

Section 1: 10-K (10-K)

[Table of Contents](#)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 30, 2018
OR
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission file number: 001-36097

New Media Investment Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

38-3910250

(I.R.S. Employer Identification No.)

1345 Avenue of the Americas 45th floor,
New York, New York

(Address of principal executive offices)

10105

(Zip Code)

Telephone: (212) 479-3160

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class:

Common stock, par value \$0.01 per share

Name of each exchange on which registered:

New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 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

The aggregate market value of the voting common equity held by non-affiliates of the registrant on July 1, 2018, the last business day of the registrant's most

recently completed second fiscal quarter, was approximately \$925.4 million. The market value calculation was determined using a per share price of \$18.48, the price at which the registrant's common stock was last sold on the New York Stock Exchange on such date. For purposes of this calculation, shares held by non-affiliates excludes only those shares beneficially owned by the registrant's executive officers, directors, and stockholders owning 10% or more of the registrant's outstanding common stock (and, in each case, their immediate family members and affiliates).

As of February 25, 2019, 60,511,022 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our definitive proxy statement, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days of the Company's fiscal year-end, are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

NEW MEDIA INVESTMENT GROUP INC.
FORM 10-K
FOR THE YEAR ENDED DECEMBER 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I</u>	
Item 1 Business	1
Item 1A Risk Factors	49
Item 1B Unresolved Staff Comments	63
Item 2 Properties	63
Item 3 Legal Proceedings	63
Item 4 Mine Safety Disclosures	63
<u>PART II</u>	
Item 5 Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	64
Item 6 Selected Financial Data	66
Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations	68
Item 7A Quantitative and Qualitative Disclosures About Market Risk	85
Item 8 Financial Statements and Supplementary Data	87
Item 9 Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	125
Item 9A Controls and Procedures	125
Item 9B Other Information	128
<u>PART III</u>	
Item 10 Directors, Executive Officers and Corporate Governance	129
Item 11 Executive Compensation	129
Item 12 Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	129
Item 13 Certain Relationships and Related Transactions, and Director Independence	129
Item 14 Principal Accountant Fees and Services	129
<u>PART IV</u>	
Item 15 Exhibits, Financial Statement Schedules	130
Item 16 Form 10-K Summary	136

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Certain statements in this report on Form 10-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views regarding, among other things, our future growth, results of operations, performance and business prospects and opportunities, as well as other statements that are other than historical fact. Words such as “anticipate(s),” “expect (s),” “intend(s),” “plan(s),” “target(s),” “project(s),” “believe(s),” “will,” “aim,” “would,” “seek(s),” “estimate(s)” and similar expressions are intended to identify such forward-looking statements.

Forward-looking statements are based on management’s current expectations and beliefs and are subject to a number of known and unknown risks, uncertainties and other factors that could lead to actual results materially different from those described in the forward-looking statements. We can give no assurance that our expectations will be attained. Our actual results, liquidity and financial condition may differ from the anticipated results, liquidity and financial condition indicated in these forward-looking statements. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause our actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others:

- general economic and market conditions;
- economic conditions in the various regions of the United States;
- the growing shift within the publishing industry from traditional print media to digital forms of publication;
- declining advertising revenue and circulation subscribers;
- our ability to grow our digital marketing and business services initiatives, and grow our digital audience and advertiser base;
- our ability to grow our business organically;
- our ability to acquire local media print assets at attractive valuations;
- the risk that we may not realize the anticipated benefits of our recent or potential future acquisitions;
- the availability and cost of capital for future investments;
- our indebtedness may restrict our operations and/or require us to dedicate a portion of cash flow from operations to the payment of principal and interest;
- our ability to pay dividends consistent with prior practice or at all;
- our ability to reduce costs and expenses;
- our ability to realize the benefits of the Management Agreement (as defined below);
- the impact of any material transactions with the Manager (as defined below) or one of its affiliates, including the impact of any actual, potential or perceived conflicts of interest;
- effects of the completed merger of Fortress Investment Group LLC with affiliates of SoftBank Group Corp.;
- the competitive environment in which we operate; and
- our ability to recruit and retain key personnel.

Additional risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the risks identified by us under the heading “Risk Factors” in Item 1A of this report. Such forward-looking statements speak only as of the date on which they are made. Except to the extent required by law, we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

PART I

Item 1. Business

General Overview

New Media Investment Group Inc. (“New Media,” “Company,” “us,” or “we”) owns, operates and invests in high-quality local media assets focused in small to mid-size markets. With our collection of assets, we are focused on the local audience and small to medium-sized businesses (“SMBs”) in our communities.

Our current portfolio of media assets spans across 581 markets and 37 states. Our products include 678 community print publications and 581 websites. As of December 30, 2018, we reached over 22 million people per week and served over 199,000 business customers.

Our mission is to be the local audience and small business expert in the markets that we operate in. We leverage this local expertise to sell our unique, hyperlocal content to consumers and our market-leading technology solutions to SMBs. There are three key elements of our strategy:

1. We aim to grow our business organically through both our consumer and SMB strategies,
2. We pursue strategic acquisitions of high-quality local media and digital marketing assets at attractive valuation levels, and
3. We intend to distribute a portion of our free cash flow generated from operations or other sources as a dividend to stockholders through a quarterly dividend, subject to satisfactory financial performance, approval by our board of directors (the “Board of Directors” or “Board”) and dividend restrictions in the New Media Credit Agreement (as defined below). The Board of Directors’ determinations regarding dividends will depend on a variety of factors, including the Company’s U.S. generally accepted accounting principles (“GAAP”) net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results.

We believe that our focus on owning and operating leading local-content-oriented media properties in small to mid-size markets puts us in a position to better execute on our strategy. We believe that being the leading provider of local news and information in the markets in which we operate, and distributing that content across multiple print and digital platforms, gives us an opportunity to grow our audiences and reach. Further, we believe our strong local media brands and our market presence give us the opportunity to expand our advertising and lead generation products with local business customers.

For our SMB category, we focus on leveraging our strong local media brands, our in-market sales force and our high consumer penetration rates to offer technology solutions that allow SMBs to operate efficiently and effectively in a digital world. Central to this business strategy is our wholly-owned subsidiary UpCurve, Inc. (“UpCurve”). UpCurve provides two broad categories of services: ThriveHive, previously known as Propel Marketing, which provides guided marketing solutions for SMBs, and UpCurve Cloud, which offers cloud-based products with expert guidance and support. ThriveHive is designed to offer a complete set of turn-key guided marketing and business solutions to SMBs that provide transparent results to the business owners. In 2016, we acquired a turn-key proprietary software application that enables SMB owners to run their own digital and guided marketing campaigns, and we have made a number of strategic acquisitions since.

We launched the UpCurve products in 2012 and have seen rapid growth since then. We believe UpCurve, combined with our strong local brands and in-market sales force, is positioned to continue to be a key contributor to our overall organic growth strategy. UpCurve is well positioned to seize upon the approximately 30.2 million SMBs in the U.S. in 2015 according to the U.S. Small Business Administration. Of these, approximately 29.0 million had 20 employees or fewer.

Many of the owners and managers of these SMBs do not have the resources or expertise to navigate the fast evolving workplace technologies market but are increasingly aware of the need to embrace the digital disruption to their business model.

GateHouse Live, our events and promotions business, was started in late 2015 to leverage our local brands to create world-class events in the markets we serve. In 2018, GateHouse Live produced over 350 events with a collective attendance over 400,000. Among our core event offerings are a variety of themed expos focused on target audiences, including men, women, seniors and young families. Other signature event series produced across many of our markets include one of the nation's largest high school sports recognition events and the official community's choice awards for dozens of markets across the country. In 2018, GateHouse Live expanded into endurance events that include a network of over 90 marathons, half

marathons, other footraces and obstacle course races across the United States and Canada with over 250,000 attendees annually. GateHouse Live also offers white label event services for retailers and other media companies.

Portfolio Detail

Our core products include:

- 146 daily newspapers with total paid circulation of approximately 1.5 million;
- 323 weekly newspapers (published up to three times per week) with total paid circulation of approximately 268,000 and total free circulation of approximately 1.4 million;
- 132 “shoppers” (generally advertising-only publications) with total circulation of approximately 3.1 million;
- 581 locally-focused websites, which extend our businesses onto the internet and mobile devices with approximately 364 million page views per month;
- 77 business publications;
- UpCurve Cloud and ThriveHive digital marketing; and
- GateHouse Live.

In addition to our core products, we also opportunistically produce niche publications that address specific local market interests such as recreation, sports, healthcare and real estate. Our print and online products focus on the local community from a content, advertising, and digital marketing perspective. As a result of our focus on small and mid-size markets, we are usually the primary, and, sometimes the sole provider of comprehensive local market news and information in the communities we serve. Our content is primarily devoted to topics that we believe are highly relevant and of interest to our audiences such as local news and politics, community and regional events, youth sports, opinion and editorial pages, local schools, obituaries, weddings and police reports.

We believe our local media properties and local sales infrastructure are uniquely positioned to sell digital marketing and business services to local business owners and give us distinct advantages, including:

- our strong and trusted local brands, with 88% of our daily newspapers having published local content for more than 100 years;
- our ability to market through our print and online properties, driving branding and traffic; and
- our more than 1,160 local, direct, in-market sales professionals with long-standing relationships with small businesses in the communities we serve.

More than 88% of our daily newspapers have been published for more than 100 years, and all have been published for more than 50 years. We believe that the longevity of our publications demonstrates the value and relevance of the local information that we provide and has created a strong foundation of reader loyalty and a highly-recognized media brand name in each community we serve. As a result of these factors, we believe that our publications have high local audience penetration rates in our markets, thereby providing advertisers with strong local market reach.

We believe the large number of publications we have, our focus on smaller markets, and our geographic diversity also provide the following benefits to our strategy:

- Diversified revenue streams, both in terms of customers and markets;
- Operational efficiencies realized from clustering of business assets;
- Operational efficiencies realized from centralization of back office functions;
- Operational efficiencies realized from improved buying power for key operating cost items through our increased size and scale;
- Ability to provide consistent management practices and ensure best practices; and
- Less competition and high barriers to entry.

The revenues derived from our SMB category come from a variety of print and guided online marketing and business solutions products we offer through UpCurve and commercial printing services. Our consumer revenue category comes primarily from subscription income from consumers that pay for our deep, rich local content, primarily in print and also online.

[Table of Contents](#)

Our operating costs consist primarily of labor, newsprint, and delivery costs. Our selling, general and administrative expenses consist primarily of labor costs. Compensation represents just under 50% of our expenses. Over the last few years, we have worked to drive efficiencies and centralization of work throughout our Company. Additionally, we have taken steps to cluster our operations, thereby increasing the production volume of our facilities and equipment while increasing the productivity of our labor force. We expect to continue to employ these steps as part of our business strategy.

New Media was formed as a Delaware corporation on June 18, 2013. New Media had no operations until November 26, 2013, when it assumed control of GateHouse Media, Inc. ("GateHouse") and Local Media Group Holdings LLC. GateHouse was determined to be the predecessor to New Media, as the operations of GateHouse comprised substantially all of the business operations of the combined companies. Pursuant to a restructuring, Newcastle Investment Corp. ("Newcastle") owned approximately 84.6% of New Media until February 13, 2014, upon which date Newcastle distributed the shares that it held in New Media to its shareholders on a pro rata basis. New Media is externally managed and advised by an affiliate of Fortress Investment Group LLC ("Fortress").

Management Agreement

On November 26, 2013, New Media entered into a management agreement (as amended and restated, the "Management Agreement") with FIG LLC (the "Manager"), an affiliate of Fortress, pursuant to which the Manager manages the operations of New Media. We pay the Manager an annual management fee equal to 1.50% of New Media's Total Equity (as defined in the Management Agreement), and the Manager is eligible to receive incentive compensation. On December 27, 2017, SoftBank Group Corp. ("SoftBank") acquired Fortress (the "SoftBank Merger"). Subsequent to the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York. Fortress's senior investment professionals who perform services for us have and are expected to continue to remain in place.

Acquisitions

During 2016, we acquired substantially all the assets and assumed substantially all of the liabilities of certain publications/businesses, which included 68 business publications, seven daily newspapers, seven weekly publications, eleven shoppers and digital platforms for an aggregate purchase price of \$135.9 million, including working capital.

During 2017, we acquired substantially all the assets, properties, and business of certain publications/businesses, which included four business publications, 22 daily newspapers, 34 weekly publications, 24 shoppers, two customer relationship management solutions providers, a social media app and an event production business for an aggregate purchase price of \$165.1 million, including working capital.

During 2018, we acquired substantially all the assets, properties, and business of certain publications/businesses, which included seven business publications, eight daily newspapers, 16 weekly newspapers, one shopper, a print facility, an events production business, cloud services and digital platforms and related domains, for an aggregate purchase price of \$205.7 million, including estimated working capital and contingent consideration.

Long-Lived Asset Impairment

During the year ended December 31, 2017, the Company ceased printing operations at 15 facilities as part of ongoing cost reduction programs. As a result, the Company recognized an impairment charge related to retired equipment of \$7.1 million and accelerated depreciation of \$2.4 million during the year ended December 31, 2017.

During the year ended December 30, 2018, the Company ceased operations of seven print publications and six printing operations as part of ongoing cost reduction programs. As a result, the Company recognized an impairment charge related to retired equipment of \$0.5 million and intangibles of \$0.6 million and accelerated depreciation of \$3.6 million during the year ended December 30, 2018.

Dispositions

On June 2, 2017, we completed the sale of the *Mail Tribune*, located in Medford, Oregon, for approximately \$14.7 million, including working capital. As a result, a pre-tax gain of approximately \$5.4 million, net of selling expenses, is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 31, 2017.

On February 27, 2018, the Company sold a parcel of land and a building located in Framingham, Massachusetts for a sale price of \$9.3 million and recognized a pre-tax gain of approximately \$3.3 million, net of selling expenses, which is included in

[Table of Contents](#)

net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 30, 2018.

On May 11, 2018, the Company completed its sale of certain publications and related assets in Alaska for approximately \$2.4 million, including working capital. As a result, a nominal pre-tax gain, net of selling expenses, is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 30, 2018.

Subsequent Events

Dividends

On February 27, 2019, we announced a fourth quarter 2018 cash dividend of \$0.38 per share of common stock, par value \$0.01 per share, of New Media ("New Media Common Stock" or our "Common Stock"). The dividend will be paid on March 20, 2019, to shareholders of record as of the close of business on March 11, 2019.

Acquisitions

On January 31, 2019, the Company completed its acquisition of substantially all of the publishing and related assets of Schurz Communications, Inc. for \$30 million, plus working capital. The acquisition was financed from cash on hand. The acquisition includes ten daily newspapers, nine weekly publications and fourteen other community publications serving areas of Indiana, Maryland, South Dakota and Michigan.

Industry Overview

We operate in what is sometimes referred to as the "hyper-local" or community news markets within the media industry. Media companies that serve this segment provide highly-focused local content and advertising that is generally unique to each market they serve and is not readily obtainable from other sources. Local publications include community newspapers, websites, shoppers, traders, real estate guides, special interest magazines and directories. Due to the unique local nature of their content and audience, community publications compete for advertising customers with other forms of traditional media, including direct mail, directories, radio, television, and outdoor advertising. They also compete with new local and national digital and social media businesses for advertising and digital and business services customers. We believe that local print and online publications in smaller markets are the most effective medium for local retail advertising, which emphasizes the price of goods in an effort to move inventory on a regular basis, in contrast to radio, broadcast and cable, television, and the internet, which are generally used for image or branding advertising. In addition, we believe local print and online publications generally have the highest local audience penetration rates, which allows local advertisers to get their message to a large portion of the local audience. Finally, national digital competitors tend to have no local in-market sales presence, which we believe gives the local community publications an advantage when selling these types of products and services.

Locally-focused media in small and mid-size communities is distinct from national and urban media delivered through outlets such as television, radio, metropolitan and national newspapers and the internet. Larger media outlets tend to offer broad based information to a geographically-scattered audience, which tends to be more of a commodity. In contrast, locally-focused media delivers a highly-focused product that is often the only source of local news and information in the market it serves. Our segment of the media industry is also characterized by high barriers to entry, both economic and social. Small and mid-size communities can generally only sustain one newspaper. Moreover, the brand value associated with long-term reader and advertiser loyalty and the high start-up costs associated with developing and distributing content and selling advertisements help to limit competition.

We also believe there is a growing need among SMBs to be able to generate leads and interact with consumers across all digital platforms -- including websites, mobile sites, mobile and tablet applications, and social media. These local business owners and managers lack the time, expertise and resources to capitalize on the potential of these consumer-reaching channels. National competitors in this category do not generally have a local in-market presence. Newly-formed competitors lack a known and credible brand name and generally do not have a local in-market presence. We believe this represents a substantial opportunity for our local media business.

Advertising Market

The primary sources of advertising revenue for local publications are small businesses, corporations, government agencies and individuals that reside in the market that a publication serves. By combining paid circulation publications with total market coverage ("TMC") publications, such as shoppers and other specialty publications (tailored to the specific attributes of a local community), local publications are able to reach nearly 100% of the households in a distribution area. As macroeconomic conditions in advertising change, due to increasing internet and mobile usage and the wide array of available

[Table of Contents](#)

information sources, we have seen advertisers shift their focus to incorporate a digital advertising and services component into their overall local marketing strategy. To that end, in addition to printed products, the majority of our local publications have an online presence that further leverages the local brand, ensures higher penetration into the market, and provides a digital alternative for local advertisers to reach consumers. We also have strong digital marketing and business services offered through ThriveHive and UpCurve Cloud.

Digital Media

The time spent online and on mobile devices each day by media consumers continues to grow, and newspaper websites offer a wide variety of content providing comprehensive, in-depth and up-to-the-minute coverage of news and current events. The ability to generate, publish and archive more news and information than most other sources has allowed newspapers to produce some of the most visited sites on the internet.

We believe that our local publications are well positioned to capitalize on their existing market presence and grow their total audience base by publishing proprietary local content digitally: via the internet and mobile applications. Local digital media include traditional classifieds, directories of business information, local advertising, databases, audience-contributed content and mobile applications. We believe this additional community-specific content will further extend and expand both the reach and the brand of our publications with readers and advertisers. We believe that building a strong local digital business extends the core audience of a local publication.

The opportunity created by the digital extension of the core audience makes local digital advertising an attractive complement for existing print advertisers, while opening up opportunities to attract new local advertisers that have not previously advertised with local publications. In addition, we believe that national advertisers have an interest in reaching buyers on a hyper-local level and, although they historically have not been significant advertisers in community publications, we believe that digital media offers them a powerful medium to reach local audiences. We seek to attract national advertisers in part through our behavioral-targeting products, which allow advertisers to reach specific demographics of our audience and follow that audience across multiple websites, delivering advertisements across the platforms. As a digital marketing services businesses, we are poised to benefit from the rise in internet marketing spend, which grew 21% between 2016 and 2017, and 315% between 2007 and 2018, according to the 2017 IAB Internet Advertising Revenue Report issued in May 2018.

We believe that a strong digital business will enhance our revenues. In addition, we believe that we have the expertise and sales resources to help other businesses maximize their digital opportunities. UpCurve, which we started in order to focus on helping SMBs adopt technology solutions, has grown its digital and business services revenue derived from advertising, marketing, and other revenue since the launch of ThriveHive in 2012. New Media's digital and business services revenue was \$179.2 million for the year ended December 30, 2018, a 25.0% growth as compared with the same period in 2017, which had digital and business services revenue of \$143.4 million. Of this, \$95.8 million, or 53.5% of digital revenue for the year ended December 30, 2018 was attributable to UpCurve. See "Risk Factors—Risks Related to Our Business—We have invested in UpCurve, but such investments may not be successful, which could adversely affect our results of operations."

We anticipate that the digital marketing and business services sector will continue to grow as SMBs move from print to digital marketing in connection with consumers spending more time online. According to a BIA Advisory Services, digital revenues are expected to grow to \$59.6 billion in 2019. We believe that UpCurve is well positioned to assist SMBs in the digital space and expect UpCurve to contribute meaningfully to future revenue growth.

Circulation

Overall daily newspaper print circulation, including national and urban newspapers, has been declining over the past several years. Small and mid-size local market newspapers, however, have generally had smaller declines and more stability in their paid print circulation volumes due to the relevant and unique hyper-local news they produce combined with less competition than in larger markets. In addition, we believe this unique and valuable hyper-local content, along with the multiple delivery platforms that are now available, will allow smaller market newspapers to continue to raise prices, leading to stable circulation revenues. Data and technology now available to newspaper companies allow them to target pricing more at the household level rather than purely by market. This will lead to more effective pricing strategies and enhance stability for circulation revenues.

Our Strengths

High Quality Assets with Leading Local Businesses. Our publications benefit from a long history in the communities we serve as one of the leading, and often, the sole providers of comprehensive local content. More than 88% of our daily newspapers have been published for more than 100 years, and all have been published for more than 50 years. This has resulted in brand recognition for our publications, reader loyalty and high local audience penetration rates, which are highly valued by

[Table of Contents](#)

local advertisers. We continue to build on long-standing relationships with local advertisers and our in-depth knowledge of the consumers in our local markets. We believe our local news content is unique and highly valued by consumers who live in our markets, and there are limited, and in some cases no competing sources of local content for our target customers.

Large Locally Focused Sales Force. We have large and well known “in-market” local sales forces in the markets we serve, consisting of over 1,160 sales representatives, including 61 dedicated to UpCurve and seven third-party sales affiliations. Our sales forces are generally among the largest locally-oriented media sales forces in their respective communities. We have long-standing relationships with many local businesses and have the ability to be face to face with most local businesses due to these unique characteristics we enjoy. We believe our strong brands combined with our “in-market” presence give us a distinct advantage in selling and growing in the digital services sector given the complex nature of these products. We also believe that these qualities provide leverage for our sales force to grow additional future revenue streams in our markets, particularly in the digital sector.

Ability to Acquire and Integrate New Assets. We have created a national platform for consolidating local media businesses and have demonstrated an ability to successfully identify, acquire and integrate local media asset acquisitions. Together with our predecessor, we have acquired over \$2.7 billion of assets since 2006, including traditional newspaper, business publication, business services and directory businesses. We have a scalable infrastructure and platform to leverage for future acquisitions.

Scale Yields Operating Profit Margins and Allows Us to Realize Operating Synergies. We believe we can generate higher operating profit margins than our publications could achieve on a stand-alone basis by leveraging our operations and implementing revenue initiatives, especially digital and business services initiatives, across a broader local footprint in a geographic cluster and by centralizing certain back-office production, accounting, administrative and corporate operations. We also benefit from economies of scale in the purchase of insurance, newsprint and other large strategic supplies and equipment. Finally, we have the ability to further leverage our centralized services and buying power to reduce operating costs when making future strategic accretive acquisitions.

Local Business Profile Generates Significant Cash Flow. Our local business profile allows us to generate significant recurring cash flow due to our diversified revenue base and high operating profit margins while maintaining our low capital expenditure and working capital requirements. As of December 30, 2018, our debt structure consists of the New Media Credit Agreement and Advantage Credit Agreement (as defined below). We believe that we have the ability to generate significant free cash flow that has the potential to lead to stockholder value creation through our investments in organic growth, investments in accretive acquisitions and the return of cash to stockholders in the form of dividends, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. We further believe the strong cash flows generated and available to be invested will lead to consistent future dividend growth.

Experienced Management Team. Our senior management team is made up of executives who have an average of over 27 years of experience in the media industry, including strong traditional and digital media expertise. Our management team has broad industry experience with regard to both growing new digital and business services lines and identifying and integrating strategic acquisitions. Our management team also has key strengths in managing geographically dispersed teams, including the sales force, and identifying and centralizing duplicate functions across businesses leading to reduced core infrastructure costs.

Our Strategy

We intend to create stockholder value through a variety of factors including organic growth driven by our consumer and SMB strategies, pursuing attractive strategic acquisitions of high-quality local media assets, and through the distribution of a portion of our free cash flow generated from operations and other sources as a dividend, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. However, there is no guarantee that we will be able to accomplish any of these strategic initiatives.

A key component of our strategy is to acquire and operate traditional local media businesses and transform them from print-centric operations to dynamic multi-media operations through our existing online advertising, guided marketing and business solutions. We will also leverage our existing platform to operate these businesses more efficiently. We believe all of these initiatives will lead to revenue and cash flow growth for New Media. We intend to distribute a portion of our free cash flow generated from operations and other sources as a dividend to stockholders, through a quarterly dividend, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. The Board of Directors’ determinations regarding dividends will depend on a variety of factors, including the Company’s GAAP net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. The key elements of our strategy include:

Maintain Our Leading Position in the Delivery of Proprietary Local Content in Our Communities. We seek to maintain our position as a leading provider of unique local content in the markets we serve and to leverage this position to strengthen our relationships with both readers and local businesses, thereby increasing penetration rates and market share. A critical aspect of this approach is to continue to provide local content that is not readily obtainable elsewhere and to be able to deliver that content to our customers across multiple print and digital platforms.

Grow Our Digital Marketing and Business Services. We plan to continue to scale and expand our guided marketing and business solutions platform, UpCurve. We believe UpCurve will allow us to sell guided marketing and business solutions to SMBs both in and outside of existing New Media markets. The SMB demand for digital and business service solutions is great and represents a rapidly expanding opportunity. According to the U.S. Small Business Administration, in 2015 there were approximately 30.2 million SMBs in the U.S. and, according to a BIA Advisory Services, digital revenues are expected to grow to \$59.6 billion in 2019. Owners of SMBs often lack the resources and expertise to navigate the digital marketing services sector, with 29% of SMBs not having a website, and 17% of SMBs with websites do not have a mobile-friendly website according to Clutch's 2017 Small Business Survey. We believe local SMBs will turn to our trusted local media brands to help them navigate through developing their digital marketing presence and business strategy. We believe our local media properties and local sales infrastructure gives us a distinct advantage to being the leading local provider of digital marketing and business services.

Pursue Strategic Accretive Acquisitions. We intend to capitalize on the highly fragmented and distressed local print industries which have greatly reduced valuation levels. We continue to expect to focus our investments primarily in the local newspaper sector in small to mid-size markets. We believe we have a strong operational platform as well as scalable digital marketing and business services. This platform, along with our deep industry-specific knowledge and our experienced management team, can be leveraged to reduce costs, stabilize the core business and grow digital revenues at acquired properties. The size and fragmentation of the addressable print media market place in the United States, the greatly reduced valuation levels that exist in these industries, and our deep experience make this an attractive place for our initial consolidation focus and capital allocation. Over the longer term we also believe there may be opportunity to diversify and acquire these types of assets internationally, as well as other traditional local media assets such as broadcast TV, out of home advertising (billboards) and radio, in the United States and internationally. We also believe there may be opportunities to acquire other strong businesses that have strong local brands and local sales infrastructure or digital product companies, both of which could quickly scale our digital marketing and business services platform.

Stabilize Our Core Business Operations. We have four primary drivers in our strategic plans to stabilize our core business operations, including: (i) identifying permanent structural expense reductions in our traditional business cost infrastructure and re-deploying a portion of those costs toward future growth opportunities, primarily on the digital side of our business; (ii) accelerating the growth of both our digital audiences and revenues through improvements to current products, new product development, training, opportunistic changes in hiring to create an employee base with a more diversified skill set and sharing of best practices; (iii) accelerating our consumer revenue growth through subscription pricing increases, pay meters for digital content and growth in our overall subscriber base; and (iv) stabilizing our core print advertising revenues through improvements to pricing, packaging of products for customers that will produce the best results for them, and more technology and training for sales management and sales representatives.

New Media intends to focus its business strategy on building its digital marketing and business services and growing its online advertising business. With its improved capital structure and digital focus, combined with its strengths and strategy and dividend strategy, we believe that New Media will be able to grow stockholder value. However, there can be no assurance of this. See "Risk Factors" under Item 1A of this Annual Report on Form 10-K.

Challenges

As a publisher of locally-based print and online media, we face a number of challenges, including the risks that:

- the growing shift within the publishing industry from traditional print media to digital forms of publication may compromise our ability to generate sufficient advertising revenues;
- investments in growing our digital and business services may not be successful, which could adversely affect our results of operations;
- our advertising and circulation revenues may decline if we are unable to compete effectively with other companies in the local media industry; and
- we may not be able to successfully acquire local print media assets at attractive valuations due to a rise in valuations from a more competitive landscape of acquirers.

For more information about New Media’s risks and challenges, see “Risk Factors” under Item 1A of this Annual Report on Form 10-K.

Products

Our traditional media product mix consists of four publication types: (i) daily newspapers, (ii) weekly newspapers, (iii) shoppers and (iv) niche and business publications. Most of these publications have a digital presence as discussed in the following table. Some of the key characteristics of each of these types of publications are also summarized in the table below:

	<u>Daily Newspapers</u>	<u>Weekly Newspapers</u>	<u>Shoppers</u>	<u>Niche and Business Publications</u>
Cost:	Paid	Paid and free	Paid and free	Paid and free
Distribution:	Distributed four to seven days per week	Distributed one to three days per week	Distributed weekly	Distributed weekly, bi-weekly, monthly, quarterly or annual basis
Format:	Printed on newsprint, folded	Printed on newsprint, folded	Printed on newsprint, folded or booklet	Printed on newsprint or glossy, folded, booklet, magazine or book
Content:	50% editorial (local news and coverage of community events, some national headlines) and 50% ads (including classifieds)	50% editorial (local news and coverage of community events, some national headlines for smaller markets which cannot support a daily newspaper) and 50% ads (including classifieds)	Almost 100% ads, primarily classifieds, display and inserts	Niche content and targeted ads (e.g., city guides, tourism guides, directories, calendars and special interest publications focused on segments including real estate, cyber security, health care, legal and small businesses)
Income:	Revenue from advertisers, subscribers, rack/box sales	<i>Paid:</i> Revenue from advertising, subscribers, rack/box sales <i>Free:</i> Advertising revenue only, provide 100% market coverage	<i>Paid:</i> Revenue from advertising, rack/box sales <i>Free:</i> Advertising revenue only, provide 100% market coverage	<i>Paid:</i> Revenue from advertising, rack/box sales <i>Free:</i> Advertising revenue only
Internet Availability:	Maintain locally oriented websites, mobile sites and mobile apps, for select locations	Major publications maintain locally oriented websites and mobile sites, for select locations	Major publications maintain locally oriented websites	Selectively available online

Overview of Operations

Our traditional media products operate in two publication groups: Newspapers and BridgeTower. We also operate over 581 related websites. The following circulation statistics are estimated by our management as of December 30, 2018.

The following table sets forth information regarding our publications:

<u>Operating Group</u>	<u>Number of Publications</u>			<u>Circulation ⁽¹⁾</u>		
	<u>Dailies</u>	<u>Weeklies</u>	<u>Shoppers and Other</u>	<u>Paid</u>	<u>Free</u>	<u>Total Circulation</u>
Newspapers	146	323	132	1,845,503	4,608,394	6,453,897
BridgeTower	11	22	44	150,584	207,466	358,050
Total	157	345	176	1,996,087	4,815,860	6,811,947

(1) Circulation statistics are estimated by our management as of December 30, 2018.

Newspapers. In the Northeast, a plethora of award-winning print and digital publications are published in Massachusetts, New Hampshire and Maine. This group is comprised of 12 daily newspapers, 115 weekly newspapers, five shoppers and over

[Table of Contents](#)

178 local and regional websites as well as direct mail, distribution and commercial printing operations. This publishing group operates in five key regions - New England Publishing Group, Cape Cod Media Group, SouthCoast Media Group, Seacoast Media Group and Worcester, Massachusetts.

New England Publishing Group includes six daily newspapers and a large concentration of weekly newspapers, serving 108 communities in markets across eastern Massachusetts. The three largest daily newspapers are: *The Patriot Ledger*, founded in 1837 with circulation of 13,063, *The Enterprise*, founded in 1880 with circulation of 7,130 and the *MetroWest Daily News*, founded in 1897 with circulation of 6,769. The New England Publishing Group has 165 websites, with more than 4.1 million combined monthly unique visitors.

Many of the towns within the New England Publishing Group footprint were founded in the 1600s and the daily and weekly newspapers in the region have long been institutions within these communities. The publications are within the Boston designated market area “DMA”, which is the ninth largest market in the United States with 2.6 million households and 6.6 million people and ranks first nationally in concentration of colleges and universities. The Boston DMA has a median income of over \$85,000, 10% over the state-wide median income and 1.4 times more than the national median income.

Cape Cod Media Group’s flagship publication is the Cape Cod Times. *The Cape Cod Times*, with a daily circulation of 19,925 is the premier daily and Sunday local paper on Cape Cod. *The Barnstable Patriot*, the group’s one paid weekly newspaper, has a circulation of 1,323. *The Cape Cod Times* also has a successful website, *capecodtimes.com*, with over 3.9 million monthly page views and 859,000 monthly unique visitors. *The Cape Cod Times* newsroom was recently recognized by Editor & Publisher in its “10 Newspapers That Do It Right” feature for successfully balancing both tradition and innovation in its community journalism endeavors. *The Cape Cod Times* newspaper was also named a 2018 EPPY Awards finalist in four categories.

Southcoast Media Group publishes one paid newspaper, four weekly newspapers and two shoppers. The group’s daily newspaper, *The Standard-Times*, has a daily circulation of 9,617 and is the premier daily and Sunday local paper in the New Bedford, Massachusetts area. The paid weeklies, *the Spectator*, *the Chronicle*, *the Middleboro Gazette* and *the Advocate*, have weekly circulations of 1,946, 7,812, 1,599 and 275, respectively.

Seacoast Media Group publishes two daily and five weekly newspapers. The flagship publication of Seacoast Media Group is the *Portsmouth Herald*. *The Portsmouth Herald*, with a daily circulation of 6,202, is the premier daily and Sunday local paper in coastal New Hampshire. *The Hampton Union* and the *Exeter News-Letter* are weeklies with circulations of 1,312 and 1,505, respectively. *The York County Coast Star* and the *York Weekly* in southern Maine have weekly circulations of 1,947 and 1,189, respectively. In addition, the group publishes *Foster’s Daily Democrat* with circulation of 5,389. *Seacoast Sunday* is a regional Sunday newspaper for the entire market with circulation of 14,125 and is the second largest Sunday paper in New Hampshire. EDGERadio, a streaming local news and entertainment radio station is produced from the Portsmouth Herald.

In Worcester, Massachusetts, the *Telegram & Gazette* has been the premier daily newspaper in Central Massachusetts since 1866. Iconic in its journalistic excellence, the *Telegram & Gazette* was named “2018 Sunday Newspaper of the Year” by New England Newspaper & Press Association. The *Telegram & Gazette*, with daily circulation of 25,073 and its website, *telegram.com*, covers all of Worcester county, as well as surrounding areas including editorial coverage and distribution in over 60 towns, which represents over 20% of the towns in the state of Massachusetts and receives more than 8.6 million monthly page views. Coverage is in the primary market of Worcester County with secondary focus in Middlesex and Hampden counties. In addition, *The Item*, covering Clinton, Lancaster, Sterling, Bolton, Berlin and Boylston, was founded in July 1893, more than 120 years ago.

Also in Worcester, Holden Landmark publications include *Worcester Magazine*, *The Landmark*, *baystateparent magazine*, *The Grafton News*, *The Millbury-Sutton Chronicle* and the *Leominster Champion*. All are published weekly except for baystateparent, which is a monthly publication. The publications are known for consistently producing award-winning community journalism as well as covering stories across the globe that impact the local community.

The Gardner News, with daily newspaper circulation of 3,027, serves seven cities and towns in northwest Worcester County, Massachusetts. In addition to the city of Gardner, where it is headquartered, it also covers the rural towns of Ashburnham, Hubbardston, Phillipston, Templeton, Westminster and Winchendon, Massachusetts. *The Gardner News* was founded in 1869 as a weekly newspaper and went to a daily format in 1897. This year *The Gardner News* will celebrate its 150th year of publishing.

In Providence, Rhode Island, the Pulitzer Prize winning publication *The Providence Journal*, publishes one paid daily newspaper and one shopper. *The Providence Journal* is the preeminent watch-dog newspaper in the state of Rhode Island and the oldest continuously-published daily newspaper in the United States. Its market includes all of Rhode Island as well as seven cities and towns in Bristol County, Massachusetts with a daily circulation of 47,313, with a 51% reach in print and online. In

[Table of Contents](#)

2018, *The Providence Journal* was awarded the First Amendment Award from the New England Newspaper & Press Association and The Metcalf Award for Diversity in the Media from Rhode Island for Community & Justice. Its website, *providencejournal.com*, offers an online source for award-winning journalism, sports, lifestyles, entertainment, editorials and more and has monthly page views of over 5.2 million and unique visitors over 1.3 million.

The Newport Media Group publishes the 171 year old *The Newport Daily News* with daily circulation of 5,393 along with a weekly publication and several magazine and tourism mastheads. Newport is home to the U.S. Navy War College and attracts over 3.5 million visitors annually.

The Nantucket Island Media Group publishes *The Inquirer and Mirror* and is the weekly newspaper of record for Nantucket Island. With a weekly circulation of 5,372, it has the largest circulation of any island newspaper and high quality Nantucket magazine with readership far beyond the island. The newspapers' website, *ack.net*, receives over 472,000 monthly page views.

The Bulletin in Norwich, Connecticut has a daily circulation of 6,560. This eastern Connecticut market differs from the nation and New England markedly, with primary economic drivers of casinos, military submarine manufacturing and pharmaceutical research. Major industrial employers in the region include General Dynamics, Pfizer, Dow Chemical, Dominion Resources and the United States Navy.

Central New York is anchored by the *Observer-Dispatch* in Utica, New York, which has circulation of 17,123 daily and 21,444 Sunday subscribers. In addition to the *Observer-Dispatch*, the Utica operation has another daily called the *Times-Telegram* with a daily circulation of 2,065 covering the towns of Herkimer and Little Falls. Along with the dailies are two weeklies; *Mid-York Weekly* in Hamilton and *Scene* which distributes to 37,568 households in Utica. Utica has websites with over 3.1 million combined monthly page views and also has the weekly shopper *Your Valley*, which distributes to 10,000 homes in Herkimer County.

Eleven publications are published in suburban Rochester that span four counties with a combined circulation of 99,606. This touristic market is known for boutique wineries and recreational activities. The flagship of the suburban Rochester group is the 5,779 circulation *Daily Messenger* in Canandaigua.

In southwestern New York, operations are centered around five publications based in Steuben County. In Corning, *The Leader*, a 3,626 circulation daily newspaper, dominates the eastern half of the county and shares its hometown namesake with Corning Incorporated. *The Evening Tribune* in Hornell circulates five days a week throughout the western half of the county. Situated directly between these two dailies in the county seat of Bath is the 11,130 circulation *Steuben Courier*, a free-distribution weekly. *The Pennysaver Plus*, a standalone shopper, solidifies this flagship group.

Three other New York counties that surround Steuben support the print advertising market. Publications in Allegany County to the west, the *Wellsville Daily Reporter* and its shopper, the *Pennysaver Plus* in Wellsville, cover most households. In Livingston County to the north, the *Pennysaver Plus* and the *Genesee Country Express* complement one another with combined circulation of 23,210. In Yates County to the north and east, *The Chronicle-Express* and *Chronicle Ad-Visor* shopper distribute weekly to nearly 12,925 households centered around the county seat of Penn Yan.

In nearby Chemung County, the 14,867 circulation *Horseheads Shopper* anchors our presence in this area. The majority of the southwestern New York cluster parallels Interstate 86 across the central southern tier of New York State, which benefits from continued improvement and expansion under an omnibus federal highway appropriations bill. The cluster has several colleges and universities nearby, including Cornell University, Ithaca College, Elmira College and Corning Community College.

In the Mid-Atlantic, the Hudson Valley Media Group publishes one daily, two free weekly newspapers and one shopper. The flagship publication of the Hudson Valley Media Group is the *Times Herald-Record*. With a daily circulation of 20,409, the *Times Herald-Record* is the premier daily newspaper serving Orange, Ulster and Sullivan counties in New York and Pike County, Pennsylvania. The newspaper's successful website, *recordonline.com*, receives monthly page views of over 5.2 million and in 2018, the website received more than 71.5 million page views. The Hudson Valley Media group's commercial print division publishes 120 weekly, bi-weekly and monthly publications. They are endorsed by both New York and New Jersey Newspaper Publisher Association groups. Hudson Valley Media also produces *Orange Magazine*, a perfect bound glossy magazine, as well as *845 Today* and *Living Here* premium publications. *The Times Herald-Record* won eight awards in the 2017 New York State Associated Press Association contest.

The Pocono Mountains Media Group publishes one paid daily, one free weekly newspaper and one shopper. The flagship publication of the Pocono Mountains Media Group is the *Pocono Record*. The *Pocono Record* is the premier daily and Sunday local paper in the Pocono Mountains area, with 4,544 daily circulation and 6,989 Sunday circulation.

[Table of Contents](#)

In Delaware, the group publishes six weekly newspapers and various specialty papers that cover most of the state of Delaware and range from suburban Wilmington in the north to Central Sussex County at the southern end of the state. Circulation for the cluster is primarily free and totals approximately 36,770 weekly.

The Honesdale cluster, approximately 30 miles from Scranton, Pennsylvania, consists of six publications in the cities of Honesdale, Carbondale, Moscow and Hawley, Pennsylvania. The cluster was created from the daily and shopper operations in Honesdale and later supplemented by the acquisition of one bi-weekly and one shopper in Hawley as well as one weekly in Carbondale and another in Moscow.

The group in the Mid-Atlantic also includes newspaper and digital media properties located in the Philadelphia and Beaver County, Pennsylvania markets. The Philadelphia cluster includes the *Bucks County Courier Times*, with daily circulation of 15,299, *The Intelligencer*, with daily circulation of 11,858 and the *Burlington County Times* in New Jersey, with daily circulation of 10,272. Print and online penetration for this Philadelphia media cluster reaches 41% of the markets they serve. In 2018, the *Bucks County Courier Times* won the overall General Excellence Award in the Pennsylvania Newspaper of the Year Awards for publications with circulation between 20,000 - 39,999 and finished in second place statewide in the overall contest. The *Burlington County Times* won the state's General Excellence Award for circulation under 23,000 for the seventh consecutive year in the New Jersey Press Association.

The Beaver County, Pennsylvania newspapers consist of the *Beaver County Times* and the *Elwood City Ledger*, with combined daily circulation of 13,097. These two media properties are the primary news source by reaching 55% of the market with their print and digital products. In 2018, the *Beaver County Times* won top honors in its division of the Pennsylvania NewsMedia Association's ("PNA") Keystone Press Awards for the third consecutive year. In the fall of 2018, PNA announced that the *Beaver County Times* won first place in its division for Best Use of Video for its 13-part series, "Notorious Beaver County," on the county's only known serial killer.

Pennsylvania and West Virginia operate a cluster of dailies in Erie and Waynesboro, Pennsylvania and Keyser, West Virginia plus two weeklies in Ripley, West Virginia, one weekly in Greencastle, Pennsylvania and one shopper in Keyser, West Virginia. *The Erie Times-News* in Erie, Pennsylvania has circulation of 29,557 daily and 38,248 Sunday. *The Erie Times-News* operates one daily newspaper covering Erie, Crawford and Warren counties and operates *goerie.com*, which has over 583,000 million unique visitors a month and over 3.4 million page views.

In Petersburg, Virginia the daily publication is *The Progress-Index*, with daily circulation of 4,950, which covers the three cities of Petersburg, Colonial Heights and Hopewell, along with the counties of Chesterfield, Dinwiddie and Prince George. In addition to the daily newspaper and its website *The Progress-Index* also publishes the *Herald-Post*, a twice-weekly paid newspaper, *The Fort Lee Traveller*, a free weekly military newspaper, *Mid-Virginia Trader*, a paid weekly classified shopper and *Virginia Wheels*, a free bi-weekly auto magazine.

The North Carolina cluster publishes eleven daily newspapers, seven weekly newspapers and three shoppers. North Carolina newspapers earned a total of 107 North Carolina Press Association journalism awards including five General Excellence honors. In western North Carolina, the *Times-News* in Hendersonville has daily circulation of 6,217. The Piedmont newspapers include *The Star* in Shelby, with daily circulation of 4,378, and *The Gaston Gazette* in Gastonia, with daily circulation of 9,883. Central North Carolina newspapers include *The Dispatch* in Lexington, publishing six days per week with daily circulation of 4,032, *Times-News* in Burlington, with daily circulation of 9,387, *The Courier Tribune* in Asheboro, publishing six days per week with daily circulation of 5,789, *The Fayetteville Observer* in Fayetteville, with daily circulation of 19,427, as well as three weekly publications and two shoppers with combined circulation of 69,882 and 82,596, respectively. Coastal publications in North Carolina include *The Free Press* in Kinston, with daily circulation of 4,002, *Sun Journal* in New Bern, with daily circulation of 7,560, *The Daily News* in Jacksonville, with daily circulation of 7,550 and *Star News* in Wilmington, with daily circulation of 20,088. *The Star News* was named a 2018 "10 Newspapers That Do It Right" by Editor & Publisher.

In South Carolina, the *Spartanburg Herald-Journal* has a daily circulation of 13,739. Spartanburg is the largest city and the county seat of Spartanburg County. *The Herald-Journal's* primary distribution area is Spartanburg and Union counties. In 2018 the *Spartanburg Herald-Journal* was honored with 35 awards in the annual South Carolina Press Association contest, including nine first-place awards which included awards for General Excellence, Breaking News and In-Depth News categories. The newspaper's website, *goupstate.com* won second place in the Best Newspaper Website category.

Bluffton Today, a twice weekly free newspaper and *blufftontoday.com* serve the residents of one of the fastest growing communities in South Carolina. Situated adjacent to Hilton Head Island, *Bluffton Today*, with a weekly circulation of 11,600, was founded in 2005. *The Sun Today*, an edition of *Bluffton Today*, serves the highly sought readers of Sun City Hilton Head and is delivered to 6,900 households every Wednesday. *The Jasper County Sun-Times*, a weekly with a circulation of more than 4,900, is delivered free to residents of Jasper County, South Carolina on Wednesdays.

Table of Contents

In Georgia, *The Augusta Chronicle*, founded in 1785, is the oldest daily newspaper in the South. *The Augusta Chronicle*, with 17,238 daily circulation and 19,351 Sunday circulation, has extensive coverage of the elite the Masters® Golf Tournament and leverages its website *augusta.com* throughout the event. *The Chronicle* earned 13 Georgia Press Association awards in 2017. The market is unique by its diversity of industries, including being recently named the national cyber defense center for the United States, a development that will bring an influx of highly-educated people.

The Savannah Morning News in Georgia, with 16,959 daily circulation and 19,284 Sunday circulation, along with *savannahnow.com* earned more than 40 Georgia Press Association awards, of which 14 were first-place awards for advertising. *The Morning News* has evolved into a multi-platform media company with multiple weekly and monthly publications along with a strong stable of events and digital solutions. Its website attracts over 5.2 million page views and 559,000 unique visitors each month.

The Athens Banner-Herald, founded in 1832, can trace its roots back as one of Georgia's oldest newspapers. Athens is home to the University of Georgia and the Georgia Bulldogs. *The Banner-Herald* boasts a long tradition of award-winning news and sports coverage including winning the GPA General Excellence award multiple times in the past decade. *The Banner-Herald* has a daily circulation of 5,393 and 7,896 on Sundays. The newspaper's website, *onlineathens.com*, has nearly 453,000 unique visitors monthly resulting in more than 3.1 million page views each month.

In Florida, a cluster of 13 daily newspapers and numerous weekly newspapers and shoppers are published. On the West Coast of Florida serving Sarasota and Manatee counties is the two-time Pulitzer Prize winning *Herald-Tribune* with Sunday circulation of 52,148, which operates a family of digital products anchored by the successful *heraldtribune.com* website that receives monthly page views of over 4.5 million and unique visitors of over 1.0 million. In 2018, "One War. Two Races" was recognized with SPJ's Sigma Delta Chi Award in investigative reporting, Green Eyeshade award for best journalism in the Southeast United States and was a finalist for the Hillman Prize, among others. *The Herald-Tribune* newsroom won dozens of other awards. In 2018, the newspaper also won two EPPY Awards from Editor & Publisher and, for the fourth year in a row, was honorably mentioned as one of the year's "10 Newspapers That Do It Right."

In Central Florida is the two-time Pulitzer Prize winning daily publication, *The Gainesville Sun*, with Sunday circulation of 17,207, monthly page views of 5.1 million and 603,414 monthly unique users. *The Gainesville Sun* received 11 state journalism awards in 2018. *The Gainesville Sun* also produces *gatorsports.com*, the University of Florida athletics free website which has over 1.8 million monthly page views and 245,448 monthly unique users. To the south of Gainesville in the middle of Marion County is the daily publication, *Ocala Star Banner*, with daily circulation of 14,626. *The Ocala Star Banner* also publishes a successful website *ocala.com* which receives monthly page views of over 6.6 million and monthly unique visitors of over 695,831. *The Ocala Star Banner* won 6 state awards for journalism in 2018.

Also in Central Florida, the Leesburg publication, the *Daily Commercial*, with its Sunday circulation of 8,513, monthly page views of over 858,000 and 184,000 unique visitors, covers a region known for seaplanes, upscale retirement living and rural small towns. Located in an area contiguous to Orlando, the *Daily Commercial* also publishes a weekly newspaper, *South Lake Press* and its website *dailycommercial.com*.

The Ledger in Lakeland has Sunday circulation of 27,163 and operates a robust commercial print operation generating millions of dollars a year printing such titles as the *Orlando Sentinel*, *New York Times*, *Wall Street Journal* and *USA TODAY*. *The Ledger's* website, *theledger.com*, receives over 8.4 million monthly page views and over 981,000 monthly unique visitors. *The Ledger* is a proud member of Newspapers in Education for all public and charter schools throughout Polk County. *The Ledger* serves the third largest county in the State of Florida.

The Florida Times-Union in Jacksonville has a Sunday circulation of 46,988 and publishes in two of the fastest growing counties in Florida, St. Johns County and Duval County. Its website *jacksonville.com*, has more than 5.8 million page views per month and 901,000 unique visitors monthly. The Florida Chapter of the Society of Professional Journalists and the Florida Society of News Editors bestowed *The Florida Times-Union* with 17 awards in 2018. The "Walking While Black" series won numerous national awards including the Columbia Journalism School's Paul Tobenkin Memorial Award.

South of Jacksonville is the *St. Augustine Record*, which publishes in fast-growing St. Johns County. *The Record* has a Sunday circulation of 9,908, operates the website *staugustine.com* and receives monthly page views of over 1.0 million and over 290,000 monthly unique visitors.

Daytona Beach's daily publication, *The Daytona Beach News-Journal* serves Volusia and Flagler counties with a Sunday circulation of 46,173. *The Daytona Beach News-Journal* publishes four shoppers with a total combined circulation of 176,468 and operates a successful website *news-journalonline.com* that receives monthly page views of over 6.7 million and over 975,000 monthly unique visitors. In 2018 *The Daytona Beach News-Journal* won nine first place and 25 total awards by the Florida Press Club's Excellence in journalism competitions.

[Table of Contents](#)

Two east coast publications were acquired in 2018 in Palm Beach County: *The Palm Beach Post* and the *Palm Beach Daily News*. *The Palm Beach Post* has been the dominant news source for Palm Beach County and southern Martin County for 103 years. *The Palm Beach Post* has Sunday circulation of 80,227 and its related website *palmbeachpost.com* receives monthly page views of over 14,862,187 and over 1,973,468 monthly unique visitors. In 2018 *The Palm Beach Post* won Investigative Reporters and Editors Awards, Green Eyeshade Awards, Anthony Shadid Award for Journalism Ethics and the Association of Health Care Journalists. *The Palm Beach Daily News* has covered one of America's wealthiest communities, the island of Palm Beach, for 121 years, having been founded to serve the titans of the Gilded Age, who made Palm Beach the nation's premier winter-resort destination. *The Palm Beach Daily News*, more commonly known as the "Shiny Sheet" because of its high-grade paper stock, covers the exclusive and luxurious island of Palm Beach, home of President Donald Trump's Mar-a-Lago resort and where the median income is \$34 million. *The Shiny Sheet* is printed daily from October to May and twice weekly during the summer. It also has a related website, *palmbeachdailynews.com*, which receives monthly page views of over 1.3 million and over 205,000 monthly unique visitors.

