis) <sup>(1)</sup>	\$ 9,452	\$ (2,080)

<sup>(1)</sup> For the three months ended March 31, 2024 and 2023, free cash flow was negatively impacted by interest paid of \$9.6 million and \$10.5 million, respectively, integration and reorganization costs of \$5.8 million and \$21.3 million, respectively, and other costs of \$6.1 million and \$1.0 million, respectively.

**GANNETT CO., INC.**  
**NON-GAAP FINANCIAL INFORMATION**  
**SAME STORE REVENUES - CONSOLIDATED**  
(Unaudited)

<i>In thousands</i>	<b>Three months ended March 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>% Change</b>
Revenues	\$ 635,761	\$ 668,917	(5.0)%
Currency impact	(2,343)	—	
Exited operations <sup>(1)</sup>	—	(1,648)	
Same store revenues	\$ 633,418	\$ 667,269	(5.1)%

<sup>(1)</sup> Exited operations include (i) businesses divested and (ii) the elimination of stand-alone print products discontinued within the media markets.

## KEY PERFORMANCE INDICATORS

A key performance indicator ("KPI") is generally defined as a quantifiable measurement or metric used to gauge performance, specifically to help determine strategic, financial, and operational achievements, especially compared to those of similar businesses.

We define Digital-only average revenue per user ("ARPU") as digital-only subscription average monthly revenues divided by the average digital-only paid subscriptions within the respective period. We define Core platform ARPU as core platform average monthly revenues divided by average monthly customer count within the period. We define Core platform revenues as revenue derived from customers utilizing our proprietary digital marketing services platform that are sold by either our direct or local market teams.

Management believes Digital-only ARPU, Core platform ARPU, digital-only paid subscriptions, core platform revenues and core platform average customer count are KPIs that offer useful information in understanding consumer behavior, trends in our business, and our overall operating results. Management utilizes these KPIs to track and analyze trends across our segments.

**GANNETT CO., INC.**  
**KEY PERFORMANCE INDICATORS**  
(Unaudited)

<b>Table No. 9</b>	<b>Three months ended March 31,</b>			
<i>In thousands, except ARPU</i>	<b>2024</b>	<b>2023</b>	<b>Change</b>	<b>% Change</b>
<b>Domestic Gannett Media:</b>				
Digital-only ARPU	\$ 7.28	\$ 5.88	\$ 1.40	24 %
<b>Newsquest:</b>				
Digital-only ARPU	\$ 6.03	\$ 6.41	\$ (0.38)	(6)%
<b>Total Gannett:</b>				
Digital-only ARPU	\$ 7.22	\$ 5.90	\$ 1.32	22 %
<b>DMS:</b>				
Core platform revenues	\$ 116,050	\$ 111,407	\$ 4,643	4 %
Core platform ARPU	\$ 2,697	\$ 2,535	\$ 162	6 %
Core platform average customer count	14.3	14.7	(0.4)	(3)%

<b>Table No. 10</b>	<b>As of March 31,</b>		
<i>In thousands</i>	<b>2024</b>	<b>2023</b>	<b>% Change</b>
<b>Digital-only paid subscriptions:</b>			
Domestic Gannett Media	1,927	1,962	(2)%
Newsquest	90	61	48 %
Total Gannett	2,017	2,023	— %