In the northwest Florida Panhandle, publications include two dailies and eight weeklies across a ten-county area stretching from Franklin in the east to Santa Rosa in the west and north to the state line. The daily in the east, the *Panama City News Herald*, has a Sunday circulation of 10,468 and operates the website *newsherald.com*, which receives over 2.8 million monthly page views and over 494,000 monthly unique visitors. To the west in Fort Walton Beach, the *Northwest Florida Daily News*, has a Sunday circulation of 14,376 and operates the website *nwfdailynews.com*, which receives monthly page views of over 7.3 million and 739,000 monthly unique visitors. *The Northwest Florida Daily News* also operates the successful and growing destination websites *destin.com* and *emeraldcoast.com*.

In Tennessee, *The Columbia Daily Herald* in Columbia has a daily circulation of 6,933 and publishes six days a week (Sunday through Friday). *The Columbia Daily Herald* earned eleven Tennessee Press Association awards in 2018 including a first place award for Best News Reporting for the Elizabeth Thomas kidnapping case. *The Columbia Daily Herald* serves Maury County, Tennessee and the surrounding Middle Tennessee region and also publishes one weekly newspaper and one shopper. *The Oak Ridger* in Oak Ridge, Tennessee has a daily circulation of 2,481 and serves Anderson County, Tennessee.

In Alabama, the two-time Pulitzer Prize-winning daily publication, *The Tuscaloosa News*, has Sunday circulation of 14,208 and a successful website, *tuscaloosanews.com*, that averages 3.7 million page views and 1,067,433 unique users per month. *The Tuscaloosa News* also publishes *tidesports.com*, a website focusing on University of Alabama athletics. In 2018, *The Tuscaloosa News* won first place for general excellence and 34 awards overall in the Alabama Press Association newspaper contest and 33 awards in the Alabama Associated Press Media Editors newspaper contest. *The Tuscaloosa News* also won the Grand Slam--top 10 in daily sections, special sections, Sunday sections and website--in the Associated Press Sports Editors contest. With Sunday circulation of 7,384, *The Gadsden Times* is the oldest continually operating business in Etowah County, with monthly page views over 2.7 million and 184,000 monthly unique visitors.

The Illinois Publishing group, with major daily newspapers in Rockford, Peoria and the state capital of Springfield, is the largest publishing company in Illinois. Its 14 paid daily newspapers, 14 paid weekly newspapers and 16 shoppers provide coverage across the state, which is supported by four print production facilities.

In Louisiana, the operating cluster in the southwestern part of the state is located between Lake Charles and Alexandria. This cluster consists of two publications, *Leesville Daily Leader* and *Beauregard Daily News*. Local employers include major manufacturers such as Alcoa, Firestone, International Paper and Proctor & Gamble and the army post, Fort Sill. The Baton Rouge cluster in southeastern Louisiana consists of two dailies, the *Houma Courier* and the *Thibodaux Daily Comet*, four weeklies in Donaldsonville, Gonzales and Plaquemine and three shoppers. Numerous petrochemical companies such as BASF, Exxon Mobil and Dow Chemical, plus universities including Louisiana State, support the local economies. In Northeast Louisiana we have the *Bastrop Daily Enterprise*. Bastrop is managed by the Arkansas operations as it sits right on the border of Louisiana, Mississippi and Arkansas.

In Fort Smith, Arkansas the Southwest Times-Record has been a primary news source in northwest Arkansas for over a century with a daily circulation of 13,297. *The Southwest Times Record* digital platform extends the newspaper's reach to consumers nationwide through its website *swtimes.com* with monthly page views of over 914,000. *The Southwest Times Record* also publishes six weekly newspapers and a shopper and principally serves Sebastian and Crawford counties in Arkansas and Le Flore and Sequoyah counties in Oklahoma with the largest metropolitan area served being Fort Smith, Arkansas. In Southeast Arkansas is our award-winning newspaper *The Pine Bluff Commercial*, which serves as the primary source of news in central and southeast Arkansas with daily circulation of 4,487. *The Pine Bluff Commercial* also reaches its readers through a successful website, *pbcommercial.com* which has monthly page views of over 325,000. *The Log Cabin Democrat* serves the vibrant community of Conway, Arkansas and the surrounding area.

[Table of Contents](#)

In Oklahoma, *The Oklahoman* daily newspaper was acquired in 2018. With a circulation of 106,905 on Sunday and average daily circulation of 100,655, *The Oklahoman* is the state's leading news organization. It has two websites, *newsok.com* and *oklahoman.com*. Unique visitors top 2.5 million monthly. *The Oklahoman* also operates a digital marketing services company, BigWing and a full service direct mail company, Oklahoman Direct. Located in the state Capitol of Oklahoma City, the newsroom covers state government and agencies with their full suite of news products including print, web, video and podcasts. In 2018 *The Oklahoman* won numerous awards including the Great Plains Journalism Awards Contest, Best Website Design, Best Sports Blog and Sports Column; best in Sports Action Photography and Spot News Photography. *The Oklahoman* Sports department was a "triple crown" winner at the annual Associated Press Sports Editors Awards. Four magazines, *The OK*, are published throughout the year along with a Readers' Choice awards publication.

To the west in Oklahoma, is the *Examiner-Enterprise* in Bartlesville, which is one of the state's largest daily newspaper with circulation of 4,152. *The Examiner-Enterprise* is an award-winning publication with awards including Oklahoma Press Association recognition for website, editorials, photography and news coverage. *The Examiner-Enterprise* also publishes one weekly newspaper and one shopper. Having once been home to Phillips Petroleum Company, the town tourism offers a yearly OK Mozart festival featuring classical, jazz, light opera as well as tours of the old Phillips home, including a wildlife preserve. Located outside Oklahoma City *The Shawnee News-Star* with a circulation of 5,263 is known for having one of the best editorial pages in the state as they have won numerous Oklahoma Press Association awards in 2018.

The Daily Ardmoreite, Oklahoma is located in southern part of the state north of the Texas border, in Ardmore, Oklahoma with a circulation of 3,804. The market is home to a 1,900 employee Michelin plant and boasts a strong oil and gas economy that serves as a region for shopping hubs as the town sits directly in the middle between Dallas and Oklahoma City.

Texas is served with 35 publications (five daily, 17 weekly newspapers and 13 shoppers). The group consists of three distinct operations, including *The Lubbock Avalanche* and *Amarillo Daily News* and associated publications, a collection of small-market dailies and companion publications in central Texas. A well-established shopper group serving the growing cities of the Rio Grande Valley in south Texas is also published.

Acquired in 2018, the *Austin American-Statesman* is centered in Austin and is the top newspaper company in Central Texas, spanning 19 counties, with brands such as the *Austin American-Statesman*, *statesman.com*, *austin360.com* and *hookem.com*. Austin is the fourth largest population center in Texas and 11th in the U.S. The *Austin American-Statesman* has a Sunday circulation of over 88,527 and combined web audience that garner more than 18.9 million page views and 2,004,610 unique visitors each month. In 2018, the *Austin American-Statesman* won an International News Media Association award for Best Idea to Encourage Print Readership or Engagement, won four Lone Star Emmy Awards for videography, was a finalist for General Excellence in the national Online News Association contest, won the Spirit of FOI Award from the Freedom of Information Foundation of Texas and won 23 other statewide awards from Texas Associated Press Managing Editors. The *Austin American-Statesman* also publishes six weekly newspapers and a shopper. In addition, the *Austin American-Statesman* operates an award-winning, full service advertising agency - Statesman Studio.

The Herald Democrat, also in Texas, principally serves Grayson County, with the largest metropolitan area served located in Sherman, Texas and has a daily circulation of 9,357. Home to Lake Texoma, this area attracts many outdoor lifestyles and receives over 6 million visitors a year. *The Herald Democrat* has a growing digital platform with the website *heralddemocrat.com* which extends the newspaper's reach to consumers nationwide with monthly page views of over 374,000. *The Herald Democrat* also publishes three weekly newspapers and two shoppers.

In the Mid-West in Columbus, Ohio, the flagship brand is *The Columbus Dispatch* with a daily circulation of 84,419 and a Sunday circulation of 120,419. Other affiliates of Dispatch Media Group include *ThisWeek Community Newspapers* (a group of 21 weekly community publications) with a weekly distribution of 384,728, *Columbus Parent, alive!*, *ThriveHive/DMG* (with more than 21 Central Ohio websites), *Columbus Monthly*, *Columbus CEO*, *On Target Marketing/TheBAG*, and 11 other specialty magazine publications. Through print and digital operations, this group has a paid and free circulation of over 1.2 million in central Ohio and its websites averaged over 10 million page views per month. In 2018, *The Columbus Dispatch* and *The Canton Repository* earned first place in the General Excellence category by the Ohio Associated Press Media Editors Association's annual conference. *The (Massillon) Independent* earned second place in the General Excellence category for its division.

An additional group of publications primarily in northeast Ohio cover Summit, Stark, Wayne, Portage, Tuscarawas, Holmes, Guernsey and Ashland counties comprising of nine daily newspapers, 14 weekly publications and a collection of monthly, quarterly and annual magazines. The largest of the group, the *Akron Beacon Journal*, with a daily circulation of 53,936 and Sunday circulation of 65,092, covers Akron, Summit County and some adjoining areas. *Beacon Journal* and its website, *ohio.com*, were acquired in 2018. The second largest daily in the group is the *Repository* in Canton, a 26,824 daily and 37,854 Sunday newspaper that covers the entirety of Stark County. *The Massillon Independent* is a 4,734 circulation daily that

Table of Contents

circulates in western Stark County. Covering eastern Stark County is the 4,822 circulation daily, *The Alliance Review*. *The Dover New Philadelphia Times Reporter* is a 9,719 daily publication located 40 miles south of Canton in Tuscarawas County. Thirty miles south of Dover is *The Daily Jeffersonian*, a 4,227 circulation daily located in Cambridge, Ohio, serving Guernsey County. West of Canton, *The Daily-Record* is a 13,157 circulation daily operating out of Wooster, Ohio, in Wayne County. Covering Ashland County and located in Ashland, Ohio, is the 5,936 circulation daily, *The Times-Gazette*. *The Record-Courier* a daily with 9,651 circulation located in Kent, Ohio covering Portage County near Akron. *The Suburbanite* is a 30,000 weekly publication that circulates in the affluent northern Stark county and southern Summit county area. Rounding out The Suburbanite family is the North Canton Suburbanite and Jackson Suburbanite, weeklies with circulation of 16,500 and 12,500 respectively. Operating out of Kent, Ohio are seven weekly publications, *Aurora Advocate*, *Falls News Press*, *Stow Sentry*, *The News Leader*, *Hudson Hub Times*, *Twinsburg Bulletin* and *Talmadge Express*, distributing in Portage and Summit counties with a distribution of 82,000. About Magazine is the flagship of a robust magazine division that publishes several monthly, quarterly and annual publications. *About Magazine* is a lifestyle publication which reaches 35,000 households monthly. The Canton, Ohio, facility also provides commercial print services to the *New York Times* and several regional publications. Wooster and Dover also have a printing facility with commercial work generating a combined \$2.0 million in annual sales. The group in Ohio has very successful websites with 18.0 million combined monthly page views and more than 4.0 million monthly unique visitors. Together, the newspapers and websites dominate their local markets.

Approximately 85 miles to the west of Chicago, Illinois, is the *Rockford Register Star*, supported by its 18,356 daily and 24,434 Sunday paid circulation base and its TMC product *The Weekly* that mails over 125,000 copies. *The Rockford Register Star* operates a successful website, *rrstar.com*, which receives monthly page views of over 2.7 million.

The Journal (Freeport, IL) Standard is published Tuesday through Sunday. The newspaper's coverage area includes Carroll, Jo Daviess, Ogle and Stephenson counties. The newspaper has a daily circulation of 4,140 and Sunday of 4,893. *The Journal Standard* also publishes a website *journalstandard.com* which receives monthly page views of over 618,000 and monthly unique visitors over 98,000.

The Peoria Journal Star with its paid daily circulation of 31,186 is the leading newspaper in Peoria, Tazewell and Woodford counties and is also distributed in an additional 17 surrounding counties. There are two shoppers, *The Marketplace* and *Pekin Extra*, which have a combined weekly circulation of 103,984. The Peoria facility provides print services to our neighboring GateHouse Media publications and commercial printing for Lee Enterprises' *The Pantagraph* and *The News Gazette* in Champaign, Illinois. The market includes manufacturing facilities for Caterpillar and Komatsu and higher education at Bradley University, Illinois Central College and Midstate College. Peoria has a large medical community including OSF Healthcare, UnityPoint Health - Methodist, UnityPoint Health - Proctor, University of Illinois College of Medicine, Children's Hospital of Illinois and St. Jude Children's Hospital Midwest Affiliate. *The Journal Star* website is *pjstar.com*, with monthly page views of over 4.5 million and monthly unique visitors over 856,000.

Numerous other publications in smaller communities are operated in Western Illinois and Southern Illinois including 39 print publications and more than 20 websites. Total households reached each week by the print publications are over 185,000.

The Springfield State Journal-Register with a paid daily circulation of 18,590 and paid Sunday circulation of 23,925 covers the state capital of Illinois. The paid daily circulation includes a branded edition of 1,201 of the *Lincoln Courier*. *The State Journal-Register* also has successful websites with monthly unique visitors of more than 708,000 and page views of more than 3.9 million. In addition to being the state capital, Springfield is home to multi-national companies such as Bunn, Brandt and LRS. The University of Illinois - Springfield is one of three campuses for the University of Illinois. The core market includes a population of over 240,000 and the average household income is \$71,400.

Southern Michigan is a core market area where seven dailies in Adrian, Monroe, Coldwater, Holland, Hillsdale, Ionia and Sturgis, along with one weekly and seven shoppers blanket this tier of the state. The 7,078 daily and 13,708 Sunday circulation *Holland Sentinel* is the flagship publication of the group. This western area on the shores of Lake Michigan has several large employers, including Delphi, ConAgra, Tecumseh Products, Kellogg, JCI, Herman Miller, Hayworth, Gentex, Jackson State Prison and a number of colleges and universities. *The Monroe News*, on Lake Erie, boasts a 13,340 Sunday circulation and publishes 12,685 daily copies. Monroe is the headquarters for La-Z-Boy, Monroe Shocks and Tenneco Corporation. The Michigan Group also publishes several magazines, including *Shoreline Magazine* with 10,000 circulation, *Envision Magazine* with circulation of 11,000, *West Michigan Senior Times* with 26,000 and *Monroe Magazine* with 9,000 circulation.

Covering the northeast region of both the lower peninsula and the upper peninsula of Michigan are two dailies, the *Cheboygan Daily Tribune* and the *Sault Ste. Marie Sault News* along with two weekly shoppers. This area has several large employers such as Carmeuse Corporation, Lake Superior State University, North Central Michigan Community College, Kewadin Casino, McLaren Medical, Mackinac Straits Hospital, Great Lakes Tissue Company, along with multiple Tourism

[Table of Contents](#)

Bureaus and a Chamber of Commerce. *Cheboygan's Shoppers Fair* and the *Soo's Buyer's Guide* saturates the market with over 27,000 readers. The upper peninsula group also publishes *The Mackinac Journal*, which is a monthly 5,000 count publication and is distributed throughout all of northern Michigan and the eastern Upper Peninsula.

In Missouri, the greatest concentration of circulation and market presence is in the northern part of the state. Two daily newspapers and nine newspapers published from three to six days per week, four weekly newspapers and seven shoppers serve the 22,000 square mile area from Hannibal, on the state's eastern border, to the western border and from Columbia in the south to the Iowa border in the north. Local employers include the University of Missouri and other colleges, local and federal governments, State Farm Insurance and 3M.

Operating in the county seat of Boone County, the *Columbia Tribune* and two shoppers strengthen the market presence in Missouri. Columbia, Missouri, has an estimated population of 121,717 as of 2017 and has three local colleges, University of Missouri, Stephens College and Columbia College. In 2018, the *Columbia Tribune* was recognized with several Missouri Press Association awards with first place in Best Headline Writing, Best Coverage of Government, Best Story about Rural Life, Best Sports Columnist and Photography and second place in Best Sports Page.

Southern Missouri operations are clustered around Lake of the Ozarks, which is served by the *Camdenton Lake Sun*. With one of the largest lakes in the state, the area boasts over 70,000 vacation homes and receives over 3,000 boats on the lake during Fourth of July weekend alone. Located midway between Kansas City and St. Louis and approximately 90 miles from Springfield, Missouri, operations include three daily newspapers, seven weekly newspapers and four shoppers reaching approximately 105,000 people in the Lake of the Ozarks area.

The Joplin cluster in Southwest Missouri has two weekly newspapers and one shopper serving a population of approximately 170,000. There are several colleges and universities in the area, a National Guard Fort, several large medical centers and a diverse mix of retail businesses, including the 110-store Northpark Mall. The group is also affiliated with three weeklies just across the border of Oklahoma. The daily newspaper in Independence, Missouri, *The Examiner*, is published five days a week and serves one of Kansas City's suburbs.

The Kansas City cluster in northeast Kansas anchored by the *Topeka Capitol Journal* with a daily circulation of 19,735, provides rich state government and popular university sports coverage. *The Topeka Capitol Journal* also has a very successful website, *cjonline.com*, with monthly unique visitors over 652,000 resulting in over 4.7 million monthly page views. The newspaper won 59 total press association awards for Editorial and Advertising Sweepstakes competing against the state's largest newspapers with first place awards for news and writing excellence and Photographer of the Year in 2018.

The Leavenworth Times and the military publication, *The Fort Leavenworth Lamp*, in Fort Leavenworth serve those communities. The Kansas City cluster is home to several companies, including Hallmark, H&R Block, Sprint, Cerner, Garmin and the University of Kansas. In 2018, The Leavenworth newspapers won 11 press association awards with First place in Best Story and Best Environmental Portrait.

The Wichita cluster consists of six dailies, five weeklies and seven shoppers including the *Hutchinson News*, the *Salina Journal*, the *Garden City Telegram*, the *Hays Daily News* and the *Ottawa Herald*. All publish daily except the Ottawa paper, which publishes three days a week. Together, the Wichita cluster reaches over 130,000 people. The area is home to many points of interest, including Salt Mines and the Kansas Cosmosphere and Space Center which houses the Apollo 13 command module and numerous rockets. In 2018, the Kansas Press Association awarded *The Garden City Telegram* 12 first place awards, *Hays Daily News* won 27 first place awards and *Hutchinson News* won 13 awards with 9 first place.

In Colorado, *The Pueblo Chieftain* is Colorado's oldest daily newspaper, in its 150th year. It has dominated the local news market since being founded before Colorado became a state and continues to do so today. The newspaper has been recognized for its journalism, earning more than 60 awards in statewide and regional competition in 2018. No other daily newspapers have established a foothold in the Pueblo market. La Junta is a small city with an agricultural base where we publish *La Junta Tribune-Democrat*, a daily newspaper and two weeklies as well as an agricultural publication that is distributed in 6 states.

Operations also include a cluster near Grand Forks, North Dakota (home to the Grand Forks Air Force Base and the University of North Dakota) and Iowa, where Cargill, ConAgra, Kraft, Winnebago and Fort Dodge Animal Health, a division of Wyeth, each maintain significant operations.

Two clusters of papers in Minnesota and North Dakota cover over 34 counties in the two states. In the north, *Devils Lake Journal* is home to the Grand Forks Air Force Base and the University of North Dakota. In Crookston, Minnesota, *Crookston Daily Times* is located an hour east of Grand Forks. Southwestern Minnesota publications include seven paid weekly

[Table of Contents](#)

newspapers and three shoppers. St. James, Redwood Falls, Sleepy Eye, Granite Falls, Cottonwood, Wabasso and Montevideo are all communities with populations of 10,000 and under.

The Ames Tribune is Central Iowa's Pulitzer Prize-winning newspaper, with a daily circulation of 5,463. *The Ames Tribune's* digital platform allows customers, both local and nationwide, to access content through its market-leading website, *amestrib.com* with over 600,000 monthly page views. *Ames Tribune* also publishes five weekly newspapers and four shoppers. The area's top employer is the Iowa State University, with leading agriculture, design, engineering and veterinary colleges. *The Hawkeye* in Burlington, Iowa sits on the Illinois border and is rated one of the top 10 up-and-coming markets in the U.S. by multiple national publications. In 2018, Ames Tribune won 1st place Editorial Writing, 3rd Place Best Sports Section and 3rd place Best Sports Feature, 2nd place Best Government and Politics coverage and 2nd place Best Website and Best News story by the State Association

In the West, the California publications are clustered in three areas, Northern California, Stockton and the High Desert near Las Vegas. In the northern area, operations include three paid weekly papers in Siskiyou County. Mt Shasta, a 14,000 foot volcano, splits the county into north and south. In north county, we publish the *Siskiyou Daily News* and south of Mt Shasta, we publish weeklies in Dunsmuir, Mt. Shasta, and Weed. The Mt. Shasta economy is mainly supported by tourism, recreation and spiritualism. There are a small handful of monthly niche publications that compete with the newspapers in these markets. In the heart of California's central valley, in Stockton, the flagship publication, *The Record*, one paid daily, one free weekly paper and two shoppers are published. *The Record*, with a daily circulation of 12,373 is the premier daily and Sunday local paper, winning 20 awards in 2017 from the California Newspaper Publishers Association.

In the High Desert, publications in Victorville and Ridgecrest, as well as Taft, California are published. The High Desert Media Group, which includes the *Victorville Daily Press* and its four weekly sister publications, is based in Victorville, California, one of the largest cities in the southern Mojave Desert. *The Daily Press*, now in its 81st year of publication, has won numerous California Newspaper Publishers Association awards over the years, including four in 2018 while also being named a finalist in the investigative reporting category.

A few hours north of the northern California properties, *The Register-Guard* is the leading local news source in an exceptional Pacific Northwest market. Located at the southern tip of Oregon's lush Willamette Valley, Eugene is home to the 24,000-student University of Oregon. The company's products include the only seven-day home delivery newspaper in Oregon and a companion website with more than 405,000 unique users and 1.7 million page views per month. The flagship *Register-Guard* newspaper is published daily, with average circulation of 36,686. The newspaper faces very limited print competition in its highly-educated market.

The following table sets forth information regarding the number of publications and production facilities in our Newspaper group:

[Table of Contents](#)

State of Operations	Publications			Production Facilities
	Dailies	Weeklies	Shoppers	
Alabama	2	1	—	1
Arkansas	4	15	2	1
California	4	8	5	1
Colorado	2	5	—	1
Connecticut	1	—	1	—
Delaware	—	5	—	—
Florida	13	12	6	6
Georgia	3	8	6	1
Illinois	14	20	16	4
Iowa	3	6	5	1
Kansas	10	10	12	2
Louisiana	3	6	4	1
Maine	—	2	—	—
Massachusetts	10	110	5	1
Michigan	9	1	11	3
Minnesota	1	7	4	—
Missouri	10	11	10	2
Nebraska	—	2	1	—
New Hampshire	2	3	—	2
New Jersey	1	—	—	—
New York	6	13	10	3
North Carolina	11	7	3	2
North Dakota	1	—	1	1
Ohio	10	37	8	4
Oklahoma	5	3	3	3
Oregon	1	2	—	—
Pennsylvania	8	5	3	1
Rhode Island	2	—	1	1
South Carolina	1	4	—	—
Tennessee	2	1	1	—
Texas	5	17	13	3
Virginia	1	—	—	1
West Virginia	1	2	1	—
Total	146	323	132	46

BridgeTower. BridgeTower is comprised of local, regional and national business-oriented publications, websites, databases, live events, virtual events, thought leadership programs and research, operating in four main clusters: the (1) Business Group, (2) Legal Group, (3) Best Companies Group and (4) Home Furnishings Division. BridgeTower serves over 358,000 engaged subscribers and reaches more than 1.5 million readers across its publications and e-newsletters.

Business Group. We are one of the leading owners of business journals in the U.S., producing several daily, weekly, biweekly and monthly publications, as well as data products, webinars and live events. Anchored by an experienced team of award-winning journalists, the business brands provide relevant, actionable news and analysis for the business, construction, retail and real estate communities in more than 11 markets across the nation. In addition to digital and print advertising, the Business Group earns a sizable portion of revenue from paid subscription products, live events and thought leadership programs.

Regionally, the Business Group spans the entire country, reaching as far west as Portland, Oregon; New Orleans, Louisiana, in the South; and Long Island, New York, in the Northeast. Specifically, this group includes the following publications: *The Journal Record* (Oklahoma City, Oklahoma); *City Business* (New Orleans, Louisiana); *Daily Journal of*

[Table of Contents](#)

Commerce (New Orleans, Louisiana); *Idaho Business Review* (Boise, Idaho); *Long Island Business News* (Ronkonkoma, New York); *The Daily Reporter* (Milwaukee, Wisconsin); *NJBiz* (Somerset, New Jersey); *Pet Age* (Somerset, New Jersey); *Finance & Commerce* (Minneapolis, Minnesota); *Lehigh Valley Business* (Allentown, Pennsylvania); *Central Penn Business Journal* (Harrisburg, Pennsylvania); *Central Penn Parent* (Harrisburg, Pennsylvania); *Rochester Business Journal* (Rochester, New York); and *Daily Journal of Commerce* (Portland, Oregon); *Charleston Regional Business Journal* (Charleston, South Carolina); *Columbia Regional Business Report* (Columbia, South Carolina); and *GSA Business Report* (Greenville, South Carolina).

Legal Group. We are one of the leading operators of regionally-focused legal publications in the U.S., producing several daily, weekly and monthly publications, as well as data products, webinars and live events. Guided by a veteran team of award-winning journalists and attorneys, the Legal Group provides relevant, actionable news, analysis and legal opinions for lawyers, judges and legislators. In addition to paid subscriptions, digital and print advertising, the Legal Group earns a sizable portion of revenue from events, webinars and legislative alert services.

Regionally, the Legal Group stretches across the U.S. Specifically, this group includes the following publications: *Massachusetts Lawyers Weekly* (Boston, Massachusetts); *Rhode Island Lawyers Weekly*; *Wisconsin Law Journal* (Milwaukee, Wisconsin); *Missouri Lawyers Weekly* (St. Louis, Missouri); *North Carolina Lawyers Weekly* (Charlotte, North Carolina); *South Carolina Lawyers Weekly*; *Minnesota Lawyer* (Minneapolis, Minnesota); *Michigan Lawyers Weekly* (Detroit, Michigan); *Virginia Lawyers Weekly* (Richmond, Virginia); *Arizona Capitol Times* (Phoenix, Arizona) and *The Daily Record* (Baltimore, Maryland).

Best Companies Group. Best Companies Group is BridgeTower's research unit and is best known for producing 'Best Places to Work' data in more than 45 markets and industry categories across the globe, with programs in the U.S., U.K., Canada and North Africa. Leveraging its proprietary surveys, Best Companies Group collects data from employers and employees of its client companies and then analyzes that information to assess employee engagement. Based in Harrisburg, Pennsylvania, Best Companies also conducts custom research projects within industries such as automotive, banking and healthcare.

Home Furnishings Division. Formerly known as Progressive Business Media, the Home Furnishings Division was acquired in November 2018. Based in Greensboro, North Carolina, this division is anchored by *Furniture Today*, a weekly publication, and several monthly publications, including *Home Accents Today*, *Casual Living*, *HFN*, *Exterior Design*, *Designers Today*, *Gifts & Decorative Accessories*, *Kids Today* and *Home Textiles Today*. The Home Furnishings Division produces several live events, including the annual Furniture Today Leadership Conference. The division also has a custom solutions team that builds advertisements, logos, custom content, videos and other marketing assets for the division's advertising clients.

UpCurve

We believe that SMBs will adopt digital solutions to manage every aspect of their businesses and we created UpCurve to pursue that opportunity. UpCurve is focused on building technology solutions that allow SMBs to operate efficiently and effectively in an increasingly digital world. UpCurve provides two broad categories of solutions: ThriveHive, which provides guided marketing solutions for SMBs, and UpCurve Cloud, which offers best-in-breed cloud-based products for SMBs with expert guidance and support.

Through both organic and inorganic growth initiatives, UpCurve has grown into a recognized leader in the SMB space. In February of 2016 we acquired ThriveHive, an award-winning marketing automation system for SMBs, and subsequently rebranded our marketing division, formerly Propel Marketing, to ThriveHive. We also acquired ViWo, a SMB cloud product provider and W-Systems, a CRM provider in 2016. In 2017, ThriveHive won a national award from the Local Media Association for Best Digital Agency and in November of 2017 we acquired Closely, makers of the guided social marketing application Perch. In 2018, we released the free ThriveHive Grader product to help guide businesses to achieve better search engine optimization. Additionally, in 2018 we started attracting large affinity associations, which resulted in signed partnerships with the American Society of Interior Designers and the Associated Bodywork & Massage Professionals.

There were approximately 29.6 million SMBs in the U.S. in 2014 and about 29.0 million had 20 employees or less according to the U.S. Small Business Administration. Although these businesses are increasingly beginning to recognize the need to leverage technology solutions to operate their businesses, most do not have the time, expertise or resources to handle this themselves. This has led UpCurve to focus on guided solutions that bridge the gap between the needs and the capabilities of SMBs. Through guidance, provided by the right blend of software and service, we are able to help small businesses effectively utilize technology solutions. Because most SMBs in the United States are not yet using comprehensive technology solutions to operate their businesses, we see a large market opportunity using guidance to drive customer adoption and retention.

[Table of Contents](#)

In order to rapidly scale to meet the large market opportunity, we have been able to successfully leverage the unique trusted local GateHouse brands. We believe that significant media reach, combined with a large local salesforce in our operating markets has enabled us to sell our guided solutions much faster and more efficiently than we could have done without the GateHouse brands. We expect this unique relationship to allow us to continue to drive sales of existing products, as well as any potential new products that we may add to the UpCurve portfolio. As our scale has [expanded] our product and brand leadership, we are seeing increasing sales outside of our GateHouse geographic boundaries. We expect both future publication acquisitions and adoption outside of GateHouse markets to allow us to effectively further pursue the market opportunity.

GateHouse Live

Founded in late 2015, our community events and promotions business, GateHouse Live, leverages our local brands to create world-class events in the markets that we serve. In 2018, GateHouse Live produced over 350 annual events with a collective attendance over 400,000. Among our core event offerings are a variety of themed expos focused on target audiences, including men, women, seniors and young families. Other signature event series produced across many of our markets include one of the nation's largest high school sports recognition events and the official community's choice awards for dozens of markets across the country. In 2018, GateHouse Live expanded into endurance events that include a network of over 90 marathons, half marathons, other footraces and obstacle course races across the United States and Canada with over 250,000 attendees annually. GateHouse Live also offers white label event services for retailers and other media companies.

Revenue

Our operations generate revenue primarily from three primary sources: (i) advertising, (ii) circulation (including home delivery subscriptions, single copy sales and digital subscriptions) and (iii) other (primarily commercial printing, alternate delivery, digital marketing and business services and events). In 2018, these revenue streams accounted for approximately 48%, 38% and 14%, respectively, of our total revenue. The contribution of advertising, circulation and other revenue to our total revenue for New Media for the years ended December 30, 2018, December 31, 2017 and December 25, 2016 was as follows:

	<u>Year Ended December 30, 2018</u>	<u>Year Ended December 31, 2017</u>	<u>Year Ended December 25, 2016</u>
(in thousands)			
Revenue:			
Advertising	\$ 728,327	\$ 683,990	\$ 684,900
Circulation	574,963	474,324	421,497
Commercial printing and other	222,734	183,690	148,959
Total revenue	\$ 1,526,024	\$ 1,342,004	\$ 1,255,356

Advertising

Advertising revenue, which includes revenue generated from online and mobile products, is the largest component of our revenue, accounting for approximately 48%, 51% and 55% of our total revenue in 2018, 2017 and 2016, respectively. We categorize advertising as follows:

- Local Retail—local retailers, local stores for national retailers, grocers, drug stores, department and furniture stores, local financial institutions, niche shops, restaurants and other consumer related businesses.
- Local Classified—local legal, obituaries, employment, automotive, real estate and other advertising.
- Online—banner, display, classified, behavioral targeting, audience extension, search and other advertising on websites or mobile devices.
- National—national and major accounts such as wireless communications companies, airlines and hotels, generally placed with us through agencies.

We believe that our advertising revenue tends to be less volatile than the advertising revenue of large metropolitan and national print media because we rely primarily on local, rather than national advertising and our classified revenue tends to be more local market oriented (job listing, for example). We generally derive 95% or more of our advertising revenue from local advertising (local retail, local classified and online) and less than 5% from national advertising. We believe that local advertising tends to be less sensitive to economic cycles than national advertising because local businesses generally have fewer effective advertising channels through which they may reach their customers.

Table of Contents

Our advertising rate structures vary among our publications and are a function of various factors, including local market conditions, competition, circulation, readership and demographics. Management works with local newspaper management to set advertising rates and a portion of our publishers' incentive compensation is based upon growing advertising revenue. Our sales compensation program emphasizes digital and new business growth. We share advertising concepts throughout our network of publishers and advertising directors, including periodic special section programs, enabling them to utilize advertising products and sales strategies that are successful in other markets we serve.

Substantially all of our advertising revenue is derived from a diverse group of local retailers and local classified advertisers, resulting in very limited customer concentration. No single advertiser accounted for more than 1% of our total revenue in 2018, 2017 or 2016 and our 20 largest advertisers account for less than 10% of total revenue.

Our advertising revenue tends to follow a seasonal pattern, with higher advertising revenue in months containing significant events or holidays. Accordingly, our first quarter, followed by our third quarter, historically, are our weakest quarters of the year in terms of revenue. Correspondingly, our second and fourth fiscal quarters, historically, are our strongest quarters. We expect that this seasonality will continue to affect our advertising revenue in future periods.

We have experienced declines in advertising revenue over the past few years, due primarily to the secular pressures on the business as consumers and advertisers shift time and spend from traditional media to the internet. We continue to search for organic growth opportunities, specifically with digital advertising and ways to stabilize print revenue declines through strengthening local news product, value based pricing and training of sales staff.

Circulation

Our circulation revenue is derived from home delivery sales to subscribers, single copy sales at retail stores and vending racks and boxes, and digital subscriptions. We own 146 paid daily publications that range in circulation from approximately 500 to 101,000 and 194 paid weekly publications that range in circulation from approximately 100 to 14,000. Circulation revenue accounted for approximately 38%, 35% and 34% of our total revenue in 2018, 2017 or 2016, respectively.

Subscriptions are typically sold for three to twelve-month terms and often include promotions to extend the average subscription period or convert someone to become a subscriber. We also provide bundled print and digital subscriptions and employ pay meters for our website content at most of our daily publications. We implement marketing programs to increase readership through subscription and single copy sales, including company-wide and local circulation contests, direct mail programs, door-to-door sales and strategic alliances with local schools in the form of "Newspapers in Education" programs. In addition, since the adoption of the Telemarketing Sales Rule by the Federal Trade Commission in 2003, which created a national "do not call" registry, we have increased our use of "EZ Pay" programs, kiosks, sampling programs, in-paper promotions and online promotions to increase our circulation.

We encourage subscriber use of EZ Pay, a monthly credit card charge or direct bank debit payment program, which has led to higher retention rates for subscribers. We also use an active stop-loss program for all expiring subscribers. Additionally, in order to improve our circulation revenue and circulation trends, we periodically review the need for quality enhancements, such as:

- Consumer research to better understand local content of interest;
- Increasing the amount of unique hyper-local content;
- Increasing the use of color and color photographs;
- Improving graphic design, including complete redesigns;
- Developing creative and interactive promotional campaigns;
- Improving customer service and company-wide customer retention efforts; and
- Better use of demographic data to specifically target pricing and customer acquisition opportunities.

We believe that our unique and valuable hyper-local content allows us to continue to produce products of great relevance to our local market audiences. This allows us to be able to periodically raise prices, both for home delivery and on a single copy basis, resulting in increased circulation revenues. We also believe this unique hyper-local content will allow us to find ways to grow circulation revenues from our wide array of digital products.

Other

We provide commercial printing services to third parties on a competitive bid basis as a means to generate incremental revenue and utilize excess printing capacity. These customers consist primarily of other publishers that do not have their own

printing presses and do not compete with our publications. We also print other commercial materials, including flyers, business cards and invitations. Additionally, this category includes UpCurve which provides digital marketing and business services for SMBs and GateHouse Live, our events business. Other sources of revenue, including commercial printing and UpCurve, accounted for approximately 14%, 14% and 12% of our total revenue in 2018, 2017 or 2016, respectively.

Printing and Distribution

We own and operate 46 print facilities. Our print facilities produce nine publications on average and are generally located within 60 miles of the communities served. By clustering our production resources or outsourcing where cost beneficial, we are able to reduce the operating costs of our publications while increasing the quality of our small and midsize market publications that would typically not otherwise have access to high quality production facilities. We also believe that we are able to reduce future capital expenditure needs by having fewer overall pressrooms and buildings. We believe our superior production quality is critical to maintaining and enhancing our position as the leading provider of local news coverage in the markets we serve. As other print media businesses look to reduce costs, we believe we have the opportunity to leverage our unutilized press time to grow our commercial print customer base and revenue.

The distribution of our daily newspapers is typically outsourced to independent, locally based, third-party distributors that also distribute a majority of our weekly newspapers and non-newspaper publications. We continuously evaluate lower cost options for newspaper delivery. In addition, certain of our shopper and weekly publications are delivered via the U.S. Postal Service.

Availability of Raw Materials for Our Business—Newsprint

The basic raw material for our publications is newsprint. We generally maintain only a 45 to 55-day inventory of newsprint.

Historically, the market price of newsprint has been volatile, reaching a high of approximately \$823 per metric ton in 2008 and a low of \$410 per metric ton in 2002. However, from 2010 to 2018, there was much less volatility in newsprint pricing, and we have benefited from negotiating a fixed annual price for a majority of our newsprint. The average market price of newsprint during 2018 was approximately \$728 per metric ton.

In 2017, we consumed approximately 115,900 metric tons of newsprint (inclusive of commercial printing), and the cost of our newsprint consumption totaled approximately \$66.3 million. In contrast, in 2018, we consumed approximately 117,500 metric tons of newsprint (inclusive of commercial printing), and the cost of our newsprint consumption totaled approximately \$85.7 million. Our newsprint expense typically averages less than 6% of total revenue, which we believe generally compares favorably to larger, metropolitan newspapers.

Competition

Each of our publications compete for advertising revenue to varying degrees with traditional media outlets such as direct mail, yellow pages, radio, outdoor advertising, broadcast and cable television, magazines, local, regional and national newspapers, shoppers and other print and online media sources, including local blogs. We also increasingly compete with new digital and social media companies for advertising revenue. However, we believe that competitive barriers to entry remain high in many of the markets we serve in terms of being the preeminent source for local news and information therein, because our markets are generally not large enough to support a second newspaper and because our local news gathering infrastructures, sales networks and relationships would be time consuming and costly to replicate. We also have highly-recognizable local brand names and long histories in the towns we serve.

We also provide our readers with community-specific content, which is generally not available from other media sources. We believe that our direct and focused coverage of the market and our cost effective advertising rates relative to more broadly circulated metropolitan newspapers allow us to tailor an approach for the advertisers. As a result, our publications generally capture a large share of local advertising in the markets they serve.

The level of competition and the primary competitors that we face vary from market to market. Competition tends to be based on market penetration, demographic and quality factors, as opposed to price factors. The competitive environment in each of our operating regions is discussed in greater detail below.

The *Boston Globe* and *boston.com*, a metropolitan daily and website, respectively, owned by John Henry, compete with the publications throughout eastern Massachusetts. In addition, competition from other Massachusetts companies include approximately 16 dailies and 50 weeklies, three major radio station operators, five local network television broadcasters, one cable company and numerous niche publications for advertising revenues.

[Table of Contents](#)

The Cape Cod and New Bedford, Massachusetts newspapers experience competition from weekly newspapers, local radio stations, shopping guides, directories and niche publications.

In Middletown, New York, *The Times Herald-Record* is the leading print and digital media and has an audience far larger than its competitors, including Daily newspapers owned by Gannett Company, Inc. (*Poughkeepsie Journal* in Poughkeepsie, New York) and 21st Century Media, Inc. (*Daily Freeman* in Kingston, New York) which compete within the New York market. *The Times Herald-Record* also competes with 46 weekly, bi-weekly and monthly print products and Spectrum, radio stations and directories. The market is formally known as the Hudson Valley New York region. In the Middletown market, the nationally known Legoland, already ahead of construction timelines, will open in the spring of 2020 in the heart of the *Times Herald-Record* footprint. Additionally, a new casino opened on February 2017 in Sullivan County - a market also within the footprint of the *Times Herald-Record*. This was a one billion dollar project that has full casino, hotels, golf course and waterpark.

The *Providence Journal* is the leading daily newspaper in the state of Rhode Island and is complimented by the *Newport Daily News*. Other daily newspaper operators in the state include RISN Operations, Inc., which publish five daily papers and six weekly publications serving communities in Rhode Island. Three other companies publish more than 16 weeklies in Rhode Island. The Providence market has seven local network television stations and three major radio station operators, one cable company and numerous print and online niche publications, such as *Rhode Island Monthly Magazine* and the business publication, *Providence Business News*.

The Fayetteville Observer delivers to 10 counties in southeastern North Carolina. It is based in Cumberland County, home to Fayetteville and Fort Bragg, the nation's largest Army installation. ABC, CBS, NBC and Fox affiliates based in Raleigh, Durham and Wilmington cover the Fayetteville region, with at least two stations having small bureaus in Fayetteville. Beasley Broadcast Group and Cumulus Media Inc. dominate the radio market with stations including WFCN 640 AM news talk, WZFX 99.1 FM Foxy 99 urban contemporary, WKML 95.7 FM country, WQSM 98.1 FM hot adult contemporary and WRCQ 103.5 FM rock. Mspark is the primary direct mail competitor. Lamar Advertising and Fairway Outdoor serve the billboard needs of the market. Niche print publications based in Fayetteville include *Up & Coming Weekly*, *CityView Magazine* and *The Fayetteville Press*. *The Fayetteville Observer* is by far the leading print and digital publication in the region.

Our publications, *The Gainesville Sun* and *Ocala Star Banner*, are the leading media in their respective markets, primarily Alachua and Marion counties. Competition in this market include four television stations, which is unusual for markets this size. Gainesville has its own DMA and Ocala falls into the Orlando DMA. There are no other dailies in the market other than a slow movement by the *Villages Daily Sun* into Marion county (Ocala), a concern due to their offering the lowest home delivery and single copy rates of any Florida daily. They operate as part of one of the fastest-growing developments in the county, The Villages. Our *Gainesville Sun* also publishes a weekly newspaper, *Gainesville Guardian*, in east Gainesville and also a very successful city magazine, *Gainesville Magazine*.

In the Daytona Beach market, *The Daytona Beach News-Journal* is the leading media. Primary print competition for the west side of the coverage area is the *Orlando Sentinel*, owned by Tribune Publishing Company. Smaller weekly competitive publications, including *The Observer Group* and *Hometown News*, are also in the market. Major radio and network television stations are out of the Orlando market.

In the Sarasota market, *The Herald-Tribune* publications are generally the leading media and have an audience far larger than the competitors for the main areas we serve. Daily newspapers owned by McClatchy (*Bradenton Herald*) and Sun Coast Media Group, the *Charlotte Sun*, border on the north and south ends of the market, respectively and distribute in some circulation areas on the fringes. *The Herald-Tribune* prints the *Bradenton Herald* and is contracted to distribute all home delivery copies. The Sarasota market has one local network television station and several local radio station operators and cable companies as well as numerous non-daily print and online niche publications.

Located in central Florida, the publication, *The Ledger* in Lakeland is bordered by the *Orlando Sentinel* to the east and the *Tampa Bay Times* to the west. In addition, competitors include multiple weekly newspapers and two radio stations. *The Ledger* is the leading media in the central Florida area it serves. *The Lakeland Ledger* began printing the *Orlando Sentinel* in September 2017.

In Tuscaloosa and Gadsden, the *Tuscaloosa News* and *Gadsden Times*, respectively, are the leading media in the markets they serve. Television that serves both markets is out of Birmingham, Alabama. The digital space is highly competitive with the competing site *al.com*, owned by Advance Local, which covers the state.

In the Columbus, Ohio market, the advertising competition in print is minimal with just a weekly business journal and a few small monthly magazines. On the electronic and digital side, the competition is intense and is comprised of six network TV

stations, three cable companies, ten radio stations and twelve digital agencies, with SMART 1 being the most aligned with UpCurve's product set.

Lee Enterprises publishes the *Southern Illinoisan* in Carbondale, a regional newspaper that competes with our publication in West Frankfort. We believe our publication is the leading local daily, but regional competition does exist from the larger dailies, shoppers and weekly newspapers. Television competition does not exist in this group because of the geographic location in relation to major markets. There are no local television affiliates in our markets.

In the Upstate New York and northwest Pennsylvania markets, we see competition from major newspaper companies: daily newspapers owned by Gannett Company, Inc. (*The Star-Gazette* in Elmira, New York and the Chambersburg, Pennsylvania *Public-Opinion*); Times-Shamrock Company's Scranton, Pennsylvania *The Times-Tribune* and *Towanda Daily/Sunday Review*; Community Newspaper Holdings, Inc.'s *Sunbury Daily Item*; and Ogden-Nutting's Williamsport *Sun-Gazette*.

In the Great Lakes markets, the only significant competition comes from regional television stations in Adrian, Michigan. Competition from other local daily and weekly papers and niche publications, as well as radio and television stations, directories, direct mail and non-local internet websites can be found in the market, but none have proven to be significant.

In the Louisiana markets, major competition comes from regional daily newspapers, such as *The Advocate* in Baton Rouge, Louisiana, and *The American Press* in Lake Charles, Louisiana. In Central Kansas and Missouri, we compete with *The Joplin Globe* and the *Wichita Eagle*. We also face competition from numerous other daily and weekly papers, local radio stations, shopping guides, directories and niche publications. Our community newspapers operate in relatively isolated markets where they are the leading sources of local news and print/digital advertising.

In the Sherman, Texas market, our publications are the leading media with minor competition with *The Dallas Morning News*, which has minimal circulation and does not focus on local content. We own all the weeklies in the Sherman, Texas market, though there is some weekly competition in outlying Texas and Oklahoma communities. The *Herald Democrat* also competes with local TV stations and several locally-owned radio stations in the market.

In Arkansas, there is some minor competition from the *Northwest Arkansas Democrat-Gazette* in northern Crawford county, Arkansas, but they have limited circulation and news coverage in the Fort Smith market. The *Northwest Arkansas Democrat-Gazette* circulates in the market with our publication, *The Pine Bluff Commercial*, but does not deliver the community coverage that is most relevant to Pine Bluff and the surrounding counties. There are several locally-owned radio stations in the market that also compete with *The Pine Bluff Commercial*.

In the U.S. mid-western states, our publications control every local weekly and daily paper in Story County, Iowa and have weeklies in other neighboring counties, the principal print competition is the *Des Moines Register*, but it does not deliver meaningful local community content.

The San Joaquin Media Group, with its flagship, *The Record*, is the leading local news source in Stockton, California, but there is significant competition for print and digital dollars. In the county, competition comes from three community newspapers, each within 10 miles of Stockton, as well as *The Sacramento Bee* and *Modesto Bee* with smaller distribution in the county. Additionally, there are two successful glossy monthly magazines, a business journal, *Red Plum (Valassis)*, *Lincoln Center Chronicle* monthly, outdoor advertising everywhere and a few digital agencies including the marketing agency, Excelerate, owned by The McClatchy Company.

While there is tougher competition in larger markets as compared to the smaller markets across the Western U.S., the strength of each of these groups comes from being local and having built trusted relationships over the last 100 years. None of our competitors have proven to be significant. Our publications and websites have a rich history in local markets which we believe uniquely positions them for unmatched reach and relevancy.

BridgeTower. Across the Business and Legal groups, we believe the majority of BridgeTower titles are the leading information provider within their respective niche, and many of our brands face no direct competition. In Baltimore and Minneapolis, we contend with business journals run by *American City Business Journals*, part of *Advance Publications Inc.* In states like Pennsylvania, we straddle counties that are covered by other business media but are the leading business brands in Lehigh Valley and Central Pennsylvania. Our monthly magazine *Pet Age*, geared toward pet store owners, competes with *Pet Business* and *Pet Product News*.

In the legal space, we coexist and partner with state bar associations but otherwise face limited direct local competition. *ALM* continues to be the largest media company covering attorneys, but BridgeTower and *ALM's* regional brands operate in separate regions. We believe Best Companies Group maintains the highest market share within the employee satisfaction research vertical, which includes *Great Place to Work Institute* and *Workplace Dynamics*.

In the Home Furnishings Division, we believe most of the brands are the leading publications in their segments. However, the magazines focused on exterior and interior design face a number of direct and indirect competitors based on the continued growth in those market segments.

Employees

As of December 30, 2018, we employed 10,638 employees. We employ union personnel at a number of our core publications representing 1,225 employees. As of December 30, 2018, there were 43 collective bargaining agreements covering union personnel. Most of our unionized employees work under collective bargaining agreements that expired in 2018. We believe that relations with our employees are generally good, and we have had no work stoppages at any of our publications.

Environmental Matters

We believe that we are in substantial compliance with all applicable laws and regulations for the protection of the environment and the health and safety of our employees based upon existing facts presently known to us. Compliance with federal, state, and local environmental laws and regulations relating to the discharge of substances into the environment, the disposal of hazardous wastes and other related activities has had, and will continue to have, an impact on our operations, but has been accomplished to date without having a material adverse effect on its operations. While it is difficult to estimate the timing and ultimate costs to be incurred due to uncertainties about the status of laws, regulations and technology, based on information currently known to us and insurance procured with respect to certain environmental matters, we do not expect environmental costs or contingencies to be material or to have a material adverse effect on our financial performance. Our operations involve risks in these areas, however, and we cannot assure you that we will not incur material costs or liabilities in the future which could adversely affect us.

Corporate Governance and Public Information

The address of New Media's website is <http://www.newmediainv.com/>. Stockholders can access a wide variety of information on New Media's website, under the "Investor Relations" tab, including news releases, SEC filings, information New Media is required to post online pursuant to applicable SEC rules, newspaper profiles and online links. New Media makes available via its website all filings it makes under the Securities and Exchange Act of 1934, as amended, including Forms 10-K, 10-Q and 8-K, and related amendments, as soon as reasonably practicable after they are filed with, or furnished to, the SEC. All such filings are available free of charge. Neither the content of New Media's corporate website nor any other website referred to in this report are incorporated by reference into this report unless expressly noted. New Media's filings are available on the SEC website at www.sec.gov free of charge.

List of New Media's Dailies, Weeklies, Shoppers, Websites and Business Publications

As of December 30, 2018, New Media's dailies, weeklies, shoppers, websites and business publications were as listed below. New Media maintains registered trademarks in many of the masthead names listed below. Maintaining such trademarks allows us to exclusively use the masthead name to the exclusion of third parties.

Newspapers

<u>State</u>	<u>City</u>	<u>Masthead</u>	<u>Circulation Type</u>
Alabama	Gadsden	The Gadsden Times <i>www.gadsdentimes.com</i>	Daily
	Tuscaloosa	The Tuscaloosa News <i>www.tuscaloosaneews.com</i> <i>www.tidesports.com</i>	Daily
	Tuscaloosa	TNews Weekly	Free Weekly
Arkansas	Conway	Log Cabin Democrat <i>www.thecabin.net</i>	Daily
	Fort Smith	Ft. Smith Southwest Times Record <i>www.swtimes.com</i>	Daily
	Pine Bluff	Pine Bluff Commercial <i>www.pbcommercial.com</i>	Daily
	Stuttgart	Stuttgart Daily Leader <i>www.stuttgartdailyleader.com</i>	Daily
	Booneville	Booneville Democrat <i>www.boonevilledemocrat.com</i>	Paid Weekly
	Charleston	Charleston Express <i>www.charlestonexpress.com</i>	Paid Weekly
	Clinton	Van Buren County Democrat <i>www.vanburencountydem.com</i>	Paid Weekly
	Greenwood	Greenwood Democrat <i>www.greenwooddemocrat.com</i>	Paid Weekly
	Heber Springs	The Sun Times <i>www.thesuntimes.com</i>	Paid Weekly
	Helena	The Daily World <i>www.helena-arkansas.com</i>	Paid Weekly
	Hot Springs	Hot Springs Village Voice <i>www.hsvoice.com</i>	Paid Weekly
	Newport	Newport Independent <i>www.newportindependent.com</i>	Paid Weekly
	Paris	Paris Express <i>www.paris-express.com</i>	Paid Weekly
	Van Buren	Press Argus Courier <i>www.pressargus.com</i>	Paid Weekly
	Van Buren	Alma Journal	Paid Weekly
	White Hall	The White Hall Journal <i>www.whitehalljournal.com</i>	Paid Weekly
	Helena	Daily World TMC <i>www.helena-arkansas.com</i>	Free Weekly
Stuttgart	The Xtra <i>www.stuttgartdailyleader.com</i>	Free Weekly	
White Hall	The Arsenel Sentinel	Free Weekly	
Conway	More!	Shopper	
Fort Smith	River Valley Advertiser	Shopper	
California	Ridgecrest	The Daily Independent	Daily

Table of Contents

	Victorville	Victorville Daily Press www.vvdailypress.com	Daily
	Yreka	Siskiyou Daily News www.siskiyoudaily.com	Daily
	Lucerne Valley	Lucerne Valley Leader www.vvdailypress.com/lucerne-valley-leader	Paid Weekly
	Mt Shasta	Weed Press www.mtshastanews.com	Paid Weekly
	Mt Shasta	Dunsmuir News www.mtshastanews.com	Paid Weekly
	Mt Shasta	Mt Shasta Herald www.mtshastanews.com	Paid Weekly
	Taft	Midway Driller www.taftmidwaydriller.com	Paid Weekly
	Barstow	Desert Dispatch www.vvdailypress.com/desertdispatch	Free Weekly
	Hesperia	Hesperia Star www.vvdailypress.com/hesperia-star	Free Weekly
	Stockton	VIDA	Free Weekly
	Mt Shasta	Super Saver Advertiser	Shopper
	Ridgecrest	Super Tuesday	Shopper
	Stockton	Sunday Select	Shopper
	Stockton	The Valley Marketplace/TMC www.esanjoaquin.com	Shopper
	Victorville	Review www.vvdailypress.com/apple-valley-review	Shopper
Colorado	La Junta	La Junta Tribune Democrat www.lajuntatribunedemocrat.com	Daily
	Pueblo	The Pueblo Chieftain www.chieftain.com	Daily
	La Junta	Ag Journal www.agjournalonline.com	Paid Weekly
	La Junta	Fowler Tribune www.fowlertribune.com	Paid Weekly
	Las Animas	Bent County Democrat www.bcdemocratonline.com	Paid Weekly
	Pueblo	The Pueblo West View	Free Weekly
	Pueblo	Pueblo Events	Free Weekly
Connecticut	Norwich	The Bulletin www.norwichbulletin.com	Daily
	Norwich	Bulletin Deals	Shopper
Delaware	Dover	Smyrna/Clayton Sun Times www.scsuntimes.com	Paid Weekly
	Dover	The Middletown Transcript www.middletowntranscript.com	Paid Weekly
	Dover	Community Publication www.communitypub.com	Free Weekly
	Dover	Dover Post www.doverpost.com www.delmarvaexpress.com	Free Weekly
	Dover	Milford Beacon	Free Weekly

Table of Contents

Fort Walton Beach	Northwest Florida Daily News <i>www.nwfdailynews.com</i> <i>www.nwfdailynews.com/eat-play-stay-destin</i> <i>www.nwfvarsity.com</i>	Daily
Gainesville	The Gainesville Sun <i>www.gainesville.com</i> <i>www.gatorsports.com</i>	Daily
Jacksonville	The Florida Times-Union <i>www.jacksonville.com</i>	Daily
Lakeland	The Ledger <i>www.theledger.com</i>	Daily
Leesburg	Daily Commercial <i>www.dailycommercial.com</i>	Daily
Ocala	Ocala Star Banner <i>www.ocala.com</i>	Daily
Panama City	Panama City News Herald <i>www.newsherald.com</i> <i>www.panhandlevarsity.com</i>	Daily
Sarasota	Herald-Tribune <i>www.heraldtribune.com</i>	Daily
St. Augustine	The St. Augustine Record <i>www.staugustine.com</i> <i>www.visitstaug.com</i>	Daily
West Palm Beach	The Palm Beach Post <i>www.palmbeachpost.com</i> <i>www.mypalmbeachpost.com</i>	Daily
West Palm Beach	Palm Beach Daily News <i>www.palmbeachdailynews.com</i>	Daily
Winter Haven	News Chief <i>www.newschief.com</i>	Daily
Apalachicola	The Times <i>www.apalachitimes.com</i>	Paid Weekly
Bonifay	Holmes County Times Advertiser	Paid Weekly
Chipley	Washington County News <i>www.chipleypaper.com</i>	Paid Weekly
Crestview	Crestview News Bulletin <i>www.crestviewbulletin.com</i>	Paid Weekly
Destin	The Destin Log <i>www.thedestinlog.com</i>	Paid Weekly
Milton	Santa Rosa Press Gazette <i>www.srpressgazette.com</i>	Paid Weekly
Port St. Joe	The Star <i>www.starfl.com</i>	Paid Weekly
Clermont	South Lake Press <i>www.southlakepress.com</i>	Free Weekly
Gainesville	The Gainesville Guardian	Free Weekly
Jacksonville	JAX Air News <i>www.jaxairnews.jacksonville.com</i>	Free Weekly
Jacksonville	Mayport Mirror <i>www.mayportmirror.jacksonville.com</i>	Free Weekly
Santa Rosa Beach	The Walton Sun <i>www.waltonsun.com</i>	Free Weekly
Daytona Beach	Daytona Pennysaver	Shopper

Daytona Beach
Daytona Beach
Daytona Beach
Jacksonville

Flagler Pennysaver
New Smyrna Pennysaver
West Volusia Pennysaver
SMC

Shopper
Shopper
Shopper
Shopper

Table of Contents

Georgia	St. Augustine	St. Johns Sun	Shopper
	Athens	Athens Banner-Herald <i>www.onlineathens.com</i>	Daily
	Augusta	The Augusta Chronicle <i>www.augustachronicle.com</i> <i>www.augusta.com</i>	Daily
	Savannah	Savannah Morning News <i>www.savannahmorningnews.com</i> <i>www.businesssavannah.com</i> <i>www.health.savannahnow.com</i> <i>www.know.savannahow.com</i> <i>www.lavozlatinaonline.com</i> <i>www.dosavannah.com</i> <i>www.dining.savannahnow.com</i>	Daily
	Augusta	The Columbia County News-Times <i>www.newstimes.augusta.com</i>	Paid Weekly
	Augusta	The Hampton County Guardian	Free Weekly
	Augusta	Richmond County Neighbors	Free Weekly
	Augusta	Sylvania Telephone <i>www.sylvaniatelephone.com</i>	Free Weekly
	Louisville	The Jefferson News-Farmer <i>www.thenewsandfarmer.com</i>	Free Weekly
	Savannah	Bryan County Now	Free Weekly
	Savannah	Effingham Now	Free Weekly
	Savannah	The Jet Stream	Free Weekly
	Athens	Around Athens Deals SMC	Shopper
	Athens	The Oconee Leader	Shopper
	Augusta	Columbia County Today	Shopper
Augusta	Richmond County Today	Shopper	
Augusta	North Augusta Today	Shopper	
Savannah	Tell-N-Sell <i>www.tell-n-sell.com</i>	Shopper	
Illinois	Canton	Daily Ledger <i>www.cantondailyledger.com</i>	Daily
	Carmi	The Carmi Times <i>www.carmitimes.com</i>	Daily
	Freeport	The Journal Standard <i>www.journalstandard.com</i>	Daily
	Galesburg	The Register-Mail <i>www.galesburg.com</i>	Daily
	Kewanee	Star-Courier <i>www.starcourier.com</i>	Daily
	Lincoln	The Courier <i>www.lincolncourier.com</i>	Daily
	Macomb	McDonough County Voice <i>www.mcdonoughvoice.com</i>	Daily
	Monmouth	Daily Review Atlas <i>www.reviewatlas.com</i>	Daily
	Olney	The Olney Daily Mail <i>www.olneydaily.com</i>	Daily
	Pekin	Pekin Daily Times <i>www.pekintimes.com</i>	Daily

Table of Contents

Pontiac	Daily Leader <i>www.pontiacdailyleader.com</i>	Daily
Rockford	Rockford Register Star <i>www.rrstar.com</i>	Daily
Springfield	The State Journal-Register <i>www.sj-r.com</i>	Daily
Abingdon	Abingdon Argus-Sentinel <i>www.eaglepublications.com</i>	Paid Weekly
Aledo	The Times Record <i>www.aledotimesrecord.com</i>	Paid Weekly
Augusta	Augusta Eagle-Scribe <i>www.eaglepublicatons.com</i>	Paid Weekly
Cambridge	Cambridge Chronicle <i>www.cambridgechron.com</i>	Paid Weekly
Fairbury	The Blade	Paid Weekly
Flora	Advocate Press <i>www.advocatepress.com</i>	Paid Weekly
Galva	Galva News <i>www.galvanews.com</i>	Paid Weekly
Geneseo	The Geneseo Republic <i>www.geneseorepublic.com</i>	Paid Weekly
Newton	Newton Press Mentor <i>www.pressmentor.com</i>	Paid Weekly
Oquawka	Oquawka Current	Paid Weekly
Orion	Orion Gazette <i>www.oriongazette.com</i>	Paid Weekly
Roseville	Roseville Independent <i>www.eaglepublications.com</i>	Paid Weekly
Teutopolis	Teutopolis Press <i>www.teutopolispress.com</i>	Paid Weekly
West Frankfort	SI Trader <i>www.sitraders.com</i>	Paid Weekly
Chillicothe	Chillicothe Times Bulletin <i>www.chillicothetimesbulletin.com</i>	Free Weekly
East Peoria	East Peoria Times-Courier <i>www.eastpeoriatimescourier.com</i>	Free Weekly
Galesburg	Knox County Neighbors <i>www.galesburg.com</i>	Free Weekly
Metamora	Woodford Times <i>www.woodfordtimes.com</i>	Free Weekly
Morton	Morton Times News <i>www.mortontimesnews.com</i>	Free Weekly
Washington	Washington Times Reporter <i>www.washingtontimesreporter.com</i>	Free Weekly
Aledo	Town Crier Advertiser	Shopper
Canton	Fulton County Shopper	Shopper
Flora	CCAP Special	Shopper
Freeport	The Scene	Shopper
Geneseo	Henry County Advertiser/Shopper	Shopper
Lincoln	Logan County Shopper	Shopper
Macomb	McDonough County Choice	Shopper
Monmouth	Pennysaver	Shopper
Olney	Richland County Shopper	Shopper

Olney
Peoria
Peoria

Jasper County News Eagle
The Marketplace
Pekin Extra

Shopper
Shopper
Shopper

Table of Contents

Iowa	Pontiac	Livingston Shopping News	Shopper
	Rockford	The Weekly	Shopper
	Springfield	Springfield Advertiser	Shopper
	Springfield	Springfield Shopper	Shopper
	Ames	Ames Tribune <i>www.amestrib.com</i>	Daily
	Boone	Boone News Republican <i>www.newsrepublican.com</i>	Daily
	Burlington	The Hawk Eye <i>www.thehawkeye.com</i>	Daily
	Adel	Dallas County News <i>www.adelnews.com</i>	Paid Weekly
	Hamburg	Hamburg Reporter <i>www.hamburgreporter.com</i>	Paid Weekly
	Nevada	Nevada Journal	Paid Weekly
	Nevada	Tri-County Times <i>www.tricountytimes.com</i>	Paid Weekly
	Perry	The Perry Chief <i>www.theperrychief.com</i>	Paid Weekly
	Story City	Story City Herald <i>www.storycityherald.com</i>	Paid Weekly
	Adel	Dallas County Today	Shopper
Kansas	Ames	Ames Sun/Story County Advertiser	Shopper
	Boone	Boone Shopping News	Shopper
	Burlington	Live Local	Shopper
	Perry	Chiefland Shopper	Shopper
	Dodge City	Dodge City Daily Globe <i>www.dodgeglobe.com</i>	Daily
	Garden City	Garden City Telegram <i>www.gctelegram.com</i>	Daily
	Hays	The Hays Daily News <i>www.hdnews.net</i>	Daily
	Hutchison	The Hutchison News <i>www.hutchnews.com</i>	Daily
	Leavenworth	The Leavenworth Times <i>www.leavenworthtimes.com</i>	Daily
	McPherson	McPherson Sentinel <i>www.mcphersonsentinel.com</i>	Daily
	Newton	The Newton Kansan <i>www.thekansan.com</i>	Daily
	Pittsburg	The Morning Sun <i>www.morningsun.net</i>	Daily
	Salina	Salina Journal <i>www.salina.com</i>	Daily
	Topeka	The Topeka Capital-Journal <i>www.cjonline.com</i> <i>www.neksweddings.com</i> <i>www.tornado-cjonline.com</i>	Daily
Baxter Springs	Cherokee County News-Advocate <i>www.sekvoice.com</i>	Paid Weekly	
El Dorado	The Butler County Times-Gazette <i>www.butlercountytimesgazette.com</i>	Paid Weekly	

Table of Contents

	Ottawa	Ottawa Herald <i>www.ottawaherald.com</i>	Paid Weekly
	Pratt	The Pratt Tribune <i>www.pratttribune.com</i>	Paid Weekly
	St John	St John News <i>www.sjnewsonline.com</i>	Paid Weekly
	Wellington	Wellington Daily News <i>www.wellingtondailynews.com</i>	Paid Weekly
	Dodge City	La Estrella	Free Weekly
	Garden City	La Semana	Free Weekly
	Leavenworth	The Fort Leavenworth Lamp <i>www.ftleavenworthlamp.com</i>	Free Weekly
	Dodge City	Shoppers Weekly	Shopper
	El Dorado	Shoppers Guide	Shopper
	Garden City	Bargain Plus	Shopper
	Hiawatha	Penny Press 4	Shopper
	Hutchinson	The Bee	Shopper
	Leavenworth	Chronicle Shopper	Shopper
	McPherson/Newton	South Central Kansas Shoppers Guide	Shopper
	Ottawa	Ottawa Times-Shopper	Shopper
	Pittsburg	The Sunland Shopper	Shopper
	Pratt	Sunflower Shopper	Shopper
	Salina	Buyers Guide	Shopper
	Topeka	CJ Extra TMC	Shopper
Louisiana	Bastrop	The Bastrop Daily Enterprise <i>www.bastropenterprise.com</i>	Daily
	Houma	The Courier <i>www.houmatoday.com</i>	Daily
	Thibodaux	Daily Comet <i>www.dailycomet.com</i>	Daily
	DeRidder	Beauregard Daily News <i>www.beauregarddailynews.net</i>	Paid Weekly
	Donaldsonville	The Donaldsonville Chief <i>www.donaldsonvillechief.com</i>	Paid Weekly
	Gonzales	Gonzales Weekly Citizen <i>www.weeklycitizen.com</i>	Paid Weekly
	Leesville	Leesville Daily Leader <i>www.leesvilledailyleader.com</i>	Paid Weekly
	Plaquemine	Post South <i>www.postsouth.com</i>	Paid Weekly
	Sterlington	North Quachita Weekly	Free Weekly
	DeRidder	The Weekly Post	Shopper
	Gonzales	The Marketeer <i>www.weeklycitizen.com</i>	Shopper
	Houma	Tradin' Cajun	Shopper
	Plaquemine	West Bank Shopper <i>www.postsouth.com</i>	Shopper
Maine	Kennebunk	York County Coast Star <i>www.seacoastonline.com</i>	Paid Weekly
	York	York Weekly <i>www.seacoastonline.com</i>	Paid Weekly
Massachusetts	Brockton	The Enterprise <i>www.enterpriseneeds.com</i>	Daily

Table of Contents

Framingham	The Metrowest Daily News <i>www.metrowestdailynews.com</i>	Daily
Gardner	The Gardner News <i>www.thegardnernews.com</i>	Daily
Hyannis	Cape Cod Times <i>www.capecodonline.com</i> <i>www.capecodview.net</i> <i>www.capecodetimes.com/primetime</i>	Daily
Milford	The Milford Daily News <i>www.milforddailynews.com</i>	Daily
New Bedford	The Standard-Times <i>www.southcoasttoday.com</i>	Daily
Quincy	Patriot Ledger <i>www.patriotledger.com</i>	Daily
Taunton	Taunton Daily Gazette <i>www.tauntongazette.com</i>	Daily
Worcester	Telegram & Gazette <i>www.telegram.com</i> <i>www.worcestermag.com</i>	Daily
Abington	Abington Mariner <i>www.wickedlocal.com/abington</i>	Paid Weekly
Acton/Roxborough	The Beacon <i>www.wickedlocal.com/acton</i>	Paid Weekly
Allston	Allston/Brighton Tab <i>www.wickedlocal.com/allston</i>	Paid Weekly
Arlington	The Arlington Advocate <i>www.wickedlocal.com/arlington</i>	Paid Weekly
Bedford	Bedford Minuteman <i>www.wickedlocal.com/bedford</i>	Paid Weekly
Belmont	Belmont Citizen-Herald <i>www.wickedlocal.com/belmont</i>	Paid Weekly
Beverly	Beverly Citizen <i>www.wickedlocal.com/beverly</i>	Paid Weekly
Billerica	Billerica Minuteman <i>www.wickedlocal.com/billerica</i>	Paid Weekly
Boxford	Tri-Town Transcript <i>www.wickedlocal.com/boxford</i>	Paid Weekly
Braintree	Braintree Forum <i>www.wickedlocal.com/braintree</i>	Paid Weekly
Brewster	The Cape Codder <i>www.wickedlocal.com/capecod</i>	Paid Weekly
Burlington	Burlington Union <i>www.wickedlocal.com/burlington</i>	Paid Weekly
Cambridge	Cambridge Chronicle & Tab <i>www.wickedlocal.com/cambridge</i>	Paid Weekly
Carver	Carver Reporter <i>www.wickedlocal.com/carver</i>	Paid Weekly
Chelmsford	Chelmsford Independent <i>www.wickedlocal.com/chelmsford</i>	Paid Weekly
Clinton	The Item	Paid Weekly
Cohasset	Cohasset Mariner <i>www.wickedlocal.com/cohasset</i>	Paid Weekly
Concord	The Concord Journal	Paid Weekly

Danvers

www.wickedlocal.com/concord

Paid Weekly

Danvers Herald
www.wickedlocal.com/danvers

Dedham

Dedham Transcript
www.wickedlocal.com/dedham

Paid Weekly

Table of Contents

Dover	Dover/Sherborn Press www.wickedlocal.com/dover	Paid Weekly
Easton	Easton Journal www.wickedlocal.com/easton	Paid Weekly
Framingham	Westwood Press www.wickedlocal.com/westwood	Paid Weekly
Georgetown	Georgetown Record www.wickedlocal.com/georgetown	Paid Weekly
Hamilton	Hamilton-Wenham Chronicle www.wickedlocal.com/hamilton	Paid Weekly
Hanover	Hanover Mariner www.wickedlocal.com/hanover	Paid Weekly
Hingham	The Hingham Journal www.wickedlocal.com/hingham	Paid Weekly
Holbrook	Holbrook Sun www.wickedlocal.com/holbrook	Paid Weekly
Holden	The Landmark www.thelandmark.com	Paid Weekly
Hopkinton	Hopkinton Crier www.wickedlocal.com/hopkinton	Paid Weekly
Hudson	Hudson Sun www.wickedlocal.com/hudson	Paid Weekly
Hyannis	The Register www.wickedlocal.com/barnstable	Paid Weekly
Hyannis	Barnstable Patriot www.barnstablepatriot.com	Paid Weekly
Ipswich	Ipswich Chronicle www.wickedlocal.com/ipswich	Paid Weekly
Kingston	Kingston Reporter www.wickedlocal.com/kingston	Paid Weekly
Lexington	Lexington Minuteman www.wickedlocal.com/lexington	Paid Weekly
Lincoln	Lincoln Journal www.wickedlocal.com/lincoln	Paid Weekly
Littleton	Littleton Independent www.wickedlocal.com/littleton	Paid Weekly
Malden	Malden Observer www.wickedlocal.com/malden	Paid Weekly
Mansfield	Mansfield News www.wickedlocal.com/mansfield	Paid Weekly
Marblehead	Marblehead Reporter www.wickedlocal.com/marblehead	Paid Weekly
Marion	The Sentinel www.wickedlocal.com/marion	Paid Weekly
Marlborough	Marlborough Enterprise www.wickedlocal.com/marlborough	Paid Weekly
Marshfield	Marshfield Mariner www.wickedlocal.com/marshfield	Paid Weekly
Maynard/Stow	The Beacon-Villager www.wickedlocal.com/maynard	Paid Weekly
Medfield	Medfield Press www.wickedlocal.com/medfield	Paid Weekly
Medford	Medford Transcript	Paid Weekly

Melrose	www.wickedlocal.com/medford Melrose Free Press www.wickedlocal.com/melrose	Paid Weekly
Middleboro	Middleboro Gazette www.southcoasttoday.com	Paid Weekly

Table of Contents

Millbury	Millbury Sutton Chronicle www.millburysutton.com www.baystateparent.com	Paid Weekly
Nantucket	Nantucket Inquirer & Mirror www.ack.net www.discovernantucket.com	Paid Weekly
Natick	Natick Bulletin & Tab www.wickedlocal.com/natick	Paid Weekly
New Bedford	Advocate	Paid Weekly
New Bedford	Chronicle	Paid Weekly
New Bedford	Spectator	Paid Weekly
North Andover	North Andover Citizen www.wickedlocal.com/northandover	Paid Weekly
North Grafton	The Grafton News www.thegrafftonnews.com	Paid Weekly
Northborough/Southborough	The Northborough/Southborough Villager www.wickedlocal.com/northborough	Paid Weekly
Norwell	Norwell Mariner www.wickedlocal.com/norwell	Paid Weekly
Norwood	Norwood Transcript & Bulletin www.wickedlocal.com/norwood	Paid Weekly
Pembroke	Pembroke Mariner & Express www.wickedlocal.com/pembroke	Paid Weekly
Plymouth	Old Colony Memorial www.wickedlocal.com/plymouth	Paid Weekly
Provincetown	The Provincetown Banner www.wickedlocal.com/provincetown	Paid Weekly
Reading	The Reading Advocate www.wickedlocal.com/reading	Paid Weekly
Rockland	Rockland Standard www.wickedlocal.com/rockland	Paid Weekly
Roslindale	Roslindale Transcript www.wickedlocal.com/roslindale	Paid Weekly
Saugus	Saugus Advertiser www.wickedlocal.com/saugus	Paid Weekly
Scituate	Scituate Mariner www.wickedlocal.com/scituate	Paid Weekly
Sharon	Sharon Advocate www.wickedlocal.com/sharon	Paid Weekly
Shrewsbury	Shrewsbury Chronicle www.wickedlocal.com/shrewsbury	Paid Weekly
Somerville	Somerville Journal www.wickedlocal.com/somerville	Paid Weekly
Stoughton	Stoughton Journal www.wickedlocal.com/stoughton	Paid Weekly
Sudbury	The Sudbury Town Crier www.wickedlocal.com/sudbury	Paid Weekly
Swampscott	Swampscott Reporter www.wickedlocal.com/swampscott	Paid Weekly
Tewksbury	Tewksbury Reporter www.wickedlocal.com/tewksbury	Paid Weekly
Wakefield	Wakefield Observer www.wickedlocal.com/wakefield	Paid Weekly

Walpole

The Walpole Times
www.wickedlocal.com/walpole

Paid Weekly

Waltham

Waltham News Tribune
www.wickedlocal.com/waltham

Paid Weekly

Table of Contents

Wareham	Wareham Courier www.wickedlocal.com/wareham	Paid Weekly
Watertown	Watertown Tab & Press www.wickedlocal.com/watertown	Paid Weekly
Wayland	The Wayland Town Crier www.wickedlocal.com/wayland	Paid Weekly
Wellesley	The Wellesley Townsman www.wickedlocal.com/wellesley	Paid Weekly
West Roxbury	West Roxbury Transcript www.wickedlocal.com/west-roxbury	Paid Weekly
Westborough	Westborough News www.wickedlocal.com/westborough	Paid Weekly
Westford	Westford Eagle www.wickedlocal.com/westford	Paid Weekly
Weston	The Weston Town Crier www.wickedlocal.com/weston	Paid Weekly
Weymouth	Weymouth News www.wickedlocal.com/weymouth	Paid Weekly
Winchester	The Winchester Star www.wickedlocal.com/winchester	Paid Weekly
Bellingham	County Gazette www.wickedlocal.com/franklin	Free Weekly
Boston	Boston Homes www.linkbostonhomes.com	Free Weekly
Bourne	Bourne Courier www.wickedlocal.com/bourne	Free Weekly
Bridgewater	Bridgewater Independent www.wickedlocal.com/bridgewater	Free Weekly
Brookline	Brookline Tab www.wickedlocal.com/brookline	Free Weekly
Canton	Canton Journal www.wickedlocal.com/canton	Free Weekly
Danvers	North Shore Sunday	Free Weekly
Fall River	OJornal www.heraldnews.com/ojournal	Free Weekly
Falmouth	The Bulletin www.wickedlocal.com/falmouth	Free Weekly
Framingham	Framingham Tab www.wickedlocal.com/framingham	Free Weekly
Gloucester	Cape Ann Beacon	Free Weekly
Leominster	Leominster Chronicle www.leominsterchamp.com	Free Weekly
Needham	Needham Times www.wickedlocal.com/needham	Free Weekly
Newburyport	The Newburyport Current www.wickedlocal.com/newburyport	Free Weekly
Newton	Newton Tab www.wickedlocal.com/newton	Free Weekly
Randolph	Randolph Herald www.wickedlocal.com/randolph	Free Weekly
Raynham	Raynham Call www.wickedlocal.com/raynham	Free Weekly
Salem	Salem Gazette	Free Weekly

Sandwich
Stoneham

www.wickedlocal.com/salem
Sandwich Broadsider
Stoneham Sun
www.wickedlocal.com/stoneham

Free Weekly
Free Weekly

Table of Contents

Wilmington	Wilmington Advocate www.wickedlocal.com/wilmington	Free Weekly
Woburn	Woburn Advocate www.wickedlocal.com/woburn	Free Weekly
Fall River	South Coast Life	Shopper
Hyannis	DollarSaver/TMC	Shopper
Middleboro	Middleboro Gazette Extra/TMC www.southcoasttoday.com	Shopper
New Bedford	SouthCoast MarketPlace/TMC	Shopper
Taunton	Yellow Jacket	Shopper
Amesbury	www.wickedlocal.com/amesbury	On-line Only
Ashland	www.wickedlocal.com/ashland	On-line Only
Avon	www.wickedlocal.com/avon	On-line Only
Bellingham	www.wickedlocal.com/bellingham	On-line Only
Berkley	www.wickedlocal.com/berkley	On-line Only
Bolton	www.wickedlocal.com/bolton	On-line Only
Boxborough	www.wickedlocal.com/boxborough	On-line Only
Brewster	www.wickedlocal.com/brewster	On-line Only
Brockton	www.wickedlocal.com/brockton	On-line Only
Chatham	www.wickedlocal.com/chatham	On-line Only
Clinton	www.wickedlocal.com/clinton	On-line Only
Dennis	www.wickedlocal.com/dennis	On-line Only
Dighton	www.wickedlocal.com/dighton	On-line Only
Duxbury	www.wickedlocal.com/duxbury	On-line Only
East Bridgewater	www.wickedlocal.com/bridgewatereast	On-line Only
Eastham	www.wickedlocal.com/eastham	On-line Only
Essex	www.wickedlocal.com/essex	On-line Only
Fall River	www.wickedlocal.com/fall-river	On-line Only
Foxborough	www.wickedlocal.com/foxborough	On-line Only
Gloucester	www.wickedlocal.com/gloucester	On-line Only
Halifax	www.wickedlocal.com/halifax	On-line Only
Hanson	www.wickedlocal.com/hanson	On-line Only
Harvard	www.wickedlocal.com/harvard	On-line Only
Harwich	www.wickedlocal.com/harwich	On-line Only
Holliston	www.wickedlocal.com/holliston	On-line Only
Hopedale	www.wickedlocal.com/hopedale	On-line Only
Hull	www.wickedlocal.com/hull	On-line Only
Lakeville	www.wickedlocal.com/lakeville	On-line Only
Lancaster	www.wickedlocal.com/lancaster	On-line Only
Manchester	www.wickedlocal.com/manchester	On-line Only
Mashpee	www.wickedlocal.com/mashpee	On-line Only
Mattapoisett	www.wickedlocal.com/mattapoisett	On-line Only
Medway	www.wickedlocal.com/medway	On-line Only
Mendon	www.wickedlocal.com/mendon	On-line Only
Middleborough	www.wickedlocal.com/middleborough	On-line Only
Middleton	www.wickedlocal.com/middleton	On-line Only
Milford	www.wickedlocal.com/milford	On-line Only
Millis	www.wickedlocal.com/millis	On-line Only
Millbury	www.centralmassclass.com	On-line Only
Milton	www.wickedlocal.com/milton	On-line Only
Needham	www.bestride.com	On-line Only

[Table of Contents](#)

	Needham	www.colormagazine.com	On-line Only
	Norfolk	www.wickedlocal.com/norfolk	On-line Only
	North Boston	www.wickedlocal.com/northofboston	On-line Only
	Norton	www.wickedlocal.com/norton	On-line Only
	Orleans	www.wickedlocal.com/orleans	On-line Only
	Plainville	www.wickedlocal.com/plainville	On-line Only
	Plympton	www.wickedlocal.com/plympton	On-line Only
	Quincy	www.wickedlocal.com/quincy	On-line Only
	Rehoboth	www.wickedlocal.com/rehoboth	On-line Only
	Rochester	www.wickedlocal.com/rochester	On-line Only
	Rockport	www.wickedlocal.com/rockport	On-line Only
	Sandwich	www.wickedlocal.com/sandwich	On-line Only
	Sherborn	www.wickedlocal.com/sherborn	On-line Only
	Somerset	www.wickedlocal.com/somerset	On-line Only
	Southborough	www.wickedlocal.com/southborough	On-line Only
	Stow	www.wickedlocal.com/stow	On-line Only
	Swansea	www.wickedlocal.com/swansea	On-line Only
	Taunton	www.wickedlocal.com/taunton	On-line Only
	Topsfield	www.wickedlocal.com/topsfield	On-line Only
	Truro	www.wickedlocal.com/truro	On-line Only
	Upton	www.wickedlocal.com/upton	On-line Only
	Wellfleet	www.wickedlocal.com/wellfleet	On-line Only
	Wenham	www.wickedlocal.com/wenham	On-line Only
	West Bridgewater	www.wickedlocal.com/bridgewaterwest	On-line Only
	West Port	www.wickedlocal.com/westport	On-line Only
	Whitman	www.wickedlocal.com/whitman	On-line Only
	Wrentham	www.wickedlocal.com/wrentham	On-line Only
	Yarmouth	www.wickedlocal.com/yarmouth	On-line Only
Michigan	Adrian	The Daily Telegram www.lenconnect.com	Daily
	Cheboygan	Cheboygan Daily Tribune www.cheboygannews.com www.mackinacjournal.com	Daily
	Coldwater	The Daily Reporter www.thedailyreporter.com	Daily
	Hillsdale	Hillsdale Daily News www.hillsdale.net	Daily
	Holland	The Holland Sentinel www.hollandsentinel.com	Daily
	Ionia	Sentinel-Standard www.sentinel-standard.com	Daily
	Monroe	The Monroe News www.monroenews.com www.20creative.com www.savingsensemonroe.com www.monroetalks.com	Daily
	Sault Ste Marie	The Evening News www.sooeveningnews.com	Daily
	Sturgis	Sturgis Journal www.sturgisjournal.com	Daily
	Monroe	Bedford Now www.bedfordnow.com	Free Weekly

[Table of Contents](#)

	Adrian	Adrian Access Shopper <i>www.accessshoppersguide.com</i>	Shopper
	Allegan	Flashes Shopping Guide (Allegan/Lakeshore) <i>www.flashespublishers.com</i>	Shopper
	Cheboygan	Shopper Fair	Shopper
	Coldwater	The Reporter Extra	Shopper
	Coldwater	Coldwater Shoppers Guide	Shopper
	Hillsdale	Tip Off Shopping Guide <i>www.tipoffonline.com</i>	Shopper
	Holland	Flashes Shopping Guide (Holland/Zeeland) <i>www.flashespublishers.com</i>	Shopper
	Ionia	Sentinel-Standard TMC	Shopper
	Monroe	Cover Story	Shopper
	Sault Ste Marie	Tri County Buyers Guide	Shopper
	Sturgis	Sturgis Gateway Shopper	Shopper
Minnesota	Crookston	Crookston Daily Times <i>www.crookstontimes.com</i>	Daily
	Cottonwood	Tri-County News	Paid Weekly
	Granite Falls	Granite Falls Advocate-Tribune <i>www.granitefallsnews.com</i>	Paid Weekly
	Montevideo	Montevideo American News <i>www.montenews.com</i>	Paid Weekly
	Redwood Falls	Redwood Gazette <i>www.redwoodfallsgazette.com</i>	Paid Weekly
	Sleepy Eye	Sleepy Eye Herald Dispatch <i>www.sleepyeyenews.com</i>	Paid Weekly
	St James	St James Plaindealer <i>www.stjamesnews.com</i>	Paid Weekly
	Wabasso	The Wabasso Standard	Paid Weekly
	Crookston	Crookston Valley Shopper	Shopper
	Montevideo	The Star Advisor <i>www.montenews.com</i>	Shopper
	Sleepy Eye	Brown County Reminder	Shopper
	St James	Town and Country Shopper	Shopper
Missouri	Camdenton	Lake Sun Leader <i>www.lakenewsonline.com</i>	Daily
	Chillicothe	Constitution Tribune <i>www.chillicothenews.com</i>	Daily
	Columbia	Columbia Daily Tribune <i>www.columbiatribune.com</i> <i>www.themovecolumbia.com</i>	Daily
	Hannibal	Hannibal Courier Post <i>www.hannibal.net</i>	Daily
	Independence	The Examiner <i>www.examiner.net</i>	Daily
	Kirksville	Kirksville Daily Express & News <i>www.kirksvilledailyexpress.com</i>	Daily
	Mexico	The Mexico Ledger <i>www.mexicoledger.com</i>	Daily
	Moberly	Moberly Monitor Index <i>www.moberlymonitor.com</i>	Daily
	Neosho	Neosho Daily News <i>www.neoshodailynews.com</i>	Daily

Table of Contents

	Aurora	Aurora Advertiser <i>www.auroraadvertiser.net</i>	Paid Weekly
	Boonville	Boonville Daily News <i>www.boonvilledailynews.com</i>	Paid Weekly
	Brookfield	The Linn County Leader <i>www.linncountyleader.com</i>	Paid Weekly
	Boonville	Boonslick Shopper	Free Weekly
	Camdenton	West Side Star <i>www.lakenewsonline.com</i>	Free Weekly
	Hannibal	Salt River Journal	Free Weekly
	Osage Beach	Lake Area News Focus	Free Weekly
	Osage Beach	Lake of the Ozarks Real Estate	Free Weekly
	Osage Beach	Tube Tab	Free Weekly
	Osage Beach	Vacation News	Free Weekly
	Rolla	Rolla Daily News Extra	Free Weekly
	Brookfield	Sho-Me Shopper	Shopper
	Camdenton	Lake Sun Extra	Shopper
	Chillicothe	Chillicothe C-T Shopper	Shopper
	Columbia	Wednesday EXTRA	Shopper
	Columbia	Sunday EXTRA	Shopper
	Joplin	Big Nickel	Shopper
	Kirksville	Nemo Trader	Shopper
	Kirksville	Kirksville Crier	Shopper
	Mexico	Mexico Extra	Shopper
	Osage Beach	Lake of the Ozarks Boats	Shopper
Nebraska	Nebraska City	Nebraska City News Press <i>www.ncnewspress.com</i>	Paid Weekly
	Syracuse	Syracuse Journal Democrat <i>www.journaldemocrat.com</i>	Paid Weekly
New Hampshire	Nebraska City	Penny Press 1	Shopper
	Dover	Foster's Daily Democrat <i>www.fosters.com</i>	Daily
	Portsmouth	Portsmouth Herald <i>www.seacoastonline.com</i>	Daily
	Exeter	Exeter News-Letter	Paid Weekly
	Hampton	Hampton Union	Paid Weekly
	Portsmouth	Seacoast Sunday	Paid Weekly
New Jersey	Willingboro	Burlington County Times <i>www.burlingtoncountytimes.com</i>	Daily
New York	Canandaigua	Daily Messenger <i>www.mpnnow.com</i> <i>www.mpnnow.com/commercialprinting</i>	Daily
	Corning	The Leader <i>www.the-leader.com</i>	Daily
	Herkimer	Times Telegram <i>www.timestelegram.com</i>	Daily
	Hornell	Evening Tribune <i>www.eveningtribune.com</i>	Daily
	Middletown	Times Herald-Record <i>www.recordonline.com</i>	Daily
	Utica	Utica Observer-Dispatch <i>www.uticaod.com</i>	Daily
	Dansville	Genesee Country Express	Paid Weekly

Table of Contents

Hamilton	Mid-York Weekly	Paid Weekly
Newark/Palmyra	Wayne Post <i>www.waynepost.com</i>	Paid Weekly
Penn Yan	The Chronicle-Express <i>www.chronicle-express.com</i>	Paid Weekly
Bath	Steuben Courier-Advocate <i>www.steubencourier.com</i>	Free Weekly
Brighton/Pittsford, Fairport/East Rochester and Henrietta	The Post Serving Brighton/Pittsford, Fairport/East Rochester and Henrietta <i>www.monroecopost.com</i>	Free Weekly
Canandaigua/Victor	Canandaigua Community Post	Free Weekly
Greece, Gates-Chili	The Post Serving Greece, Gates-Chili <i>www.monroecopost.com</i>	Free Weekly
Middletown	The Gazette <i>www.hudsonvalley.com</i>	Free Weekly
Middletown	Pointer View <i>www.pointerview.com</i>	Free Weekly
Utica	The Pennysaver	Free Weekly
Victor	Victor Post <i>www.monroecopost.com</i>	Free Weekly
Webster/Irondequoit and Penfield	The Post Serving Webster/Irondequoit and Penfield <i>www.monroecopost.com</i>	Free Weekly
Corning	Corning Pennysaver	Shopper
Herkimer	Your Valley	Shopper
Hornell	Pennysaver Plus	Shopper
Horseheads	The Shopper	Shopper
Lyons	Lyons Shopping Guide	Shopper
Middletown	Extra/TMC	Shopper
Newark	Newark Pennysaver	Shopper
Penn Yan	Chronicle Ad-Visor	Shopper
Sodus	Sodus Pennysaver	Shopper
Wayne County	Timesaver	Shopper
North Carolina Asheboro	The Courier-Tribune <i>www.courier-tribune.com</i> <i>www.courier-tribune.com/thrive-magazine</i> <i>www.courier-tribune.com/get-this</i>	Daily
Burlington	Times-News <i>www.thetimesnews.com</i>	Daily
Fayetteville	The Fayetteville Observer <i>www.fayobserver.com</i>	Daily
Gastonia	The Gaston Gazette <i>www.gastongazette.com</i>	Daily
Hendersonville	Times-News <i>www.blueridgenow.com</i>	Daily
Jacksonville	The Daily News <i>www.jdnews.com</i>	Daily
Kinston	The Free Press <i>www.kinston.com</i>	Daily
Lexington	The Dispatch <i>www.the-dispatch.com</i>	Daily
New Bern	Sun Journal <i>www.newbernsj.com</i>	Daily

Table of Contents

	Wilmington	Star News <i>www.starnewsonline.com</i>	Daily
	Asheville	IWANNA Asheville	Paid Weekly
	Greenville	IWANNA Greenville	Paid Weekly
	Havelock	Havelock News <i>www.havenews.com</i>	Paid Weekly
	Fayetteville	Camp Lejeune Globe <i>www.camplejeuneglobe.com</i>	Free Weekly
	Fayetteville	Ft. Bragg Life	Free Weekly
	Fayetteville	Ft. Bragg Paraglide <i>www.paraglideonline.net</i>	Free Weekly
	Surf City	Topsail Advertiser	Free Weekly
	Asheboro	CT Marketplace	Shopper
	Fayetteville	Sandspur	Shopper
	Fayetteville	Observer Marketplace	Shopper
North Dakota	Devils Lake	Devils Lake Daily Journal <i>www.devilslakejournal.com</i>	Daily
	Devils Lake	The Country Peddler	Shopper
Ohio	Akron	Akron Beacon Journal <i>www.ohio.com</i>	Daily
	Alliance	The Alliance Review <i>www.the-review.com</i>	Daily
	Ashland	The Times-Gazette <i>www.times-gazette.com</i>	Daily
	Cambridge	The Daily Jeffersonian <i>www.daily-jeff.com</i>	Daily
	Kent	Record-Courier <i>www.record-courier.com</i> <i>www.mytownneo.com</i>	Daily
	Canton	The Repository <i>www.cantonrep.com</i> <i>www.fridaynightohio.com</i>	Daily
	Columbus	The Columbus Dispatch <i>www.dispatch.com</i>	Daily
	Dover/New Philadelphia	The Times-Reporter <i>www.timesreporter.com</i>	Daily
	Massillon	The Independent <i>www.indeonline.com</i>	Daily
	Wooster	The Daily Record <i>www.the-daily-record.com</i> <i>www.goodtimesohio.com</i>	Daily
	Barnesville	Barnesville Enterprise <i>www.barnesville-enterprise.com</i>	Paid Weekly
	Newcomerstown	Newcomerstown News <i>www.newcomerstown-news.com</i>	Paid Weekly
	Akron	Sunday Mall	Free Weekly
	Alliance	The News Leader	Free Weekly
	Alliance	Press-News	Free Weekly
	Ashland	Mohican Area Shopper	Free Weekly
	Bexley	This Week Bexley <i>www.thisweeknews.com/bexley</i>	Free Weekly

Clintonville

This Week Clintonville (Booster)
www.thisweeknews.com/clintonville

Free Weekly

Columbus

The Bag

Free Weekly

Table of Contents

Columbus	Alive	Free Weekly
Columbus	This Week Westside <i>www.thisweeknews.com/west-side</i>	Free Weekly
Delaware	This Week Delaware <i>www.thisweeknews.com/delaware</i>	Free Weekly
Dublin	This Week Dublin <i>www.thisweeknews.com/dublin</i>	Free Weekly
German Village	This Week German Village <i>www.thisweeknews.com/german-village</i>	Free Weekly
Grandview	This Week Grandview <i>www.thisweeknews.com/grandview</i>	Free Weekly
Green	The Suburbanite <i>www.thesuburbanite.com</i>	Free Weekly
Grove City	This Week Grove City <i>www.thisweeknews.com/grove-city</i>	Free Weekly
Hilliard	This Week Hilliard <i>www.thisweeknews.com/hilliard</i>	Free Weekly
Kent	Falls News-Press	Free Weekly
Kent	Stow Sentry	Free Weekly
Kent	Tallmadge Express	Free Weekly
Kent	Hudson Hub Times	Free Weekly
Kent	Twinsburg Bulletin	Free Weekly
Kent	The News Leader	Free Weekly
Kent	Aurora Advocate	Free Weekly
New Albany	This Week New Albany <i>www.thisweeknews.com/new-albany</i>	Free Weekly
Northland	This Week Northland <i>www.thisweeknews.com/northland</i>	Free Weekly
Northwest	This Week Northwest <i>www.thisweeknews.com/northwest</i>	Free Weekly
Olentangy	This Week Olentangy <i>www.thisweeknews.com/olentangy</i>	Free Weekly
Pickerington	This Week Pickerington <i>www.thisweeknews.com/pickerington</i>	Free Weekly
Reynoldsburg	This Week Reynoldsburg <i>www.thisweeknews.com/reynoldsburg</i>	Free Weekly
Rocky Fork	This Week Rocky Fork <i>www.thisweeknews.com/gahanna</i>	Free Weekly
Upper Arlington	This Week Upper Arlington <i>www.thisweeknews.com/upper-arlington</i>	Free Weekly
Westerville	This Week Westerville <i>www.thisweeknews.com/westerville</i>	Free Weekly
Whitehall	This Week Whitehall <i>www.thisweeknews.com/whitehall</i>	Free Weekly
Winchester	This Week Canal Winchester <i>www.thisweeknews.com/canal-winchester</i>	Free Weekly
Worthington	This Week Worthington <i>www.thisweeknews.com/worthington</i>	Free Weekly
Alliance	Mr. Thrifty #1	Shopper
Alliance	Mr. Thrifty #3	Shopper
Alliance	Marketplace 44641	Shopper
Cambridge	The Jeff Shopper	Shopper
Canton	The Wrap	Shopper

Dover/New Philadelphia
Wooster

TMC-ExTRa
The Homes County Shopper

Shopper
Shopper

Table of Contents

	Wooster	Smart Shopper Coupon	Shopper
	Columbus	www.buckeyeextra.com	On-line Only
	Columbus	www.bluejacketextra.com	On-line Only
	Columbus	www.thisweeksports.com	On-line Only
	Columbus	www.columbusalive.com	On-line Only
	Columbus	www.columbusceo.com	On-line Only
	Columbus	www.columbusmonthly.com	On-line Only
Oklahoma	Ardmore	The Daily Ardmoreite www.ardmoreite.com	Daily
	Bartlesville	Examiner Enterprise www.examiner-enterprise.com	Daily
	Miami	Miami News-Record www.miamiok.com	Daily
	Oklahoma City	The Oklahoman www.oklahoman.com www.newsok.com	Daily
	Shawnee	The Shawnee News-Star www.news-star.com	Daily
	Grove	Grove Sun www.grandlakenews.com	Paid Weekly
	Jay	Delaware County Journal www.grandlakenews.com	Paid Weekly
	Pawhuska	Pawhuska Journal-Capital www.pawhuskajournalcapital.com	Paid Weekly
	Ardmore	Entertainment Spotlight	Shopper
	Bartlesville	Hometown Shopper	Shopper
	Miami	Northeast Oklahoma Trading Post	Shopper
Oregon	Eugene	The Register-Guard www.registerguard.com www.ducksports.com	Daily
	Eugene	Emerald Valley Shopper	Free Weekly
	Eugene	Yes!	Free Weekly
Pennsylvania	Beaver	Beaver County Times www.timesonline.com	Daily
	Doylestown	The Intelligencer www.theintell.com	Daily
	Ellwood City	Ellwood City Ledger www.ellwoodcityledger.com	Daily
	Erie	Erie Times News www.goerie.com www.goerie.com/local/crawford-county	Daily
	Honesdale	The Wayne Independent www.wayneindependent.com	Daily
	Levittown	Bucks County Courier Times www.buckscountycuriertimes.com	Daily
	Stroudsburg	Pocono Record www.poconorecord.com	Daily
	Waynesboro	The Record Herald www.therecordherald.com	Daily
	Carbondale	The Villager www.moscowvillager.com	Paid Weekly

Carbondale

Carbondale News
www.thecarbondalenews.com

Paid Weekly

Greencastle

The Echo Pilot
www.echo-pilot.com

Paid Weekly

Table of Contents

	Hawley	News Eagle <i>www.neagle.com</i>	Paid Weekly
	Stroudsburg	Pike & Monroe Life	Free Weekly
	Hawley	The Pike Pennysaver	Shopper
	Honesdale	The Independent Extra	Shopper
Rhode Island	Stroudsburg	Plus/TMC	Shopper
	Newport	The Newport Daily Independent <i>www.newportri.com/newportdailynews</i>	Daily
	Providence	The Providence Journal <i>www.providencejournal.com</i>	Daily
South Carolina	Providence	Providence Journal Express	Shopper
	Spartanburg	Herald-Journal <i>www.goupstate.com</i>	Daily
	Jasper	Jasper County Sun Times <i>www.jaspersuntimes.com</i>	Paid Weekly
	Barnwell	The People-Sentinel <i>www.thepeoplesentinel.com</i>	Free Weekly
	Bluffton	Bluffton Today <i>www.blufftontoday.com</i>	Free Weekly
Tennessee	Bluffton	The Sun Today	Free Weekly
	Columbia	Columbia Daily Herald <i>www.columbiadailyherald.com</i>	Daily
	Oak Ridge	The Oak Ridger <i>www.oakridger.com</i>	Daily
	Columbia	The Advertiser News <i>www.advertisernews.biz</i>	Free Weekly
Texas	Columbia	Value Guide	Shopper
	Amarillo	Amarillo Globe-News <i>www.amarillo.com</i>	Daily
	Austin	Austin American-Statesman <i>www.statesman.com</i> <i>www.austin360.com</i> <i>www.hookem.com</i>	Daily
	Lubbock	Lubbock Avalanche-Journal <i>www.lubbockonline.com</i>	Daily
	Sherman	Herald Democrat <i>www.heralddemocrat.com</i>	Daily
	Waxahachie	Waxahachie Daily Light <i>www.waxahachietx.com</i>	Daily
	Alice	Alice Echo-News Journal <i>www.alicetx.com</i>	Paid Weekly
	Ballinger	Ballinger Ledger	Paid Weekly
	Brownwood	Brownwood Bulletin <i>www.brownwoodtx.com</i>	Paid Weekly
	Glen Rose	Glen Rose Reporter <i>www.yourglenrosetx.com</i>	Paid Weekly
	Midlothian	Midlothian Mirror <i>www.midlothianmirror.com</i>	Paid Weekly
	Robstown	Neuces County Record Star <i>www.recordstar.com</i>	Paid Weekly
	Stephenville	Stephenville Empire-Tribune	Paid Weekly

Table of Contents

	Anna	Anna-Melissa Tribune <i>www.amtrib.com</i>	Free Weekly
	Austin	Westlake Picayune	Free Weekly
	Austin	Lake Travis View	Free Weekly
	Austin	Pflugerville Pflag	Free Weekly
	Bastrop	Bastrop Advertiser	Free Weekly
	Bastrop	Smithville Times	Free Weekly
	Bastrop	Bryan County News	Free Weekly
	Prosper	Prosper Press <i>www.prosperpressnews.com</i>	Free Weekly
	Round Rock	Round Rock Leader	Free Weekly
	Amarillo	West Texas Life	Shopper
	Austin	Austin360 This Week	Shopper
	Brownsville	Valley Bargain Book-South <i>www.valleybargainbook.com</i>	Shopper
	Brownwood	Heartland Trading Post	Shopper
	Corpus Christi	Ad Sack <i>www.adsack.com</i>	Shopper
	Harlingen	Valley Bargain Book-North <i>www.valleybargainbook.com</i>	Shopper
	Laredo	Laredo Bargain Book	Shopper
	Lubbock	West Texas Life	Shopper
	McAllen	Valley Town Crier <i>www.yourvalleyvoice.com</i>	Shopper
	McAllen	Edinburg Review	Shopper
	Sherman	Grayson County Shopper <i>www.heralddemocrat.com/shopper</i>	Shopper
	Stephenville	Cross Timbers Trading Post	Shopper
	Waxahachie	Ellis County Trading Post	Shopper
Virginia	Petersburg	The Progress-Index <i>www.progress-index.com</i>	Daily
West Virginia	Keyser	Mineral Daily News Tribune <i>www.newstribune.info</i>	Daily
	Ripley	The Jackson Herald <i>www.jacksonnewspapers.com</i>	Paid Weekly
	Ripley	The Jackson Star News <i>www.jacksonnewspapers.com</i>	Paid Weekly
	Keyser	Today's Shopper	Shopper

BridgeTower

<u>State</u>	<u>City</u>	<u>Masthead</u>	<u>Frequency</u>
Massachusetts	Boston	Massachusetts Lawyers Weekly	Paid Weekly
	Boston	New England In House	Free Quarterly
	Boston	MA Advance Sheets	Paid Monthly
	Boston	MA Rules Service	Paid Online
	Boston	Real Estate Bar Association News	Insert Five times per year
	Boston	Massachusetts Association of Trial Attorneys	Insert Three times per year
	Boston	Client Newsletters	Quarterly
	Boston	Rhode Island Lawyers Weekly	Paid Weekly
Missouri	St. Louis	St. Louis Daily Record	Daily
	St. Louis	The St. Louis Countian	Daily
	St. Louis	The Jefferson Countian	Paid Weekly
	St. Louis	The Daily Record Kansas City	Daily
	St. Louis	St. Charles County Business Record	Daily
	St. Louis	Missouri Lawyers Weekly	Paid Weekly
	St. Louis	Missouri Medical Law Report	Free Quarterly
New York	Rochester	The Daily Record	Daily
	Rochester	Foreclosures at a Glance	Paid Weekly
	Rochester	Rochester Business Journal	Paid Weekly
	Ronkonkoma	Long Island Business News	Paid Weekly
	Ronkonkoma	Who's Who	Seven times per year
Oklahoma	Ronkonkoma	Nassau Bar	Monthly
	Oklahoma City	The Journal Record	Daily
	Oklahoma City	Journal Record Legislative Report	Paid Online
	Oklahoma City	Alert Paging Service	Paid Online
	Oklahoma City	Tinker Take Off	Free Weekly
	Oklahoma City	Tinker Living	Free Monthly Insert
	Oklahoma City	Square Feet	Quarterly Insert
North Carolina	Oklahoma City	Briefcase	Monthly
	Charlotte	The Mecklenburg Times	Paid Weekly
	Charlotte	North Carolina Lawyers Weekly	Paid Weekly
	Charlotte	Liberty Mutual Insert	Insert Two times per year
	Charlotte	South Carolina Lawyers Weekly	Paid Weekly
	Charlotte	Carolina Paralegal News	Bi-Monthly
	Charlotte	E-Advantage Foreclosure Database	Daily Database
	Greensboro	Casual Living	Paid Monthly
	Greensboro	Designers Today	Paid Monthly
	Greensboro	Furniture Today	Paid Monthly
	Greensboro	Gifts and Dec	Paid Monthly
	Greensboro	Home Accents	Paid Monthly
Arizona	Greensboro	Home Textiles Today	Paid Monthly
	Phoenix	Arizona Capitol Times	Paid Weekly
	Phoenix	Yellow Sheet Report	Daily
	Phoenix	Legislation On Line Arizona	Paid Online

Table of Contents

	Phoenix	Legislative Report	Daily
	Phoenix	Green Book	Paid Annual
	Phoenix	AZ Edge	Free Five times per year
Minnesota	Minneapolis	Finance & Commerce	Daily
	Minneapolis	Minnesota Lawyer	Paid Weekly
	Minneapolis	Twin City Tenant	Semi-Annual
Wisconsin	Milwaukee	Daily Reporter	Daily
	Milwaukee	Job Trac	Paid Database
	Milwaukee	Sheriff Sales	Paid Weekly
	Milwaukee	Wisconsin Law Journal	Paid Weekly
South Carolina	Charleston	Charleston Regional Business Journal	Paid Weekly
	Columbia	Columbia Regional Business Report	Bi-Monthly
	Greenville	GSA Business Report	Paid Bi-Monthly
	South Carolina	SCBIZ Magazine	Paid Quarterly
Louisiana	Metairie	Daily Journal of Commerce	Paid Weekly/Project
	Metairie	New Orleans City Business	Paid Weekly
	Metairie	Path to Excellence	Free Quarterly Insert
Maryland	Baltimore	The Daily Record	Daily
	Baltimore	Path to Excellence	Eight times per year
	Baltimore	MD Family Law	Paid Monthly
Oregon	Portland	Daily Journal of Commerce	Paid Weekly
	Portland	Project Center	Paid Database
	Portland	NAMC	Quarterly
Pennsylvania	Lehigh Valley	Lehigh Valley Business	Paid Weekly
	South Central PA	Central Penn Business Journal	Paid Weekly
	South Central PA	Central Penn Parent	Monthly
Idaho	Boise	Idaho Business News	Paid Weekly
	Boise	Square Feet	Quarterly
Virginia	Richmond	Virginia Lawyers Weekly	Paid Weekly
	Richmond	Virginia Med Law Report	Free Bi-Monthly
Michigan	Detroit	Michigan Lawyers Weekly	Paid Weekly
New Jersey	New Jersey	NJBIZ	Paid Weekly
USA	National	Pet Age	Free Monthly

Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Annual Report in evaluating us and our common stock. Any of the following risks could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following groups: Risks Related to Our Business, Risks Related to Our Manager, and Risks Related to Our Common Stock.

Risks Related to Our Business

We depend to a great extent on the economies and the demographics of the local communities that we serve, and we are also susceptible to general economic downturns, which have had, and could continue to have, a material and adverse impact on our advertising and circulation revenues and on our profitability.

Our advertising revenues and, to a lesser extent, circulation revenues, depend upon a variety of factors specific to the communities that our publications serve. These factors include, among others, the size and demographic characteristics of the local population, local economic conditions in general and the economic condition of the retail segments of the communities that our publications serve. If the local economy, population or prevailing retail environment of a community we serve experiences a downturn, our publications, revenues and profitability in that market could be adversely affected. Our advertising revenues are also susceptible to negative trends in the general economy that affect consumer spending. The advertisers in our newspapers and other publications and related websites are primarily retail businesses that can be significantly affected by regional or national economic downturns and other developments. For example, many traditional retail companies continue to face greater competition from online retailers and face uncertainty in their businesses, which has reduced and may continue to reduce their advertising spending. Declines in the U.S. economy could also significantly affect key advertising revenue categories, such as help wanted, real estate and automotive.

Uncertainty and adverse changes in the general economic conditions of markets in which we participate may negatively affect our business.

Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction for the economy as a whole. It is even more difficult to estimate growth or contraction in various parts, sectors and regions of the economy, including the markets in which we participate. Adverse changes may occur as a result of weak global economic conditions, declining oil prices, wavering consumer confidence, unemployment, declines in stock markets, contraction of credit availability, declines in real estate values, natural disasters, or other factors affecting economic conditions in general. These changes may negatively affect the sales of our products, increase exposure to losses from bad debts, increase the cost and decrease the availability of financing, or increase costs associated with publishing and distributing our publications.

Our ability to generate revenues is correlated with the economic conditions of three geographic regions of the United States.

Our Company primarily generates revenue in three geographic regions: the Northeast, the Midwest, and the Southeast. During the year ended December 30, 2018, approximately 30% of our total revenues were generated in four states in the Northeast: Massachusetts, Pennsylvania, New York, and Rhode Island. During the same period, approximately 24% of our total revenues were generated in three states in the Midwest: Ohio, Nebraska, and Illinois. Also during the same period, approximately 22% of our total revenues were generated in two states in the Southeast: Florida and North Carolina. As a result of this geographic concentration, our financial results, including advertising and circulation revenue, depend largely upon economic conditions in these principal market areas. Accordingly, adverse economic developments within these three regions in particular could significantly affect our consolidated operations and financial results.

Our indebtedness and any future indebtedness may limit our financial and operating activities and our ability to incur additional debt to fund future needs or dividends.

As of December 30, 2018, New Media's outstanding indebtedness consists primarily of the New Media Credit Agreement. The New Media Credit Agreement provided for (i) a \$200 million senior secured term facility, (ii) a \$25 million senior secured revolving credit facility, with a \$5 million sub-facility for letters of credit and a \$5 million sub-facility for swing loans, and (iii) the ability for us to request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of \$75 million (the "Incremental Facility"), subject to certain conditions. On September 3, 2014, the New Media Credit Agreement was amended to provide for additional term loans under the Incremental Facility in an aggregate principal amount of \$25 million. On November 20, 2014, the New Media Credit Agreement was further amended to increase the amount available thereunder for incremental term loans from \$75 million to \$225 million in order to facilitate the financing of the acquisition of substantially all of the assets from Halifax Media Group LLC. On January 9, 2015, the New Media Credit

Table of Contents

Agreement was amended to provide for additional term loans and revolving commitments under the Incremental Facility in a combined aggregate principal amount of \$152 million and to make certain amendments to the Revolving Credit Facility. On February 13, 2015, the New Media Credit Agreement was amended to, amongst other things, replace the existing term loans with a new class of replacement term loans with extended call protection. On March 6, 2015, the New Media Credit Agreement was amended to provide for \$15 million in additional revolving commitments under the Incremental Facility. On May 29, 2015, the New Media Credit Agreement was amended to provide for \$25 million in additional term loans under the Incremental Facility. On July 14, 2017, the New Media Credit Agreement was amended to, among other things, (i) extend the maturity date of the outstanding term loans to July 14, 2022 (the “Extended Term Loans”), (ii) extend the maturity date of the revolving credit facility to July 14, 2021, (iii) provide for additional dollar-denominated term loans in an aggregate principal amount of \$20 million (the “2017 Incremental Term Loans”) on the same terms as the Extended Term Loans and (iv) increase the amount of the incremental facility that may be requested on or after the date of the amendment (inclusive of the 2017 Incremental Term Loans) to \$100 million. On February 16, 2018, the New Media Credit Agreement was amended to provide for additional dollar-denominated term loans in an aggregate principal amount of \$50 million under the Incremental Facility. On November 28, 2018, the New Media Credit Agreement was amended to provide for additional dollar-denominated term loans in an aggregate principal amount of \$30 million under the Incremental Facility.

The Halifax Alabama Credit Agreement (as defined below), which arose from debt obligations assumed by us in connection with our acquisition of substantially all of the assets from Halifax Media Group LLC on January 9, 2015, is comprised of debt in the principal amount of \$8 million that bore interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears. On May 15, 2018, the Halifax Alabama Credit Agreement was amended to reduce the interest rate to 2% per annum. The principal may be repaid without a premium or penalty. The Advantage Alabama Debt (as defined below) matures on March 31, 2019.

As of December 30, 2018, \$8 million was outstanding under the Halifax Alabama Credit Agreement.

All of the above indebtedness and any future indebtedness we incur could:

- require us to dedicate a portion of cash flow from operations to the payment of principal and interest on indebtedness, including indebtedness we may incur in the future, thereby reducing the funds available for other purposes, including dividends or other distributions;
- subject us to increased sensitivity to increases in prevailing interest rates;
- place us at a competitive disadvantage to competitors with relatively less debt in economic downturns, adverse industry conditions or catastrophic external events; or
- reduce our flexibility in planning for or responding to changing business, industry and economic conditions.

In addition, our indebtedness could limit our ability to obtain additional financing on acceptable terms or at all to fund future acquisitions, working capital, capital expenditures, debt service requirements, general corporate and other purposes, which would have a material effect on our business and financial condition. Our liquidity needs could vary significantly and may be affected by general economic conditions, industry trends, performance and many other factors not within our control.

Discontinuation, reform or replacement of LIBOR, or uncertainty related to the potential for any of the foregoing, may adversely affect us

The U.K. Financial Conduct Authority announced in 2017 that LIBOR could be effectively discontinued after 2021. In addition, other regulators have suggested reforming or replacing other benchmark rates. The discontinuation, reform or replacement of LIBOR or any other benchmark rates may have an unpredictable impact on contractual mechanics in the credit markets or cause disruption to the broader financial markets. Uncertainty as to the nature of such potential discontinuation, reform or replacement may negatively impact the volatility of LIBOR rates.

Under our existing Term Loans, if LIBOR becomes unavailable or if LIBOR ceases to accurately reflect the costs to the lenders, we may be required to pay interest under an alternative base rate which could cause the amount of interest payable on the Term Loans to be materially different than expected. We may choose in the future to pursue an amendment to our existing Term Loans to provide for a transition mechanism or other reference rate in anticipation of LIBOR’s discontinuation, but we can give no assurance that we will be able to reach agreement with our lenders on any such amendment.

Each of the New Media Credit Agreement and Halifax Alabama Credit Agreement contains covenants that restrict our operations and may inhibit our ability to grow our business, increase revenues and pay dividends to our stockholders.

[Table of Contents](#)

The New Media Credit Agreement contains various restrictions, covenants and representations and warranties. If we fail to comply with any of these covenants or breach these representations or warranties in any material respect, such noncompliance would constitute a default under the New Media Credit Agreement (subject to applicable cure periods), and the lenders could elect to declare all amounts outstanding under the agreements related thereto to be immediately due and payable and enforce their respective interests against collateral pledged under such agreements.

The covenants and restrictions in the New Media Credit Agreement generally restrict our ability to, among other things:

- incur or guarantee additional debt;
- make certain investments, loans or acquisitions;
- transfer or sell assets;
- make distributions on capital stock or redeem or repurchase capital stock;
- create or incur liens;
- enter into transactions with affiliates;
- consolidate, merge or sell all or substantially all of our assets; and
- create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries.

The Halifax Alabama Credit Agreement contains covenants substantially consistent with those contained in the New Media Credit Agreement in addition to those required for compliance with the New Markets Tax Credit program.

The restrictions described above may interfere with our ability to obtain new or additional financing or may affect the manner in which we structure such new or additional financing or engage in other business activities, which may significantly limit or harm our results of operations, financial condition and liquidity. A default and any resulting acceleration of obligations under either the New Media Credit Agreement or Halifax Alabama Credit Agreement could also result in an event of default and declaration of acceleration under our other existing debt agreements. Such an acceleration of our debt would have a material adverse effect on our liquidity and our ability to continue as a going concern. A default under either the New Media Credit Agreement or Halifax Alabama Credit Agreement could also significantly limit our alternatives to refinance both the debt under which the default occurred and other indebtedness. This limitation may significantly restrict our financing options during times of either market distress or our financial distress, which are precisely the times when having financing options is most important.

We may not generate a sufficient amount of cash or generate sufficient funds from operations to fund our operations or repay our indebtedness.

Our ability to make payments on our indebtedness as required depends on our ability to generate cash flow from operations in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

If we do not generate sufficient cash flow from operations to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

We may not be able to pay dividends in accordance with our announced intent or at all.

We have announced our intent to distribute a portion of our free cash flow generated from operations or other sources as a dividend to our stockholders, through a quarterly dividend, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. The Board of Directors' determinations regarding dividends will depend on a variety of factors, including the Company's GAAP net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. Although we recently paid a third quarter 2018 cash dividend of \$0.38 per

share of Common Stock and have paid regularly quarterly dividends since the third quarter of 2014, there can be no guarantee that we will continue to pay dividends in the future or that this recent dividend is representative of the amount of any future dividends. Our ability to declare future dividends will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for our products and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate free cash flow depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, capital expenditures or debt servicing requirements.

We may acquire additional companies with declining cash flow as part of a strategy aimed at stabilizing cash flow through expense reduction and digital expansion. If our strategy is not successful, we may not be able to pay dividends.

We are also dependent on our subsidiaries being able to pay dividends. Our subsidiaries are subject to restrictions on the ability to pay dividends under the various instruments governing their indebtedness. If our subsidiaries incur additional debt or losses, such additional indebtedness or loss may further impair their ability to pay dividends or make other distributions to us. In addition, the ability of our subsidiaries to declare and pay dividends to us will also be dependent on their cash income and cash available and may be restricted under applicable law or regulation. Under Delaware law, approval of the board of directors is required to approve any dividend, which may only be paid out of surplus or net profit for the applicable fiscal year. As a result, we may not be able to pay dividends in accordance with our announced intent or at all.

We have invested in growing our digital business, including UpCurve and including through strategic acquisitions, but such investments may not be successful, which could adversely affect our results of operations.

We continue to evaluate our business and how we intend to grow our digital business. Internal resources and effort are put towards this business and acquisitions are sought to expand this business. In addition, key partnerships have been entered into to assist with our digital business, including UpCurve. We continue to believe that our digital businesses, including UpCurve, offer opportunities for revenue growth to support and, in some cases, offset the revenue trends we have seen in our print business. There can be no assurances that the partnerships we have entered into, the acquisitions we have completed or the internal strategy being employed will result in generating or increasing digital revenues in amounts necessary to stabilize or offset trends in print revenues. In addition, we have a limited history of operations in this area and there can be no assurances that past performance will be indicative of future performance or future trends or that the demand trends for online advertising and services experienced in recent periods will continue. If our digital strategy, including with regard to UpCurve, is not as successful as we anticipate, our financial condition, results of operations and ability to pay dividends could be adversely affected.

Acquisitions have formed a significant part of our growth strategy in the past and are expected to continue to do so. If we are unable to identify suitable acquisition candidates or successfully integrate the businesses we acquire, our growth strategy may not succeed. Acquisitions involve numerous risks, including risks related to integration, and these risks could adversely affect our business, financial condition and results of operations.

Our business strategy relies on acquisitions. We expect to derive a significant portion of our growth by acquiring businesses and integrating those businesses into our existing operations. We continue to seek acquisition opportunities; however, we may not be successful in identifying acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities or consummating acquisitions on acceptable terms. Furthermore, suitable acquisition opportunities may not even be made available or known to us. In addition, valuations of potential acquisitions may rise materially, making it economically unfeasible to complete identified acquisitions.

Additionally, our ability to realize the anticipated benefits of the synergies between New Media and our recent or potential future acquisitions of assets or companies will depend, in part, on our ability to appropriately integrate the business of New Media and the businesses of other such acquired companies. The process of acquiring assets or companies may disrupt our business and may not result in the full benefits expected. The risks associated with integrating the operations of New Media and recent and potential future acquisitions include, among others:

- uncoordinated market functions;
- unanticipated issues in integrating the operations and personnel of the acquired businesses;
- the incurrence of indebtedness and the assumption of liabilities;
- the incurrence of significant additional capital expenditures, transaction and operating expenses and non-recurring acquisition-related charges;

Table of Contents

- unanticipated adverse impact on our earnings from the amortization or write-off of acquired goodwill and other intangible assets;
- cultural challenges associated with integrating acquired businesses with the operations of New Media;
- not retaining key employees, vendors, service providers, readers and customers of the acquired businesses; and
- the diversion of management's attention from ongoing business concerns.

If we are unable to successfully implement our acquisition strategy or address the risks associated with integrating the operations of New Media and past acquisitions or potential future acquisitions, or if we encounter unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, our growth and ability to compete may be impaired, we may fail to achieve acquisition synergies and we may be required to focus resources on integration of operations rather than other profitable areas. Moreover, the success of any acquisition will depend upon our ability to effectively integrate the acquired assets or businesses. The acquired assets or businesses may not contribute to our revenues or earnings to any material extent, and cost savings and synergies we expect at the time of an acquisition may not be realized once the acquisition has been completed. Furthermore, if we incur indebtedness to finance an acquisition, the acquired business may not be able to generate sufficient cash flow to service that indebtedness. Unsuitable or unsuccessful acquisitions could adversely affect our business, financial condition, results of operations, cash flow and ability to pay dividends.

If we are unable to retain and grow our digital audience and advertiser base, our digital business will be adversely affected.

Given the ever-growing and rapidly changing number of digital media options available, we may not be able to increase our online traffic sufficiently and retain or grow a base of frequent visitors to our websites and applications on mobile devices.

We have experienced declines in advertising revenue due in part to advertisers' shift from print to digital media, and we may not be able to create sufficient advertiser interest in our digital businesses to maintain or increase the advertising rates of the inventory on our websites. There can be no assurances that past performance will be indicative of future performance or future trends or that the demand trends for digital advertising and services experienced in recent periods will continue.

In addition, the ever-growing and rapidly changing number of digital media options available may lead to technologies and alternatives that we are not able to offer or about which we are not able to advise. Such circumstances could directly and adversely affect the availability, applicability, marketability and profitability of the suite of SMB services and the private ad exchange we offer as a significant part of our digital business. Specifically, news aggregation websites and customized news feeds (often free to users) may reduce our traffic levels by driving interaction away from our websites or our digital applications. If traffic levels stagnate or decline, we may not be able to create sufficient advertiser interest in our digital businesses or to maintain or increase the advertising rates of the inventory on our digital platforms. We may also be adversely affected if the use of technology developed to block the display of advertising on websites proliferates.

Technological developments and any changes we make to our business strategy may require significant capital investments. Such investments may be restricted by our current or future credit facilities.

If there is a significant increase in the price of newsprint or a reduction in the availability of newsprint, our results of operations and financial condition may suffer.

A basic raw material for our publications is newsprint. We generally maintain a 45 to 55-day inventory of newsprint. An inability to obtain an adequate supply of newsprint at a favorable price or at all could have a material adverse effect on our ability to produce our publications. Historically, the price of newsprint has been volatile, reaching a high of approximately \$823 per metric ton in 2008 and experiencing a low of almost \$410 per metric ton in 2002. The average price of newsprint during 2018 was approximately \$728 per metric ton. Recent and future consolidation of major newsprint suppliers may adversely affect price competition among suppliers. Tariffs, duties and other restrictions on non-U.S. suppliers of newsprint have increased and may in the future increase the price of newsprint and/or limit the supply of available newsprint. Significant increases in newsprint costs for properties and periods not covered by our newsprint vendor agreement could have a material adverse effect on our financial condition and results of operations.

We have experienced declines in advertising revenue, and further declines, which could adversely affect our results of operations and financial condition, may occur.

Excluding acquisitions, we have experienced declines in advertising revenue, notably, in traditional print advertising, due in part to advertisers' shift from print to digital media. We continue to search for organic growth opportunities, including in our digital advertising business, and for ways to stabilize print revenue declines through new product launches and pricing.

However, there can be no assurance that our advertising revenue will not continue to decline. In addition, the range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have historically resulted in significantly lower rates for digital advertising than for print advertising. Consequently, our digital advertising revenue may not be able to replace print advertising revenue lost as a result of the shift to digital consumption. Further declines in advertising revenue could adversely affect our results of operations and financial condition.

We compete with a large number of companies in the local media industry; if we are unable to compete effectively, our advertising and circulation revenues may decline.

Our business is concentrated in newspapers and other print publications located primarily in small and mid-size markets in the United States. Our revenues primarily consist of advertising and paid circulation. Competition for advertising revenues and paid circulation comes from direct mail, directories, radio, television, outdoor advertising, other newspaper publications, the internet and other media. For example, as the use of the internet and mobile devices has increased, we have lost some classified advertising and subscribers to online advertising businesses and our free internet sites that contain abbreviated versions of our publications. Competition for advertising revenues is based largely upon advertiser results, advertising rates, readership, demographics and circulation levels. Competition for circulation is based largely upon the content of the publication and its price and editorial quality. Our local and regional competitors vary from market to market, and many of our competitors for advertising revenues are larger and have greater financial and distribution resources than us. We may incur increased costs competing for advertising expenditures and paid circulation. We may also experience further declines of circulation or print advertising revenue due to alternative media. If we are not able to compete effectively for advertising expenditures and paid circulation, our revenues may decline.

We are undertaking strategic process upgrades that could have a material adverse financial impact if unsuccessful.

We are implementing strategic process upgrades of our business. Among other things we are implementing the standardization and centralization of systems and processes, the outsourcing of certain financial processes and the use of new software for our circulation, advertising and editorial systems. As a result of ongoing strategic evaluation and analysis, we have made and will continue to make changes that, if unsuccessful, could have a material adverse financial impact.

Our business is subject to seasonal and other fluctuations, which affects our revenues and operating results.

Our business is subject to seasonal fluctuations that we expect to continue to be reflected in our operating results in future periods. Our first fiscal quarter of the year tends to be our weakest quarter because advertising volume is at its lowest levels following the December holiday season. Correspondingly, our second and fourth fiscal quarters tend to be our strongest because they include heavy holiday and seasonal advertising. Other factors that affect our quarterly revenues and operating results may be beyond our control, including changes in the pricing policies of our competitors, the hiring and retention of key personnel, wage and cost pressures, distribution costs, changes in newsprint prices and general economic factors.

We could be adversely affected by declining circulation subscribers.

Overall daily newspaper circulation subscribers, including national and urban newspapers, has declined in recent years. For the year ended December 30, 2018, our circulation revenue increased by \$100.6 million, or 21.2%, as compared to the year ended December 31, 2017, while our acquisitions during the year added \$122.2 million of circulation revenue. There can be no assurance that our circulation revenue will not decline in the future. We have been able to maintain annual circulation revenue from existing operations in recent years through, among other things, increases in per copy prices. However, there can be no assurance that we will be able to continue to increase prices to offset any declines in the number of subscribers. Further declines in the number of subscribers could impair our ability to maintain or increase our advertising prices, cause purchasers of advertising in our publications to reduce or discontinue those purchases and discourage potential new advertising customers, all of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends.

The increasing popularity of digital media and the fragmentation of audience resulting from the rapidly changing number of available digital media options could also adversely affect the number of subscribers of our content, which may decrease circulation revenue and cause more marked declines in advertising. Further, readership demographics and habits may change over time. If we are not successful in offsetting such declines in revenues from our print products, our business, financial condition and prospects will be adversely affected.

The value of our intangible assets may become impaired, depending upon future operating results.

As of July 2, 2018, we reorganized our reporting units to align with our new management structure. The Eastern US Publishing, Central US Publishing ("Central") and Western US Publishing ("West") and Recent Acquisitions reporting units

were consolidated into one reporting unit called Newspapers. BridgeTower remains a separate reporting unit. Due to the change in the composition of the reporting units, the Company performed an additional goodwill impairment test and assessment of mastheads for impairment after the reorganization. Fair values of the reporting units were determined to be greater than the carrying value of the reporting units. In addition, the estimated fair value exceeded the carrying value for all mastheads, so there was no impairment. However, the fair value of mastheads exceeded carrying value by less than 10% in the former West reporting unit.

At December 30, 2018 the carrying value of our goodwill is \$310.7 million, mastheads is \$115.9 million, and the carrying value of our amortizable intangible assets is \$370.2 million. The indefinite-lived assets (goodwill and mastheads) are subject to annual impairment testing and more frequent testing upon the occurrence of certain events or significant changes in our circumstances that indicate all or a portion of their carrying values may no longer be recoverable, in which case a non-cash charge to earnings may be necessary in the relevant period. We may subsequently experience market pressures which could cause future cash flows to decline below our current expectations, or volatile equity markets could negatively impact market factors used in the impairment analysis, including earnings multiples, discount rates, and long-term growth rates. Any future evaluations requiring an asset impairment charge for goodwill or other intangible assets would adversely affect future reported results of operations and shareholders' equity.

As a result of the annual impairment assessment, as of June 25, 2017, we recorded a goodwill impairment in two of our former reporting units, Central and West, for a total of \$25.6 million, representing a full impairment of the goodwill then recorded in the former West reporting unit and a partial impairment of the goodwill in then recorded in the former Central reporting unit. Additionally, the estimated fair value exceeded carrying value for mastheads except in the former West reporting unit, for which we recognized an impairment charge of \$1.8 million.

For further information on goodwill and intangible assets, see Note 6 to the consolidated financial statements, "Goodwill and Intangible Assets".

We are subject to environmental and employee safety and health laws and regulations that could cause us to incur significant compliance expenditures and liabilities.

Our operations are subject to federal, state and local laws and regulations pertaining to the environment, storage tanks and the management and disposal of wastes at our facilities. Under various environmental laws, a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property. Such laws often impose liability on the owner or operator without regard to fault, and the costs of any required investigation or cleanup can be substantial. Although in connection with certain of our acquisitions we have rights to indemnification for certain environmental liabilities, these rights may not be sufficient to reimburse us for all losses that we might incur if a property acquired by us has environmental contamination. In addition, although in connection with certain of our acquisitions we have obtained insurance policies for coverage for certain potential environmental liabilities, these policies have express exclusions to coverage as well as express limits on amounts of coverage and length of term. Accordingly, these insurance policies may not be sufficient to provide coverage for us for all losses that we might incur if a property acquired by us has environmental contamination.

Our operations are also subject to various employee safety and health laws and regulations, including those pertaining to occupational injury and illness, employee exposure to hazardous materials and employee complaints. Environmental and employee safety and health laws tend to be complex, comprehensive and frequently changing. As a result, we may be involved from time to time in administrative and judicial proceedings and investigations related to environmental and employee safety and health issues. These proceedings and investigations could result in substantial costs to us, divert our management's attention and adversely affect our ability to sell, lease or develop our real property. Furthermore, if it is determined that we are not in compliance with applicable laws and regulations, or if our properties are contaminated, it could result in significant liabilities, fines or the suspension or interruption of the operations of specific printing facilities.

Future events, such as changes in existing laws and regulations, new laws or regulations or the discovery of conditions not currently known to us, may give rise to additional compliance or remedial costs that could be material.

Sustained increases in costs of employee health and welfare benefits may reduce our profitability. Moreover, our pension plan obligations are currently underfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

In recent years, we have experienced significant increases in the cost of employee benefits because of economic factors beyond our control, including increases in health care costs. At least some of these factors may continue to put upward pressure on the cost of providing medical benefits. Although we have actively sought to control increases in these costs, there can be no

assurance that we will succeed in limiting cost increases, and continued upward pressure could reduce the profitability of our businesses.

Our pension and postretirement plans were underfunded by \$24.5 million at December 30, 2018. Our pension plans invest in a variety of equity and debt securities. Future volatility and disruption in the equity and bond markets could cause declines in the asset values of our pension plans. In addition, decreases in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, we may need to make additional pension contributions above what is currently estimated, which could reduce the cash available for our businesses.

We may not be able to protect intellectual property rights upon which our business relies and, if we lose intellectual property protection, our assets may lose value.

Our business depends on our intellectual property, including, but not limited to, our titles, mastheads, content and proprietary software, which we may attempt to protect through patents, copyrights, trade laws and contractual restrictions, such as confidentiality agreements. We believe our proprietary and other intellectual property rights are important to our success and our competitive position.

Despite our efforts to protect our proprietary rights, unauthorized third parties may attempt to copy or otherwise obtain and use our content, services and other intellectual property, and we cannot be certain that the steps we have taken will prevent any misappropriation or confusion among consumers and merchants, or unauthorized use of these rights. If we are unable to procure, protect and enforce our intellectual property rights, we may not realize the full value of these assets, and our business may suffer. If we must litigate to enforce our intellectual property rights or determine the validity and scope of the proprietary rights of third parties, such litigation may be costly and divert the attention of our management from day-to-day operations.

We depend on key personnel and we may not be able to operate or grow our business effectively if we lose the services of any of our key personnel or are unable to attract qualified personnel in the future.

The success of our business is heavily dependent on our ability to retain our management and other key personnel and to attract and retain qualified personnel in the future. Competition for senior management personnel is intense, and we may not be able to retain our key personnel. Although we have entered into employment agreements with certain of our key personnel, these agreements do not ensure that our key personnel will continue in their present capacity with us for any particular period of time. We do not have key man insurance for any of our current management or other key personnel. The loss of any key personnel would require our remaining key personnel to divert immediate and substantial attention to seeking a replacement. An inability to find a suitable replacement for any departing executive officer on a timely basis could adversely affect our ability to operate or grow our business.

A shortage of skilled or experienced employees in the media industry, or our inability to retain such employees, could pose a risk to achieving improved productivity and reducing costs, which could adversely affect our profitability.

Production and distribution of our various publications requires skilled and experienced employees. A shortage of such employees, or our inability to retain such employees, could have an adverse impact on our productivity and costs, our ability to expand, develop and distribute new products and our entry into new markets. The cost of retaining or hiring such employees could exceed our expectations which could adversely affect our results of operations.

A number of our employees are unionized, and our business and results of operations could be adversely affected if current or additional labor negotiations or contracts were to further restrict our ability to maximize the efficiency of our operations.

As of December 30, 2018, we employed 10,638 employees, of whom 1,225 (or approximately 12%) were represented by 43 unions. 78% of the unionized employees are in four states: Ohio, Rhode Island, Massachusetts and Illinois and represent 30%, 21%, 14% and 13% of all our union employees, respectively.

Although our newspapers have not experienced a union strike in the recent past nor do we anticipate a union strike to occur, we cannot preclude the possibility that a strike may occur at one or more of our newspapers at some point in the future. We believe that, in the event of a newspaper strike, we would be able to continue to publish and deliver to subscribers, which is critical to retaining advertising and circulation revenues, although there can be no assurance of this. Further, settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements can have unknown effects on our labor costs, productivity and flexibility.

The collectability of accounts receivable under adverse economic conditions could deteriorate to a greater extent than provided for in our financial statements and in our projections of future results.

Adverse economic conditions in the United States may increase our exposure to losses resulting from financial distress, insolvency and the potential bankruptcy of our advertising customers. We recorded write-offs of accounts receivable relating to recent bankruptcies of national retailers, including Sears and Bon Ton, among others. Our accounts receivable is stated at net estimated realizable value, and our allowance for doubtful accounts has been determined based on several factors, including receivable agings, significant individual credit risk accounts and historical experience. If such collectability estimates prove inaccurate, adjustments to future operating results could occur.

Our potential inability to successfully execute cost control measures could result in greater than expected total operating costs.

We have implemented general cost control measures, and we expect to continue such cost control efforts in the future. If we do not achieve expected savings as a result of such measures or if our operating costs increase as a result of our growth strategy, our total operating costs may be greater than expected. In addition, reductions in staff and employee benefits could affect our ability to attract and retain key employees.

We rely on revenue from the printing of publications for third parties that may be subject to many of the same business and industry risks that we are.

In 2018, we generated approximately 7.2% of our revenue from printing third-party publications, and our relationships with these third parties are generally pursuant to short-term contracts. As a result, if the macroeconomic and industry trends described herein such as the sensitivity to perceived economic weakness of discretionary spending available to advertisers and subscribers, circulation declines, shifts in consumer habits and the increasing popularity of digital media affect those third parties, we may lose, in whole or in part, a substantial source of revenue.

A decision by any of the three largest national publications or the major local publications to cease publishing in those markets, or seek alternatives to their current business practice of partnering with us, could materially impact our profitability.

Our possession and use of personal information and the use of payment cards by our customers present risks and expenses that could harm our business. Unauthorized access to or disclosure or manipulation of such data, whether through breach of our network security or otherwise, could expose us to liabilities and costly litigation and damage our reputation.

Our online systems store and process confidential subscriber and other sensitive data, such as names, email addresses, addresses, and other personal information. Therefore, maintaining our network security is critical. Additionally, we depend on the security of our third-party service providers. Unauthorized use of or inappropriate access to our, or our third-party service providers' networks, computer systems and services could potentially jeopardize the security of confidential information, including payment card (credit or debit) information, of our customers. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we or our third-party service providers may be unable to anticipate these techniques or to implement adequate preventative measures. Non-technical means, for example, actions by an employee, can also result in a data breach. A party that is able to circumvent our security measures could misappropriate our proprietary information or the information of our customers or users, cause interruption in our operations, or damage our computers or those of our customers or users. As a result of any such breaches, customers or users may assert claims of liability against us and these activities may subject us to legal claims, adversely impact our reputation, and interfere with our ability to provide our products and services, all of which may have an adverse effect on our business, financial condition and results of operations. The coverage and limits of our insurance policies may not be adequate to reimburse us for losses caused by security breaches.

A significant number of our customers authorize us to bill their payment card accounts directly for all amounts charged by us. These customers provide payment card information and other personally identifiable information which, depending on the particular payment plan, may be maintained to facilitate future payment card transactions. Under payment card rules and our contracts with our card processors, if there is a breach of payment card information that we store, we could be liable to the banks that issue the payment cards for their related expenses and penalties. In addition, if we fail to follow payment card industry data security standards, even if there is no compromise of customer information, we could incur significant fines or lose our ability to give our customers the option of using payment cards. If we were unable to accept payment cards, our business would be seriously harmed.

There can be no assurance that any security measures we, or our third-party service providers, take will be effective in preventing a data breach. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. If an actual or perceived breach of our security occurs, the perception of the effectiveness of our security measures could be harmed and we could lose customers or users. Failure to protect confidential customer data or to provide customers with adequate notice of our privacy policies could also subject us to liabilities imposed by United States federal and state regulatory agencies or courts. We could also be subject to evolving state laws that impose data breach notification requirements, specific data security obligations, or other consumer privacy-related requirements. Our failure to

comply with any of these laws or regulations may have an adverse effect on our business, financial condition and results of operations.

Risks Related to Our Manager

We are dependent on our Manager and may not find a suitable replacement if our Manager terminates the Management Agreement and the inability of our Manager to retain or obtain key personnel could delay or hinder implementation of our investment strategies, which could impair our ability to make distributions and could reduce the value of your investment.

Some of our officers and other individuals who perform services for us are employees of our Manager. We are reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost or at all. Furthermore, we are dependent on the services of certain key employees of our Manager whose compensation may be partially or entirely dependent upon the amount of incentive or management compensation earned by our Manager and whose continued service is not guaranteed, and the loss of such services could adversely affect our operations. If any of these people were to cease their affiliation with us or our Manager, either we or our Manager may be unable to find suitable replacements, and our operating results could suffer. We believe that our future success depends, in large part, upon our Manager's ability to hire and retain highly skilled personnel. Competition for highly skilled personnel is intense, and our Manager may be unsuccessful in attracting and retaining such skilled personnel. If we lose or are unable to obtain the services of highly skilled personnel, our ability to implement our investment strategies could be delayed or hindered and this could materially adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders.

On December 27, 2017, SoftBank announced that it completed the SoftBank Merger. Fortress operates within SoftBank as an independent business headquartered in New York. There can be no assurance that the SoftBank Merger will not have an impact on us or our relationship with the Manager.

There are conflicts of interest in our relationship with our Manager.

Our Management Agreement with our Manager was not negotiated between unaffiliated parties, and its terms, including fees payable, may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates—including investment funds, private investment funds, or businesses managed by our Manager—invest in media assets and whose investment objectives may overlap with our investment objectives. Certain investments appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our Board of Directors and employees of our Manager who may be officers also serve as officers and/or directors of these other entities. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress for certain target assets. From time to time, affiliates of Fortress may focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. In addition, with respect to Fortress funds in the process of selling investments, our Manager may be incentivized to regard the sale of such assets to us positively, particularly if a sale to an unrelated third party would result in a loss of fees to our Manager.

Our Management Agreement with our Manager does not prevent our Manager or any of its affiliates, or any of their officers and employees, from engaging in other businesses or from rendering services of any kind to any other person or entity, including investment in, or advisory service to others investing in, any type of media or media related investment, including investments which meet our principal investment objectives. Our Manager may engage in additional investment opportunities related to media assets in the future, which may cause our Manager to compete with us for investments or result in a change in our current investment strategy. In addition, our certificate of incorporation provides that if Fortress or an affiliate or any of their officers, directors or employees acquire knowledge of a potential transaction or matter that may be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our stockholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of Fortress or its affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as a director or officer of ours and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us if Fortress or its affiliates pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement with our Manager, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage in material transactions with our Manager or another entity managed by our Manager or one of its affiliates, which may present an actual, potential or perceived conflict of interest. It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The management compensation structure that we have agreed to with our Manager, as well as compensation arrangements that we may enter into with our Manager in the future (in connection with new lines of business or other activities), may incentivize our Manager to invest in high risk investments. In addition to its management fee, our Manager is currently entitled to receive incentive compensation. In evaluating investments and other management strategies, the opportunity to earn incentive compensation may lead our Manager to place undue emphasis on the maximization of such measures at the expense of other criteria, such as preservation of capital, in order to achieve higher incentive compensation. Investments with higher yield potential are generally riskier or more speculative than lower-yielding investments. Moreover, because our Manager receives compensation in the form of options in connection with the completion of our equity offerings, our Manager may be incentivized to cause us to issue additional stock, which could be dilutive to existing stockholders.

It would be difficult and costly to terminate our Management Agreement with our Manager.

It would be difficult and costly for us to terminate our Management Agreement with our Manager. After its initial three-year term, the Management Agreement is automatically renewed for one-year terms unless (i) a majority consisting of at least two-thirds of our independent directors, or a simple majority of the holders of outstanding shares of our common stock, reasonably agree that there has been unsatisfactory performance by our Manager that is materially detrimental to us or (ii) a simple majority of our independent directors agree that the management fee payable to our Manager is unfair, subject to our Manager's right to prevent such a termination by agreeing to continue to provide the services under the Management Agreement at a fee that our independent directors have determined to be fair. If we elect not to renew the Management Agreement, our Manager will be provided not less than 60 days' prior written notice. In the event we terminate the Management Agreement, our Manager will be paid a termination fee equal to the amount of the management fee earned by the Manager during the 12-month period immediately preceding such termination. In addition, following any termination of the Management Agreement, our Manager may require us to purchase its right to receive incentive compensation at a price determined as if our assets were sold for their then current fair market value or otherwise we may continue to pay the incentive compensation to our Manager. These provisions may increase the effective cost to us of terminating the Management Agreement, thereby adversely affecting our ability to terminate our Manager without cause.

Our Board of Directors does not approve each investment decision made by our Manager. In addition, we may change our investment strategy without a stockholder vote, which may result in our making investments that are different, riskier or less profitable than our current investments.

Our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in which we currently invest. Our Board of Directors periodically reviews our investment portfolio. However, our Board of Directors does not review or pre-approve each proposed investment or our related financing arrangements. In addition, in conducting periodic reviews, our Board of Directors relies primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to unwind by the time they are reviewed by our Board of Directors even if the transactions contravene the terms of the Management Agreement. In addition, we may change our investment strategy, including our target asset classes, without a stockholder vote.

Our investment strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets in which we invest and our ability to finance such assets on a short- or long-term basis. Investment opportunities that present unattractive risk-return profiles relative to other available investment opportunities under particular market conditions may become relatively attractive under changed market conditions, and changes in market conditions may therefore result in changes in the investments we target. Decisions to make investments in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce our ability to pay dividends on our common stock or have adverse effects on our liquidity or financial condition. A change in our investment strategy may also increase our exposure to interest rate, real estate market or credit market fluctuations. In

addition, a change in our investment strategy may increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations and our financial condition.

Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our investments.

Pursuant to our Management Agreement, our Manager assumes no responsibility other than to render the services called for thereunder in good faith and shall not be responsible for any action of our Board of Directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers and employees will not be liable to us or any of our subsidiaries, to our Board of Directors, or our or any subsidiary's stockholders or partners for any acts or omissions by our Manager, its members, managers, officers or employees, except by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We shall, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, and each other person, if any, controlling our Manager, harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of investment opportunities or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each investment opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Because we are dependent upon our Manager and its affiliates to conduct our operations, any adverse changes in the financial health of our Manager or its affiliates or our relationship with them could hinder our Manager's ability to successfully manage our operations.

We are dependent on our Manager and its affiliates to manage our operations and acquire and manage our investments. Under the direction of our Board of Directors, our Manager makes all decisions with respect to the management of our company. To conduct its operations, our Manager depends upon the fees and other compensation that it receives from us in connection with managing our company and from other entities and investors with respect to investment management services it provides. Any adverse changes in the financial condition of our Manager or its affiliates, or our relationship with our Manager, could hinder our Manager's ability to successfully manage our operations, which would materially adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders. For example, adverse changes in the financial condition of our Manager could limit its ability to attract key personnel.

Risks Related to our Common Stock

There can be no assurance that the market for our stock will provide you with adequate liquidity.

The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- our business profile and market capitalization may not fit the investment objectives of any stockholder;
- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;

Table of Contents

- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our Common Stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- negative public perception of us, our competitors, or industry;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general and recently have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our Common Stock. Additionally, these and other external factors have caused and may continue to cause the market price and demand for our Common Stock to fluctuate, which may limit or prevent investors from readily selling their shares of Common Stock, and may otherwise negatively affect the liquidity of our common stock.

Sales or issuances of shares of our common stock could adversely affect the market price of our Common Stock.

Sales or issuances of substantial amounts of shares of our Common Stock in the public market, or the perception that such sales or issuances might occur, could adversely affect the market price of our Common Stock. The issuance of our common stock in connection with property, portfolio or business acquisitions or the settlement of awards that may be granted under our Incentive Plan (as defined below) or otherwise could also have an adverse effect on the market price of our Common Stock.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. We continue to seek acquisition opportunities, and such potential acquisitions may result in a change to our internal control over financial reporting that may materially affect our internal control over financial reporting. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. If we are not able to maintain or document effective internal control over financial reporting, our management and our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could materially adversely affect us by, for example, a decline in our share price and impairing our ability to raise capital, if and when desirable.

The percentage ownership of existing shareholders in New Media may be diluted in the future.

We have issued and may continue to issue equity in order to raise capital or in connection with future acquisitions and strategic investments, which would dilute investors' percentage ownership in New Media. In addition, your percentage ownership may be diluted if we issue equity instruments such as debt and equity financing.

The percentage ownership of existing shareholders in New Media may also be diluted in the future as result of the issuance of ordinary shares in New Media upon the exercise of 10-year warrants (the "New Media Warrants"). The New Media Warrants collectively represent the right to acquire New Media Common Stock, which in the aggregate are equal to 5% of New Media Common Stock outstanding as of November 26, 2013 (calculated prior to dilution from shares of New Media Common Stock issued pursuant to Drive Shack Inc.'s (formerly known as Newcastle Investment Corp.) contribution of Local Media Group Holdings LLC and assignment of related stock purchase agreement to New Media (the "Local Media Contribution")) at a strike price of \$46.35 calculated based on a total equity value of New Media prior to the Local Media Contribution of \$1.2

billion as of November 26, 2013. As a result, New Media Common Stock may be subject to dilution upon the exercise of such New Media Warrants. As of December 30, 2018, the New Media Warrants are equal to 2% of New Media Common Stock outstanding as of December 30, 2018 at a strike price of \$46.35.

Furthermore, the percentage ownership in New Media may be diluted in the future because of additional equity awards that we expect will be granted to our Manager pursuant to our Management Agreement. Upon the successful completion of an offering of shares of our Common Stock or any shares of preferred stock, we shall pay and issue to our Manager options to purchase our Common Stock equal to 10% of the number of shares sold in the offering, with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser in the offering. As of December 30, 2018, there are 2,904,811 options outstanding at a weighted average exercise price of \$15.31.

On February 3, 2014, the Board of Directors adopted the New Media Investment Group Inc. Nonqualified Stock Option and Incentive Award Plan (the "Incentive Plan"), which provides for the grant of equity and equity-based awards, including restricted stock, stock options, stock appreciation rights, performance awards, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisors of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. Any future grant would cause further dilution. We initially reserved 15 million shares of our Common Stock for issuance under the Incentive Plan; on the first day of each fiscal year beginning during the ten-year term of the Incentive Plan in and after calendar year 2015, that number will be increased by a number of shares of our Common Stock equal to 10% of the number of shares of our Common Stock newly issued by us during the immediately preceding fiscal year (and, in the case of fiscal year 2014, after the effective date of the Incentive Plan). In January 2019 and 2018, the number of shares reserved for issuance under the Incentive Plan was increased by 93,040 and 20,276, respectively, representing 10% of the shares of Common Stock newly issued in fiscal year 2018 and 2017, respectively.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the trading price of our Common Stock.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our Board rather than to attempt a hostile takeover. These provisions provide for:

- amendment of provisions in our amended and restated certificate of incorporation and amended and restated bylaws regarding the election of directors, classes of directors, the term of office of directors, the filling of director vacancies and the resignation and removal of directors only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- amendment of provisions in our amended and restated certificate of incorporation regarding corporate opportunity only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the voting interest of stockholders entitled to vote in the election of directors;
- our Board to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- provisions in our amended and restated certificate of incorporation and amended and restated bylaws prevent stockholders from calling special meetings of our stockholders;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;
- a prohibition, in our amended and restated certificate of incorporation, stating that no holder of shares of our Common Stock will have cumulative voting rights in the election of directors, which means that the holders of majority of the issued and outstanding shares of our Common Stock can elect all the directors standing for election; and
- action by our stockholders outside a meeting, in our amended and restated certificate of incorporation and our amended and restated bylaws, only by unanimous written consent.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of

public stockholders to benefit from a change in control or a change in our management and Board and, as a result, may adversely affect the market price of our Common Stock and your ability to realize any potential change of control premium.

We are not required to repurchase our common stock, and any such repurchases may not result in effects we anticipated.

We have authorization from our Board of Directors to repurchase up to \$100 million of the Company's common stock through May 18, 2019. We are not obligated to repurchase any specific amount of shares. The timing and amount of repurchases, if any, depends on several factors, including market and business conditions, the market price of shares of our common stock and our overall capital structure and liquidity position, including the nature of other potential uses of cash, not limited to investments in growth. There can be no assurance that any repurchases will have the effects we anticipated, and our repurchases will utilize cash that we will not be able to use in other ways, whether to grow the business or otherwise.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

We own and operate 46 print facilities across the United States. Our print facilities range in size from approximately 6,000 to 401,000 square feet (combined printing and office space). Our executive offices are located in Pittsford, New York, where we lease approximately 25,870 square feet under a lease terminating in October 2022.

We maintain our properties in good condition and believe that our current facilities are adequate to meet the present needs of our business. We do not believe any individual property is material to our financial condition or results of operations.

Item 3. Legal Proceedings

We are and may become involved from time to time in legal proceedings in the ordinary course of our business, including but not limited to with respect to such matters as libel, invasion of privacy, intellectual property infringement, wrongful termination actions and complaints alleging employment discrimination, and regulatory investigations and inquiries. In addition, we are involved from time to time in governmental and administrative proceedings concerning employment, labor, environmental and other claims. Insurance coverage mitigates potential loss for certain of these matters. Historically, such claims and proceedings have not had a material adverse effect on our consolidated results of operations or financial position. Although we are unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, we do not expect our current and any threatened legal proceedings to have a material adverse effect on our business, financial position or consolidated results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material effect on our financial results.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****Market Information**

New Media Common Stock trades on the New York Stock Exchange (the "NYSE") under the trading symbol "NEWM". Set forth in the table below for the periods presented are the high and low sale prices for New Media Common Stock as reported on the NYSE.

	HIGH	LOW
Fiscal Year Ending December 30, 2018:		
First Quarter	\$ 17.95	\$ 14.93
Second Quarter	\$ 19.02	\$ 16.02
Third Quarter	\$ 19.10	\$ 15.30
Fourth Quarter	\$ 16.25	\$ 10.88
Fiscal Year Ending December 31, 2017:		
First Quarter	\$ 16.34	\$ 14.10
Second Quarter	\$ 14.74	\$ 11.87
Third Quarter	\$ 14.36	\$ 12.74
Fourth Quarter	\$ 17.62	\$ 14.22

From the most recent available Company information, on February 25, 2019 there were approximately 54 holders of record.

Dividends

New Media currently intends to distribute a portion of free cash flow generated from operations and other sources as a dividend to stockholders, through a quarterly dividend, subject to satisfactory financial performance, Board approval and dividend restrictions in the New Media Credit Agreement. The Board of Directors' determinations regarding dividends will depend on a variety of factors, including the Company's U.S. generally accepted accounting principles ("GAAP") net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results.

During the year ended December 25, 2016, the Company paid dividends of \$1.34 per share of New Media Common Stock.

During the year ended December 31, 2017, the Company paid dividends of \$1.42 per share of New Media Common Stock.

During the year ended December 30, 2018, the Company paid dividends of \$1.49 per share of New Media Common Stock.

On February 27, 2019, the Company announced a fourth quarter 2018 cash dividend of \$0.38 per share of New Media Common Stock. The dividend will be paid on March 20, 2019, to shareholders of record as of the close of business on March 11, 2019.

Issuer Purchases of Equity Securities

The following information describes the Company's stock repurchases during the fourth quarter of the year ended December 30, 2018.

[Table of Contents](#)

Period	Total Number of Shares Purchased	Weighted-Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Programs	Approximate Number of Shares that May Yet Be Purchased Under the Plan or Programs
October 1, 2018 through November 4, 2018	493 ⁽¹⁾	\$ 15.68	—	8,438,410
November 5, 2018 through December 2, 2018	39 ⁽¹⁾	\$ 13.09	—	8,438,410
December 3, 2018 through December 30, 2018	20 ⁽¹⁾	\$ 12.12	—	8,438,410
Total	<u>552</u>		<u>—</u>	<u>8,438,410</u>

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- (1) Pursuant to the "withhold to cover" method for collecting and paying withholding taxes for our employees upon the vesting of restricted securities, we withheld from certain employees the shares noted in the table above to cover such statutory minimum tax withholdings. These transactions took place outside of a publicly-announced repurchase plan. The weighted-average price per share listed in the above table is the weighted-average of the fair market prices at which we calculated the number of shares withheld to cover tax withholdings for the employees.

Item 6. Selected Financial Data

The following table presents our selected historical financial data as of and for each of the years in the five year period ended December 30, 2018. The information in this table should be read in conjunction with the information under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Business” and our historical consolidated financial statements and the related notes thereto included elsewhere in this report.

	Year Ended				
	December 30, 2018	December 31, 2017 ⁽²⁾	December 25, 2016	December 27, 2015	December 28, 2014
(in thousands, except per share data)					
Statement of Operations Data:					
Revenues:					
Advertising	\$ 728,327	\$ 683,990	\$ 684,900	\$ 696,696	\$ 385,399
Circulation	574,963	474,324	421,497	378,263	195,661
Commercial printing and other	222,734	183,690	148,959	120,856	71,263
Total revenues	1,526,024	1,342,004	1,255,356	1,195,815	652,323
Operating costs and expenses:					
Operating costs	865,234	742,822	699,312	656,555	368,420
Selling, general and administrative	505,282	449,108	415,776	406,282	211,829
Depreciation and amortization	84,791	74,394	67,774	67,752	41,450
Integration and reorganization costs	15,011	8,903	8,352	8,052	2,796
Impairment of long-lived assets	1,538	7,142	—	—	—
Goodwill and mastheads impairment	—	27,448	—	4,800	—
Net (gain) loss on sale or disposal of assets	(3,971)	(1,649)	3,564	(51,051)	1,472
Operating income	58,139	33,836	60,578	103,425	26,356
Interest expense, amortization of deferred financing costs, loss on early extinguishment of debt, loss on derivative instruments, and other	38,120	34,270	31,256	32,407	26,848
Income (loss) from continuing operations before income taxes	20,019	(434)	29,322	71,018	(492)
Income tax expense (benefit)	1,912	481	(2,319)	3,404	2,713
Net income (loss)	18,107	(915)	31,641	67,614	(3,205)
Net loss attributable to noncontrolling interest	(89)	—	—	—	—
Net income (loss) attributable to New Media	\$ 18,196	\$ (915)	\$ 31,641	\$ 67,614	\$ (3,205)
Basic net income (loss) attributable to New Media common stockholders per share	\$ 0.31	\$ (0.02)	\$ 0.70	\$ 1.54	\$ (0.10)
Diluted net income (loss) attributable to New Media common stockholders per share	\$ 0.31	\$ (0.02)	\$ 0.70	\$ 1.53	\$ (0.10)
Dividends declared per share	\$ 1.49	\$ 1.42	\$ 1.34	\$ 1.29	\$ 0.54
Other Data:					
Adjusted EBITDA ⁽¹⁾	\$ 145,306	\$ 143,793	\$ 126,731	\$ 175,627	\$ 67,741
Cash interest paid	\$ 31,178	\$ 33,626	\$ 26,908	\$ 21,726	\$ 15,181

(1) We define Adjusted EBITDA as net income (loss) from continuing operations before income tax expense (benefit), interest/financing expense, depreciation and amortization and non-cash impairments. Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss), cash flow from continuing operating activities or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, is helpful in evaluating performance and identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. This measure provides an assessment of controllable expenses that afford management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance.

Adjusted EBITDA provides us with a measure of financial performance, independent of items that are beyond the control of management in the short-term, such as depreciation and amortization, taxation, non-cash impairments and interest expense associated with our capital structure. This metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the Company. Adjusted EBITDA is one of the metrics we use to review the financial performance of our business on a monthly basis.

Not all companies calculate Adjusted EBITDA using the same methods; therefore, the Adjusted EBITDA figures set forth herein may not be comparable to Adjusted EBITDA reported by other companies. A substantial portion of our Adjusted EBITDA must be dedicated to the payment of

[Table of Contents](#)

interest on our outstanding indebtedness and to service other commitments, thereby reducing the funds available to us for other purposes. Accordingly, Adjusted EBITDA does not represent an amount of funds that is available for management's discretionary use. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this report.

(2) The year ended December 31, 2017 includes a 53rd week of operations.

The table below shows the reconciliation of net income (loss) to Adjusted EBITDA for the periods presented:

	Year Ended				
	December 30, 2018	December 31, 2017 ⁽³⁾	December 25, 2016	December 27, 2015	December 28, 2014
(in thousands)					
Net income (loss)	\$ 18,107	\$ (915)	\$ 31,641	\$ 67,614	\$ (3,205)
Income tax expense (benefit)	1,912	481	(2,319)	3,404	2,713
Loss on derivative instruments ⁽¹⁾	—	—	—	—	51
Loss on early extinguishment of debt ⁽²⁾	2,886	4,767	—	—	9,047
Interest expense	36,072	30,476	29,635	32,057	17,685
Impairment of long-lived assets	1,538	7,142	—	—	—
Depreciation and amortization	84,791	74,394	67,774	67,752	41,450
Goodwill and mastheads impairment	—	27,448	—	4,800	—
Adjusted EBITDA	<u>\$ 145,306 ^(a)</u>	<u>\$ 143,793 ^(b)</u>	<u>\$ 126,731 ^(c)</u>	<u>\$ 175,627 ^(d)</u>	<u>\$ 67,741 ^(e)</u>

- (a) Adjusted EBITDA for the year ended December 30, 2018 included net expenses of \$36,540, comprised of transaction and project costs, non-cash compensation, and other expenses of \$25,500, integration and reorganization costs of \$15,011 and a \$3,971 gain on the sale or disposal of assets.
- (b) Adjusted EBITDA for the year ended December 31, 2017 included net expenses of \$22,275, comprised of transaction and project costs, non-cash compensation, and other expenses of \$15,021, integration and reorganization costs of \$8,903 and a \$1,649 gain on the sale or disposal of assets.
- (c) Adjusted EBITDA for the year ended December 25, 2016 included net income of \$29,091, comprised of transaction and project costs and other expenses of \$17,175, integration and reorganization costs of \$8,352 and a \$3,564 loss on the sale or disposal of assets.
- (d) Adjusted EBITDA for the year ended December 27, 2015 included net expenses of \$(13,566), comprised of transaction and project costs, non-cash compensation, and other expenses of \$29,433, integration and reorganization costs of \$8,052 and a \$51,051 gain on the sale or disposal of assets.
- (e) Adjusted EBITDA for the year ended December 28, 2014 included net expenses of \$21,673, comprised of transaction and project costs, non-cash compensation, and other expenses of \$17,405, integration and reorganization costs of \$2,796 and a \$1,472 loss on the sale or disposal of assets.

(1) Non-cash loss (gain) on derivative instruments is related to interest rate swap agreements which are financing related and are excluded from Adjusted EBITDA.

(2) Non-cash write-off of deferred financing costs are similar to interest expense and amortization of financing fees and are excluded from Adjusted EBITDA.

(3) The year ended December 31, 2017 includes a 53rd week of operations.

	As of				
	December 30, 2018	December 31, 2017	December 25, 2016	December 27, 2015	December 28, 2014
(in thousands)					
Balance Sheet Data:					
Total assets	\$ 1,443,864	\$ 1,283,546	\$ 1,336,030	\$ 1,197,120	\$ 817,574
Total long-term obligations, including current maturities	457,391	375,245	366,463	363,645	225,059
Redeemable noncontrolling interest	1,547	—	—	—	—
Stockholders' equity	717,223	674,393	754,973	647,073	484,127

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our historical consolidated financial statements and notes to those statements appearing in this report. The discussion and analysis below includes certain forward-looking statements that are subject to risks, uncertainties and other factors under the heading “Risk Factors” and elsewhere in this report that could cause our actual future growth, results of operations, performance and business prospects and opportunities to differ materially from those expressed in, or implied by, such forward-looking statements. See “Cautionary Note Regarding Forward Looking Information” at the beginning of this report.

Overview

New Media Investment Group Inc. (“New Media,” “Company,” “us”, or “we”) owns, operates and invests in high-quality local media assets. We have a particular focus on owning and acquiring strong local media assets in small to mid-size markets. With our collection of assets, we focus on two large business categories: consumers and small to medium-sized businesses (“SMBs”).

Our current portfolio of media assets spans across 581 markets and 37 states. Our products include 678 community print publications 581 websites. As of December 30, 2018, we reach over 22 million people per week and serve over 199,000 business customers.

Our mission is to be the local audience and small-business expert in the markets that we operate in. We leverage this local expertise to sell our unique, hyperlocal content to consumers and our market-leading technology solutions to SMBs. There are three key elements of our strategy:

1. We aim to grow our business organically through both our consumer and SMB strategies,
2. We pursue strategic acquisitions of high-quality local media and digital marketing assets at attractive valuation levels, and
3. We intend to distribute a portion of our free cash flow generated from operations or other sources as a dividend to stockholders through a quarterly dividend, subject to satisfactory financial performance, approval by our board of directors (the “Board of Directors” or “Board”) and dividend restrictions in the New Media Credit Agreement (as defined below). The Board of Directors’ determinations regarding dividends will depend on a variety of factors, including the Company’s U.S. generally accepted accounting principles (“GAAP”) net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results.

We believe that our focus on owning and operating leading local-content-oriented media properties in small to mid-size markets puts us in a position to better execute on our strategy. We believe that being the leading provider of local news and information in the markets in which we operate, and distributing that content across multiple print and digital platforms, gives us an opportunity to grow our audiences and reach. Further, we believe our strong local media brands and our market presence give us the opportunity to expand our advertising and lead generation products with local business customers.

For our SMB category, we focus on leveraging our strong local media brands, our in-market sales force and our high consumer penetration rates to offer technology solutions that allow SMBs to operate efficiently and effectively in a digital world. Central to this business strategy is our wholly-owned subsidiary UpCurve, Inc. (“UpCurve”). UpCurve provides two broad categories of services: ThriveHive, previously known as Propel Marketing, which provides guided marketing solutions for SMBs, and UpCurve Cloud which offers cloud-based products with expert guidance and support. ThriveHive is designed to offer a complete set of turn-key guided marketing and business solutions to SMBs that provide transparent results to the business owners. In 2016, we acquired a turn-key proprietary software application that enables SMB owners to run their own digital and guided marketing campaigns, and we have made a number of strategic acquisitions since.

We launched the UpCurve products in 2012 and have seen rapid growth since then. We believe UpCurve, combined with our strong local brands and in-market sales force, is positioned to continue to be a key component to our overall organic growth strategy. UpCurve is well positioned to seize upon the approximately 30.2 million SMBs in the U.S. in 2015 according to the U.S. Small Business Administration. Of these, approximately 29.0 million had 20 employees or fewer.

Many of the owners and managers of these SMBs do not have the resources or expertise to navigate the fast evolving workplace technologies market but are increasingly aware of the need to embrace the digital disruption to their business model.

GateHouse Live, our events and promotions business, was started in late 2015 to leverage our local brands to create world-class events in the markets we serve. In 2018, GateHouse Live produced over 350 events with a collective attendance

over 400,000. Among our core event offerings are a variety of themed expos focused on target audiences, including men, women, seniors and young families. Other signature event series produced across many of our markets include one of the nation's largest high school sports recognition events and the official community's choice awards for dozens of markets across the country. In 2018, GateHouse Live expanded into endurance events that include a network of over 90 marathons, half marathons, other footraces and obstacle course races across the United States and Canada with over 250,000 attendees annually. GateHouse Live also offers white label event services for retailers and other media companies.

Portfolio Detail

Our core products include:

- 146 daily newspapers with total paid circulation of approximately 1.5 million;
- 323 weekly newspapers (published up to three times per week) with total paid circulation of approximately 268,000 and total free circulation of approximately 1.4 million;
- 132 “shoppers” (generally advertising-only publications) with total circulation of approximately 3.1 million;
- 581 locally-focused websites, which extend our businesses onto the internet and mobile devices with approximately 364 million page views per month;
- 77 business publications;
- UpCurve Cloud and ThriveHive digital marketing; and
- GateHouse Live.

In addition to our core products, we also opportunistically produce niche publications that address specific local market interests such as recreation, sports, healthcare and real estate. Our print and online products focus on the local community from a content, advertising, and digital marketing perspective. As a result of our focus on small and mid-size markets, we are usually the primary, and sometimes, the sole provider of comprehensive local market news and information in the communities we serve. Our content is primarily devoted to topics that we believe are highly relevant and of interest to our audiences such as local news and politics, community and regional events, youth sports, opinion and editorial pages, local schools, obituaries, weddings and police reports.

We believe our local media properties and local sales infrastructure are uniquely positioned to sell digital marketing and business services to local business owners and give us distinct advantages, including:

- our strong and trusted local brands, with 88% of our daily newspapers having published local content for more than 100 years;
- our ability to market through our print and online properties, driving branding and traffic; and
- our more than 1,160 local, direct, in-market sales professionals with long-standing relationships with small businesses in the communities we serve.

We believe the large number of publications we have, our focus on smaller markets, and our geographic diversity also provide the following benefits to our strategy:

- Diversified revenue streams, both in terms of customers and markets;
- Operational efficiencies realized from clustering of business assets;
- Operational efficiencies realized from centralization of back office functions;
- Operational efficiencies realized from improved buying power for key operating cost items through our increased size and scale;
- Ability to provide consistent management practices and ensure best practices; and
- Less competition and high barriers to entry.

The revenues derived from our SMB category come from a variety of print and guided marketing and business solutions products we offer through UpCurve and commercial printing services. Our consumer revenue category comes primarily from subscription income as consumers pay for our deep, rich local content, both in print and online, however primarily print today.

Our advertising revenue tends to follow a seasonal pattern, with higher advertising revenue in months containing significant events or holidays. Accordingly, our first quarter and our third quarter, historically, are our weakest revenue quarters

of the year. Correspondingly, our second and fourth fiscal quarters, historically, are our strongest quarters. We expect that this seasonality will continue to affect our advertising revenue in future periods.

We have experienced ongoing declines in same store print advertising revenue streams and increased volatility of operating performance, despite our geographic diversity, well-balanced portfolio of products, broad customer base and reliance on smaller markets. We may experience additional declines and volatility in the future. These declines in print advertising revenue have come with the shift from traditional media to the internet for consumers and businesses. We believe our local advertising tends to be less sensitive to economic cycles than national advertising because local businesses generally have fewer advertising channels through which to reach their target audience. We are making investments in digital platforms, such as UpCurve, as well as online and mobile applications, to support our print publications in order to capture this shift as witnessed by our digital advertising and business services revenue growth, which more than doubled between 2013 and 2017, and continues to grow.

Our operating costs consist primarily of labor, newsprint, and delivery costs. Our selling, general and administrative expenses consist primarily of labor costs.

Compensation represents just under 50% of our expenses. Over the last few years, we have worked to drive efficiencies and centralization of work throughout our Company. Additionally, we have taken steps to cluster our operations, thereby increasing the production volume of our facilities and equipment while increasing the productivity of our labor force. We expect to continue to employ these steps as part of our business strategy.

Through July 1, 2018, our reporting units (Eastern US Publishing, Central US Publishing, Western US Publishing, Recent Acquisitions and BridgeTower) were aggregated into one reportable business segment. On July 2, 2018, the reporting units were changed to Newspapers and BridgeTower. The reporting units will continue to be aggregated into one reportable business segment.

Industry

The newspaper industry and the Company have experienced declining same store revenue and profitability over the past several years. As a result, we have implemented, and continue to implement, plans to reduce costs and preserve cash flow. We have also invested in potential growth opportunities, primarily in the digital and business services space. We believe the cost reductions and the new digital and business services initiatives will provide the appropriate capital structure and financial resources necessary to invest in the business and ensure our future success and provide sufficient cash flow to enable us to meet our commitments for the next year.

General economic conditions, including declines in consumer confidence, high unemployment levels in certain local markets, declines in real estate values in certain local markets, and other trends, have also impacted the markets in which we operate. Additionally, media companies continue to be impacted by the migration of consumers and businesses to an internet and mobile-based digital medium. These conditions may continue to negatively impact print advertising and other revenue sources as well as increase operating costs in the future. We expect that we will have adequate capital resources and liquidity to meet our working capital needs, borrowing obligations and all required capital expenditures for at least the next twelve months.

We periodically perform testing for impairment of goodwill and newspaper mastheads in which the fair value of our reporting units for goodwill impairment testing and newspaper mastheads are estimated using the expected present value of future cash flows and recent industry transaction multiples, using estimates, judgments and assumptions, that we believe are appropriate in the circumstances. Should general economic, market or business conditions decline, and have a negative impact on estimates of future cash flow and market transaction multiples, we may be required to record additional impairment charges in the future.

Management Agreement

On November 26, 2013, New Media entered into the Management Agreement with FIG LLC (the "Manager"), an affiliate of Fortress Investment Group LLC ("Fortress"), pursuant to which the Manager manages the operations of New Media. The annual management fee is 1.50% of New Media's Total Equity (as defined in the Management Agreement), and the Manager is eligible to receive incentive compensation. On March 6, 2015, the Company's independent directors on the Board approved an amendment to the Management Agreement. See Note 17 "Related Party Transactions" to the consolidated financial statements for further discussion.

We recognized \$10.7 million, \$10.6 million, and \$9.8 million for management fees and \$11.1 million, \$11.7 million, and \$9.6 million for incentive compensation within selling, general and administrative expense on the consolidated statements of operations and comprehensive income (loss) and \$9.6 million, \$11.3 million, and \$7.2 million in management fees and \$14.1

million, \$9.2 million, and \$25.3 million in incentive compensation was paid to the Manager during the years ended December 30, 2018, December 31, 2017 and December 25, 2016, respectively.

Acquisitions

During 2016, we acquired substantially all the assets and assumed substantially all of the liabilities of certain businesses, which included 68 business publications, seven daily newspapers, seven weekly publications, eleven shoppers and digital platforms for an aggregate purchase price of \$135.9 million, including working capital.

During 2017, we acquired substantially all the assets, properties, and business of certain publications/businesses, which included four business publications, 22 daily newspapers, 34 weekly publications, 24 shoppers, two customer relationship management solutions providers, a social media app and an event production business for an aggregate purchase price of \$165.1 million, including working capital.

During 2018, we acquired substantially all the assets, properties, and business of certain publications/businesses, which included seven business publications, eight daily newspapers, 16 weekly newspapers, one shopper, a print facility, an events production business, cloud services and digital platforms and related domains, for an aggregate purchase price of \$205.7 million, including estimated working capital.

Long-Lived Asset Impairment

During the year ended December 31, 2017, the Company ceased printing operations at 15 facilities as part of the ongoing cost reduction programs. As a result, the Company recognized an impairment charge related to retired equipment of \$7.1 million and accelerated depreciation of \$2.4 million during the year ended December 31, 2017.

During the year ended December 30, 2018, the Company ceased operations of seven print publications and six printing operations as part of the ongoing cost reduction programs. As a result, the Company recognized an impairment charge related to retired equipment of \$0.5 million and intangibles of \$0.6 million and accelerated depreciation of \$3.6 million during the year ended December 30, 2018.

Dispositions

On June 2, 2017, we completed the sale of the *Mail Tribune*, located in Medford, Oregon, for approximately \$14.7 million, including working capital. As a result, a pre-tax gain of approximately \$5.4 million, net of selling expenses, is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 31, 2017.

On February 27, 2018, the Company sold a parcel of land and a building located in Framingham, Massachusetts for a sale price of \$9.3 million and recognized a pre-tax gain of approximately \$3.3 million, net of selling expenses, which is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 30, 2018.

On May 11, 2018, the Company completed its sale of certain publications and related assets in Alaska for approximately \$2.4 million, including working capital. As a result, a nominal pre-tax gain, net of selling expenses, is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 30, 2018.

Subsequent Events

Dividends

On February 27, 2019, we announced a fourth quarter 2018 cash dividend of \$0.38 per share of common stock, par value \$0.01 per share, of New Media (“New Media Common Stock” or our “Common Stock”). The dividend will be paid on March 20, 2019, to shareholders of record as of the close of business on March 11, 2019.

Acquisitions

On January 31, 2019, the Company completed its acquisition of substantially all of the publishing and related assets of Schurz Communications, Inc. for \$30 million, plus working capital. The acquisition was financed from cash on hand. The acquisition includes ten daily newspapers, nine weekly publications and fourteen other community publications serving areas of Indiana, Maryland, South Dakota and Michigan.

Critical Accounting Policy Disclosure

The preparation of financial statements in conformity with GAAP requires management to make decisions based on estimates, assumptions and factors it considers relevant to the circumstances. Such decisions include the selection of applicable principles and the use of judgment in their application, the results of which could differ from those anticipated.

Business Combinations

The Company accounts for acquisitions in accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 805 “*Business Combinations*” (“ASC 805”). ASC 805 provides guidance for recognition and measurement of identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree at fair value. In a business combination, the assets acquired, liabilities assumed and noncontrolling interest in the acquiree are recorded as of the date of acquisition at their respective fair values with limited exceptions. Any excess of the purchase price (consideration transferred) over the estimated fair values of net assets acquired is recorded as goodwill. Transaction costs are expensed as incurred. The operating results of the acquired business are reflected in the Company’s consolidated financial statements after the date of the acquisition.

Goodwill and Long-Lived Assets

The application of the purchase method of accounting for business combinations requires the use of significant estimates and assumptions in the determination of the fair value of assets and liabilities in order to properly allocate the purchase price consideration or enterprise value between assets that are depreciated and amortized from goodwill. Our estimates of the fair values of assets and liabilities are based upon assumptions believed to be reasonable, and when appropriate, include assistance from independent third-party valuation firms. Refer to Note 2, “Acquisitions and Dispositions” of the consolidated financial statements.

We have a significant amount of goodwill. Goodwill at December 30, 2018 was \$310.7 million. We assess the potential impairment of goodwill and intangible assets with indefinite lives on an annual basis as of the end of our second fiscal quarter in accordance with the provisions of ASC Topic 350 “*Intangibles—Goodwill and Other*.” We perform our impairment analysis on each of our reporting units. The Company has the option to qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company elects to perform a qualitative assessment and concludes it is more likely than not that the fair value of the reporting unit is equal to or greater than its carrying value, no further assessment of that reporting unit’s goodwill is necessary; otherwise goodwill must be tested for impairment. The reporting units have discrete financial information and are regularly reviewed by management. The fair value of the applicable reporting units is compared to their carrying values. Calculating the fair value of a reporting unit requires us to make significant estimates and assumptions. We estimate fair value by applying third-party market value indicators to projected cash flows and/or projected earnings before interest, taxes, depreciation, and amortization. In applying this methodology, we rely on a number of factors, including current operating results and cash flows, expected future operating results and cash flows, future business plans, and market data. If the carrying value of the reporting unit exceeds the estimate of fair value, we calculate the impairment as the excess of the carrying value of goodwill over its implied fair value.

We account for long-lived assets in accordance with the provisions of ASC Topic 360, “*Property, Plant and Equipment*”. We assess the recoverability of our long-lived assets, including property, plant and equipment and definite lived intangible assets, whenever events or changes in business circumstances indicate the carrying amount of the assets, or related group of assets, may not be fully recoverable. Factors leading to impairment include significant under-performance relative to historical or projected results, significant changes in the manner of use of the acquired assets or the strategy for our overall business and significant negative industry or economic trends. The assessment of recoverability is generally based on management’s estimates by comparing the sum of the estimated undiscounted cash flows generated by the underlying asset, or other appropriate grouping of assets, to its carrying value to determine whether an impairment existed at its lowest level of identifiable cash flows. However, in some cases the market approach is used to estimate the fair value, particularly when there is a change in the use of an asset. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment is recognized to the extent the carrying value of such asset exceeds its fair value.

The fair values of our reporting units for goodwill impairment testing and newspaper mastheads are estimated using the expected present value of future cash flows, recent industry transaction multiples and using estimates, judgments and assumptions that management believes are appropriate in the circumstances.

The sum of the fair values of the reporting units are reconciled to our current market capitalization (based upon the stock market price) plus an estimated control premium.

Significant judgment is required in determining the fair value of our goodwill and long-lived assets to measure impairment, including the determination of multiples of revenue and Adjusted EBITDA and future earnings projections. The estimates and judgments that most significantly affect the future cash flow estimates are assumptions related to revenue, and in particular, potential changes in future advertising (including the impact of economic trends and the speed of conversion of advertising and readership to online products from traditional print products); trends in newsprint prices; and other operating expense items.

We performed annual impairment testing of goodwill and indefinite lived intangible assets during the second quarter of 2018, 2017 and 2016. See Note 6 to the consolidated financial statements “Goodwill and Intangible Assets,” for a discussion of the impairment charges taken.

Newspaper mastheads (newspaper titles) are not subject to amortization and are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test consists of a comparison of the fair value of each group of mastheads with their carrying amount. We used a relief from royalty approach which utilizes a discounted cash flow model to determine the fair value of newspaper mastheads. Our judgments and estimates of future operating results in determining the reporting unit fair values are consistently applied in determining the fair value of mastheads. We performed impairment tests on newspaper mastheads during the second quarter of 2018, 2017 and 2016. See Note 6 to the consolidated financial statements, “Goodwill and Intangible Assets,” for a discussion of the impairment charges taken.

Intangible assets subject to amortization (primarily advertiser and subscriber lists) are tested for recoverability whenever events or change in circumstances indicate that their carrying amounts may not be recoverable. The carrying amount of each asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of such asset group. There were no indicators of impairment on the intangible assets subject to amortization in 2016, 2017 or 2018.

The newspaper industry and the Company have experienced declining same store revenue and profitability over the past several years. Should general economic, market or business conditions decline, and have a negative impact on estimates of future cash flow and market transaction multiples, we may be required to record additional impairment charges in the future.

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenues are recognized as performance obligations that are satisfied either at a point in time, such as when an advertisement is published, or over time, such as customer subscriptions.

The Company’s Consolidated Statement of Operations and Comprehensive Income (Loss) presents revenues disaggregated by revenue type. Sales taxes and other usage-based taxes are excluded from revenues.

Advertising Revenues

The Company generates advertising revenues primarily by delivering advertising in local publications including newspapers and websites. Advertising revenues are categorized as local retail, local classified, online and national. Revenue is recognized upon publication of the advertisement.

Circulation Revenues

Circulation revenues are derived from print and digital subscriptions as well as single copy sales at retail stores, vending racks and boxes. Circulation revenues from subscribers are generally billed to customers at the beginning of the subscription period and are typically recognized on a straight-line basis over the terms of the related subscriptions. The term of customer subscriptions normally ranges from three to twelve months. Circulation revenues from single-copy income are recognized based on the date of publication, net of provisions for related returns.

Commercial Printing and Other Revenues

The Company provides commercial printing services to third parties as a means to generate incremental revenue and utilize excess printing capacity. These customers consist primarily of other publishers that do not have their own printing presses and do not compete with other GateHouse publications. The Company also prints other commercial materials, including flyers, business cards and invitations. Revenue is generally recognized upon delivery.

The Other Revenues category includes UpCurve, the Company’s SMB solutions provider. UpCurve provides digital marketing and business services for SMBs. Other Revenues also include GateHouse Live, the Company’s events business. A significant judgment management must make with respect to UpCurve revenue recognition is determining whether the Company is the principal or agent for certain licensing transactions. Under ASC Topic 606, the principal in the relationship is the entity that controls the specified goods or services. An entity may have control if (i) it is primarily responsible for fulfilling

the promise to provide the good or service; (ii) it has inventory risk before or after the good or service has been transferred to the customer; or (iii) it has the discretion in establishing the price for the good or service. The Company has determined that UpCurve is the principal in the relationships for those transactions in which the goods or services are customized for the customer and reports the related revenues on a gross basis. The Company has determined that UpCurve is the agent in the relationships for those transactions in which the Company resells the goods or services with no customization and reports these revenues on a net basis.

Arrangements with Multiple Performance Obligations

The Company's contracts with customers may include multiple performance obligations such as bundled print and digital subscriptions. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers or using expected cost plus margin.

Contract Balances

The Company records deferred revenues when cash payments are received in advance of the Company's performance. The most significant unsatisfied performance obligation is the delivery of publications to subscription customers. The Company expects to recognize the revenue related to unsatisfied performance obligations over the next three to twelve months in accordance with the terms of the subscriptions. The increase in the deferred revenue balance for the year ended December 30, 2018 is primarily driven by acquisitions.

Practical Expedients and Exemptions

The Company expenses sales commissions or other costs to obtain contracts when incurred because the amortization period is generally one year or less. These costs are recorded within selling, general and administrative expenses.

The Company does not disclose unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which the Company has the right to invoice for services performed.

Income Taxes

We account for income taxes under the provisions of ASC Topic 740, "Income Taxes" ("ASC 740"). Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using tax rates in effect for the year in which the differences are expected to affect taxable income. The assessment of the realizability of deferred tax assets involves a high degree of judgment and complexity. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts that are expected to be realized. When we determine that it is more likely than not that we will be able to realize our deferred tax assets in the future in excess of our net recorded amount, an adjustment to the deferred tax asset would be made and reflected either in income or as an adjustment to goodwill. This determination will be made by considering various factors, including our expected future results, that in our judgment will make it more likely than not that these deferred tax assets will be realized.

FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of SFAS No. 109" and now codified as ASC 740. ASC 740 prescribes a comprehensive model for how a company should recognize, measure, present and disclose in its financial statements uncertain tax positions that a company has taken or expects to take on a tax return. Under ASC 740, the financial statements reflect expected future tax consequences of such positions presuming the taxing authorities' full knowledge of the position and all relevant facts, but without considering time values. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Pension and Postretirement Liabilities

ASC Topic 715, "Compensation—Retirement Benefits" requires recognition of an asset or liability in the consolidated balance sheet reflecting the funded status of pension and other postretirement benefit plans such as retiree health and life, with current-year changes in the funded status recognized in the statement of stockholders' equity.

The determination of pension plan obligations and expense is based on a number of actuarial assumptions. Two critical assumptions are the expected long-term rate of return on plan assets and the discount rate applied to pension plan obligations. For other postretirement benefit plans, which provide for certain health care and life insurance benefits for qualifying retired employees and which are not funded, critical assumptions in determining other postretirement benefit obligations and expense are the discount rate and the assumed health care cost-trend rates.

[Table of Contents](#)

Our two pension plans have assets valued at \$54.0 million as of December 30, 2018 and the plans' benefit obligation is \$74.2 million resulting in the plans being 73% funded.

To determine the expected long-term rate of return on pension plan assets, we consider the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets, input from the actuaries and investment consultants, and long-term inflation assumptions. We used an assumption of 7.5% for our expected return on pension plan assets for 2018. If we were to reduce our expected rate of return assumption by 50 basis points, the expense for 2018 would have increased by approximately \$0.3 million.

The assumed health care cost-trend rate also affects other postretirement benefit liabilities and expense. A 100 basis point increase in the health care cost trend rate would result in an increase of approximately \$0.3 million in the December 30, 2018 postretirement benefit obligation and a 100 basis point decrease in the health care cost trend rate would result in a decrease of approximately \$0.2 million in the December 30, 2018 postretirement benefit obligation.

Self-Insurance Liability Accruals

We maintain self-insured medical and workers' compensation programs. We purchase stop loss coverage from third parties which limits our exposure to large claims. We record a liability for healthcare and workers' compensation costs during the period in which they occur, including an estimate of incurred but not reported claims.

Results of Operations

The following table summarizes our historical results of operations for New Media for the years ended December 30, 2018, December 31, 2017, and December 25, 2016. References to "same store" results take into account material acquisitions and divestitures of the Company by adjusting prior year performance to include or exclude financial results as if the Company had owned or divested a business for the comparable period. The results of several acquisitions ("tuck-in acquisitions") were funded from the Company's available cash and are not considered material.

The same store results for the year ended December 30, 2018 are not significantly different from actual results. Therefore, the revenue discussion below will focus on the as reported amounts only.

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
(in thousands)			
Revenues:			
Advertising	\$ 728,327	\$ 683,990	\$ 684,900
Circulation	574,963	474,324	421,497
Commercial printing and other	222,734	183,690	148,959
Total revenues	1,526,024	1,342,004	1,255,356
Operating costs and expenses:			
Operating costs	865,234	742,822	699,312
Selling, general, and administrative	505,282	449,108	415,776
Depreciation and amortization	84,791	74,394	67,774
Integration and reorganization costs	15,011	8,903	8,352
Impairment of long-lived assets	1,538	7,142	—
Goodwill and mastheads impairment	—	27,448	—
Net (gain) loss on sale or disposal of assets	(3,971)	(1,649)	3,564
Operating income	58,139	33,836	60,578
Interest expense	36,072	30,476	29,635
Loss on early extinguishment of debt	2,886	4,767	—
Other (income) expense	(838)	(973)	1,621
Income (loss) before income taxes	20,019	(434)	29,322
Income tax expense (benefit)	1,912	481	(2,319)
Net income (loss) attributable to New Media	\$ 18,107	\$ (915)	\$ 31,641

Year Ended December 30, 2018 Compared to Year Ended December 31, 2017

Revenue. Total revenue for the year ended December 30, 2018 increased by \$184.1 million, or 13.7%, to \$1,526.1 million from \$1,342.0 million for the year ended December 31, 2017. The increase in total revenue was comprised of

[Table of Contents](#)

a \$44.3 million, or 6.5%, increase in advertising revenue, a \$100.6 million, or 21.2%, increase in circulation revenue, and \$39.2 million, or 21.3%, increase in commercial printing and other revenue.

Revenues increased primarily due to acquisitions. Advertising revenue was partially offset by declines driven by reductions in the local retail, classified, and preprint categories due to secular pressures and a continuing uncertain economic environment. These secular trends and economic conditions have also led to a decline in our print circulation volumes that have largely been offset by price increases and distribution of premium editions in select locations. The majority of the remaining increase in commercial printing and other revenue is due to digital marketing services, events revenue, and commercial print and distribution.

Operating Costs. Operating costs for the year ended December 30, 2018 increased by \$122.4 million, or 16.5%, to \$865.2 million from \$742.8 million for the year ended December 31, 2017. Operating costs include costs from acquisitions of \$157.2 million, a \$3.3 million increase in newsprint and ink primarily due to price increases offset by lower production volumes, a \$2.9 million increase in news and editorial expenses, and a \$0.6 million increase in advertising and promotion. These increases were partially offset by declines in operating expense related to the remaining operations, which was primarily due to a decrease in compensation, hauling and delivery, outside services, internet expense, postage, supplies, utilities, building rental and maintenance and travel and entertainment expenses of \$19.8 million, \$12.5 million, \$5.7 million, \$2.2 million, \$1.6 million, \$0.9 million, \$0.8 million, \$0.6 million and \$0.5 million, respectively. There were no other increases or decreases greater than \$0.5 million.

Selling, General and Administrative. Selling, general and administrative expenses for the year ended December 30, 2018 increased by \$56.2 million, or 12.5%, to \$505.3 million from \$449.1 million for the year ended December 31, 2017. The increase includes selling, general and administrative expenses from acquisitions of \$83.5 million, an increase in outside services of \$2.8 million, and an increase in bad debt expense of \$0.8 million. These increases were partially offset by declines in selling, general and administrative expenses related to the remaining operations, which was primarily due to a decrease in compensation, professional and consulting fees, bank charges, building rental and maintenance, property tax, postage and utility expenses of \$20.7 million, \$1.9 million, \$1.1 million, \$1.0 million, \$0.8 million, \$0.7 million and \$0.5 million, respectively. There were no other increases or decreases greater than \$0.5 million.

Integration and Reorganization Costs. During the year ended December 30, 2018 and December 31, 2017, we recorded integration and reorganization costs of \$15.0 million and \$8.9 million, respectively, primarily resulting from severance costs related to acquisition-related synergies and the continued consolidation of our operations resulting from ongoing implementation of our plans to reduce costs and preserve cash flow, including a voluntary severance offer implemented in the third quarter of 2018.

Impairment of Long-lived Assets. During the year ended December 30, 2018, we recorded a \$1.5 million impairment of long-lived assets due to the cessation of operations at seven print publications and one printing facility. During the year ended December 31, 2017, we recorded a \$7.1 million impairment of long-lived assets due to 15 printing facilities ceasing operations.

Goodwill and Mastheads Impairment. During the year ended December 31, 2017 we recorded a \$27.4 million goodwill and mastheads impairment due to softening business conditions and the related impact on the fair value of our reporting units, declines in revenue projections and reductions in certain groups' royalty rates. There were no such charges during the year ended December 30, 2018.

Loss on Early Extinguishment of Debt. During the year ended December 30, 2018 and December 31, 2017, we recorded a loss of \$2.9 million and \$4.8 million, respectively, due to the early extinguishment of long-term debt, which resulted from debt refinancings.

Income Tax Expense (Benefit). During the year ended December 30, 2018 and December 31, 2017, we recorded tax expense of \$1.9 million and \$0.5 million, respectively. The increase to income tax expense is due to an increase in state deferred tax expense attributable to non-deductible amortization of indefinite lived intangible assets, partially offset by the tax effects of the Tax Cuts and Jobs Act ("TCJA").

Net Income (Loss). Net income for the year ended December 30, 2018 was \$18.1 million and net loss for the year ended December 31, 2017 was \$0.9 million. Our net income increased due to the factors noted above.

Year Ended December 31, 2017 Compared to Year Ended December 25, 2016

Revenue. Total revenue for the year ended December 31, 2017 increased by \$86.7 million, or 6.9%, to \$1,342.0 million from \$1,255.3 million for the year ended December 25, 2016. The increase in total revenue was comprised of a \$52.8 million, or 12.5%, increase in circulation revenue and a \$34.8 million, or 23.3%, increase in commercial printing and other revenue which was partially offset by a \$0.9 million, or 0.1%, decrease in advertising revenue.

[Table of Contents](#)

Advertising revenue declines were primarily driven by declines on the print side of our business in the local retail, classified, and preprint categories due to secular pressures and a continuing uncertain economic environment. These secular trends and economic conditions have also led to a decline in our print circulation volumes, which have been offset by price increases in select locations. The majority of the increase in commercial printing and other revenue is due to digital marketing services and events revenue.

Operating Costs. Operating costs for the year ended December 31, 2017 increased by \$43.5 million, or 6.2%, to \$742.8 million from \$699.3 million for the year ended December 25, 2016. Operating costs include costs from acquisitions of \$85.5 million, which were partially offset by a \$42.0 million decrease in the costs related to the remaining operations. This decline in operating costs related to the remaining operations was primarily due to a decrease in compensation, newsprint and ink, hauling and delivery, postage, outside services, supplies, travel and entertainment expenses and professional and consulting fees of \$22.5 million, \$5.8 million, \$5.5 million, \$2.2 million, \$2.1 million, \$1.4 million, \$1.3 million and \$1.0 million, respectively.

Selling, General and Administrative. Selling, general and administrative expenses for the year ended December 31, 2017 increased by \$33.3 million, or 8.0%, to \$449.1 million from \$415.8 million for the year ended December 25, 2016. The increase includes selling, general and administrative expenses from acquisitions of \$49.1 million, an increase in professional and consulting fees of \$2.8 million, and an increase in bad debt expense of \$0.7 million, which were partially offset by a \$19.3 million decrease in the costs related to the remaining operations. This decline in selling, general and administrative expenses related to the remaining operations was primarily due to a decrease in compensation, travel and entertainment, bank and credit card fees, telephone expenses, advertising and promotions, web hosting and domain expenses, building rental and maintenance and business insurance of \$7.2 million, \$2.0 million, \$1.8 million, \$1.4 million, \$1.2 million, \$1.0 million, \$0.9 million and \$0.6 million, respectively. There were no other increases or decreases greater than \$0.5 million.

Integration and Reorganization Costs. During the year ended December 31, 2017 and December 25, 2016, we recorded integration and reorganization costs of \$8.9 million and \$8.4 million, respectively, primarily resulting from severance costs related to acquisition-related synergies and the continued consolidation of our operations resulting from ongoing implementation of our plans to reduce costs and preserve cash flow, including a voluntary severance offer in September 2016.

Impairment of Long-lived Assets. During the year ended December 31, 2017, we recorded a \$7.1 million impairment of long-lived assets due to 15 printing facilities ceasing operations during the year ended December 31, 2017. No such charge was recorded during the year ended December 25, 2016.

Goodwill and Mastheads Impairment. During the year ended December 31, 2017 we recorded a \$27.4 million goodwill and mastheads impairment due to softening business conditions and the related impact on the fair value of our reporting units, declines in revenue projections and reductions in certain groups' royalty rates. There were no such charges during the year ended December 25, 2016.

Other Expense. During the year ended December 25, 2016 we recorded a \$1.9 million expense for equity in loss of an equity method investment and a \$0.9 million impairment charge to a cost method investment to other expense. There were no significant charges during the year ended December 31, 2017.

Loss on Early Extinguishment of Debt. During the year ended December 31, 2017, we recorded a loss of \$4.8 million due to the early extinguishment of long-term debt, which resulted from a debt refinancing. There were no such charges during the year ended December 25, 2016.

Income Tax Expense (Benefit). During the year ended December 31, 2017 and December 25, 2016, we recorded tax expense of \$0.5 million and an income tax benefit of \$2.3 million, respectively. The decrease in income tax benefit is primarily due to the discrete income tax benefit recognized during the year ended December 25, 2016 attributable to the release of a portion of the valuation allowance as deferred tax assets were utilized to offset deferred tax liabilities of two acquired entities. This was partially offset by the tax benefit attributable to the TCJA reflected for the year ended December 31, 2017 which resulted in a tax benefit of \$4.2 million and is primarily attributable to a re-measurement of deferred tax assets and deferred tax liabilities.

Net Income (Loss). Net loss for the year ended December 31, 2017 was \$0.9 million and net income for the year ended December 25, 2016 was \$31.6 million. Our net income decreased due to the factors noted above.

Liquidity and Capital Resources

Our primary cash requirements are for working capital, debt obligations and capital expenditures. We have no material outstanding commitments for capital expenditures. We expect our 2019 capital expenditures to total between \$15 million and \$17 million. The 2019 capital expenditures will be primarily comprised of projects related to the consolidation of print operations and system upgrades. For more information on our long term debt and debt service obligations, see Note 9 "Indebtedness" of the consolidated financial statements. Our principal sources of funds have historically been, and are expected to continue to be, cash provided by operating activities.

[Table of Contents](#)

We expect to fund our operations through cash provided by operating activities, the incurrence of debt or the issuance of additional equity securities. We expect that we will have adequate capital resources and liquidity to meet our working capital needs, borrowing obligations and all required capital expenditures for at least the next twelve months.

Our leverage may adversely affect our business and financial performance and restricts our operating flexibility. The level of our indebtedness and our on-going cash flow requirements may expose us to a risk that a substantial decrease in operating cash flows due to, among other things, continued or additional adverse economic developments or adverse developments in our business, could make it difficult for us to meet the financial and operating covenants contained in our credit facilities. In addition, our leverage may limit cash flow available for general corporate purposes such as capital expenditures and our flexibility to react to competitive, technological and other changes in our industry and economic conditions generally.

Cash Flows

The following table summarizes our historical cash flows.

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
(in thousands)			
Net cash provided by operating activities	\$ 109,559	\$ 110,506	\$ 94,800
Net cash used in investing activities	(201,476)	(160,273)	(144,833)
Net cash provided by (used in) financing activities	98,525	(79,723)	72,080

Cash Flows from Operating Activities. Our largest source of cash provided by our operations is advertising revenues primarily generated from local advertising (local retail, local classified and online). Additionally, we generate cash through national advertising sales, circulation subscribers, commercial printing services to third parties, digital marketing and business services through UpCurve and event revenue through GateHouse Live.

Our primary uses of cash from our operating activities include newsprint, delivery, and outside services.

Net cash provided by operating activities was approximately the same from from 2017 to 2018.

Net cash provided by operating activities increased from 2016 to 2017 primarily due to increases in revenues and decreases in operating expenses.

Cash Flows from Investing Activities. Net cash used in investing activities for the year ended December 30, 2018 was \$201.5 million. During the year ended December 30, 2018, we used \$204.9 million, net of cash acquired, for acquisitions and \$11.6 million for capital expenditures, which was partially offset by \$15.0 million received from the sale of publications and other assets.

Net cash used in investing activities for the year ended December 31, 2017 was \$160.3 million. During the year ended December 31, 2017, we used \$164.2 million, net of cash acquired, for acquisitions and \$11.1 million for capital expenditures, which was partially offset by \$15.0 million received from the sale of publications and other assets.

Net cash used in investing activities for the year ended December 25, 2016 was \$144.8 million. During the year ended December 25, 2016, we used \$137.5 million, net of cash acquired, for acquisitions and \$10.6 million for capital expenditures, which was partially offset by \$3.3 million received from the sale of publications and other assets.

Cash Flows from Financing Activities. Net cash provided by financing activities for the year ended December 30, 2018 was \$98.5 million and was primarily comprised of the issuance of common stock, net of underwriters' discount and the payment of offering costs, of \$110.7 million, and borrowings under term loans of \$79.7 million, which was partially offset by the payment of dividends of \$87.2 million, term loan repayments of \$3.1 million, a \$0.8 million purchase of treasury stock, and payment of debt issuance costs of \$0.8 million.

Net cash used in financing activities for the year ended December 31, 2017 was \$79.7 million due to the payment of dividends of \$75.6 million, repayments under term loans of \$14.4 million, \$5.0 million in repurchases of common stock under the Share Repurchase Program, payment of debt issuance costs of \$3.6 million, a \$0.7 million purchase of treasury stock, and \$0.4 million payment of offering costs, which was partially offset by borrowings under term loans of \$20.0 million.

Net cash provided by financing activities for the year ended December 25, 2016 was \$72.1 million due to the issuance of common stock of \$135.8 million from the public offering, net of underwriters' discount and offering costs, which was offset by

the payment of dividends of \$59.8 million, repayments under term loans of \$3.5 million, and a \$0.4 million purchase of treasury stock.

Changes in Financial Position

The discussion that follows highlights significant changes in our financial position and working capital from December 31, 2017 to December 30, 2018.

Accounts Receivable. Accounts receivable increased \$22.6 million, which primarily relates to acquisitions in the year ended December 30, 2018, which was partially offset by the timing of cash collections.

Inventory. Inventory increased \$6.4 million, which primarily relates to acquisitions, plus the effect of price increases in newsprint inventory, driven largely by government tariffs.

Property, Plant, and Equipment. Property, plant, and equipment decreased \$33.5 million, of which \$50.8 million relates to depreciation, \$11.8 million relates to assets sold or disposed of and \$0.6 million relates to an impairment of long-lived assets, which was partially offset by \$18.1 million of assets acquired through business acquisitions and \$11.6 million of capital expenditures.

Goodwill. Goodwill increased \$74.2 million, which is due to businesses acquired in 2018.

Intangible Assets. Intangible assets increased \$82.6 million, of which \$117.4 million relates to acquisitions in the year ended December 30, 2018, offset by \$34.0 million of amortization and \$0.6 million of impairment charges.

Other Assets. Other assets increased \$2.7 million, which primarily relates to acquisitions during the year ended December 30, 2018.

Current Portion of Long-term Debt. Current portion of long-term debt increased \$9.7 million, primarily due to the reclassification to current portion of long-term debt of \$8.0 million of Advantage Alabama Debt (as defined below) and an acceleration in principal payments required by the February 2018 amendment to the New Media Credit Agreement (as defined below).

Accrued Expenses. Accrued expenses increased \$16.6 million, which primarily relates to a \$5.9 million increase in accrued acquisition related liabilities, a \$3.1 million increase in accrued interest, a \$1.8 million increase in accrued payroll and related liabilities, a \$1.8 million increase in accrued restructuring, a \$1.7 million increase in accrued taxes, a \$1.7 million increase in other accruals related to acquisitions, and an increase in other accruals primarily related to outside services, which were partially offset by a \$2.6 million decrease in accrued bonus.

Deferred Revenue. Deferred revenue increased \$17.0 million, primarily due to acquisitions in 2018.

Long-term Debt. Long-term debt increased \$71.0 million, primarily due to borrowings under term loans of \$79.2 million, net of original issue discount, and \$2.0 million non-cash interest expense, which was partially offset by a reclassification of long-term debt to current portion of long-term debt of \$9.2 million and a \$3.1 million repayment of term loans.

Additional Paid-in Capital. Additional paid-in capital increased \$38.4 million, which resulted primarily from the issuance of common stock, net of underwriters' discount and offering costs, of \$110.7 million, non-cash compensation expense of \$2.5 million, and restricted share grants of \$3.2 million, which was partially offset by dividends of \$75.6 million.

Accumulated Other Comprehensive Loss. Accumulated other comprehensive loss increased \$1.4 million, comprised of net actuarial loss and prior service cost from pension and other post-retirement obligations.

Retained Earnings (Accumulated Deficit). Retained earnings increased \$6.5 million, due to a net income of \$18.2 million which was partially offset by dividends of \$11.7 million.

Indebtedness

New Media Credit Agreement

On June 4, 2014, New Media Holdings II LLC (the "New Media Borrower"), a wholly owned subsidiary of New Media, entered into a credit agreement (the "New Media Credit Agreement") among the New Media Borrower, New Media Holdings I LLC ("Holdings I"), the lenders party thereto, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners, Credit Suisse AG, Cayman Islands Branch as syndication agent and Citizens Bank of

Table of Contents

Pennsylvania as administration agent which provided for (i) a \$200 million senior secured term facility (the “Term Loan Facility” and any loan thereunder, including as part of the Incremental Facility, “Term Loans”), (ii) a \$25 million senior secured revolving credit facility, with a \$5 million sub-facility for letters of credit and a \$5 million sub-facility for swing loans, (the “Revolving Credit Facility” and together with the Term Loan Facility, the “Senior Secured Credit Facilities”) and (iii) the ability for the New Media Borrower to request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of \$75 million (the “Incremental Facility”) subject to certain conditions. On June 4, 2014, the New Media Borrower borrowed \$200 million under the Term Loan Facility (the “Initial Term Loans”). As of December 31, 2017, \$0 was drawn under the Revolving Credit Facility. The Term Loans mature on July 14, 2022 and the maturity date for the Revolving Credit Facility is July 14, 2021. The New Media Credit Agreement was amended;

- on September 3, 2014, to provide for additional term loans under the Incremental Facility in an aggregate principal amount of \$25 million (the “2014 Incremental Term Loan”);
- on November 20, 2014, to increase the amount of the Incremental Facility that may be requested after the date of the amendment from \$75 million to \$225 million;
- on January 9, 2015, to provide for \$102 million in additional term loans (the “2015 Incremental Term Loan”) and \$50 million in additional revolving commitments (the “2015 Incremental Revolver”) under the Incremental Facility and to make certain amendments to the Revolving Credit Facility in connection with the purchase of the assets of Halifax Media;
- on February 13, 2015, to provide for the replacement of the existing term loans under the Term Loan Facility (including the 2014 Incremental Term Loan and the 2015 Incremental Term Loan) with a new class of replacement term loans;
- on March 6, 2015, to provide for \$15 million in additional revolving commitments under the Incremental Facility;
- on May 29, 2015, to provide for \$25 million in additional term loans under the Incremental Facility; and
- on July 14, 2017, to (i) extend the maturity date of the outstanding term loans under the Term Loan Facility to July 14, 2022, (ii) provide for a 1.00% prepayment premium for any prepayments made in connection with certain repricing transactions effected within six months of the date of the amendment, (iii) extend the maturity date of the Revolving Credit Facility to July 14, 2021, (iv) provide for \$20 million in additional term loans (the “2017 Incremental Term Loan”) under the Incremental Facility and (v) increase the amount of the Incremental Facility that may be requested on or after the date of the amendment (inclusive of the 2017 Incremental Term Loan) to \$100 million.
 - on February 16, 2018, to provide for \$50.0 million in additional term loans under the Term Loan Facility; and
 - on November 28, 2018, to provide for (i) \$30.0 million in additional term loans under the Term Loan Facility and (ii) a 1.00% prepayment premium for any prepayments of the Term Loans made in connection with certain repricing transactions effected within six months of the date of the amendment.

In connection with the November 28, 2018 amendment, the Company incurred approximately \$0.4 million of fees and expenses, of which \$0.3 million were capitalized in deferred financing costs and will be amortized over the term of the Term Loan Facility. The related third party fees of \$0.1 million were expensed during the quarter as this amendment was determined to be a debt modification for accounting purposes. In addition, the Company recognized \$0.1 million of original issue discount, which will also be amortized over the term of the Term Loan Facility. There was one lender who had a significant change in the terms of the Term Loan Facility; the difference between the present value of the cash flows after this amendment and the present value of the cash flows before this amendment was more than 10%. This portion of the transaction was accounted for as an extinguishment under ASC Subtopic 470-50, “Debt Modifications and Extinguishments”. Deferred fees and expenses of \$2.9 million previously allocated to that lender were written off to loss on early extinguishment of debt.

In connection with the February 16, 2018 amendment, the Company incurred approximately \$0.6 million of fees and expenses, of which \$0.5 million were capitalized in deferred financing costs and will be amortized over the term of the Term Loan Facility. The related third party fees of \$0.1 million were expensed during the quarter as this amendment was determined to be a debt modification for accounting purposes. In addition, the Company recognized \$0.3 million of original issue discount, which will also be amortized over the term of the Term Loan Facility.

In connection with the July 14, 2017 amendment, we incurred approximately \$6.6 million of fees and expenses. There was one lender who had a significant change in the terms of the Term Loan Facility; the difference between the present value of the cash flows after this amendment and the present value of the cash flows before this amendment was more than 10%. This portion of the transaction was accounted for as an extinguishment under ASC Subtopic 470-50, “Debt Modifications and Extinguishments”. Deferred fees and expenses of \$1.0 million previously allocated to that lender were written off to loss on

early extinguishment of debt. Additionally, the current fees of \$2.4 million attributed to this lender were expensed to loss on early extinguishment of debt. The third party expenses of \$0.1 million apportioned to the lender were capitalized. In addition, \$1.3 million fees and expenses allocated to lenders that exited the facility were written off to loss on early extinguishment of debt. The remainder of this amendment was treated as a debt modification for accounting purposes. The consent fees of \$3.0 million for the lenders other than the one mentioned above were capitalized and will be amortized over the term of the Term Loan Facility. The third party fees of \$0.6 million related to these lenders were expensed. Additionally, the fees and expenses allocated to the Revolving Credit Facility of \$0.4 million were capitalized as this component of the amendment was accounted for as a debt modification.

The New Media Credit Agreement contains customary representations and warranties and affirmative covenants and negative covenants applicable to Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions, and events of default. The New Media Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.25 to 1.00.

As of December 30, 2018, we are in compliance with all of the covenants and obligations under the New Media Credit Agreement.

Refer to Note 9 to the consolidated financial statements, "Indebtedness," for further discussion of the New Media Credit Agreement.

Advantage Credit Agreements

In connection with the purchase of the assets of Halifax Media, which closed on January 9, 2015, CA Daytona Holdings, Inc. (the "Florida Advantage Borrower") and CA Alabama Holdings, Inc. (the "Alabama Advantage Borrower", and, collectively with the Florida Advantage Borrower, the "Advantage Borrowers"), each subsidiaries of the Company, agreed to assume all of the obligations of Halifax Media and its affiliates required to be performed after the closing date in respect of each of (i) that certain Consolidated Amended and Restated Credit Agreement dated January 6, 2012 among Halifax Media Acquisition LLC, Advantage Capital Community Development Fund XXVIII, L.L.C., and Florida Community Development Fund II, L.L.C., as amended pursuant to that certain First Amendment to Consolidated Amended and Restated Credit Agreement dated June 27, 2012 and that certain Second Amendment to Consolidated Amended and Restated Credit Agreement, dated June 18, 2013, and all rights and obligations thereunder and related thereto (the "Halifax Florida Credit Agreement"), and (ii) that certain Credit Agreement dated June 18, 2013 between Halifax Alabama, LLC and Southeast Community Development Fund V, L.L.C. (the "Halifax Alabama Credit Agreement" and, together with the Halifax Florida Credit Agreement, the "Advantage Credit Agreements"), respectively. In consideration therefore, the amount of cash payable by the Company to Halifax Media on the closing date was reduced by approximately \$18 million, representing the aggregate principal amount outstanding plus the aggregate amount of accrued interest through the closing date under the Advantage Credit Agreements (the debt under the Halifax Florida Credit Agreement, the "Advantage Florida Debt"; the debt under the Halifax Alabama Credit Agreement, the "Advantage Alabama Debt"; and the Advantage Florida Debt and the Advantage Alabama Debt, collectively, the "Advantage Debt"). On May 5, 2015, the Halifax Alabama Credit Agreement was amended to cure an omission.

The Advantage Florida Debt was in the principal amount of \$10 million and bore interest at the rate of 5.25% per annum, payable quarterly in arrears, and matured on December 31, 2016. On December 30, 2016, the Company paid the outstanding balance under the Advantage Florida Debt in the amount of \$10,000 with cash on hand. The Advantage Alabama Debt is in the principal amount of \$8 million and bears interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears, maturing on March 31, 2019. The Advantage Alabama Debt is secured by a perfected second priority security interest in all the assets of the Alabama Advantage Borrowers and certain other subsidiaries of the Company, subject to the limitation that the maximum amount of secured obligations is \$15 million. The Halifax Alabama Credit Agreement is unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrowers and is required to be guaranteed by all future material wholly-owned domestic subsidiaries of the Alabama Advantage Borrowers, subject to certain exceptions. The Advantage Alabama Debt is subordinated to the New Media Credit Agreement pursuant to an intercreditor agreement.

The Halifax Alabama Credit Agreement contains covenants substantially consistent with those contained in the New Media Credit Agreement in addition to those required for compliance with the New Markets Tax Credit program. The Alabama Advantage Borrowers are permitted to make voluntary prepayments at any time without premium or penalty. The Alabama Advantage Borrowers are required to repay borrowings under the Halifax Alabama Credit Agreement (without payment of a premium) with (i) net cash proceeds of certain debt obligations (except as otherwise permitted under the Halifax Alabama

Credit Agreement) and (ii) net cash proceeds from non-ordinary course asset sales (subject to reinvestment rights and other exceptions).

The Halifax Alabama Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to the Alabama Advantage Borrowers and certain of the Company subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The Halifax Alabama Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower’s subsidiaries to maintain a maximum total leverage ratio of 3.75 to 1.00. The Halifax Alabama Credit Agreement contains customary events of default.

As of December 30, 2018, we are in compliance with all of the covenants and obligations under the Halifax Alabama Credit Agreement.

Summary Disclosure About Contractual Obligations and Commercial Commitments

The following table reflects a summary of our contractual cash obligations, including estimated interest payments where applicable, as of December 30, 2018:

	2019	2020	2021	2022	2023	Thereafter	Total
<i>(in thousands)</i>							
Debt obligations	\$ 51,782	\$ 43,148	\$ 42,090	\$ 447,177	\$ —	—	\$ 584,197
Operating lease obligations	26,775	23,116	19,418	15,923	13,299	75,848	174,379
Management fee	9,800	—	—	—	—	—	9,800
Total	\$ 88,357	\$ 66,264	\$ 61,508	\$ 463,100	\$ 13,299	\$ 75,848	\$ 768,376

The table above excludes future cash requirements for pension and postretirement obligations. The periods in which these obligations will be settled in cash are not readily determinable and are subject to numerous future events and assumptions. We estimate cash requirements for these obligations in 2019 will be approximately \$1.4 million. See Note 14 “Pension and Postretirement Benefits” to the consolidated financial statements, included herein.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements reasonably likely to have a current or future effect on our financial statements, financial condition, revenues, expenses, results of operations, liquidity or capital resources that are material to investors.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASC Topic 606”). ASC Topic 606 replaces all current U.S. GAAP guidance for revenue recognition and eliminates industry-specific guidance. The new standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In March 2016, the FASB issued ASU No. 2016-08, “Revenue from Contracts with Customers - Principal versus Agent Considerations” (ASU 2016-08), which amends ASC Topic 606 and clarifies the implementation guidance on principal versus agent considerations. The Company adopted ASC Topic 606 on January 1, 2018 using the modified retrospective approach. Refer to Note 12 “Revenues” for the discussion of the impact of the adoption of the new standard.

In January 2016, the FASB issued ASU 2016-01, “Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities” (“ASU 2016-01”). The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. We adopted this new accounting standard prospectively for its non-marketable equity securities on January 1, 2018. We have elected to use the measurement alternative for its non-marketable equity securities, defined as cost adjusted for changes from observable transactions for identical or similar investments of the same issuer, less impairment. Our investments in privately-held companies are non-marketable equity securities without readily determinable fair values and there was no upward adjustment during the year ended December 30, 2018.

[Table of Contents](#)

In February 2016, the FASB issued ASU No. 2016-02 (“ASU 2016-02”), “Leases (Topic 842)”, which revises the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset on the balance sheet for all leases with terms greater than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. We will adopt Topic 842 effective December 31, 2018 using a modified retrospective method and will not restate comparative periods. As permitted under the transition guidance, we will carry forward the assessment of whether our contracts contain or are leases, classification of our leases and remaining lease terms. Based on our portfolio of leases as of December 30, 2018, approximately \$95.0 million of lease assets and \$101.0 million of lease liabilities will be recognized on our balance sheet upon adoption, primarily relating to real estate. We are substantially complete with our implementation efforts.

In November 2016, the FASB issued ASU No. 2016-18, “Restricted Cash” (Topic 230), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. The Company adopted this standard on January 1, 2018 using a retrospective transition method. The impact of the new standard is that the Company’s consolidated statements of cash flows now present the change in a combined amount for both restricted and unrestricted cash and cash equivalents for all periods presented.

In January 2017, the FASB issued ASU No. 2017-01, “Business Combinations - Clarifying the Definition of a Business” (Topic 805), which clarifies the definition of a business for determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The Company adopted this standard on January 1, 2018 and is applying the standard prospectively to determine whether certain future transactions should be accounted for as acquisitions of assets or businesses.

In March 2017, the FASB issued ASU No. 2017-07, “Compensation-Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost” (Topic 715), which provides guidance that requires an employer to report the service cost component separate from the other components of net benefit pension costs. The employer is required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside the subtotal of income from operations, if one is presented. If a separate line item is not used, the line item used in the income statement must be disclosed. The Company adopted the standard on January 1, 2018 using a retrospective transition method. The adoption of the standard did not have a material impact on the Company’s consolidated financial statements. The Other components of net defined benefit cost are recorded in other (income) expense on the Consolidated Statements of Operations and Comprehensive Income (Loss).

In February 2018, the FASB issued ASU 2018-02, “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (“AOCI”)”. This ASU provides entities the option to reclassify tax effects to retained earnings from AOCI which are impacted by the Tax Cuts and Jobs Act (“TCJA”). The ASU is effective for fiscal years beginning after December 15, 2018. The Company has a full valuation allowance for all tax benefits related to AOCI, and therefore, there are no tax effects to be reclassified to retained earnings.

All other issued and not yet effective accounting standards are not relevant to us.

Non-GAAP Financial Measures

A non-GAAP financial measure is generally defined as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. We define and use Adjusted EBITDA, a non-GAAP financial measure, as set forth below.

Adjusted EBITDA

We define Adjusted EBITDA as follows:

Income (loss) from continuing operations *before*:

- income tax expense (benefit);
- interest/financing expense;
- depreciation and amortization; and
- non-cash impairments.

Management’s Use of Adjusted EBITDA

Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss), cash flow from continuing operating activities or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, is 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. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance.

Adjusted EBITDA provides us with a measure of financial performance, independent of items that are beyond the control of management in the short-term, such as depreciation and amortization, taxation, non-cash impairments and interest expense associated with our capital structure. This metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the organization. Adjusted EBITDA is one of the metrics we use to review the financial performance of our business on a monthly basis.

Limitations of Adjusted EBITDA

Adjusted EBITDA has limitations as an analytical tool. It should not be viewed in isolation or as a substitute for GAAP measures of earnings or cash flows. Material limitations in making the adjustments to our earnings to calculate Adjusted EBITDA and using this non-GAAP financial measure as compared to GAAP net income (loss), include: the cash portion of interest/financing expense, income tax (benefit) provision and charges related to impairment of long-lived assets, which may significantly affect our financial results.

A reader of our financial statements may find this item important in evaluating our performance, results of operations and financial position. We use non-GAAP financial measures to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

Adjusted EBITDA is not an alternative to net income, income from operations or cash flows provided by or used in operations as calculated and presented in accordance with GAAP. Readers of our financial statements should not rely on Adjusted EBITDA as a substitute for any such GAAP financial measure. We strongly urge readers of our financial statements to review the reconciliation of income (loss) from continuing operations to Adjusted EBITDA, along with our consolidated financial statements included elsewhere in this report. We also strongly urge readers of our financial statements to not rely on any single financial measure to evaluate our business. In addition, because Adjusted EBITDA is not a measure of financial performance under GAAP and is susceptible to varying calculations, the Adjusted EBITDA measure, as presented in this report, may differ from and may not be comparable to similarly titled measures used by other companies.

We use Adjusted EBITDA as a measure 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. We consider the unrealized (gain) loss on derivative instruments and the (gain) loss on early extinguishment of debt to be financing related costs associated with interest expense or amortization of financing fees. Accordingly, we exclude financing related costs such as the early extinguishment of debt because they represent the write-off of deferred financing costs and we believe these non-cash write-offs are similar to interest expense and amortization of financing fees, which by definition are excluded from Adjusted EBITDA. Additionally, the non-cash gains (losses) on derivative contracts, which are related to interest rate swap agreements to manage interest rate risk, are financing costs associated with interest expense. Such charges are incidental to, but not reflective of, our day-to-day operating performance and it is appropriate to exclude charges related to financing activities such as the early extinguishment of debt and the unrealized (gain) loss on derivative instruments which, depending on the nature of the financing arrangement, would have otherwise been amortized over the period of the related agreement and does not require a current cash settlement. Such charges are incidental to, but not reflective of our day-to-day operating performance of the business that management can impact in the short term.

The table below shows the reconciliation of (loss) income from continuing operations to Adjusted EBITDA for the periods presented:

	Year Ended				
	December 30, 2018	December 31, 2017 ⁽³⁾	December 25, 2016	December 27, 2015	December 28, 2014
(in thousands)					
Net income (loss)	\$ 18,107	\$ (915)	\$ 31,641	\$ 67,614	\$ (3,205)
Income tax expense (benefit)	1,912	481	(2,319)	3,404	2,713
Loss on derivative instruments ⁽¹⁾	—	—	—	—	51
Loss on early extinguishment of debt ⁽²⁾	2,886	4,767	—	—	9,047
Interest expense	36,072	30,476	29,635	32,057	17,685
Impairment of long-lived assets	1,538	7,142	—	—	—
Depreciation and amortization	84,791	74,394	67,774	67,752	41,450
Goodwill and mastheads impairment	—	27,448	—	4,800	—
Adjusted EBITDA	<u>\$ 145,306 ^(a)</u>	<u>\$ 143,793 ^(b)</u>	<u>\$ 126,731 ^(c)</u>	<u>\$ 175,627 ^(d)</u>	<u>\$ 67,741 ^(e)</u>

- (a) Adjusted EBITDA for the year ended December 30, 2018 included net expenses of \$36,540, comprised of transaction and project costs, non-cash compensation, and other expenses of \$25,500, integration and reorganization costs of \$15,011 and a \$3,971 gain on the sale or disposal of assets.
- (b) Adjusted EBITDA for the year ended December 31, 2017 included net expenses of \$22,275, comprised of transaction and project costs, non-cash compensation, and other expenses of \$15,021, integration and reorganization costs of \$8,903 and a \$1,649 gain on the sale or disposal of assets.
- (c) Adjusted EBITDA for the year ended December 25, 2016 included net income of \$29,091, comprised of transaction and project costs and other expenses of \$17,175, integration and reorganization costs of \$8,352 and a \$3,564 loss on the sale or disposal of assets.
- (d) Adjusted EBITDA for the year ended December 27, 2015 included net expenses of \$(13,566), comprised of transaction and project costs, non-cash compensation, and other expenses of \$29,433, integration and reorganization costs of \$8,052 and a \$51,051 gain on the sale or disposal of assets.
- (e) Adjusted EBITDA for the two months ended December 28, 2014 included net expenses of \$21,673, comprised of transaction and project costs, non-cash compensation, and other expenses of \$17,405, integration and reorganization costs of \$2,796 and a \$1,472 loss on the sale or disposal of assets.

- (1) Non-cash (gain) loss on derivative instruments is related to interest rate swap agreements which are financing related and are excluded from Adjusted EBITDA.
- (2) Non-cash write-off of deferred financing costs are similar to interest expense and amortization of financing fees and are excluded from Adjusted EBITDA.
- (3) The year ended December 31, 2017 included a 53rd week of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

Interest Rates

This discussion is based on our average long-term debt of \$407.1 million during the year ended December 30, 2018. There were no interest rate swaps in place during this period.

As of December 30, 2018, we have \$445.3 million of term debt, with a minimum variable rate plus a fixed margin. On the term debt the minimum variable rate is 1.0% and the fixed margin is 6.25%. Our primary exposure is to LIBOR. A 100 basis point change in LIBOR would change our interest expense on an annualized basis by approximately \$4.1 million, based on average floating rate debt outstanding for the year ended December 30, 2018 and after consideration of minimum variable rates.

Commodities

[Table of Contents](#)

Certain operating expenses of ours are sensitive to commodity price fluctuations. Primary commodity price exposures are newsprint, energy costs and, to a lesser extent, ink. We manage these risks through annual fixed pricing agreements for our newsprint purchases and annual contracts with independent contractors or third party distributors for our newspaper distributions.

A \$10 per metric ton newsprint price change would result in a corresponding annualized change in our income from continuing operations before income taxes of \$1.2 million based on newsprint usage for the year ended December 30, 2018 of approximately 117,500 metric tons.

Item 8. Financial Statements and Supplementary Data

**NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

	<u>Page</u>
Consolidated Financial Statements:	
Report of Independent Registered Public Accounting Firm	88
Consolidated Balance Sheets as of December 30, 2018 and December 31, 2017	89
Consolidated Statements of Operations and Comprehensive Income (Loss) for the years ended December 30, 2018, December 31, 2017 and December 25, 2016	90
Consolidated Statements of Stockholders' Equity for the years ended December 30, 2018, December 31, 2017 and December 25, 2016	91
Consolidated Statements of Cash Flows for the years ended December 30, 2018, December 31, 2017 and December 25, 2016	92
Notes to Consolidated Financial Statements	93

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of
New Media Investment Group Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of New Media Investment Group Inc. and subsidiaries (the Company) as of December 30, 2018 and December 31, 2017, the related consolidated statements of operations and comprehensive income (loss), stockholders' equity and cash flows for each of the three fiscal years in the period ended December 30, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 30, 2018 and December 31, 2017, and the results of its operations and its cash flows for each of the three fiscal years in the period ended December 30, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 30, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 27, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2007.

New York, New York
February 27, 2019

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	December 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,651	\$ 43,056
Restricted cash	4,119	3,106
Accounts receivable, net of allowance for doubtful accounts of \$8,042 and \$5,998 at December 30, 2018 and December 31, 2017, respectively	174,274	151,692
Inventory	25,022	18,654
Prepaid expenses	23,935	23,378
Other current assets	21,608	23,311
Total current assets	297,609	263,197
Property, plant, and equipment, net of accumulated depreciation of \$219,256 and \$171,395 at December 30, 2018 and December 31, 2017, respectively	339,608	373,123
Goodwill	310,737	236,555
Intangible assets, net of accumulated amortization of \$101,543 and \$67,588 at December 30, 2018 and December 31, 2017, respectively	486,054	403,493
Other assets	9,856	7,178
Total assets	\$ 1,443,864	\$ 1,283,546
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 12,395	\$ 2,716
Accounts payable	16,612	15,750
Accrued expenses	113,650	97,027
Deferred revenue	105,187	88,164
Total current liabilities	247,844	203,657
Long-term liabilities:		
Long-term debt	428,180	357,195
Deferred income taxes	8,282	8,080
Pension and other postretirement benefit obligations	24,326	25,462
Other long-term liabilities	16,462	14,759
Total liabilities	725,094	609,153
Redeemable noncontrolling interests	1,547	—
Stockholders' equity:		
Common stock, \$0.01 par value, 2,000,000,000 shares authorized; 60,508,249 shares issued and 60,306,286 shares outstanding at December 30, 2018; 53,367,853 shares issued and 53,226,881 shares outstanding at December 31, 2017	605	534
Additional paid-in capital	721,605	683,168
Accumulated other comprehensive loss	(6,881)	(5,461)
Retained earnings (accumulated deficit)	3,767	(2,767)
Treasury stock, at cost, 201,963 and 140,972 shares at December 30, 2018 and December 31, 2017, respectively	(1,873)	(1,081)
Total stockholders' equity	717,223	674,393
Total liabilities, redeemable noncontrolling interests and stockholders' equity	\$ 1,443,864	\$ 1,283,546

See accompanying notes to consolidated financial statements.

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share data)

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
Revenues:			
Advertising	\$ 728,327	\$ 683,990	\$ 684,900
Circulation	574,963	474,324	421,497
Commercial printing and other	222,734	183,690	148,959
Total revenues	<u>1,526,024</u>	<u>1,342,004</u>	<u>1,255,356</u>
Operating costs and expenses:			
Operating costs	865,234	742,822	699,312
Selling, general, and administrative	505,282	449,108	415,776
Depreciation and amortization	84,791	74,394	67,774
Integration and reorganization costs	15,011	8,903	8,352
Impairment of long-lived assets	1,538	7,142	—
Goodwill and mastheads impairment	—	27,448	—
Net (gain) loss on sale or disposal of assets	(3,971)	(1,649)	3,564
Operating income	<u>58,139</u>	<u>33,836</u>	<u>60,578</u>
Interest expense	36,072	30,476	29,635
Loss on early extinguishment of debt	2,886	4,767	—
Other (income) expense	(838)	(973)	1,621
Income (loss) before income taxes	<u>20,019</u>	<u>(434)</u>	<u>29,322</u>
Income tax expense (benefit)	1,912	481	(2,319)
Net income (loss)	<u>18,107</u>	<u>(915)</u>	<u>31,641</u>
Net loss attributable to redeemable noncontrolling interests	(89)	—	—
Net income (loss) attributable to New Media	<u>\$ 18,196</u>	<u>\$ (915)</u>	<u>\$ 31,641</u>
Income (loss) per share:			
Basic:			
Net income (loss) attributable to New Media	<u>\$ 0.31</u>	<u>\$ (0.02)</u>	<u>\$ 0.70</u>
Diluted:			
Net income (loss) attributable to New Media	<u>\$ 0.31</u>	<u>\$ (0.02)</u>	<u>\$ 0.70</u>
Dividends declared per share	<u>\$ 1.49</u>	<u>\$ 1.42</u>	<u>\$ 1.34</u>
Other comprehensive income (loss):			
Pension and other postretirement benefit items:			
Net actuarial (loss) gain	\$ (1,509)	\$ (1,530)	\$ (816)
Amortization of net actuarial loss (gain)	89	46	(3)
Total pension and other postretirement benefit items, net of income taxes of \$0	<u>(1,420)</u>	<u>(1,484)</u>	<u>(819)</u>
Other comprehensive (loss) income, net of tax	<u>(1,420)</u>	<u>(1,484)</u>	<u>(819)</u>
Comprehensive income (loss)	<u>16,687</u>	<u>(2,399)</u>	<u>30,822</u>
Comprehensive loss attributable to redeemable noncontrolling interests	(89)	—	—
Comprehensive income (loss) attributable to New Media	<u>\$ 16,776</u>	<u>\$ (2,399)</u>	<u>\$ 30,822</u>

See accompanying notes to consolidated financial statements.

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings (accumulated deficit)	Treasury stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 27, 2015	44,710,497	\$ 445	\$ 605,033	\$ (3,158)	\$ 44,753	—	\$ —	\$ 647,073
Net income	—	—	—	—	31,641	—	—	31,641
Restricted share grants	207,729	—	225	—	—	—	—	225
Net actuarial gain and prior service cost, net of income taxes of \$0	—	—	—	(819)	—	—	—	(819)
Non-cash compensation expense	—	—	2,442	—	—	—	—	2,442
Issuance of common stock, net of underwriters' discount	8,625,000	86	134,843	—	—	—	—	134,929
Purchase of treasury stock	—	—	—	—	—	26,749	(417)	(417)
Restricted share forfeiture	—	—	—	—	—	19,689	—	—
Common stock cash dividend	—	—	—	—	(60,101)	—	—	(60,101)
Balance at December 25, 2016	53,543,226	531	742,543	(3,977)	16,293	46,438	(417)	754,973
Net loss	—	—	—	—	(915)	—	—	(915)
Restricted share grants	202,758	7	218	—	—	—	—	225
Net actuarial loss and prior service cost, net of income taxes of \$0	—	—	—	(1,484)	—	—	—	(1,484)
Non-cash compensation expense	—	—	3,135	—	—	—	—	3,135
Offering costs	—	—	(111)	—	—	—	—	(111)
Exercise of stock options	12,989	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—	44,004	(664)	(664)
Restricted share forfeiture	—	—	—	—	—	50,530	—	—
Repurchase of common stock	(391,120)	(4)	(4,997)	—	—	—	—	(5,001)
Common stock cash dividend	—	—	(57,620)	—	(18,145)	—	—	(75,765)
Balance at December 31, 2017	53,367,853	534	683,168	(5,461)	(2,767)	140,972	(1,081)	674,393
Net income attributable to New Media	—	—	—	—	18,196	—	—	18,196
Restricted share grants	240,396	2	223	—	—	—	—	225
Net actuarial loss and prior service cost, net of income taxes of \$0	—	—	—	(1,420)	—	—	—	(1,420)
Non-cash compensation expense	—	—	3,156	—	—	—	—	3,156
Issuance of common stock, net of underwriters' discount	6,900,000	69	110,650	—	—	—	—	110,719
Purchase of treasury stock	—	—	—	—	—	46,237	(792)	(792)
Restricted share forfeiture	—	—	—	—	—	14,754	—	—
Common stock cash dividend	—	—	(75,592)	—	(11,662)	—	—	(87,254)
Balance at December 30, 2018	60,508,249	\$ 605	\$ 721,605	\$ (6,881)	\$ 3,767	201,963	\$ (1,873)	\$ 717,223

See accompanying notes to consolidated financial statements.

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
Cash flows from operating activities:			
Net income (loss)	\$ 18,107	\$ (915)	\$ 31,641
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	84,791	74,394	67,774
Non-cash compensation expense	3,156	3,135	2,442
Non-cash interest expense	1,996	2,339	2,786
Deferred income taxes	202	294	(2,862)
Net (gain) loss on sale or disposal of assets	(3,971)	(1,649)	3,564
Non-cash charge to investments	505	250	2,766
Non-cash loss on early extinguishment of debt	2,886	2,344	—
Impairment of long-lived assets	1,538	7,142	—
Goodwill and mastheads impairment	—	27,448	—
Pension and other postretirement benefit obligations	(2,575)	(1,963)	(2,276)
Changes in assets and liabilities:			
Accounts receivable, net	15	4,981	14,880
Inventory	(4,336)	1,073	(999)
Prepaid expenses	3,338	(3,538)	(1,805)
Other assets	4,434	(4,632)	(7,178)
Accounts payable	(2,530)	(3,996)	4,986
Accrued expenses	8,019	6,645	(21,723)
Deferred revenue	(7,642)	(4,607)	(629)
Other long-term liabilities	1,626	1,761	1,433
Net cash provided by operating activities	<u>109,559</u>	<u>110,506</u>	<u>94,800</u>
Cash flows from investing activities:			
Acquisitions, net of cash acquired	(204,877)	(164,155)	(137,486)
Purchases of property, plant, and equipment	(11,639)	(11,090)	(10,631)
Proceeds from sale of publications, real estate and other assets, and insurance proceeds	15,040	14,972	3,284
Net cash used in investing activities	<u>(201,476)</u>	<u>(160,273)</u>	<u>(144,833)</u>
Cash flows from financing activities:			
Payment of debt issuance costs	(800)	(3,576)	—
Borrowings under term loans	79,675	20,000	—
Borrowings under revolving credit facility	20,000	—	—
Repayments under term loans	(3,093)	(14,443)	(3,509)
Repayments under revolving credit facility	(20,000)	—	—
Payment of offering costs	(369)	(431)	(83)
Issuance of common stock, net of underwriters' discount	111,099	—	135,849
Purchase of treasury stock	(792)	(664)	(417)
Repurchase of common stock	—	(5,001)	—
Payment of dividends	(87,195)	(75,608)	(59,760)
Net cash provided by (used in) financing activities	<u>98,525</u>	<u>(79,723)</u>	<u>72,080</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>6,608</u>	<u>(129,490)</u>	<u>22,047</u>
Cash, cash equivalents and restricted cash at beginning of period	<u>46,162</u>	<u>175,652</u>	<u>153,605</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 52,770</u>	<u>\$ 46,162</u>	<u>\$ 175,652</u>
Supplemental disclosures on cash flow information:			
Cash interest paid	\$ 31,178	\$ 33,626	\$ 26,908
Cash income taxes paid	\$ 1,272	\$ 52	\$ 2,601

See accompanying notes to consolidated financial statements.

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share data)

(1) Description of Business, Basis of Presentation and Summary of Significant Accounting Policies

(a) Description of Business

New Media Investment Group Inc. (“New Media,” the “Company,” “us,” “our,” or “we”), was formed as a Delaware corporation on June 18, 2013. The Company owns, operates and invests in high-quality local media assets focused in small to mid-sized markets. Our print and online products focus on the local community from a content, advertising, and technology solutions perspective. As a result of our focus on small and mid-sized markets, we are usually the primary, and sometimes, the sole provider of comprehensive local market news and information in the communities we serve.

Our focus and presence gives us expertise and trust with the local audience and small to medium-sized businesses (“SMBs”) in our communities. We leverage this local trust and expertise to sell our unique, hyperlocal content to consumers using trusted and long established local mastheads, conduct community events on a variety of themed expos and endurance events focusing on local audiences under our GateHouse Live and Rugged Events brands, and market leading technology solutions to SMBs under our UpCurve brands.

As of December 30, 2018, the Company owned and operated 678 publications across 581 markets located in 37 states. The majority of the Company’s paid daily newspapers have been published for more than 100 years and are typically the only paid daily newspapers of general circulation in their respective nonmetropolitan markets. The Company’s publications generally face limited competition as a result of operating in small and midsized markets that can typically support only one newspaper. The Company has strategically clustered most of its publications in geographically diverse, nonmetropolitan markets in the Midwest and Eastern United States, which limits its exposure to economic conditions in any single market or region.

Through July 1, 2018, the Company’s reporting units (Eastern US Publishing “East”, Central US Publishing “Central”, Western US Publishing “West”, Recent Acquisitions and BridgeTower) were aggregated into one reportable business segment. On July 2, 2018, the reporting units were changed to Newspapers and BridgeTower. The reporting units will continue to be aggregated into one reportable business segment. Refer to Note 6 “Goodwill and Intangible Assets” for further discussion.

(b) Basis of Consolidation

The consolidated financial statements include the accounts of New Media and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The Company consolidates entities that it controls due to ownership of a majority voting interest.

(c) Newspaper Industry

The newspaper industry and the Company have experienced declining same-store revenue and profitability over the past several years. As a result, the Company has implemented, and continues to implement, plans to reduce costs and preserve cash flow. This includes cost-reduction programs and the sale of non-core assets. The Company believes these initiatives along with cash provided by operating activities will provide it with the financial resources necessary to invest in the business and provide sufficient cash flow to enable the Company to meet its commitments. However, the Company did recognize goodwill and mastheads impairments during the second quarter of 2017. Refer to Note 6 “Goodwill and Intangible Assets” for further discussion.

(d) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Examples of significant estimates include pension and postretirement benefit obligation assumptions, income taxes, allowance for doubtful accounts, self-insurance liabilities, goodwill impairment analysis, stock-based compensation, and valuation of property, plant and equipment and intangible assets. Actual results could differ from those estimates.

(e) Fiscal Year

[Table of Contents](#)

The Company's fiscal year is a 52 or 53-week operating period ending on the last Sunday of the calendar year. The Company's 2018, 2017 and 2016 fiscal years ended on December 30, December 31, and December 25, and encompassed 52, 53, and 52-week periods, respectively.

(f) Accounts Receivable

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company's allowance for doubtful accounts is based upon several factors including the length of time the receivables are past due, historical payment trends and current economic factors. The Company generally does not require collateral.

(g) Inventory

Inventory consists principally of newsprint, which is valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out ("FIFO") method.

(h) Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Routine maintenance and repairs are expensed as incurred.

Depreciation is calculated under the straight-line method over the estimated useful lives, principally up to 40 years for buildings and improvements, up to 20 years for machinery and equipment, and up to 10 years for furniture, fixtures and computer software. Leasehold improvements are amortized under the straight-line method over the shorter of the lease term or estimated useful life of the asset.

(i) Business Combinations

The Company accounts for acquisitions in accordance with the provisions of Accounting Standards Codification ("ASC") 805 "*Business Combinations*" ("ASC 805"), which provides guidance for recognition and measurement of identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree at fair value. In a business combination, the assets acquired, liabilities assumed and noncontrolling interest in the acquiree are recorded as of the date of acquisition at their respective fair values with limited exceptions. Any excess of the purchase price (consideration transferred) over the estimated fair values of net assets acquired is recorded as goodwill. Transaction costs are expensed as incurred. The operating results of the acquired business are reflected in the Company's consolidated financial statements after the date of the acquisition.

(j) Goodwill, Intangible and Long-Lived Assets

Intangible assets consist of noncompete agreements, advertiser, subscriber and customer relationships, mastheads, trade names and publication rights. Goodwill is not amortized pursuant to ASC Topic 350 "*Intangibles – Goodwill and Other*" ("ASC 350"). Mastheads are not amortized because it has been determined that the useful lives of such mastheads are indefinite.

In accordance with ASC 350, goodwill and intangible assets with indefinite lives are tested for impairment annually or when events indicate that an impairment could exist which may include an economic downturn in a market, a change in the assessment of future operations or a decline in the Company's stock price. The Company performs an annual impairment assessment on the last day of its fiscal second quarter. As required by ASC 350, the Company performs its impairment analysis on each of its reporting units. The Company has the option to qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company elects to perform a qualitative assessment and concludes it is not more likely than not that the fair value of the reporting unit is less than its carrying value, no further assessment of that reporting unit's goodwill is necessary; otherwise goodwill must be tested for impairment. The reporting units have discrete financial information which are regularly reviewed by management. The fair value of the applicable reporting unit is compared to its carrying value. Calculating the fair value of a reporting unit requires significant estimates and assumptions by the Company. The Company estimates fair value by applying third-party market value indicators to projected cash flows and/or projected earnings before interest, taxes, depreciation, and amortization (EBITDA). In applying this methodology, the Company relies on a number of factors, including current operating results and cash flows, expected future operating results and cash flows, future business plans, and market data. If the carrying value of the reporting unit exceeds the estimate of fair value, the Company calculates the impairment as the excess of the carrying value of goodwill over its estimated fair value.

Refer to Note 6 "Goodwill and Intangible Assets" for additional information on the impairment testing of goodwill and indefinite lived intangible assets.

[Table of Contents](#)

The Company accounts for long-lived assets in accordance with the provisions of ASC Topic 360, “*Property, Plant and Equipment*” (“ASC 360”). The Company assesses the recoverability of its long-lived assets, including property, plant and equipment and finite lived intangible assets, whenever events or changes in business circumstances indicate the carrying amount of the assets, or related group of assets, may not be fully recoverable. Impairment indicators include significant under performance relative to historical or projected future operating losses, significant changes in the manner of use of the acquired assets or the strategy for the Company’s overall business, and significant negative industry or economic trends. The assessment of recoverability is based on management’s estimates by comparing the sum of the estimated undiscounted cash flows generated by the underlying asset, or other appropriate grouping of assets, to its carrying value to determine whether an impairment existed at its lowest level of identifiable cash flows. If the carrying amount of the asset is greater than the expected undiscounted cash flows to be generated by such asset, an impairment is recognized to the extent the carrying value of such asset exceeds its fair value.

(k) Equity Investments

New Media uses the equity method of accounting for investments over which the Company exercises significant influence but does not control. The Company’s share of net earnings or losses from equity method investments is included in other (income) expense in the Consolidated Statements of Operations and Comprehensive Income (Loss).

Equity method investments are reviewed for impairment by comparing their fair value to their respective carrying amounts. With respect to private company investments, the Company makes its estimate of fair value by considering available information, that may include recent investee equity transactions, discounted cash flow analyses, estimates based on comparable public company operating multiples and, in certain situations, balance sheet liquidation values. If the fair value of the investment has dropped below the carrying amount, management considers several factors when determining whether an other-than-temporary decline in market value has occurred, including the length of time and extent to which the market value has been below cost, the financial condition and near-term prospects of the issuer of the security, the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value and other factors influencing the fair market value, such as general market conditions.

The Company accounts for non-marketable investments over which the Company does not have the ability to exercise significant influence under the cost method of accounting. Equity securities without a readily determinable fair value are accounted for at cost, adjusted for impairments and observable price changes in orderly transactions.

(l) Redeemable Noncontrolling Interests

The Company accounts for redeemable noncontrolling interests in accordance with ASC 480-10-S99-3A, “Distinguishing Liabilities from Equity” (“ASC 480-10-S99-3A”), because their exercise is outside the control of the Company. The redeemable noncontrolling interests recorded at fair value are put arrangements held by the noncontrolling interests in one of the Company’s majority-owned subsidiaries.

As of December 30, 2018, the redeemable noncontrolling interests are not exercisable.

(m) Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenues are recognized as performance obligations that are satisfied either at a point in time, such as when an advertisement is published, or over time, such as customer subscriptions.

The Company’s Consolidated Statement of Operations and Comprehensive Income (Loss) presents revenues disaggregated by revenue type. Sales taxes and other usage-based taxes are excluded from revenues.

Advertising Revenues

The Company generates advertising revenues primarily by delivering advertising in local publications including newspapers and websites. Advertising revenues are categorized as local retail, local classified, online and national. Revenue is recognized upon publication of the advertisement.

Circulation Revenues

Circulation revenues are derived from print and digital subscriptions as well as single copy sales at retail stores, vending racks and boxes. Circulation revenues from subscribers are generally billed to customers at the beginning of the subscription period and are typically recognized on a straight-line basis over the terms of the related subscriptions. The term of customer subscriptions normally ranges from three to twelve months. Circulation revenues from single-copy income are recognized based on the date of publication, net of provisions for related returns.

Table of Contents

Commercial Printing and Other Revenues

The Company provides commercial printing services to third parties as a means to generate incremental revenue and utilize excess printing capacity. These customers consist primarily of other publishers that do not have their own printing presses and do not compete with other GateHouse publications. The Company also prints other commercial materials, including flyers, business cards and invitations. Revenue is generally recognized upon delivery.

The Other Revenues category includes UpCurve, Inc. ("UpCurve"), formerly referred to as "Propel Business Services," the Company's SMB solutions provider. UpCurve provides digital marketing and business services for small to medium sized businesses. Other Revenues also include GateHouse Live, the Company's events business. A significant judgment management must make with respect to UpCurve revenue recognition is determining whether the Company is the principal or agent for certain licensing transactions. Under ASC Topic 606, the principal in the relationship is the entity that controls the specified goods or services. An entity may have control if (i) it is primarily responsible for fulfilling the promise to provide the good or service; (ii) it has inventory risk before or after the good or service has been transferred to the customer; or (iii) it has the discretion in establishing the price for the good or service. The Company has determined that UpCurve is the principal in the relationships for those transactions in which the goods or services are customized for the customer and reports the related revenues on a gross basis. The Company has determined that UpCurve is the agent in the relationships for those transactions in which the Company resells the goods or services with no customization and reports these revenues on a net basis.

Arrangements with Multiple Performance Obligations

The Company's contracts with customers may include multiple performance obligations such as bundled print and digital subscriptions. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers or using expected cost plus margin.

Contract Balances

The Company records deferred revenues when cash payments are received in advance of the Company's performance. The most significant unsatisfied performance obligation is the delivery of publications to subscription customers. The Company expects to recognize the revenue related to unsatisfied performance obligations over the next three to twelve months in accordance with the terms of the subscriptions. The increase in the deferred revenue balance for the year ended December 30, 2018 is primarily driven by acquisitions. For the year ended December 30, 2018, the Company recognized approximately \$85,000 of revenues that were included in the deferred revenue balance as of December 31, 2017.

Practical Expedients and Exemptions

The Company expenses sales commissions or other costs to obtain contracts when incurred because the amortization period is generally one year or less. These costs are recorded within selling, general and administrative expenses.

The Company does not disclose unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which the Company has the right to invoice for services performed.

(n) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company has determined that it is more likely than not that its existing deferred tax assets will not be realized, and accordingly has provided a full valuation allowance. Any changes in the scheduled reversals of deferred taxes may require an additional valuation allowance against the remaining deferred tax assets. Any increase or decrease in the valuation allowance could result in an increase or decrease in income tax expense in the period of adjustment.

The Company accounts for uncertain tax positions under the provisions of ASC 740 "Income Taxes". The Company does not anticipate significant increases or decreases in our uncertain tax positions within the next twelve months. The Company recognizes penalties and interest relating to uncertain tax positions in tax expense.

(o) Fair Value of Financial Instruments

[Table of Contents](#)

The carrying value of the Company's cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short maturity of these instruments. An estimate of the fair value of the Company's debt is disclosed in Note 9 "Indebtedness".

(p) Cash Equivalents and Restricted Cash

Cash equivalents represent highly liquid certificates of deposit which have original maturities of three months or less. Restricted cash is held as cash collateral for certain business operations.

(q) Deferred Financing Costs

Deferred financing costs consist of costs incurred in connection with debt financings and are recorded as a contra-liability in long-term debt. Such costs are amortized on a straight-line basis over the estimated remaining term of the debt, which approximates the effective interest method. This amortization represents a component of interest expense.

(r) Advertising Costs

Advertising costs are expensed in the period incurred. The Company incurred total advertising expenses for the years ended December 30, 2018, December 31, 2017, and December 25, 2016 of \$18,192, \$14,589 and \$14,607, respectively.

(s) Earnings (loss) per share

Basic earnings (loss) per share is computed as net income (loss) available to common stockholders divided by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur from the issuance of common shares upon conversion of common stock equivalents.

(t) Stock-based Employee Compensation

ASC Topic 718, "Compensation – Stock Compensation" requires that all share-based payments to employees and the board of directors, including grants of stock options and restricted stock, be recognized in the consolidated financial statements over the service period (generally the vesting period) based on fair values measured on grant dates, less estimated forfeitures.

(u) Pension and Postretirement Liabilities

ASC Topic 715, "Compensation – Retirement Benefits" requires recognition of an asset or liability in the consolidated balance sheet reflecting the funded status of pension and other postretirement benefit plans such as retiree health and life, with current-year changes in the funded status recognized in accumulated other comprehensive (loss) income. For the years ended December 30, 2018, December 31, 2017, and December 25, 2016, a total of \$(1,420), \$(1,484) and \$(819), net of taxes of \$0, \$0 and \$0 after valuation allowance, respectively, was recognized in other comprehensive loss (see Note 14 "Pension and Postretirement Benefits").

(v) Self-Insurance Liability Accruals

The Company maintains self-insured medical and workers' compensation programs. The Company purchases stop loss coverage from third parties which limits our exposure to large claims. The Company records a liability for healthcare and workers' compensation costs during the period in which they occur, including an estimate of incurred but not reported claims.

(w) Concentration of risk

Due to the distributed nature of our operations, we are not subject to significant concentrations of risk relating to customers, products, or geographic locations.

(x) Reclassifications

Certain amounts in the prior periods' consolidated financial statements have been reclassified to conform to the current year presentation.

(y) Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASC Topic 606"). ASC Topic 606 replaces all current U.S. GAAP guidance for revenue recognition and eliminates industry-specific guidance. The new standard provides a unified

model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In March 2016, the FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers - Principal versus Agent Considerations" (ASU 2016-08), which amends ASC Topic 606 and clarifies the implementation guidance on principal versus agent considerations. The Company adopted ASC Topic 606 on January 1, 2018 using the modified retrospective approach. Refer to Note 12 "Revenues" for the discussion of the impact of the adoption of the new standard.

In January 2016, the FASB issued ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities" ("ASU 2016-01"). The amendments in ASU 2016-01 address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The Company adopted this new accounting standard prospectively for its non-marketable equity securities on January 1, 2018. The Company has elected to use the measurement alternative for its non-marketable equity securities, defined as cost adjusted for changes from observable transactions for identical or similar investments of the same issuer, less impairment. The Company's investments in privately-held companies are non-marketable equity securities without readily determinable fair values and there was no upward adjustment during the year ended December 30, 2018.

In February 2016, the FASB issued ASU No. 2016-02 ("ASU 2016-02"), "Leases (Topic 842)", which revises the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset on the balance sheet for all leases with terms greater than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. We will adopt Topic 842 effective December 31, 2018 using a modified retrospective method and will not restate comparative periods. As permitted under the transition guidance, we will carry forward the assessment of whether our contracts contain or are leases, classification of our leases and remaining lease terms. Based on our portfolio of leases as of December 30, 2018, approximately \$95,000 of lease assets and \$101,000 of lease liabilities will be recognized on our balance sheet upon adoption, primarily relating to real estate. We are substantially complete with our implementation efforts.

In November 2016, the FASB issued ASU No. 2016-18, "Restricted Cash" (Topic 230), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. The Company adopted this standard on January 1, 2018 using a retrospective transition method. The impact of the new standard is that the Company's consolidated statements of cash flows now present the change in a combined amount for both restricted and unrestricted cash and cash equivalents for all periods presented.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations - Clarifying the Definition of a Business" (Topic 805), which clarifies the definition of a business for determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The Company adopted this standard on January 1, 2018 and is applying the standard prospectively to determine whether certain future transactions should be accounted for as acquisitions of assets or businesses.

In March 2017, the FASB issued ASU No. 2017-07, "Compensation-Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" (Topic 715), which provides guidance that requires an employer to report the service cost component separate from the other components of net benefit pension costs. The employer is required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside the subtotal of income from operations, if one is presented. If a separate line item is not used, the line item used in the income statement must be disclosed. The Company adopted the standard on January 1, 2018 using a retrospective transition method. The adoption of the standard did not have a material impact on the Company's consolidated financial statements. The Other components of net defined benefit cost are recorded in other (income) expense on the Consolidated Statements of Operations and Comprehensive Income (Loss).

In February 2018, the FASB issued ASU 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income ("AOCI")". This ASU provides entities the option to reclassify tax effects to retained earnings from AOCI which are impacted by the Tax Cuts and Jobs Act ("TCJA"). The ASU is effective for fiscal years beginning after December 15, 2018 but early adoption is permitted. The Company has a full valuation allowance for all tax benefits related to AOCI, and therefore, there are no tax effects to be reclassified to retained earnings.

All other issued and not yet effective accounting standards are not relevant to the Company.

(2) Acquisitions and Dispositions

Acquisitions

2018 Acquisitions

The Company acquired substantially all the assets, properties and business of certain publications and businesses on November 16, 2018, November 14, 2018, October 1, 2018, August 15, 2018, July 2, 2018, June 18, 2018, June 4, 2018, May 11, 2018, May 1, 2018, April 2, 2018, March 31, 2018, March 6, 2018, February 28, 2018, February 23, 2018, and February 7, 2018 (“2018 Acquisitions”), which included seven business publications, eight daily newspapers, 16 weekly publications, one shopper, a print facility, an events production business, cloud services and digital platforms and related domains, for an aggregate purchase price of \$205,720, including estimated working capital and contingent consideration. The acquisitions were financed from cash on hand. The rationale for the acquisitions was primarily the attractive nature, as applicable, of the various publications, businesses and digital platforms, the estimated cash flows, and the cost-saving and revenue-generating opportunities available.

In the August 15, 2018 acquisition, the Company acquired an 80% equity interest in the acquiree, and the minority equity owners retained a 20% interest, which has been classified as noncontrolling interest in the accompanying financial statements. Noncontrolling interests with embedded redemption features, such as put rights, that are not solely within the control of the Company are considered redeemable noncontrolling interests and are presented outside of stockholders’ equity on the Company’s Consolidated Balance Sheets. At any time following the second anniversary of the closing of the acquisition, the minority equity owners shall have the right to sell all but not less than all of their shares at fair market value.

Certain of the Company’s 2018 Acquisitions include contingent consideration arrangements, which are primarily payable to the sellers based on the passage of time or as a component of earnings above an agreed-upon target and are recorded at estimated fair value. As of the acquisition dates, the Company recorded contingent consideration of \$3,256.

The Company accounted for the 2018 Acquisitions using the acquisition method of accounting for those acquisitions determined to meet the definition of a business. The net assets, including goodwill, have been recorded in the consolidated balance sheet at their fair values in accordance with Accounting Standards Codification (“ASC”) 805, “Business Combinations” (“ASC 805”). The fair value determination of the assets acquired and liabilities assumed are preliminary based upon all information currently available to the Company and are subject to working capital and other adjustments and the completion of valuations to determine the fair market value of the tangible and intangible assets. The final calculation of working capital and other adjustments and determination of fair values for tangible and intangible assets may result in different allocations among the various asset classes from those set forth below and any such differences could be material.

The 2018 Acquisitions that were determined to be asset acquisitions were measured at the fair value of the consideration transferred on the acquisition date. Intangible assets acquired in an asset acquisition have been recognized in accordance with ASC 350 “Intangibles - Goodwill and Other”. Goodwill is not recognized in an asset acquisition.

The following table summarizes the preliminary determination of fair values of the assets and liabilities:

Current assets	\$	30,890
Other assets		447
Property, plant and equipment		18,574
Noncompete agreements		370
Advertiser relationships		51,395
Subscriber relationships		36,115
Customer relationships		14,063
Trade names		1,810
Mastheads		13,678
Goodwill		73,726
Total assets		241,068
Current liabilities assumed		33,620
Long-term liabilities assumed		92
Total liabilities		33,712
Redeemable noncontrolling interest		1,636
Net assets	\$	205,720

[Table of Contents](#)

The Company obtained third party independent valuations or performed similar calculations internally to assist in the determination of the fair values of certain assets acquired and liabilities assumed. Three basic approaches were used to determine value: the cost approach (used for equipment where an active secondary market is not available, building improvements, and software), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for intangible assets).

The weighted average amortization periods for recently acquired amortizable intangible assets are equal to or similar to the periods presented in Note 6 "Goodwill and Intangible Assets".

The Company expensed \$1,532 of acquisition-related costs for the 2018 Acquisitions during the year ended December 30, 2018, and these expenses are included in selling, general and administrative expense.

For tax purposes, the amount of goodwill that is expected to be deductible is \$72,012, excluding goodwill attributable to the 20% noncontrolling interest.

2017 Acquisitions

The Company acquired substantially all the assets, properties and business of certain publications and businesses on November 6, 2017, October 30, 2017, October 2, 2017, July 6, 2017, June 30, 2017, February 10, 2017, and January 31, 2017 ("2017 Acquisitions"), which included four business publications, 22 daily newspapers, 34 weekly publications, 24 shoppers, two customer relationship management solutions providers, a social media app and an event production business for an aggregate purchase price of \$165,053, including working capital. The acquisitions were financed from cash on hand. The rationale for the acquisitions was primarily due to the attractive nature, as applicable, of the newspaper assets and event production business, and cash flows combined with cost-saving and revenue-generating opportunities available.

The Company accounted for the 2017 Acquisitions under the acquisition method of accounting. The net assets, including goodwill, have been recorded in the consolidated balance sheet at their fair values in accordance with ASC 805.

The following table summarizes the fair values of the assets and liabilities:

Current assets	\$ 20,870
Other assets	108
Property, plant and equipment	49,883
Noncompete agreements	532
Advertiser relationships	34,077
Subscriber relationships	26,926
Customer relationships	5,638
Software	704
Mastheads	9,902
Goodwill	37,652
Total assets	<u>186,292</u>
Current liabilities	21,100
Other long-term liabilities	139
Total liabilities	<u>21,239</u>
Net assets	<u><u>\$ 165,053</u></u>

The Company obtained third party independent valuations or performed similar calculations internally to assist in the determination of the fair values of certain assets acquired and liabilities assumed, using the same three approaches that were used to determine value in 2018: the cost approach (used for equipment where an active secondary market is not available, building improvements, and software), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for intangible assets).

The weighted average amortization periods for recently acquired amortizable intangible assets are in line with those listed in Note 6 "Goodwill and Intangible Assets".

The Company expensed \$978 of acquisition-related costs for the 2017 Acquisitions during the year ended December 31, 2017, and these expenses are included in selling, general and administrative expenses.

For tax purposes, the amount of goodwill that is expected to be deductible is \$37,652.

Dispositions

On May 11, 2018, the Company completed its sale of certain publications and related assets in Alaska for approximately \$2,369, including working capital. As a result, a nominal pre-tax gain, net of selling expenses, is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 30, 2018.

On February 27, 2018, the Company sold a parcel of land and a building located in Framingham, Massachusetts for a sale price of \$9,264 and recognized a pre-tax gain of approximately \$3,337, net of selling expenses, which is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 30, 2018.

On June 2, 2017, the Company completed its sale of the *Mail Tribune*, located in Medford, Oregon, for approximately \$14,700, including working capital. As a result, a pre-tax gain of approximately \$5,400, net of selling expenses, is included in net (gain) loss on sale or disposal of assets on the Consolidated Statement of Operations and Comprehensive Income (Loss) during the year ended December 31, 2017 since the disposition did not qualify for treatment as a discontinued operation.

(3) Share-Based Compensation

The Company recognized compensation cost for share-based payments of \$3,156, \$3,135, and \$2,442 for the years ended December 30, 2018, December 31, 2017, and December 25, 2016, respectively. The total compensation cost not yet recognized related to non-vested awards as of December 30, 2018 was \$4,053, which is expected to be recognized over a weighted average period of 1.85 years through October 2020.

Restricted Stock Grants (“RSGs”)

On February 3, 2014, the Board of Directors of New Media (the “Board” or “Board of Directors”) adopted the New Media Investment Group Inc. Nonqualified Stock Option and Incentive Award Plan (the “Incentive Plan”) that authorized up to 15,000,000 shares that may be granted under the Incentive Plan. On the same date, the Board adopted a form of the New Media Investment Group Inc. Non-Officer Director Restricted Stock Grant Agreement (the “Form Grant Agreement”) to govern the terms of awards of restricted stock (“New Media Restricted Stock”) granted under the Incentive Plan to directors who are not officers or employees of New Media (the “Non-Officer Directors”). On February 24, 2015, the Board adopted a form of the New Media Investment Group Inc. Employee Restricted Stock Grant Agreement (the “Form Employee Grant Agreement”) to govern the terms of awards of New Media Restricted Stock granted under the Incentive Plan to employees of New Media and its subsidiaries (the “Employees”). Both the Form Grant Agreement and the Form Employee Grant Agreement provide for the grant of New Media Restricted Stock that vests in equal annual installments on each of the first, second and third anniversaries of the grant date, subject to continued service, and immediate vesting in full upon death or disability. If service terminates for any other reason, all unvested shares of New Media Restricted Stock are forfeited. During the period prior to the lapse and removal of the vesting restrictions, a grantee of a RSG will have all the rights of a stockholder, including without limitation, the right to vote and the right to receive all dividends or other distributions. Any dividends or other distributions that are declared with respect to the shares of New Media Restricted Stock will be paid at the time such shares vest. The value of the RSGs on the date of issuance is recognized as selling, general and administrative expense over the vesting period with a corresponding increase to additional paid-in-capital.

As of December 30, 2018, the aggregate intrinsic value of unvested RSGs was \$4,410.

RSG activity was as follows:

	Year Ended					
	December 30, 2018		December 31, 2017		December 25, 2016	
	Number of RSGs	Weighted-Average Grant Date Fair Value	Number of RSGs	Weighted-Average Grant Date Fair Value	Number of RSGs	Weighted-Average Grant Date Fair Value
Unvested at beginning of year	342,264	\$ 16.86	335,593	\$ 18.18	244,848	\$ 21.67
Granted	227,388	16.43	186,153	15.85	193,737	15.31
Vested	(170,422)	18.01	(128,952)	18.87	(83,303)	21.51
Forfeited	(14,759)	16.55	(50,530)	16.80	(19,689)	19.22
Unvested at end of year	<u>384,471</u>	\$ 16.11	<u>342,264</u>	\$ 16.86	<u>335,593</u>	\$ 18.18

Under FASB ASC Topic 718, “Compensation - Stock Compensation”, the Company elected to recognize share-based compensation expense for the number of awards that are ultimately expected to vest. The Company’s estimated forfeitures are based on historical forfeiture rates. Estimated forfeitures are reassessed periodically, and the estimate may change based on new facts and circumstances.

(4) Restructuring

Over the past several years, in furtherance of the Company’s cost-reduction and cash-preservation plans outlined in Note 1, “Description of Business, Basis of Presentation and Summary of Significant Accounting Policies”, the Company has engaged in a series of individual restructuring programs, designed primarily to right-size the Company’s employee base, consolidate facilities and improve operations, including those of recently acquired entities. These initiatives impact all of the Company’s geographic regions and are often influenced by the terms of union contracts within the region. All costs related to these programs, which primarily include severance expense, are accrued at the time of the program announcement or over the remaining service period.

A rollforward of the accrued restructuring costs, included in accrued expenses on the balance sheet, for the years ended December 30, 2018 and December 31, 2017 is outlined below.

	Severance and Related Costs	Other Costs ⁽¹⁾	Total
Balance at December 25, 2016	\$ 1,178	\$ 356	\$ 1,534
Restructuring provision included in Integration and Reorganization	7,660	1,243	8,903
Cash payments	(8,121)	(1,233)	(9,354)
Balance at December 31, 2017	717	366	1,083
Restructuring provision included in Integration and Reorganization	11,940	3,071	15,011
Cash payments	(10,103)	(3,091)	(13,194)
Balance at December 30, 2018	<u>\$ 2,554</u>	<u>\$ 346</u>	<u>\$ 2,900</u>

(1) Other costs primarily includes costs to consolidate operations.

The restructuring reserve balance is expected to be paid out over the next twelve months.

Facility consolidation charges and accelerated depreciation

During the year ended December 30, 2018, the Company ceased operations of seven print publications and six printing operations as part of the ongoing cost reduction programs. As a result, the Company recognized impairment charges related to retired equipment of \$503 and intangibles of \$618 and recorded accelerated depreciation of \$3,601 during the year ended December 30, 2018.

During the year ended December 31, 2017, the Company ceased printing operations at 15 facilities as part of the ongoing cost reduction programs. As a result, the Company recognized an impairment charge related to retired equipment of \$7,142 and recorded accelerated depreciation of \$2,429 during the year ended December 31, 2017.

(5) Property, Plant and Equipment

[Table of Contents](#)

Property, plant and equipment consisted of the following:

	December 30, 2018	December 31, 2017
Land	\$ 39,036	\$ 42,046
Buildings and improvements	204,753	204,235
Machinery and equipment	274,748	260,232
Furniture, fixtures, and computer software	35,679	33,371
Construction in progress	4,648	4,634
	558,864	544,518
Less: accumulated depreciation	(219,256)	(171,395)
Total	\$ 339,608	\$ 373,123

Depreciation expense was \$50,833, \$50,438, and \$47,176 for the years ended December 30, 2018, December 31, 2017, and December 25, 2016, respectively.

(6) Goodwill and Intangible Assets

Goodwill and intangible assets consisted of the following:

	December 30, 2018		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Advertiser relationships	\$ 260,142	\$ 53,477	\$ 206,665
Customer relationships	44,630	8,704	35,926
Subscriber relationships	153,923	31,560	122,363
Other intangible assets	13,046	7,802	5,244
Total	\$ 471,741	\$ 101,543	\$ 370,198
Nonamortized intangible assets:			
Goodwill	\$ 310,737		
Mastheads	115,856		
Total	\$ 426,593		
	December 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:			
Advertiser relationships	\$ 208,995	\$ 37,046	\$ 171,949
Customer relationships	30,576	5,094	25,482
Subscriber relationships	117,870	20,814	97,056
Other intangible assets	10,866	4,634	6,232
Total	\$ 368,307	\$ 67,588	\$ 300,719
Nonamortized intangible assets:			
Goodwill	\$ 236,555		
Mastheads	102,774		
Total	\$ 339,329		

As of December 30, 2018, the weighted average amortization periods for amortizable intangible assets are 14.5 years for advertiser relationships, 12.4 years for customer relationships, 13.6 years for subscriber relationships, and 5.4 years for other intangible assets. The weighted average amortization period in total for all amortizable intangible assets is 13.8 years.

[Table of Contents](#)

Amortization expense was \$33,958, \$23,956, and \$20,598, for the years ended December 30, 2018, December 31, 2017, and December 25, 2016, respectively. Estimated future amortization expense as of December 30, 2018, is as follows:

For the following fiscal years:		
2019	\$	35,900
2020		34,845
2021		34,651
2022		33,883
2023		33,645
Thereafter		197,274
Total	\$	<u>370,198</u>

The changes in the carrying amount of goodwill for the years ended December 30, 2018 and December 31, 2017 are as follows:

Balance at December 25, 2016, net of accumulated impairment losses of \$0	\$	227,954
Goodwill acquired in business combinations		37,037
Goodwill impairment		(25,641)
Goodwill related to divestitures		(2,795)
Balance at December 31, 2017, net of accumulated impairment losses of \$25,641		<u>236,555</u>
Goodwill acquired in business combinations		73,726
Measurement period adjustments		456
Balance at December 30, 2018, net of accumulated impairment losses of \$25,641	\$	<u>310,737</u>

The Company's annual impairment assessment is made on the last day of its fiscal second quarter.

The Company performed its 2017 annual assessment for possible impairment of the carrying value of goodwill and indefinite-lived intangible assets as of June 25, 2017. As a result of this assessment, the Company recorded a goodwill impairment totaling \$25,641 in two of its former reporting units, Central and West. This impairment was primarily attributable to continuing economic pressures in the newspaper industry and a decline in the Company's stock price, and represented a full impairment of the goodwill then recorded in the former West reporting unit and a partial impairment of the goodwill then recorded in the former Central reporting unit. In addition, the Company recorded a partial impairment of the carrying value of mastheads, totaling \$1,807, in the former West reporting unit in the same period.

The Company performed its 2018 annual assessment for possible impairment of the carrying value of goodwill and indefinite-lived intangibles as of July 1, 2018. The fair values of four of the Company's former reporting units, including East, West, Central and BridgeTower, which include newspaper mastheads, were estimated using the expected present value of future cash flows, recent industry multiples and using estimates, judgments and assumptions that management believes were appropriate in the circumstances. The estimates and judgments used in the assessment included multiples for EBITDA, the weighted average cost of capital and the terminal growth rate. The Company determined that the future cash flow and industry multiple analysis provided the best estimate of the fair value of its reporting units. Key assumptions in the impairment analysis include revenue and EBITDA projections, discount rates, long-term growth rates and the effective tax rate that the Company determined to be appropriate. Revenue projections reflected slight declines in the current and next year, and revenues are expected to moderate to a terminal growth rate of 1%. Discount rates ranged from 16% to 17%. The effective tax rate was 27%. The fair value of the former West reporting unit was less than its carrying value, however, all goodwill was previously written off in 2017. The fair value of the former Central reporting unit exceeded the carrying value by approximately 10%. The Company performed a qualitative assessment for the Recent Acquisitions reporting unit and concluded that it is not more likely than not that the goodwill and indefinite-lived intangible assets are impaired. As a result, no quantitative impairment testing was performed for the Recent Acquisitions.

The total Company's estimate of reporting unit fair values was reconciled to its then market capitalization (based upon the stock market price and fair value of debt) plus an estimated control premium.

The Company used a "relief from royalty" approach, a discounted cash flow model, to determine the fair value of each reporting units' mastheads. The estimated fair value equaled or exceeded carrying value for mastheads. The fair value of mastheads exceeded carrying value by less than 10% in the former West reporting unit. Key assumptions within the masthead

[Table of Contents](#)

analysis included revenue projections, discount rates, royalty rates, long-term growth rates and the effective tax rate that the Company determined to be appropriate. Revenue projections reflected declines in the current and next year, and revenues were expected to moderate to a terminal growth rate of 1%. Discount rates ranged from 16% to 17%, and royalty rates ranged from 1.25% to 1.75%. The effective tax rate was 27%.

The Company considered the impairment of goodwill in the former West to be a potential indicator of impairment under ASC 360. The Company determined that the long-lived asset groups were the same as its reporting units. The Company performed an analysis of its undiscounted cash flows in the former West reporting unit to determine if there was an impairment of long-lived assets. The sum of undiscounted cash flows over the primary asset's weighted-average remaining useful life exceeded the group's carrying value, so no impairment was recorded.

As of July 2, 2018, the Company reorganized its reporting units to align with its new management structure. The East, Central, West and Recent Acquisitions reporting units were consolidated into one reporting unit called Newspapers. BridgeTower remained a separate reporting unit. Due to the change in the composition of the reporting units, the Company performed an additional impairment test for goodwill after the reorganization. Similar methodologies and assumptions were utilized for the post-reorganization impairment assessment, as described above. Fair values of the reporting units were determined to be greater than the carrying value of the reporting units, and the estimated fair value exceeded carrying value for all mastheads.

As of September 30, 2018 and December 30, 2018, the Company performed a review of potential impairment indicators noting that its financial results and forecast have not changed materially since the annual impairment assessment, and it was determined that no indicators of impairment were present.

(7) Accrued Expenses

Accrued expenses consisted of the following:

	December 30, 2018	December 31, 2017
Accrued payroll and related liabilities	\$ 21,007	\$ 19,229
Accrued bonus	9,915	12,556
Accrued insurance	11,689	11,463
Accrued legal and professional fees	2,285	2,760
Accrued interest expense	3,240	160
Accrued taxes	6,329	4,631
Accrued restructuring	2,900	1,083
Accrued acquisition related liabilities	8,054	2,106
Accrued management fees, incentive fees and related expenses	10,696	11,265
Accrued other	37,535	31,774
	<u>\$ 113,650</u>	<u>\$ 97,027</u>

(8) Lease Commitments

The future minimum lease payments related to the Company's non-cancelable operating lease commitments as of December 30, 2018 are as follows:

For the following fiscal years:	
2019	\$ 26,775
2020	23,116
2021	19,418
2022	15,923
2023	13,299
Thereafter	75,848
Total minimum lease payments	<u>\$ 174,379</u>

Rental expense under operating leases was \$32,766, \$27,248, and \$24,855, for the years ended December 30, 2018, December 31, 2017, and December 25, 2016, respectively.

In addition to minimum lease payments, certain leases require payment of the excess of various percentages of gross revenue or net operating income over the minimum rental payments. The leases generally require the payment of taxes assessed against the leased property and the cost of insurance and maintenance. The majority of lease terms range from 1 to 10 years, and typically, the leases contain renewal options. Certain leases include minimum scheduled increases in rental payments at various times during the term of the lease. These scheduled rent increases are recognized on a straight-line basis over the term of the lease, resulting in an accrual, which is included in accrued expenses and other long-term liabilities, for the amount by which the cumulative straight-line rent exceeds the contractual cash rent.

(9) Indebtedness

New Media Credit Agreement

On June 4, 2014, New Media Holdings II LLC (the “New Media Borrower”), a wholly owned subsidiary of New Media, entered into a credit agreement (the “New Media Credit Agreement”) among the New Media Borrower; New Media Holdings I LLC (“Holdings I”); the lenders party thereto, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners; Credit Suisse AG, Cayman Islands Branch as syndication agent; and Citizens Bank of Pennsylvania as administration agent which provided for (i) a \$200,000 senior secured term facility (the “Term Loan Facility” and any loan thereunder, including as part of the Incremental Facility, “Term Loans”), (ii) a \$25,000 senior secured revolving credit facility, with a \$5,000 sub-facility for letters of credit and a \$5,000 sub-facility for swing loans, (the “Revolving Credit Facility” and together with the Term Loan Facility, the “Senior Secured Credit Facilities”) and (iii) the ability for the New Media Borrower to request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of \$75,000 (the “Incremental Facility”) subject to certain conditions. On June 4, 2014, the New Media Borrower borrowed \$200,000 under the Term Loan Facility (the “Initial Term Loans”). As of December 30, 2018, \$0 was drawn under the Revolving Credit Facility. The Term Loans mature on July 14, 2022 and the maturity date for the Revolving Credit Facility is July 14, 2021. The New Media Credit Agreement was amended:

- on September 3, 2014, to provide for additional term loans under the Incremental Facility in an aggregate principal amount of \$25,000 (the “2014 Incremental Term Loan”);
- on November 20, 2014, to increase the amount of the Incremental Facility that may be requested after the date of the amendment from \$75,000 to \$225,000;
- on January 9, 2015, to provide for \$102,000 in additional term loans (the “2015 Incremental Term Loan”) and \$50,000 in additional revolving commitments (the “2015 Incremental Revolver”) under the Incremental Facility and to make certain amendments to the Revolving Credit Facility in connection with the purchase of the assets of Halifax Media;
- on February 13, 2015, to provide for the replacement of the existing term loans under the Term Loan Facility (including the 2014 Incremental Term Loan and the 2015 Incremental Term Loan) with a new class of replacement term loans;
- on March 6, 2015, to provide for \$15,000 in additional revolving commitments under the Incremental Facility;
- on May 29, 2015, to provide for \$25,000 in additional term loans under the Incremental Facility;
- on July 14, 2017, to (i) extend the maturity date of the outstanding term loans under the Term Loan Facility to July 14, 2022, (ii) extend the maturity date of the Revolving Credit Facility to July 14, 2021, (iii) provide for \$20,000 in additional term loans (the “2017 Incremental Term Loan”) under the Incremental Facility and (iv) increase the amount of the Incremental Facility that may be requested on or after the date of the amendment (inclusive of the 2017 Incremental Term Loan) to \$100,000;
- on February 16, 2018, to provide for \$50,000 in additional term loans under the Term Loan Facility; and
- on November 28, 2018, to provide for (i) \$30,000 in additional term loans under the Term Loan Facility and (ii) a 1.00% prepayment premium for any prepayments of the Term Loans made in connection with certain repricing transactions effected within six months of the date of the amendment.

In connection with the November 28, 2018 amendment, the Company incurred approximately \$359 of fees and expenses, of which \$300 were capitalized in deferred financing costs and will be amortized over the term of the Term Loan Facility. The related third party fees of \$59 were expensed during the quarter as this amendment was determined to be a debt modification for accounting purposes. In addition, the Company recognized \$75 of original issue discount, which will also be amortized over the term of the Term Loan Facility. There was one lender who had a significant change in the terms of the Term Loan Facility; the difference between the present value of the cash flows after this amendment and the present value of the cash flows before this amendment was more than 10%. This portion of the transaction was accounted for as an extinguishment

Table of Contents

under ASC Subtopic 470-50, “Debt Modifications and Extinguishments”. Deferred fees and expenses of \$2,886 previously allocated to that lender were written off to loss on early extinguishment of debt.

In connection with the February 16, 2018 amendment, the Company incurred approximately \$592 of fees and expenses, of which \$500 were capitalized in deferred financing costs and will be amortized over the term of the Term Loan Facility. The related third party fees of \$92 were expensed during the quarter as this amendment was determined to be a debt modification for accounting purposes. In addition, the Company recognized \$250 of original issue discount, which will also be amortized over the term of the Term Loan Facility.

In connection with the July 14, 2017 amendment, the Company incurred approximately \$6,605 of fees and expenses. There was one lender who had a significant change in the terms of the Term Loan Facility; the difference between the present value of the cash flows after this amendment and the present value of the cash flows before this amendment was more than 10%. This portion of the transaction was accounted for as an extinguishment under ASC Subtopic 470-50, “Debt Modifications and Extinguishments”. Deferred fees and expenses of \$1,009 previously allocated to that lender were written off to loss on early extinguishment of debt. Additionally, the current fees of \$2,423 attributed to this lender were expensed to loss on early extinguishment of debt. The third party expenses of \$121 apportioned to the lender were capitalized. In addition, \$1,335 fees and expenses allocated to lenders that exited the facility were written off to loss on early extinguishment of debt. The remainder of this amendment was treated as a debt modification for accounting purposes. The consent fees of \$3,020 for the lenders other than the one mentioned above were capitalized and will be amortized over the term of the Term Loan Facility. The third party fees of \$606 related to these lenders were expensed. Additionally, the fees and expenses allocated to the Revolving Credit Facility of \$435 were capitalized as this component of the amendment was accounted for as a debt modification.

Borrowings under the Term Loan Facility bear interest, at the New Media Borrower’s option, at a rate equal to either (i) an adjusted Eurodollar rate, plus an applicable margin equal to 6.25% per annum (subject to a floor of 1.00%) or (ii) an adjusted base rate, plus an applicable margin equal to 5.25% per annum (subject to a floor of 2.00%). The New Media Borrower currently uses the Eurodollar rate option.

Borrowings under the Revolving Credit Facility bear interest, at the New Media Borrower’s option, at a rate equal to either (i) an adjusted Eurodollar rate, plus an applicable margin equal to 5.25% per annum or (ii) an adjusted base rate, plus an applicable margin equal to 4.25% per annum, with a step down based on achievement of a certain total leverage ratio. The New Media Borrower currently uses the Eurodollar rate option.

As of December 30, 2018 the New Media Credit Agreement had a weighted average interest rate of 8.59%.

The Senior Secured Credit Facilities are unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrower (collectively, the “Guarantors”) and are required to be guaranteed by all future material wholly-owned domestic subsidiaries, subject to certain exceptions. All obligations under the New Media Credit Agreement are secured, subject to certain exceptions, by substantially all of the New Media Borrower’s assets and the assets of the Guarantors.

Repayments made under the Term Loans are equal to 1.0% annually of the original principal amount in equal quarterly installments for the life of the Term Loans, with the remainder due at maturity. The New Media Borrower is permitted to make voluntary prepayments at any time without premium or penalty, except in the case of prepayments made in connection with certain repricing transactions with respect to the Term Loans effected within six months of July 14, 2017, to which a 1.00% prepayment premium applies.

The New Media Credit Agreement contains customary representations and warranties and affirmative covenants and negative covenants applicable to Holdings I, the New Media Borrower and the New Media Borrower’s subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, dividends and other distributions, and events of default. The New Media Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower’s subsidiaries to maintain a maximum total leverage ratio of 3.25 to 1.00.

As of December 30, 2018, the Company is in compliance with all of the covenants and obligations under the New Media Credit Agreement.

Advantage Credit Agreements

In connection with the purchase of the assets of Halifax Media, which closed on January 9, 2015, CA Daytona Holdings, Inc. (the “Florida Advantage Borrower”) and CA Alabama Holdings, Inc. (the “Alabama Advantage Borrower”, and, collectively with the Florida Advantage Borrower, the “Advantage Borrowers”), each subsidiaries of the Company, agreed to

Table of Contents

assume all of the obligations of Halifax Media and its affiliates required to be performed after the closing date in respect of each of (i) that certain Consolidated Amended and Restated Credit Agreement dated January 6, 2012 among Halifax Media Acquisition LLC, Advantage Capital Community Development Fund XXVIII, L.L.C., and Florida Community Development Fund II, L.L.C., as amended pursuant to that certain First Amendment to Consolidated Amended and Restated Credit Agreement dated June 27, 2012 and that certain Second Amendment to Consolidated Amended and Restated Credit Agreement, dated June 18, 2013, and all rights and obligations thereunder and related thereto (the “Halifax Florida Credit Agreement”), and (ii) that certain Credit Agreement dated June 18, 2013 between Halifax Alabama, LLC and Southeast Community Development Fund V, L.L.C. (the “Halifax Alabama Credit Agreement” and, together with the Halifax Florida Credit Agreement, the “Advantage Credit Agreements”), respectively. In consideration therefore, the amount of cash payable by the Company to Halifax Media on the closing date was reduced by approximately \$18,000, representing the aggregate principal amount outstanding plus the aggregate amount of accrued interest through the closing date under the Advantage Credit Agreements (the debt under the Halifax Florida Credit Agreement, the “Advantage Florida Debt”; the debt under the Halifax Alabama Credit Agreement, the “Advantage Alabama Debt”; and the Advantage Florida Debt and the Advantage Alabama Debt, collectively, the “Advantage Debt”).

The Advantage Florida Debt was in the principal amount of \$10,000, bore interest at the rate of 5.25% per annum, and matured on December 31, 2016. On December 30, 2016, the Company paid the outstanding balance under the Advantage Florida Debt in the amount of \$10,000 with cash on hand. The Advantage Alabama Debt is in the principal amount of \$8,000 and bears interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears, maturing on March 31, 2019. The Advantage Alabama Debt is secured by a perfected second priority security interest in all the assets of the Alabama Advantage Borrowers and certain other subsidiaries of the Company, subject to the limitation that the maximum amount of secured obligations is \$15,000. The Halifax Alabama Credit Agreement is unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrowers and is required to be guaranteed by all future material wholly-owned domestic subsidiaries of the Alabama Advantage Borrowers, subject to certain exceptions. The Advantage Alabama Debt is subordinated to the New Media Credit Agreement pursuant to an intercreditor agreement.

The Halifax Alabama Credit Agreement contains covenants substantially consistent with those contained in the New Media Credit Agreement in addition to those required for compliance with the New Markets Tax Credit program. The Alabama Advantage Borrowers are permitted to make voluntary prepayments at any time without premium or penalty. The Alabama Advantage Borrowers are required to repay borrowings under the Halifax Alabama Credit Agreement (without payment of a premium) with (i) net cash proceeds of certain debt obligations (except as otherwise permitted under the Halifax Alabama Credit Agreement) and (ii) net cash proceeds from non-ordinary course asset sales (subject to reinvestment rights and other exceptions).

The Halifax Alabama Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to the Alabama Advantage Borrowers and certain of the Company's subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The Halifax Alabama Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.75 to 1.00. The Halifax Alabama Credit Agreement contains customary events of default.

As of December 30, 2018, the Company is in compliance with all of the covenants and obligations under the Halifax Alabama Credit Agreement.

Fair Value

The fair value of long-term debt under the Senior Secured Credit Facilities and the Advantage Alabama Debt was estimated at \$445,257 as of December 30, 2018, based on discounted future contractual cash flows and a market interest rate adjusted for necessary risks, including the Company's own credit risk as there are no rates currently observable in publicly traded debt markets of risk with similar terms and average maturities. Accordingly, the Company's long-term debt under the Senior Secured Credit Facilities is classified within Level 3 of the fair value hierarchy.

Payment Schedule

As of December 30, 2018, scheduled principal payments of outstanding debt are as follows:

[Table of Contents](#)

2019	\$	12,395
2020		4,395
2021		4,395
2022		424,072
		<u>445,257</u>
Less:		
Current		12,395
Unamortized original issue discount		1,855
Deferred financing costs		2,827
Long-term debt	\$	<u>428,180</u>

(10) Income Taxes

Income tax expense (benefit) on income (loss) from continuing operations before income taxes for the periods shown below consisted of:

	Current	Deferred	Total
Year Ended December 30, 2018:			
U.S. Federal	\$ —	\$ (2,690)	\$ (2,690)
State and local	1,679	2,923	4,602
	<u>\$ 1,679</u>	<u>\$ 233</u>	<u>\$ 1,912</u>
Year Ended December 31, 2017:			
U.S. Federal	\$ —	\$ (617)	\$ (617)
State and local	1,003	95	1,098
	<u>\$ 1,003</u>	<u>\$ (522)</u>	<u>\$ 481</u>
Year Ended December 25, 2016:			
U.S. Federal	\$ —	\$ (2,913)	\$ (2,913)
State and local	543	51	594
	<u>\$ 543</u>	<u>\$ (2,862)</u>	<u>\$ (2,319)</u>

Income tax expense (benefit) differed from the amounts computed by applying the U.S. federal income tax rate (21% for the year ended December 30, 2018, and 34% for the years ended December 31, 2017 and December 25, 2016) to income (loss) from continuing operations before income taxes as a result of the following:

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
Computed “expected” tax expense (benefit)	\$ 4,204	\$ (148)	\$ 9,969
Increase (decrease) in income tax benefit resulting from:			
State and local income taxes, net of federal benefit	4,249	1,139	873
Net nondeductible meals, entertainment, and other expenses	967	1,027	796
Tax Effects of 2017 Legislation	(4,821)	(4,200)	—
Change in valuation allowance	(2,687)	2,663	(13,922)
Other	—	—	(35)
Income tax expense (benefit)	<u>\$ 1,912</u>	<u>\$ 481</u>	<u>\$ (2,319)</u>

The tax effects of temporary differences that give rise to the deferred tax assets and deferred tax liabilities as of December 30, 2018 and December 31, 2017 are presented below:

	December 30, 2018	December 31, 2017
Non-current deferred tax assets (liabilities):		
Accounts receivable	\$ 2,234	\$ 1,328
Accrued expenses	8,726	6,768
Inventory capitalization	1,240	1,055
Pension and other postretirement benefit obligation	3,122	3,365
Definite and indefinite lived intangible assets	(13,714)	4,076
Net operating losses	71,431	60,360
Fixed assets	(16,642)	(15,156)
Gross non-current deferred tax assets/liabilities	56,397	61,796
Less valuation allowance	(64,679)	(69,876)
Net deferred tax liabilities	\$ (8,282)	\$ (8,080)

The deferred income tax liability is primarily due to the recognition of deferred tax liabilities relating to goodwill and certain intangible assets that cannot be predicted to reverse for book purposes during our loss carry-forward periods. In 2018, the state deferred tax provision is primarily attributable to the recognition of deferred tax liabilities relating to goodwill and certain intangible assets that have an indefinite life.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

On December 22, 2017, the TCJA was signed into legislation. The Company recorded a tax benefit of \$4,200 in 2017 which was primarily attributable to a re-measurement of deferred tax assets and deferred tax liabilities. The tax benefit was also attributable to a valuation allowance release of \$800 related to an alternative minimum tax credit of which \$400 is refundable for 2018 and \$400 is refundable in 2019 through 2021.

Staff Accounting Bulletin #118 (SAB 118) allows the Company a measurement period of one year after enactment of the TCJA to finalize the recording of the related tax effects. We applied the guidance in SAB 118 when accounting for the enactment-date effects of the TCJA in 2017 and 2018. At December 31, 2017 and through our third quarter of 2018, we had not completed our accounting for all of the enactment-date tax effects of the TCJA for re-measurement of deferred tax assets and liabilities. We disclosed at year end 2017 and at the end of each of the first three quarters of 2018 that the effects of the re-measurement of deferred tax balances were provisional and subject to change. We have completed our accounting for all of the enactment-date income tax effects of the TCJA as described further below.

The TCJA provided that net operating losses incurred during 2018 and thereafter have an indefinite carryforward period. We evaluated our existing indefinite lived deferred tax liabilities and concluded that they are a source of income to support realization of certain deferred tax assets which are expected to become indefinite lived net operating losses when they reverse in future years. We reflected a tax benefit of approximately \$4,821 as a component of income tax expense from continuing operations in the fourth quarter of 2018. This benefit consisted of a \$7,805 valuation allowance release, partially offset by a change in tax rate of \$2,984.

In addition, the TCJA imposes a new limit on interest expense deductions with respect to any debt outstanding on January 1, 2018. We have evaluated the effect of this rule and do not expect that the Company will be limited in its ability to claim interest expense deductions at this time although limitations may apply after 2021.

For the year ended December 25, 2016, the valuation allowance decrease was primarily attributable to finalization of tax attribute adjustments relating to the 2013 cancellation of indebtedness. During the year ended December 25, 2016, the valuation allowance decreased by \$14,805 of which \$15,126 was a benefit to earnings and \$321 was recorded as an increase to the valuation allowance for accumulated other comprehensive income. During the year ended December 31, 2017, the valuation allowance decreased by \$28,083 of which \$27,957 was a benefit to earnings and \$126 was recorded as a decrease to the valuation allowance for accumulated other comprehensive income. During the year ended December 30, 2018, the valuation allowance decreased by \$5,197 of which \$5,457 was a benefit to earnings and \$260 was recorded as an increase to the valuation allowance for accumulated other comprehensive income. The primary reason for the decline in the valuation allowance in 2017 and 2018 was attributable to the remeasurement of deferred taxes under the TCJA.

At December 30, 2018, the Company had net operating loss carryforwards for federal and state income tax purposes of approximately \$263,000, which are available to offset future taxable income, if any. State net operating loss carryforwards may

[Table of Contents](#)

differ significantly from the federal net operating loss carryforwards due to state tax attribute reduction requirements that differ from federal tax law. The federal tax losses begin to expire in 2030 through 2037 and state loss carryforwards begin to expire in 2019. A portion of the operating losses are subject to the limitations of Internal Revenue Code (the "Code") Section 382. This section provides limitations on the availability of net operating losses to offset current taxable income if significant ownership changes have occurred for federal tax purposes.

A reconciliation of the beginning and ending amount of uncertain tax positions for the years ended December 30, 2018, December 31, 2017 and December 25, 2016 are as follows:

Balance as of December 27, 2015	\$	1,289
Decreases based on tax positions prior to 2016		(113)
Uncertain tax positions as of December 25, 2016		1,176
Decreases based on tax positions prior to 2017		(16)
Uncertain tax positions as of December 31, 2017		1,160
Increases based on tax positions prior to 2018		30
Uncertain tax positions as of December 30, 2018	\$	1,190

At December 30, 2018, the Company's uncertain tax positions of \$1,190, if recognized, would impact the effective tax rate. The Company did not record significant amounts of interest and penalties related to uncertain tax positions for the year ended December 30, 2018. The Company does not anticipate significant increases or decreases in our uncertain tax positions within the next twelve months. The Company recognizes penalties and interest relating to uncertain tax positions in the provision for income taxes. At December 30, 2018 and December 31, 2017, the accrual for uncertain tax positions included \$273 and \$199 of interest and penalties, respectively.

The Company recorded an income tax benefit of \$6,184 during 2016 related to its acquisition of certain legal entities during the year. In accordance with ASC 805, the Company released a portion of its valuation allowance, since it was able to utilize deferred tax assets against the deferred tax liabilities reflected in purchase accounting for the acquired entities.

The Company files a U.S. federal consolidated income tax return for which the statute of limitations remains open for the 2015 tax year and beyond. U.S. state jurisdictions have statute of limitations generally ranging from 3 to 6 years. The Company's 2013 short tax year federal returns were examined by the Internal Revenue Service with no changes made to the returns filed.

(11) Equity

Earnings (Loss) Per Share

The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
Numerator for earnings per share calculation:			
Net income (loss) attributable to New Media	\$ 18,196	\$ (915)	\$ 31,641
Denominator for earnings per share calculation:			
Basic weighted average shares outstanding	58,013,617	53,010,421	45,234,369
Effect of dilutive securities:			
Stock Options and Restricted Stock Grants	384,530	—	82,538
Diluted weighted average shares outstanding	58,398,147	53,010,421	45,316,907
Basic net income (loss) per share attributable to New Media	\$ 0.31	\$ (0.02)	\$ 0.70
Diluted net income (loss) per share attributable to New Media	\$ 0.31	\$ (0.02)	\$ 0.70

The Company excluded the following securities from the computation of diluted income per share because their effect would have been antidilutive:

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
Stock warrants	1,362,479	1,362,479	1,362,479
Stock options	700,000	2,214,811	1,450,000
Restricted stock grants	—	342,264	—

Equity

During the three months ended March 2016, the Company issued 13,992 shares of its common stock to its Non-Officer Directors to settle a liability of \$225 for 2015 services.

During the fourth quarter of 2016, the Company issued 8,625,000 shares of its common stock in a public offering at a price to the public of \$16.00 per share for net proceeds of approximately \$134,818. Certain of the Company's officers and directors participated in this offering and purchased an aggregate of 20,000 shares at a price of \$16.00 per share. For the purpose of compensating the Manager for its successful efforts in raising capital for the Company, in connection with this offering, the Company granted options to the Manager to purchase 862,500 shares of the Company's common stock at a price of \$16.00, which had an aggregate fair value of approximately \$2,288 as of the grant date. The assumptions used in the Black-Scholes model to value the options were: a 2.2% risk-free rate, a 8.3% dividend yield, 36.1% volatility and an expected life of 10 years. The fair value of the options issued as compensation to the Manager was recorded as an increase in equity with an offsetting reduction in capital.

On May 17, 2017, the Board of Directors authorized the repurchase of up to \$100,000 of the Company's common stock ("Share Repurchase Program") over the next 12 months. On May 1, 2018, the Board of Directors authorized an extension of the Share Repurchase Program through May 18, 2019. Under the Share Repurchase Program, the Company may purchase its shares from time to time in the open market or in privately negotiated transactions. During the three months ended June 25, 2017, the Company repurchased 391,120 shares at a weighted average price of \$12.77 per share for a total cost, including transaction costs, of \$5,001. The shares were subsequently retired. The cost paid to acquire the shares in excess of par was recorded in additional paid-in capital in the consolidated balance sheet.

Pursuant to the anti-dilution provisions of the Incentive Plan, the exercise price on the 652,311 remaining options granted to the Manager in 2014 were equitably adjusted during the three months ended April 1, 2018 from \$14.37 to \$12.95 as a result of return of capital distributions.

Pursuant to the anti-dilution provisions of the Incentive Plan, the exercise price on the 700,000 options granted to the Manager in 2015 were equitably adjusted during the three months ended April 1, 2018 from \$20.36 to \$18.94 as a result of return of capital distributions.

Pursuant to the anti-dilution provisions of the Incentive Plan, the exercise price on the 862,500 options granted to the Manager in 2016 were equitably adjusted during the three months ended April 1, 2018 from \$16.00 to \$13.24 as a result of return of capital distributions.

During the three months ended June 25, 2017, the Company issued 16,605 shares of its common stock to its Non-Officer Directors to settle a liability of \$225 for 2016 services.

During the three months ended April 1, 2018, the Company issued 13,008 shares of its common stock to its Non-Officer Directors to settle a liability of \$225 for 2017 services.

During April 2018, the Company completed the sale of 6,900,000 shares of the Company's common stock, including 25,000 shares of the Company's common stock sold to an officer of the Company. The estimated net proceeds of the sale were approximately \$110,650. For the purpose of compensating the Manager for its successful efforts in raising capital for the Company, in connection with this offering, the Company granted options to the Manager to purchase 690,000 shares of the Company's common stock at a price of \$16.45, which had an aggregate fair value of approximately \$1,408 as of the grant date. The assumptions used in an option valuation model to value the options were: a 2.8% risk-free rate, a 8.0% dividend yield, 28.1% volatility and an expected life of 10 years.

[Table of Contents](#)

The following table includes additional information regarding the Manager stock options:

	Number of Options	Weighted-Average Grant Date Fair Value	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (\$000)
Outstanding at December 25, 2016	2,307,562	\$ 4.07	\$ 17.64	8.7	\$ 186
Exercised	(92,751)	\$ 3.98	\$ 14.37		
Outstanding at December 31, 2017	2,214,811	\$ 4.08	\$ 16.90	7.7	\$ 2,245
Granted	690,000	\$ 2.04	\$ 16.45		
Outstanding at December 30, 2018	2,904,811	\$ 3.59	\$ 15.31	7.3	\$ —
Exercisable at December 30, 2018	2,251,311		\$ 15.19	6.8	\$ —

Accumulated Other Comprehensive Income (Loss)

The changes in accumulated other comprehensive income (loss) by component for the years ended December 31, 2017 and December 30, 2018 are outlined below.

	Net actuarial loss
Balance at December 25, 2016	\$ (3,977)
Other comprehensive loss before reclassifications	(1,530)
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	46
Net current period other comprehensive loss, net of taxes	(1,484)
Balance at December 31, 2017	\$ (5,461)
Other comprehensive loss before reclassifications	(1,509)
Amounts reclassified from accumulated other comprehensive loss ⁽¹⁾	89
Net current period other comprehensive loss, net of taxes	(1,420)
Balance at December 30, 2018	\$ (6,881)

(1) This accumulated other comprehensive income (loss) component is included in the computation of net periodic benefit cost. See Note 14 “Pension and Postretirement Benefits”.

The following table presents reclassifications out of accumulated other comprehensive income (loss) for the years ended December 30, 2018, December 31, 2017, and December 25, 2016.

	Amounts Reclassified from Accumulated Other Comprehensive Income (Loss)			Affected Line Item in the Consolidated Statements of Operations and Comprehensive Income (Loss)
	Year Ended December 30, 2018	Year Ended December 31, 2017	Year Ended December 25, 2016	
Amortization of unrecognized loss (gain)	\$ 89	\$ 46	\$ (3)	⁽¹⁾
Amounts reclassified from accumulated other comprehensive loss	89	46	(3)	Income before income taxes
Income tax benefit	—	—	—	Income tax (benefit) expense
Amounts reclassified from accumulated other comprehensive loss, net of taxes	\$ 89	\$ 46	\$ (3)	Net income

(1) This accumulated other comprehensive income (loss) component is included in the computation of net periodic benefit cost and recognized in selling, general and administrative. See Note 14 “Pension and Postretirement Benefits”.

Dividends

During the year ended December 25, 2016, the Company paid dividends of \$1.34 per share of Common Stock.

During the year ended December 31, 2017, the Company paid dividends of \$1.42 per share of Common Stock.

During the year ended December 30, 2018, the Company paid dividends of \$1.49 per share of Common Stock.

(12) Revenues

Adoption of ASC Topic 606, "Revenue from Contracts with Customers"

On January 1, 2018, the Company adopted ASC Topic 606 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with the previously applicable accounting standards under ASC Topic 605.

The adoption of ASC Topic 606 resulted in no change to accumulated deficit as of January 1, 2018. Revenue and expenses related to certain license agreements and recognized during the year ended December 30, 2018 decreased by \$5,923 as a result of applying ASC Topic 606.

Summary of Accounting Policies for Revenue Recognition

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenues are recognized as performance obligations that are satisfied either at a point in time, such as when an advertisement is published, or over time, such as customer subscriptions.

The Company's Unaudited Condensed Consolidated Statement of Operations and Comprehensive (Loss) Income presents revenues disaggregated by revenue type. Sales taxes and other usage-based taxes are excluded from revenues.

Advertising Revenues

The Company generates advertising revenues primarily by delivering advertising in local publications including newspapers and websites. Advertising revenues are categorized as local retail, local classified, online and national. Revenue is recognized upon publication of the advertisement.

Circulation Revenues

Circulation revenues are derived from print and digital subscriptions as well as single copy sales at retail stores, vending racks and boxes. Circulation revenues from subscribers are generally billed to customers at the beginning of the subscription period and are typically recognized on a straight-line basis over the terms of the related subscriptions. The term of customer subscriptions normally ranges from three to twelve months. Circulation revenues from single-copy income are recognized based on the date of publication, net of provisions for related returns.

Commercial Printing and Other Revenues

The Company provides commercial printing services to third parties as a means to generate incremental revenue and utilize excess printing capacity. These customers consist primarily of other publishers that do not have their own printing presses and do not compete with other GateHouse publications. The Company also prints other commercial materials, including flyers, business cards and invitations. Revenue is generally recognized upon delivery.

The Other Revenues category includes UpCurve, the Company's SMB solutions provider. UpCurve provides digital marketing and business services for SMBs. Other Revenues also include GateHouse Live, the Company's events business. A significant judgment management must make with respect to UpCurve revenue recognition is determining whether the Company is the principal or agent for certain licensing transactions. Under ASC Topic 606, the principal in the relationship is the entity that controls the specified goods or services. An entity may have control if (i) it is primarily responsible for fulfilling the promise to provide the good or service; (ii) it has inventory risk before or after the good or service has been transferred to the customer; or (iii) it has the discretion in establishing the price for the good or service. The Company has determined that UpCurve is the principal in the relationships for those transactions in which the goods or services are customized for the customer and reports the related revenues on a gross basis. The Company has determined that UpCurve is the agent in the relationships for those transactions in which the Company resells the goods or services with no customization and reports these revenues on a net basis.

As a result of the change from gross to net reporting for certain licensing transactions, the Company's commercial printing and other revenues, and operating expenses were both approximately \$5,923 lower in the year ended December 30, 2018 than the amounts that would have been reported under previously applicable accounting standards.

Arrangements with Multiple Performance Obligations

The Company's contracts with customers may include multiple performance obligations such as bundled print and digital subscriptions. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers or using expected cost plus margin.

Contract Balances

The Company records deferred revenues when cash payments are received in advance of the Company's performance. The most significant unsatisfied performance obligation is the delivery of publications to subscription customers. The Company expects to recognize the revenue related to unsatisfied performance obligations over the next three to twelve months in accordance with the terms of the subscriptions. The increase in the deferred revenue balance for the year ended December 30, 2018 is primarily driven by acquisitions. For the year ended December 30, 2018, the Company recognized approximately \$85,000 of revenues that were included in the deferred revenue balance as of December 31, 2017.

The Company's payment terms vary by the type and location of the customer and the products or services offered. The period between invoicing and when payment is due is not significant. For certain products or services and customer types, the Company requires payment before the products or services are delivered to the customer.

Accounts Receivable

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company's allowance for doubtful accounts is based upon several factors including the length of time the receivables are past due, historical payment trends and current economic factors. The Company recorded bad debt expense of \$7,668, \$5,563 and \$4,399 during the years ended December 30, 2018, December 31, 2017 and December 25, 2016, respectively. Impairment losses are recorded within the selling, general and administrative expenses in the Company's Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Practical Expedients and Exemptions

The Company expenses sales commissions or other costs to obtain contracts when incurred because the amortization period is generally one year or less. These costs are recorded within selling, general and administrative expenses.

The Company does not disclose unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which the Company has the right to invoice for services performed.

(13) Employee Benefit Plans

The Company sponsors the New Media Investment Group Inc. Retirement Savings Plan (the "New Media 401(k) Plan"), which is intended to be a qualified defined contribution plan with a cash or deferred arrangement under Section 401(k) of the Code. In general, eligible employees of the Company and participating affiliates who satisfy minimum age and service requirements are eligible to participate. Eligible employees can contribute amounts up to 100% of their eligible compensation to the New Media 401(k) Plan, subject to IRS limitations. The New Media 401(k) Plan also provides for discretionary matching and nonelective contributions that can be made in separate amounts among different allocation groups. For the years ended December 30, 2018, December 31, 2017, and December 25, 2016, the Company's matching contributions to the New Media 401(k) Plan were \$3,988, \$3,365, and \$2,959, respectively. The Company did not make nonelective contributions for the reported years.

The Company maintains two nonqualified deferred compensation plans, as described below, for certain of its employees.

The Company maintains the GateHouse Media, Inc. Publishers' Deferred Compensation Plan ("Publishers' Plan"), a nonqualified deferred compensation plan for the benefit of certain designated publishers of the Company's newspapers. Under the Publishers' Plan, the Company credits an amount to a bookkeeping account established for each participating publisher pursuant to a pre-determined formula, which is based upon the gross operating profits of each such publisher's newspaper. The bookkeeping account is credited with earnings and losses based upon the investment choices selected by the participant. The amounts credited to the bookkeeping account on behalf of each participating publisher vest on an installment basis over a period of 15 years. A participating publisher forfeits all amounts under the Publishers' Plan in the event that the publisher's employment with the Company is terminated for "cause", as defined in the Publishers' Plan. Amounts credited to a participating publisher's bookkeeping account are distributable upon termination of the publisher's employment with the Company and will be made in a lump sum or installments as elected by the publisher. The Publishers' Plan was frozen effective as of December 31, 2006, and all accrued benefits of participants under the terms of the Publishers' Plan became 100% vested.

The Company maintains the GateHouse Media, Inc. Executive Benefit Plan (“Executive Benefit Plan”), a nonqualified deferred compensation plan for the benefit of certain key employees of the Company. Under the Executive Benefit Plan, the Company credits an amount, determined at the Company’s sole discretion, to a bookkeeping account established for each participating key employee. The bookkeeping account is credited with earnings and losses based upon the investment choices selected by the participant. The amounts credited to the bookkeeping account on behalf of each participating key employee vest on an installment basis over a period of 5 years. A participating key employee forfeits all amounts under the Executive Benefit Plan in the event that the key employee’s employment with the Company is terminated for “cause”, as defined in the Executive Benefit Plan. Amounts credited to a participating key employee’s bookkeeping account are distributable upon termination of the key employee’s employment with the Company, and will be made in a lump sum or installments as elected by the key employee. The Executive Benefit Plan was frozen effective as of December 31, 2006, and all accrued benefits of participants under the terms of the Executive Benefit Plan became 100% vested.

(14) Pension and Postretirement Benefits

As a result of acquisitions, the Company maintains two pension and several postretirement medical and life insurance plans which cover certain employees. The Company uses the accrued benefit actuarial method and best estimate assumptions to determine pension costs, liabilities and other pension information for defined benefit plans.

The George W. Prescott Company pension plan, assumed in the Enterprise News Media, LLC acquisition, was amended to freeze all future benefit accruals by December 31, 2008, except for a select group of union employees whose benefits were frozen during 2009. Also, during 2008, the medical and life insurance benefits were frozen, and the plan was amended to limit future benefits to a select group of active employees under the Enterprise News Media, LLC postretirement medical and life insurance plan. Benefits under the postretirement medical and life insurance plan assumed with the Copley Press, Inc. acquisition are only available to Brush-Moore employees hired before January 1, 1976. The Times Publishing Company pension plan was frozen prior to the acquisition.

The following table provides a reconciliation of benefit obligations, plan assets and funded status, along with the related amounts in the consolidated balance sheets of the Company’s pension and postretirement medical and life insurance plans as of December 30, 2018 and December 31, 2017:

	Pension		Postretirement	
	Year Ended			
	December 30, 2018	December 31, 2017	December 30, 2018	December 31, 2017
Change in projected benefit obligation:				
Projected benefit obligation at beginning of period	\$ 82,344	\$ 78,323	\$ 4,835	\$ 5,010
Service cost	606	630	7	11
Interest cost	2,775	3,143	153	189
Actuarial (gain) loss	(6,228)	5,850	(363)	(88)
Benefits and expenses paid	(5,307)	(5,602)	(500)	(481)
Participant contributions	—	—	221	211
Employer implicit subsidy fulfilled	—	—	(23)	(17)
Projected benefit obligation at end of period	\$ 74,190	\$ 82,344	\$ 4,330	\$ 4,835
Change in plan assets:				
Fair value of plan assets at beginning of period	\$ 61,539	\$ 57,266	\$ —	\$ —
Actual return on plan assets	(3,648)	8,390	—	—
Employer contributions	1,451	1,485	—	—
Benefits paid	(4,705)	(4,750)	—	—
Expenses paid	(602)	(852)	—	—
Fair value of plan assets at end of period	\$ 54,035	\$ 61,539	\$ —	\$ —
Reconciliation of funded status:				
Benefit obligation at end of period	\$ (74,190)	\$ (82,344)	\$ (4,330)	\$ (4,835)
Fair value of assets at end of period	54,035	61,539	—	—
Funded status	(20,155)	(20,805)	(4,330)	(4,835)
Unrecognized actuarial loss (gain)	7,986	6,227	(1,105)	(766)
Net accrued benefit cost	\$ (12,169)	\$ (14,578)	\$ (5,435)	\$ (5,601)
Balance sheet presentation:				
Accrued liabilities	\$ —	\$ —	\$ 355	\$ 375
Pension and other postretirement benefit obligations	20,155	20,805	3,975	4,460
Accumulated other comprehensive (loss) income	(7,986)	(6,227)	1,105	766
Net accrued benefit cost	\$ 12,169	\$ 14,578	\$ 5,435	\$ 5,601
Comparison of obligations to plan assets:				
Projected benefit obligation	\$ 74,190	\$ 82,344	\$ 4,330	\$ 4,835
Accumulated benefit obligation	74,190	82,344	4,330	4,835
Fair value of plan assets	54,035	61,539	—	—

The following table provides the components of net periodic benefit cost and other changes in plan assets recognized in other comprehensive income (loss) of the Company's pension and postretirement medical and life insurance plans for the years ended December 30, 2018, December 31, 2017, and December 25, 2016:

	Pension			Postretirement		
	Year Ended					
	December 30, 2018	December 31, 2017	December 25, 2016	December 30, 2018	December 31, 2017	December 25, 2016
Components of net periodic benefit cost:						
Service cost	\$ 606	\$ 630	\$ 300	\$ 7	\$ 11	\$ 14
Interest cost	2,775	3,143	3,255	153	189	213
Expected return on plan assets	(4,452)	(4,157)	(4,174)	—	—	—
Amortization of unrecognized loss (gain)	113	194	94	(24)	(148)	(97)
Net periodic benefit (credit) cost	\$ (958)	\$ (190)	\$ (525)	\$ 136	\$ 52	\$ 130
Other changes in plan assets and benefit obligations recognized in other comprehensive income:						
Net actuarial loss (gain)	\$ 1,872	\$ 1,618	\$ 1,371	\$ (363)	\$ (88)	\$ (555)
Amortization of net actuarial (loss) gain	(113)	(194)	(94)	24	148	97
Total recognized in other comprehensive income (loss)	\$ 1,759	\$ 1,424	\$ 1,277	\$ (339)	\$ 60	\$ (458)

The following assumptions were used in connection with the Company's actuarial valuation of its defined benefit pension and postretirement plans obligation:

	Pension		Postretirement	
	December 30, 2018	December 31, 2017	December 30, 2018	December 31, 2017
Weighted average discount rate	4.1%	3.5%	4.0%	3.3%
Rate of increase in future compensation levels	—	—	—	—
Expected return on assets	7.5%	7.5%	—	—
Current year medical trend	—	—	6.2%	6.6%
Ultimate year medical trend	—	—	4.5%	4.5%
Year of ultimate trend	—	—	2034	2025

The following assumptions were used to calculate the net periodic benefit cost for the Company's defined benefit pension and postretirement plans:

	Pension			Postretirement		
	Year Ended					
	December 30, 2018	December 31, 2017	December 25, 2016	December 30, 2018	December 31, 2017	December 25, 2016
Weighted average discount rate	3.5%	4.1%	3.9%	3.3%	3.9%	4.3%
Rate of increase in future compensation levels	—	—	—	—	—	—
Expected return on assets	7.5%	7.5%	7.6%	—	—	—
Current year medical trend	—	—	—	6.4%	6.7%	7.2%
Ultimate year medical trend	—	—	—	4.5%	4.5%	4.5%
Year of ultimate trend	—	—	—	2026	2026	2026

To determine the expected long-term rate of return on pension plan assets, the Company considers the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets, input from the actuaries and investment consultants, and long-term inflation assumptions. The expected allocation of pension plan assets is based on a diversified portfolio consisting of domestic and international equity securities and fixed income securities. This expected return is then applied to the fair value of plan assets. The Company amortizes experience gains and losses, including the effects of changes in actuarial assumptions and plan provisions over a period equal to the average future service of plan participants or over the average remaining life expectancy of inactive participants.

[Table of Contents](#)

	Postretirement	
	2018	2017
Effect of 1% increase in health care cost trend rates		
Accumulated postretirement benefit obligation	\$ 4,617	\$ 5,188
Dollar change	\$ 287	\$ 353
Percent change	6.6 %	7.3 %
Effect of 1% decrease in health care cost trend rates		
Accumulated postretirement benefit obligation	\$ 4,082	\$ 4,534
Dollar change	\$ (248)	\$ (301)
Percent change	(5.7)%	(6.2)%

Fair Value of the majority of plan assets is measured on a recurring basis using quoted market prices in active markets for identical assets, Level 1 input, or net asset value. The pension plans' assets by asset category at December 30, 2018 and December 31, 2017 are as follows:

	December 30, 2018		December 31, 2017	
	Dollar	Percent	Dollar	Percent
Equity mutual funds	\$ 33,850	63%	\$ 37,383	61%
Fixed income mutual funds	18,431	34%	15,092	24%
Cash and cash equivalents	780	1%	1,805	3%
Other	974	2%	7,259	12%
Total	\$ 54,035	100%	\$ 61,539	100%

The following table presents the consolidated plan assets using the fair value hierarchy, which is described in Note 15 "Fair Value Measurement", as of December 30, 2018 and December 31, 2017.

	Fair Value Measurements at Reporting Date Using			Total Fair Value Measurements
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
As of December 30, 2018				
Investments at fair value:				
Shares of registered investment companies:				
Equity mutual funds	\$ 18,746	\$ —	\$ —	\$ 18,746
Fixed income mutual funds	14,074	—	—	14,074
Cash and cash equivalents	—	780	—	780
Total investments in fair value hierarchy	32,820	780	—	33,600
Investments measured at NAV practical expedient ⁽¹⁾				20,418
Total investments at fair value	\$ 32,820	\$ 780	\$ —	\$ 54,035
As of December 31, 2017				
Investments at fair value:				
Shares of registered investment companies:				
Equity mutual funds	\$ 12,531	\$ —	\$ —	\$ 12,531
Fixed income mutual funds	12,734	—	—	12,734
Mutual funds	5,201	—	—	5,201
Cash and cash equivalents	—	1,806	—	1,806
Total investments in fair value hierarchy	30,466	1,806	—	32,272
Investments measured at NAV practical expedient ⁽¹⁾				29,267
Total investments at fair value	\$ 30,466	\$ 1,806	\$ —	\$ 61,539

- (1) Per adoption of ASU 2015-07, "Fair Value Measurement (Topic 820)" ("ASC 820"), certain investments that are measured at fair value using the net asset value per share ("NAV") (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total retirement plan assets.

The fiduciaries of the pension plan set investment policies and strategies for the pension trusts. Objectives include preserving the funded status of the plan and balancing risk against return.

The general target investment allocation for the George W. Prescott Publishing Company LLC Pension Plan is 70% in equity funds and 30% in fixed income funds. To accomplish this goal, the plan's assets are actively managed by outside investment managers with the objective of optimizing long-term return while maintaining a high standard of portfolio quality and proper diversification. The Company monitors the maturities of fixed income securities so that there is sufficient liquidity to meet current benefit payment obligations. The George W. Prescott Publishing Company LLC Pension Plan had an accumulated benefit obligation of \$26,349 and \$28,938 and a plan asset fair value of \$19,395 and \$21,600 at December 30, 2018 and December 31, 2017, respectively.

The general target allocation for the Times Publishing Company Pension Plan is 52% in equity funds, 26% in fixed income securities, 20% in alternative securities and 2% in cash or money market funds. The Times Publishing Company Pension Plan, assumed in 2016, had an accumulated benefit obligation of \$47,841 and \$53,406 and an asset fair value of \$34,640 and \$39,939 at December 30, 2018 and December 31, 2017, respectively.

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid as follows:

	Pension	Postretirement
2019	\$ 4,757	\$ 356
2020	4,745	334
2021	4,710	338
2022	4,729	327
2023	4,738	308
2024-2028	23,018	1,460
Employer contribution expected to be paid during the year ending December 29, 2019	\$ 1,050	\$ 356

The postretirement plans are not funded.

The aggregate amount of net actuarial loss related to the Company's pension and postretirement plans recognized in other comprehensive (loss) income as of December 30, 2018 was \$6,881 of which \$109 is expected to be amortized in 2019.

Multiemployer Plans

The Company is a participant in three multi-employer pension plans covering certain employees with Collective Bargaining Agreements ("CBAs") in Ohio and Massachusetts. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- The Company plays no part in the management of plan investments or any other aspect of plan administration.
- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the unfunded status of the plan, referred to as withdrawal liability.

The Company's participation in these plans for the year ended December 30, 2018, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number. Unless otherwise noted, the two most recent Pension Protection Act (PPA) zone statuses available are for the plans for the years ended 2018 and 2017, respectively. The zone status is based on information that the company received from the plan and is

[Table of Contents](#)

certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65% funded; plans in the orange zone are both a) less than 80% funded and b) have an accumulated/expected funding deficiency in any of the next six plan years, net of any amortization extensions; plans in the yellow zone meet either one of the criteria mentioned in the orange zone; and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

The Company makes all required contributions to these plans as determined under the respective CBAs. For each of the plans listed below, the Company’s contribution represented less than 5% of total contributions to the plan.

Pension Plan Name	EIN Number/ Plan Number	Zone Status		FIP/RP Status Pending/ Implemented	Contributions (in thousands)			Surcharge Imposed	Expiration Dates of CBAs
		2018	2017		2018	2017	2016		
CWA/ITU Negotiated Pension Plan	13-6212879/001	Red	Red	Implemented	\$ 9	\$ 10	\$ 11	No	Auto renewal and May 4, 2019
GCIU—Employer Retirement Benefit Plan ⁽¹⁾	91-6024903/001	Red	Red	Implemented	78	84	89	No	Under negotiation
The Newspaper Guild International Pension Plan ⁽¹⁾	52-1082662/001	Red	Red	Implemented	19	36	40	No	Under negotiation and June 8, 2019
Total					<u>\$ 106</u>	<u>\$ 130</u>	<u>\$ 140</u>		

(1) This plan has elected to utilize special amortization provisions provided under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010.

The Company assumed two multi-employer plan withdrawal liabilities in an acquisition in 2016. The liability at the acquisition date was estimated to be approximately \$1,240, excluding interest. The penalties are payable over twenty years. The unpaid balance as of December 30, 2018 is approximately \$1,098.

(15) Fair Value Measurement

The Company measures and records in the accompanying consolidated financial statements certain assets and liabilities at fair value on a recurring basis. ASC 820 establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company’s own assumptions (unobservable inputs).

These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs; and
- Level 3: Unobservable inputs for which there is little or no market data and which require the Company to develop their own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectation about those future amounts;
- Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The following table provides information for the Company’s major categories of financial assets and liabilities measured or disclosed at fair value on a recurring basis:

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
As of December 30, 2018				
Assets				
Cash and cash equivalents	\$ 48,651	\$ —	\$ —	\$ 48,651
Restricted cash	4,119	—	—	4,119
Total	52,770	—	—	52,770
Liabilities				
Contingent consideration	\$ —	\$ —	\$ 3,256	\$ 3,256
Redeemable noncontrolling interests	\$ —	\$ —	\$ 1,547	\$ 1,547
As of December 31, 2017				
Assets				
Cash and cash equivalents	\$ 43,056	\$ —	\$ —	\$ 43,056
Restricted cash	3,106	—	—	3,106
Total	46,162	—	—	46,162

Contingent consideration relates to certain of the Company's 2018 Acquisitions and are primarily payable to the sellers based on the passage of time or as a component of earnings above an agreed-upon target as detailed in the applicable purchase agreements.

Redeemable Noncontrolling Interests

The Company accounts for the redeemable noncontrolling interests in accordance with ASC 480-10-S99-3A, “Distinguishing Liabilities from Equity” (“ASC 480-10-S99-3A”), because the exercise is outside the control of the Company. The redeemable noncontrolling interests recorded at fair value are put arrangements held by the noncontrolling interests in the Company’s majority-owned events business.

The changes in redeemable noncontrolling interests classified as Level 3 measurements were as follows:

	Year Ended December 30, 2018
Beginning of the year	\$ —
Net loss	(89)
Purchases ⁽¹⁾	1,636
End of the year	\$ 1,547

(1) Refer to Note 2 "Acquisitions and Dispositions".

Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment).

For the 2018 acquisitions and 2017 acquisitions the Company recorded the assets and liabilities under the acquisition method of accounting. Accordingly, the assets acquired and liabilities assumed were recorded at their fair value. Property, plant and equipment was valued using Level 2 inputs, and intangible assets were valued using Level 3 inputs. Refer to Note 2 “Acquisitions and Dispositions” for discussion of the valuation techniques, significant inputs, assumptions utilized, and the fair value recognized.

During the quarter ended June 25, 2017, certain goodwill and mastheads were written down to their implied fair value using Level 3 inputs. The valuation techniques and significant inputs and assumptions utilized to measure fair value are discussed in Note 6 “Goodwill and Intangible Assets”.

Refer to Note 9 “Indebtedness” for the discussion on the fair value of the Company’s total long-term debt.

The Company’s pension plan assets measured at net asset value have not been classified in the fair value hierarchy. Refer to Note 14 “Pension and Postretirement Benefits” for the discussion on the fair value of the Company’s pension plan assets.

(16) Commitments and Contingencies

The Company is and may become involved from time to time in legal proceedings in the ordinary course of its business, including but not limited to with respect to such matters as libel, invasion of privacy, intellectual property infringement, wrongful termination actions and complaints alleging employment discrimination, and regulatory investigations and inquiries. In addition, the Company is involved from time to time in governmental and administrative proceedings concerning employment, labor, environmental and other claims. Insurance coverage mitigates potential loss for certain of these matters. Historically, such claims and proceedings have not had a material adverse effect on the Company’s consolidated results of operations or financial position. Although the Company is unable to predict with certainty the eventual outcome of any litigation, regulatory investigation or inquiry, in the opinion of management, the Company does not expect its current and any threatened legal proceedings to have a material adverse effect on the Company’s business, financial position or consolidated results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material effect on the Company’s financial results.

Equity purchase arrangements that are exercisable by the counterparty to the agreement, and that are outside the sole control of the Company, are accounted for in accordance with ASC 480-10-S99-3A and are classified as Redeemable noncontrolling interests in the Consolidated Balance Sheets. Other than the arrangements classified as Redeemable noncontrolling interests, the Company is also a party to contingent consideration arrangements primarily payable based on the passage of time or as a component of earnings above an agreed-upon target.

Restricted cash of \$4,119 and \$3,106 at December 30, 2018 and December 31, 2017, respectively, was held as cash collateral for certain business operations.

(17) Related-Party Transactions

As of December 30, 2018, the Company's manager, FIG LLC (the "Manager"), which is an affiliate of Fortress Investment Group LLC ("Fortress"), and its affiliates owned approximately 1.1% of the Company’s outstanding stock and approximately 39.5% of the Company’s outstanding warrants. The Manager or its affiliates hold 2,904,811 stock options of the Company’s stock as of December 30, 2018. During the years ended December 30, 2018, December 31, 2017 and December 25, 2016, Fortress and its affiliates were paid \$973, \$968 and \$913 in dividends, respectively.

In addition, the Company’s Chairman, Wesley Edens, is also a member of the board of directors of the Manager and a Principal, the Co-Chief Executive Officer and a member of the board of directors of Fortress. The Company does not pay Mr. Edens a salary or any other form of compensation.

On February 28, 2018, the Company acquired substantially all of the assets, consisting primarily of publications and related websites, of Holden Landmark Corporation ("Holden"), a Massachusetts corporation owned by the Company’s Chief Operating Officer, for \$1,307. Prior to the acquisition, the Company recognized revenue from Holden of \$77, \$614 and \$636 during the years ended December 30, 2018, December 31, 2017 and December 25, 2016, respectively, which is included in commercial printing and other on the Consolidated Statement of Operations and Comprehensive Income (Loss).

The Company's Chief Executive Officer and Chief Financial Officer are employees of Fortress (or one of its affiliates) and their salaries are paid by Fortress (or one of its affiliates).

Management Agreement

On November 26, 2013, the Company entered into a management agreement with the Manager (as amended and restated, the “Management Agreement”). The Management Agreement requires the Manager to manage the Company’s business affairs subject to the supervision of the Company’s Board of Directors. On March 6, 2015, the Company’s independent directors of the Board approved an amendment to the Management Agreement.

The Management Agreement had an initial three-year term and will be automatically renewed for one-year terms thereafter unless terminated either by the Company or the Manager. The Manager is (a) entitled to receive from the Company a management fee, (b) eligible to receive incentive compensation that is based on the Company’s performance and (c) eligible to receive options to purchase New Media Common Stock upon the successful completion of an offering of shares of the Company’s Common Stock or any shares of preferred stock with an exercise price equal to the price per share paid by the public or other ultimate purchaser in the offering, see Note 11 “Equity”. In addition, the Company is obligated to reimburse

[Table of Contents](#)

certain expenses incurred by the Manager. The Manager is also entitled to receive a termination fee from the Company under certain circumstances.

The following table provides the management and incentive fees recognized and paid to the Manager for the years ended December 30, 2018, December 31, 2017 and December 25, 2016:

	Year Ended		
	December 30, 2018	December 31, 2017	December 25, 2016
Management fee expense	\$ 10,674	\$ 10,622	\$ 9,756
Incentive fee expense	11,143	11,654	9,621
Management fees paid	9,619	11,349	7,169
Incentive fees paid	14,129	9,195	25,262
Reimbursement for expenses	2,501	1,567	1,763

The Company had an outstanding liability for all Management Agreement related fees of \$10,696 and \$11,265 at December 30, 2018 and December 31, 2017, respectively, included in accrued expenses.

Holdings I Management Agreement

On June 4, 2014, the Company entered into a management agreement with Holdings I (as amended and restated, the “Holdings I Management Agreement”). The Holdings I Management Agreement requires that the Company manage the business affairs of Holdings I subject to the supervision of the Board of Directors of Holdings I.

The Holdings I Management Agreement had an initial three-year term and will be automatically renewed for one-year terms thereafter unless terminated by the Holdings I. The Company is (a) entitled to receive from the Holdings I a management fee and (b) eligible to receive incentive compensation that is based on the performance of Holdings I. In addition, Holdings I is obligated to reimburse certain expenses incurred by the Company. The Company also entitled to receive a termination fee from Holdings I under certain circumstances. These fees eliminate in consolidation.

(18) Quarterly Results (unaudited)

	Quarter Ended			
	April 1	July 1	September 30	December 30
Year Ended December 30, 2018				
Revenues	\$ 340,765	\$ 388,801	\$ 380,419	\$ 416,039
Operating income	7,051	23,314	2,570	25,204
(Loss) income before income taxes	(781)	14,652	(6,112)	12,260
Net (loss) income	(665)	11,706	(6,105)	13,260
Basic (loss) income per share	(0.01)	0.20	(0.10)	0.22
Diluted (loss) income per share	(0.01)	0.20	(0.10)	0.22

	Quarter Ended			
	March 26	June 25	September 24	December 31
Year Ended December 31, 2017				
Revenues	\$ 307,524	\$ 322,873	\$ 317,176	\$ 394,431
Goodwill and mastheads impairment	—	27,448	—	—
Operating income	(3,016)	(6,619)	11,331	32,140
(Loss) income before income taxes	(10,016)	(13,732)	(1,038)	24,352
Net (loss) income	(3,685)	(21,687)	(1,971)	26,428
Basic (loss) income per share	(0.07)	(0.41)	(0.04)	0.50
Diluted (loss) income per share	(0.07)	(0.41)	(0.04)	0.50

(19) Subsequent Events

Dividends

On February 27, 2019, the Company announced a fourth quarter 2018 cash dividend of \$0.38 per share of New Media Common Stock. The dividend will be paid on March 20, 2019, to shareholders of record as of the close of business on March 11, 2019.

Acquisitions

On January 31, 2019, the Company completed its acquisition of substantially all of the publishing and related assets of Schurz Communications, Inc. ("Schurz") for \$30,000, plus working capital. The acquisition was financed from cash on hand. The acquisition includes ten daily newspapers, nine weekly publications and fourteen other community publications serving areas of Indiana, Maryland, South Dakota and Michigan. The acquisition was completed because of the attractive nature of the newspaper assets and cash flows as well as the cost saving opportunities available by clustering with the Company's nearby newspapers.

The Company will account for the acquisition under the purchase method of accounting. The net assets, including goodwill will be recorded in the consolidated balance sheet at their fair values in accordance with ASC 805. As a result of limited access to Schurz information required to prepare initial accounting, together with the limited time since the acquisition date and the effort required to conform the financial statements to the Company's practices and policies, the initial accounting for the business combination is incomplete at the time of this filing and the Company has not yet determined whether this acquisition qualifies as a significant acquisition under the rules of the Securities and Exchange Commission.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934 (the "Exchange Act"), as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 30, 2018, our disclosure controls and procedures were effective.

Changes in Internal Controls Over Financial Reporting

Except for the changes noted below, there have not been any changes in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fourth quarter of the fiscal year covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The Company is currently engaged in refining the internal controls and processes relating to the 2018 Acquisitions with the Company's internal controls and processes. The operating results of the 2018 Acquisitions since the acquisition dates are included in the Company's consolidated financial statements as of and for the year ended December 30, 2018 and constituted approximately 16% of total assets as of December 30, 2018, and approximately 10% of revenues for the year then ended. Internal control over financial reporting of the 2018 Acquisitions has been excluded from the Company's annual assessment of the effectiveness of the Company's internal control over financial reporting in accordance with the general guidance issued by the Securities and Exchange Commission (the "SEC") that an assessment of a recent business combination may be omitted from management's report on internal control over financial reporting in the year of acquisition.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control system was designed under the supervision of our Chief Executive Officer and our Chief Financial Officer and with the participation of management in order to provide reasonable assurance regarding the reliability of our financial reporting and our preparation of financial statements for external purposes in accordance with GAAP.

All internal control systems, no matter how well designed and tested, have inherent limitations, including, among other things, the possibility of human error, circumvention or disregard. Therefore, even those systems of internal control that have been determined to be effective can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the

[Table of Contents](#)

risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision of our Chief Executive Officer and our Chief Financial Officer and with the participation of management, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in “Internal Control—Integrated Framework” (the “COSO” criteria) issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

As noted above, the Company has excluded from its assessment the internal control over financial reporting of recently acquired businesses in accordance with the general guidance issued by the Securities and Exchange Commission that an assessment of a recent business combination may be omitted from management’s report on internal control over financial reporting in the year of acquisition.

Based on an assessment of such criteria, management concluded that, as of December 30, 2018, we maintained effective internal control over financial reporting based on the COSO criteria.

The effectiveness of our internal control over financial reporting as of December 30, 2018, has been audited by Ernst & Young LLP, an independent registered public accounting firm. Ernst & Young LLP’s attestation report is included below.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of
New Media Investment Group Inc.

Opinion on Internal Control over Financial Reporting

We have audited New Media Investment Group Inc. and subsidiaries' internal control over financial reporting as of December 30, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, New Media Investment Group Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 30, 2018, based on the COSO criteria.

As indicated in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of the 2018 Acquisitions, which are included in the 2018 consolidated financial statements of the Company and constituted 16% of total assets as of December 30, 2018 and 10% of revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of the 2018 Acquisitions.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of New Media Investment Group Inc. and subsidiaries as of December 30, 2018 and December 31, 2017, the related consolidated statements of operations and comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 30, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 27, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York
February 27, 2019

Item 9B. Other Information

Resignation of Gregory Freiberg as Chief Financial Officer and Chief Accounting Officer

Mr. Gregory Freiberg will resign from his role as New Media's Chief Financial Officer ("CFO") and Chief Accounting Officer ("CAO"), effective as of February 28, 2019. Mr. Freiberg's resignation is not the result of a disagreement on any matter relating to the Company's operations, policies, practices or disclosures. Mr. Freiberg became New Media's CFO and CAO in January 2014, and the Company thanks him for his service over the past five years. The Company has initiated a search to identify a new CFO and CAO, and Mr. Freiberg has agreed to provide any assistance needed to ensure an orderly transition.

PART III**Item 10. Directors, Executive Officers and Corporate Governance**

Except as set forth below, the information required by this Item 10 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2019 Annual Meeting of Stockholders under the headings “Election of Directors,” “Executive Officers,” “Corporate Governance Principles and Board Matters” and “Section 16(a) Beneficial Ownership Reporting Compliance,” which proxy statement will be filed within 120 days after the year ended December 30, 2018.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2019 Annual Meeting of Stockholders, under the headings “Compensation Discussion and Analysis,” “Compensation Committee Report” and “Compensation of Executive Officers,” which proxy statement will be filed within 120 days after the year ended December 30, 2018.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Except as set forth below, the information required by this Item 12 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2019 Annual Meeting of Stockholders, under the heading “Common Stock Ownership of Certain Beneficial Owners and Management,” which proxy statement will be filed within 120 days after the year ended December 30, 2018.

Securities Authorized for Issuance Under Equity Compensation Plans as of December 30, 2018**Equity Compensation Plan Information**

<u>Plan Category</u>	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	—	—	14,669,051
Equity compensation plans not approved by security holders	—	—	—
Totals	—		14,669,051

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2019 Annual Meeting of Stockholders, under the headings “Related Persons Transactions” and “Corporate Governance Principles and Board Matters,” which proxy statement will be filed within 120 days after the year ended December 30, 2018.

Item 14. Principal Accounting Fees and Services

The information required by this Item 14 is incorporated into this report by reference to our proxy statement to be issued in connection with our 2019 Annual Meeting of Stockholders, under the heading “Matters Relating to the Independent Registered Public Accounting Firm,” which proxy statement will be filed within 120 days after the year ended December 30, 2018.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report:

(1) Financial Statements

The financial statements required by this Item 15 are set forth in Part II, Item 8 of this report.

(2) Financial Statement Schedules

Schedule II—Valuation and Qualifying Accounts.

New Media Investment Group Inc. and Subsidiaries
Valuation and Qualifying Accounts
(In Thousands)

<u>Description</u>	Balance at Beginning of Period	Charges to (Benefits from) Earnings	Charges to Other Accounts	Deductions	Balance at End of Period
Allowance for doubtful accounts					
Year ended December 30, 2018	\$ 5,998	\$ 7,668	\$ —	\$ (5,624)	\$ 8,042
Year ended December 31, 2017	\$ 5,478	\$ 5,563	\$ —	\$ (5,043)	\$ 5,998
Year ended December 25, 2016	\$ 4,479	\$ 4,399	\$ —	\$ (3,400)	\$ 5,478
Deferred tax valuation allowance					
Year ended December 30, 2018	\$ 69,876	\$ (5,457)	\$ 260 ⁽¹⁾	\$ —	\$ 64,679
Year ended December 31, 2017	\$ 97,959	\$ (27,957)	\$ (126) ⁽¹⁾	\$ —	\$ 69,876
Year ended December 25, 2016	\$ 112,764	\$ (15,126)	\$ 321 ⁽¹⁾	\$ —	\$ 97,959

(1) Amount relates to a valuation allowance for a pension actuarial loss recorded in accumulated other comprehensive income (loss).

All other schedules are omitted because the conditions requiring their filing do not exist, or because the required information is provided in the consolidated financial statements, including the notes thereto.

Table of Contents

(b) Exhibits. The following Exhibits are filed as a part of this report:

<u>Exhibit No.</u>	<u>Description</u>
2.1	<u>Share Purchase Agreement, dated as of January 28, 2007, by and among SureWest Communications, as Seller, SureWest Directories and GateHouse Media, Inc., as Purchaser (incorporated herein by reference to Exhibit 2.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed March 1, 2007).</u>
2.2	<u>Amended and Restated Asset Purchase Agreement, dated April 12, 2007, by and among Gannett Satellite Information Network, Inc., Gannett River States Publishing Corporation, Pacific and Southern Company, Inc., Federated Publications, Inc., Media West—GSI, Inc., Media West—GRS, Inc., as Sellers, and GateHouse Media Illinois Holdings, Inc., as Buyer, and GateHouse Media, Inc., as Buyer guarantor (incorporated herein by reference to Exhibit 2.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed May 8, 2007).</u>
2.3	<u>Asset Purchase Agreement, dated April 12, 2007, by and among Gannett Satellite Information Network, Inc., Media West—GSI, Inc., as Sellers, GateHouse Media Illinois Holdings, Inc., as Buyer, and GateHouse Media, Inc., as Buyer guarantor (incorporated herein by reference to Exhibit 2.2 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed May 8, 2007).</u>
2.4	<u>Stock Purchase Agreement dated as of June 28, 2013 by and among Dow Jones Ventures VII, Inc., Dow Jones Local Media Group, Inc., Newcastle Investment Corp. and Dow Jones & Company, Inc. (incorporated herein by reference to Exhibit 2.7 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).</u>
2.5	<u>Debtors' Joint Prepackaged Chapter 11 Plan (incorporated herein by reference to Exhibit 2.8 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).</u>
2.6	<u>Debtors' Findings of Fact and Conclusions of Law and Order Approving Debtors' Disclosure Statement For, and Confirming, Debtors' Joint Prepackaged Chapter 11 Plan (incorporated herein by reference to Exhibit 2.9 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).</u>
2.7	<u>Asset Purchase Agreement, dated as of July 22, 2014, among The Providence Journal Company, as Seller, and LMG Rhode Island Holdings, Inc., as Buyer (incorporated herein by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed September 3, 2014).</u>
2.8	<u>Asset Purchase Agreement dated as of November 20, 2014, by and among Cummings Acquisition, Inc. and the sellers party thereto (incorporated herein by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed November 28, 2014).</u>
2.9	<u>Amendment to the Asset Purchase Agreement, dated as of January 9, 2015, by and among Cummings Acquisition, Inc. and the sellers party thereto (incorporated herein by reference to Exhibit 2.2 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed January 12, 2015).</u>
2.10	<u>Asset Purchase Agreement dated as of February 19, 2015, by and among DB Acquisition, Inc. and the sellers party thereto (incorporated herein by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 23, 2015).</u>
2.11	<u>Asset Purchase Agreement dated as of June 3, 2015, by and among The Dispatch Printing Company, Consumer News Services, Inc., Dispatch Consumer Services, Inc., GateHouse Media Ohio Holdings II, Inc. and GateHouse Media Operating, LLC (incorporated herein by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed June 15, 2015).</u>
2.12	<u>Amended and Restated Share Purchase Agreement effective as of December 10, 2015, by and among DB Acquisition, Inc., Las Vegas Review-Journal, Inc. (fka DB Nevada Holdings, Inc) and News + Media Capital Group LLC. (incorporated herein by reference to Exhibit 2.12 to New Media Investment Group Inc.'s Annual report on Form 10-K, filed February 25, 2016).</u>
2.13	<u>Asset Purchase Agreement, dated as of August 9, 2017, by and among GateHouse Media, LLC, GateHouse Media Management Services, Inc., Morris Publishing Group, LLC, Athens Newspapers, LLC, Homer News, LLC, Log Cabin Democrat, LLC, Southeastern Newspapers Company, LLC, Southwestern Newspapers Company, L.P., The Sun Times, LLC and Morris Communications Company, LLC (incorporated herein by reference to Exhibit 2.1 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q, filed October 26, 2017).</u>
3.1	<u>Amended and Restated Certificate of Incorporation of New Media Investment Group Inc. (incorporated herein by reference to Exhibit 3.1 to New Media Investment Group Inc.'s Registration Statement on Form S-1/A (Registration No. 333-192736), filed January 15, 2014).</u>
3.2	<u>Amended and Restated Bylaws of New Media Investment Group Inc. (incorporated herein by reference to Exhibit 3.2 to New Media Investment Group Inc.'s Registration Statement on Form S-1/A (Registration No. 333-192736), filed January 15, 2014).</u>

Table of Contents

<u>Exhibit No.</u>	<u>Description</u>
3.3	<u>Amended and Restated Certificate of Incorporation of New Media Investment Group Inc. (incorporated herein by reference to Exhibit 3.1 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q, filed August 2, 2018).</u>
3.4	<u>Amended and Restated Bylaws of New Media Investment Group Inc. (incorporated herein by reference to Exhibit 3.2 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q, filed August 2, 2018).</u>
4.1	<u>Form of Registration Rights Agreement between New Media Investment Group Inc. and Omega Advisors, Inc. (incorporated herein by reference to Exhibit 4.5 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).</u>
4.2	<u>Global Warrant Certificate of New Media Investment Group Inc. (included in Exhibit 10.15).</u>
4.3	<u>Global Warrant Certificate of New Media Investment Group Inc. (amended) (included in Exhibit 10.23).</u>
*10.1	<u>Liberty Group Publishing, Inc. Publisher's Deferred Compensation Plan (incorporated herein by reference to Exhibit 10.2 to GateHouse Media, Inc.'s Registration Statement on Form S-1 (Registration No. 333-135944), filed July 21, 2006).</u>
*10.2	<u>Liberty Group Publishing, Inc. Executive Benefit Plan (incorporated herein by reference to Exhibit 10.3 to GateHouse Media, Inc.'s Registration Statement on Form S-1 (Registration No. 333-135944), filed July 21, 2006).</u>
*10.3	<u>Liberty Group Publishing, Inc. Executive Deferral Plan (incorporated herein by reference to Exhibit 10.4 to GateHouse Media, Inc.'s Registration Statement on Form S-1 (Registration No. 333-135944), filed July 21, 2006).</u>
10.4	<u>Form of Indemnification Agreement to be entered into by New Media Investment Group Inc. with each of its executive officers and directors (incorporated herein by reference to Exhibit 10.11 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).</u>
10.5	<u>License Agreement, dated as of February 28, 2007, by and between SureWest Communications and GateHouse Media, Inc. (incorporated herein by reference to Exhibit 10.1 to GateHouse Media, Inc.'s Current Report on Form 8-K (Items 1.01, 2.01, and 9.01), filed March 1, 2007).</u>
10.6	<u>Amended and Restated Credit Agreement, dated as of February 27, 2007, among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, the Lenders Parties thereto, Goldman Sachs Credit Partners L.P., as Syndication Agent, Morgan Stanley Senior Funding, Inc., and BMO Capital Markets Financing, Inc., as co-documentation Agents and Cortland Products Corp., as successor to Wells Fargo Bank, as Administrative Agent, Wachovia Capital Markets, LLC, as Goldman Sachs Credit Partners, L.P., General Electric Capital Corporation and Morgan Stanley Senior Funding, Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated herein by reference to Exhibit 10.1 to GateHouse Media, Inc.'s Current Report on Form 8-K (Items 1.01, 2.03, and 9.01), filed March 1, 2007).</u>
10.7	<u>Amended and Restated Security Agreement, dated as of February 28, 2007, among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, and Wells Fargo Bank, as Administrative Agent, Wachovia Capital Markets, LLC, as Goldman Sachs Credit Partners, L.P., General Electric Capital Corporation and Morgan Stanley Senior Funding, Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated herein by reference to Exhibit 10.2 to GateHouse Media, Inc.'s Current Report on Form 8-K (Items 1.01, 2.03, and 9.01), filed March 1, 2007).</u>
10.8	<u>Amended and Restated Pledge Agreement, dated as of February 28, 2007, among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, and Wells Fargo Bank, as Administrative Agent, for the several banks and other financial institutions as may from time to time become parties to such Credit Agreement (incorporated herein by reference to Exhibit 10.3 to GateHouse Media, Inc.'s Current Report on Form 8-K (Items 1.01, 2.03, and 9.01), filed March 1, 2007).</u>
10.9	<u>First Amendment to Amended and Restated Credit Agreement, dated as of May 7, 2007, by and among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc. and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, the Lenders Parties thereto, and Wells Fargo Bank, as Administrative Agent (incorporated herein by reference to Exhibit 99.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed May 11, 2007).</u>

Table of Contents

<u>Exhibit No.</u>	<u>Description</u>
10.10	<u>Second Amendment to Amended and Restated Credit Agreement, dated as of February 3, 2009, by and among GateHouse Media Holdco, Inc., as Holdco, GateHouse Media Operating, Inc., as the Company, GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc. and ENHE Acquisition, LLC, as Subsidiary Borrowers, the Domestic Subsidiaries of Holdco from time to time Parties thereto, as Guarantors, the Lenders Parties thereto, and Wells Fargo Bank, as Administrative Agent (incorporated herein by reference to Exhibit 99.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed February 5, 2009).</u>
*10.11	<u>Employment Agreement dated as of January 9, 2009, by and among GateHouse Media, Inc., GateHouse Media Operating Inc., and Kirk Davis (incorporated herein by reference to Exhibit 10.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed January 9, 2009).</u>
*10.12	<u>Form of amendment to Employment Agreement for Kirk Davis (incorporated herein by reference to Exhibit 10.23 to GateHouse Media, Inc.'s Annual Report on Form 10-K, filed March 8, 2012).</u>
10.13	<u>Agency Succession and Amendment Agreement, dated as of March 30, 2011 by and among GateHouse Media Holdco, Inc., GateHouse Media Operating, Inc., GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc., ENHE Acquisition, LLC, each of those domestic subsidiaries of Holdco identified as a "Guarantor" on the signature pages of the Credit Agreement, Wells Fargo Bank, N.A., successor-by-merger to Wachovia Bank, National Association, as the resigning Administrative Agent, and the Successor Agent (incorporated herein by reference to Exhibit 99.1 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed April 7, 2011).</u>
10.14	<u>Credit Amendment, dated as of September 3, 2013, by and among GateHouse Media Holdco, Inc. ("Holdco"), GateHouse Media Operating, Inc., GateHouse Media Massachusetts I, Inc., GateHouse Media Massachusetts II, Inc. and ENHE Acquisition, LLC, those subsidiaries of Holdco party hereto as Guarantors and the Required Lenders party hereto (incorporated herein by reference to Exhibit 4.3 to GateHouse Media, Inc.'s Current Report on Form 8-K, filed September 11, 2013).</u>
10.15	<u>Warrant Agreement dated as of November 26, 2013 between New Media Investment Group Inc. and American Stock Transfer & Trust Company, LLC (incorporated herein by reference to Exhibit 10.27 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).</u>
10.16	<u>Form of Management Agreement between New Media Investment Group Inc. and FIG LLC (incorporated herein by reference to Exhibit 10.28 to New Media Investment Group Inc.'s Registration Statement on Form 10 (File No. 001-36097), filed September 27, 2013).</u>
10.17	<u>Contribution Agreement dated November 26, 2013 between Newcastle Investment Corp. and New Media Investment Group Inc. (incorporated herein by reference to Exhibit 10.29 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).</u>
10.18	<u>Form of Cooperation Agreement between Newcastle Investment Corp. and New Media Investment Group Inc. (incorporated herein by reference to Exhibit 10.30 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).</u>
10.19	<u>Form of Assignment Agreement between Newcastle Investment Corp. and New Media Investment Group Inc. (incorporated herein by reference to Exhibit 10.31 to New Media Investment Group Inc.'s Registration Statement on Form 10/A (File No. 001-36097), filed November 8, 2013).</u>
10.20	<u>Revolving Credit, Term Loan and Security Agreement, dated as of November 26, 2013 by and among GateHouse Media, Inc., GateHouse Media Intermediate Holdco, Inc., certain wholly-owned subsidiaries of GateHouse Media Intermediate Holdco, Inc., PNC Bank, National Association, as the administrative agent, Crystal Financial LLC, as term loan B agent, and each of the lenders party thereto (incorporated herein by reference to Exhibit 10.33 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).</u>
10.21	<u>Term Loan and Security Agreement dated November 26, 2013 by and among GateHouse Media, Inc., GateHouse Media Intermediate Holdco Inc., certain wholly-owned subsidiaries of GateHouse Media Intermediate Holdco, Inc., Mutual Quest Fund and each of the lenders party thereto (incorporated herein by reference to Exhibit 10.34 to New Media Investment Group Inc.'s Registration Statement on Form S-1 (Registration No. 333-192736), filed December 10, 2013).</u>
*10.22	<u>New Media Investment Group Inc. Nonqualified Stock Option and Incentive Award Plan (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 7, 2014).</u>
10.23	<u>Amended and Restated Warrant Agreement dated January 15, 2014 between New Media Investment Group Inc. and American Stock & Transfer Company, LLC (incorporated herein by reference to Exhibit 10.37 to New Media Investment Group Inc.'s Registration Statement on Form S-1/A (Registration No. 333-192736), filed January 28, 2014).</u>

Table of Contents

<u>Exhibit No.</u>	<u>Description</u>
*10.24	<u>Form of New Media Investment Group Inc. Non-Officer Director Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.2 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 7, 2014).</u>
10.25	<u>Amended and Restated Management Agreement, dated as of February 14, 2014, between New Media Investment Group Inc. and FIG LLC (incorporated herein by reference to Exhibit 10.37 of New Media Investment Group Inc.'s Annual Report on Form 10-K, filed March 19, 2014).</u>
*10.26	<u>Form of Nonqualified Stock Option Agreement between New Media Investment Group Inc. and Fortress Operating Entity I LP (incorporated herein by reference to Exhibit 10.38 of New Media Investment Group Inc.'s Annual Report on Form 10-K, filed March 19, 2014).</u>
*10.27	<u>Form of Tandem Award Agreement between New Media Investment Group Inc. and FIG LLC (incorporated herein by reference to Exhibit 10.39 of New Media Investment Group Inc.'s Annual Report on Form 10-K, filed March 19, 2014).</u>
10.28	<u>Credit Agreement, dated as of June 4, 2014 among New Media Holdings I LLC, New Media Holdings II LLC, the several banks and other financial institutions or entities from time to time parties to this Agreement, as the Lenders, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC, as Joint Lead Arrangers and Joint Bookrunners, Credit Suisse AG, Cayman Islands Branch, as Syndication Agent, and Citizens Bank of Pennsylvania, together with any successor appointed in accordance with Section 8.9 of the Credit Agreement, as Administrative Agent (incorporated herein by reference to Exhibit 10.40 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).</u>
10.29	<u>Pledge Agreement, dated as of June 4, 2014 among New Media Holdings II LLC, New Media Holdings I LLC, each of the subsidiary guarantors from time to time party thereto and Citizens Bank of Pennsylvania, in its capacity as Administrative Agent (incorporated herein by reference to Exhibit 10.41 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).</u>
10.30	<u>Guarantee Agreement, dated as of June 4, 2014 made by New Media Holdings I LLC, each of the other guarantors party thereto in favor of Citizens Bank of Pennsylvania, as Administrative Agent (incorporated herein by reference to Exhibit 10.42 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).</u>
10.31	<u>Security Agreement, dated as of June 4, 2014 among New Media Holdings I LLC, New Media Holdings II LLC, each of the subsidiary guarantors from time to time party thereto and Citizens Bank of Pennsylvania, in its capacity as Administrative Agent (incorporated herein by reference to Exhibit 10.43 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).</u>
10.32	<u>Amendment to Credit Agreement, dated as of July 17, 2014 between Citizens Bank of Pennsylvania, New Media Holdings II LLC and New Media Holdings I LLC (incorporated herein by reference to Exhibit 10.44 to New Media Investment Group Inc.'s Quarterly Report on Form 10-Q for the period ended June 29, 2014, filed July 31, 2014).</u>
10.33	<u>First Amendment to Credit Agreement, dated as of September 3, 2014, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions or entities party thereto as incremental term lenders, and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed September 3, 2014).</u>
10.34	<u>Second Amendment to Credit Agreement, dated as of November 20, 2014, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the lenders party thereto, and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed November 28, 2014).</u>
10.35	<u>Parent Guaranty, dated as of November 20, 2014, among New Media Investment Group Inc., New Media Holdings I LLC and the sellers party thereto (incorporated herein by reference to Exhibit 10.2 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed November 28, 2014).</u>
10.36	<u>Third Amendment to Credit Agreement, dated as of January 9, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions or entities party thereto as incremental term lenders, the revolving credit lenders and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed January 12, 2015).</u>
10.37	<u>Fourth Amendment to Credit Agreement, dated as of February 13, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the term loan lenders, the other lenders party thereto and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 20, 2015).</u>

Table of Contents

<u>Exhibit No.</u>	<u>Description</u>
10.38	<u>Parent Guaranty, dated as of February 19, 2015, among New Media Investment Group Inc., New Media Holdings I LLC and the sellers party thereto (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 23, 2015).</u>
10.39	<u>Amended and Restated Management and Advisory Agreement, dated March 6, 2015, between New Media Investment Group Inc. and FIG LLC. (incorporated herein by reference to Exhibit 10.39 to New Media Investment Group Inc.'s Annual Report on Form 10-K, filed February 21, 2017).</u>
10.40	<u>Fifth Amendment to Credit Agreement, dated as of March 6, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, HSBC Bank USA, National Association and Deutsche Bank AG New York Branch as additional lenders and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed March 12, 2015).</u>
10.41	<u>Sixth Amendment to Credit Agreement, dated as of May 29, 2015, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions party thereto as the incremental term lenders and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed June 2, 2015).</u>
10.42	<u>Seventh Amendment to Credit Agreement, dated as of July 14, 2017, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions party thereto and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed July 18, 2017).</u>
10.43	<u>Eighth Amendment to Credit Agreement, dated as of February 16, 2018, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions party thereto and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed February 16, 2018).</u>
10.43	<u>Ninth Amendment to Credit Agreement, dated as of November 28, 2018, among New Media Holdings I LLC, New Media Holdings II LLC, the loan parties party thereto, the several banks and other financial institutions party thereto and Citizens Bank of Pennsylvania, as administrative agent (incorporated herein by reference to Exhibit 10.1 to New Media Investment Group Inc.'s Current Report on Form 8-K, filed November 29, 2018).</u>
**21	<u>Subsidiaries of New Media Investment Group Inc. (included herewith).</u>
**23	<u>Consent of Ernst & Young LLP (included herewith).</u>
**31.1	<u>Rule 13a-14(a)/15d-14(d) Certification of Principal Executive Officer under the Securities Exchange Act of 1934 (included herewith).</u>
**31.2	<u>Rule 13a-14(a)/15d-14(d) Certification of Principal Financial Officer under the Securities Exchange Act of 1934 (included herewith).</u>
**32.1	<u>Section 1350 Certification (included herewith).</u>
**32.2	<u>Section 1350 Certification (included herewith).</u>
** 101.INS	XBRL Instance Document
** 101.SCH	XBRL Taxonomy Extension Schema
** 101.CAL	XBRL Taxonomy Extension Calculation Linkbase
** 101.DEF	XBRL Taxonomy Extension Definition Linkbase
** 101.LAB	XBRL Taxonomy Extension Label Linkbase
** 101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Asterisks identify management contracts and compensatory plans or arrangements.

** Furnished electronically herewith.

[Table of Contents](#)

Item 16. Form 10-K Summary

Not provided.

CA Louisiana Holdings, Inc.	Delaware
CA Massachusetts Holdings, Inc.	Delaware
CA North Carolina Holdings, Inc.	Delaware
CA South Carolina Holdings, Inc.	Delaware
ThriveHive, Inc.	Delaware
Copley Ohio Newspapers, Inc.	Illinois
Cummings Acquisition, LLC	Delaware
CyberInk, LLC	Pennsylvania
Daily Journal of Commerce, Inc.	Delaware
Daily Reporter Publishing Company	Delaware
DB Acquisition, Inc.	Delaware
DB Arkansas Holdings, Inc.	Delaware
DB Iowa Holdings, Inc.	Delaware
DB North Carolina Holdings, Inc.	Delaware
DB Oklahoma Holdings, Inc.	Delaware
DB Tennessee Holdings, Inc.	Delaware
DB Texas Holdings, Inc.	Delaware
DB Washington Holdings, Inc.	Delaware
Dolco Acquisition, Inc.	Delaware
ENHE Acquisition, LLC	Delaware
Enterprise NewsMedia, LLC	Delaware
Enterprise NewsMedia Holding, LLC	Delaware
Enterprise Publishing Company, LLC	Delaware
Finance and Commerce, Inc.	Minnesota
GateHouse Live, LLC	Delaware
GateHouse Media Intermediate Holdco, LLC.	Delaware
GateHouse Media Holdco, LLC.	Delaware
GateHouse Media Operating, LLC.	Delaware
GateHouse Media, LLC.	Delaware
GateHouse Media Massachusetts I, Inc.	Delaware
GateHouse Media Massachusetts II, Inc.	Delaware
GateHouse Media Alaska Holdings, Inc.	Delaware
GateHouse Media Arkansas Holdings, Inc.	Delaware
GateHouse Media California Holdings, Inc.	Delaware

<u>Name of Entity</u>	<u>State of Organization</u>
GateHouse Media Colorado Holdings, Inc.	Delaware
GateHouse Media Connecticut Holdings, Inc.	Delaware
GateHouse Media Corning Holdings, Inc.	Nevada
GateHouse Media Delaware Holdings, Inc.	Delaware
GateHouse Media Directories Holdings, Inc.	Delaware
GateHouse Media Freeport Holdings, Inc.	Delaware
GateHouse Media Georgia Holdings, Inc.	Delaware
GateHouse Media Illinois Holdings, Inc.	Delaware
GateHouse Media Illinois Holdings II, Inc.	Delaware
GateHouse Media Indiana Holdings, Inc.	Delaware
GateHouse Media Iowa Holdings, Inc.	Delaware
GateHouse Media Kansas Holdings, Inc.	Delaware
GateHouse Media Kansas Holdings II, Inc.	Delaware
GateHouse Media Lansing Printing, Inc.	Delaware
GateHouse Media Louisiana Holdings, Inc.	Delaware
GateHouse Media Macomb Holdings, Inc.	Delaware
GateHouse Media Management Services, Inc.	Delaware
GateHouse Media Maryland Holdings, Inc.	Delaware
GateHouse Media Michigan Holdings, Inc.	Delaware
GateHouse Media Michigan Holdings II, Inc.	Delaware
GateHouse Media Minnesota Holdings, Inc.	Delaware
GateHouse Media Missouri Holdings, Inc.	Delaware
GateHouse Media Missouri Holdings II, Inc.	Delaware
GateHouse Media Nebraska Holdings, Inc.	Delaware
GateHouse Media New York Holdings, Inc.	Delaware
GateHouse Media North Dakota Holdings, Inc.	Delaware
GateHouse Media Ohio Holdings, Inc.	Delaware
GateHouse Media Ohio Holdings II, Inc.	Delaware
GateHouse Media Oklahoma Holdings, Inc.	Delaware
GateHouse Media Oregon Holdings, Inc.	Delaware
GateHouse Media Pennsylvania Holdings, Inc.	Delaware
GateHouse Media South Dakota Holdings, Inc.	Delaware
GateHouse Media Suburban Newspapers, Inc.	Delaware
GateHouse Media Tennessee Holdings, Inc.	Delaware
GateHouse Media Texas Holdings, Inc.	Delaware
GateHouse Media Texas Holdings II, Inc.	Delaware
GateHouse Media Virginia Holdings, Inc.	Delaware
George W. Prescott Publishing Company, LLC	Delaware
Idaho Business Review, LLC	Idaho
Lawyer's Weekly, LLC	Delaware
Liberty SMC, L.L.C.	Delaware
LMG Maine Holdings, Inc.	Delaware
LMG Massachusetts, Inc.	Massachusetts
LMG National Publishing, Inc.	Delaware
LMG Rhode Island Holdings, Inc.	Delaware
LMG Stockton, Inc.	Delaware

<u>Name of Entity</u>	<u>State of Organization</u>
Local Media Group Holdings LLC	Delaware
Local Media Group, Inc.	Delaware
Long Island Business News, LLC	Delaware
Low Realty, LLC	Delaware
LRT Four Hundred, LLC	Delaware
Mineral Daily News Tribune, Inc.	West Virginia
Missouri Lawyers Media, LLC	Delaware
New Media Holdings I LLC	Delaware
New Media Holdings II LLC	Delaware
New Media Ventures Group LLC	Delaware
New Orleans Publishing Group, L.L.C.	Louisiana
News Leader, Inc.	Louisiana
NOPG, L.L.C.	Louisiana
Record Acquisition, LLC	Delaware
Seacoast Newspapers, Inc.	New Hampshire
SureWest Directories	California
Terry Newspapers, Inc.	Iowa
The Daily Record Company, LLC	Delaware
The Inquirer and Mirror, Inc.	Massachusetts
The Journal Record Publishing Co., LLC	Delaware
The Mail Tribune, Inc.	Delaware
The Nickel of Medford, Inc.	Oregon
The NWS Company, LLC	Delaware
The Peoria Journal Star, Inc.	Illinois
UpCurve, Inc.	Delaware
UpCurve Cloud LLC	Delaware
Rugged Events Holding LLC	Delaware
Rugged Races LLC	Massachusetts
Rugged Events Canada LTD	British Columbia
Loco Sports LLC	Massachusetts
GiddyUp Events LLC	Maine
Milwaukee Marathon LLC	Wisconsin

[\(Back To Top\)](#)

Section 3: EX-23 (EXHIBIT 23)

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-224158) of New Media Investment Group Inc. and in the related Prospectus of our reports dated February 27, 2019, with respect to the consolidated financial statements and schedule of New Media Investment Group Inc. and subsidiaries, and the effectiveness of internal control over financial reporting of New Media Investment Group Inc. and subsidiaries, included in this Annual Report (Form 10-K) for the year ended December 30, 2018.

/s/ Ernst & Young LLP

New York, New York
February 27, 2019

Section 4: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Michael E. Reed, certify that:

1. I have reviewed this Annual Report on Form 10-K of New Media Investment Group Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The registrant's other certifying officer(s) 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this 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(s) 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 the 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 27, 2019

/s/ MICHAEL E. REED

Michael E. Reed
Chief Executive Officer
(Principal Executive Officer)

Section 5: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Gregory W. Freiberg, certify that:

1. I have reviewed this Annual Report on Form 10-K of New Media Investment Group Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) 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 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this 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(s) 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 the 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 27, 2019

/s/ GREGORY W. FREIBERG

Gregory W. Freiberg
Chief Financial Officer
(Principal Financial Officer)

[\(Back To Top\)](#)

Section 6: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Annual Report of New Media Investment Group Inc. (the "Company") on Form 10-K for the fiscal year ended December 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL E. REED

Michael E. Reed
Chief Executive Officer
(Principal Executive Officer)
February 27, 2019

[\(Back To Top\)](#)

Section 7: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Annual Report of New Media Investment Group Inc. (the “Company”) on Form 10-K for the fiscal year ended December 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GREGORY W. FREIBERG

Gregory W. Freiberg
Chief Financial Officer
(Principal Financial Officer)
February 27, 2019

[\(Back To Top\)](#)