

GANNETT

Q3 2021 Earnings

November 5, 2021

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Cautionary Statement Regarding Forward-Looking Statements. Certain items and statements in this Presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding our ability to grow Adjusted EBITDA, our ability to achieve our operating priorities, integration of our acquisitions, our digital revenue performance and growth, growth in our Digital Marketing Solutions segment, our expectations, in terms of both amount and timing, with respect to implementation of synergies, realization of cost savings, debt repayment, real estate and other asset sales, our cash interest savings, and our net leverage, growth of and demand for our digital-only subscriptions and digital marketing and advertising services, growth of our average revenue per customer, our strategy, and future revenue trends and our ability to influence trends. Words such as "expect(s)", "plan(s)", "believes(s)", "will", "target" and similar expressions are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties. These and other risks and uncertainties could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond our control. The Company can give no assurance its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this Presentation. For a discussion of some of the risks and important factors that could cause actual results to differ from such forward-looking statements, see the risks and other factors detailed from time to time in the Company's 2020 Annual Report on Form 10-K, our quarterly reports on Form 10-Q, and our other filings with the Securities and Exchange Commission. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date indicated or as of this Presentation. Except to the extent required by law, the Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Past Performance. In all cases where historical performance is presented, please note that past performance is not a reliable indicator of future results and should not be relied upon as the basis for making an investment decision. This Presentation is not an offer to sell, nor a solicitation of an offer to buy any securities.

Non-GAAP Measures. This Presentation includes non-GAAP measures, such as Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Adjusted Net Income (loss) attributable to Gannett, and same store revenue. Year-over-year same store revenue changes are calculated based on U.S. GAAP revenue for Gannett for the current period, excluding (1) exited operations, (2) currency impacts, and (3) deferred revenue impacts related to our acquisition of Gannett Co. Inc. (which was renamed Gannett Media Corp. and is referred to as "Legacy Gannett") in the fourth quarter of 2019. See the "Appendix" in this Presentation for information regarding these non-GAAP measures, including reconciliations to the most directly comparable U.S. GAAP financial measure.

Gannett operates a **scalable, data-driven** digital media platform that is fully aligned with consumer and digital marketing trends.

We are a **subscription-led** and **digitally focused** media and marketing solutions company that is committed to empowering communities to thrive.

Our strategy is focused on driving **audience growth** and **engagement** by delivering **deeper content experiences** to our consumers, while offering the products and **marketing expertise** our business partners desire.

Topline Stats: Growth Drivers

local and national reach across U.S. and U.K. in Q3 2021

Accelerate digital subscriber growth

Drive digital marketing solutions (DMS) growth

Optimize traditional print business

Prioritize investments in growth businesses

Build on inclusive & diverse culture

1.5M+

Quarter End Digital-only Subscribers

+46% YOY

15K

Average Monthly DMS Core Platform Customers ⁽¹⁾

2.0M

Total Quarterly Print Subscribers

15M

Total Quarterly Sports Betting Page Views
Post mid-September launch



Diversity and Inclusion Committee launched at Newsquest

U.K.'s leading local media group

1. 18K total DMS customers including core platform and non-core customers.

Topline Stats: **Community Engagement**

local and national reach across U.S. and U.K. in **Q3 2021**

179M

Average Monthly
Digital Audience
(UVs)

5.0B

Total Quarterly
Pageviews

389M

Total Quarterly
Video Views
(on platform)

2.1M

Total Quarterly
Event Attendees
Live and Virtual

11.7M

U.S. Daily & U.K.
Average Weekly
Print Readership

Q3 2021 Results and Non-GAAP Highlights⁽¹⁾

GAAP Results

\$800.2M

Total Operating Revenue

Same store total revenues increased 0.9%

\$14.7M

Net Income attributable to Gannett

\$40.8M

Net Cash Flow Provided by Operating Activities

Non-GAAP Results⁽¹⁾

\$102.1M

Adjusted EBITDA

AEBTIDA grew \$14.1M or 16.0% to prior year quarter

\$26.5M

Adjusted Net Income attributable to Gannett

\$29.3M

Free Cash Flow

1. A reconciliation of non-GAAP results is located in the appendix of the Presentation.

Performance Highlights: **Financial Performance**

Q3 2021

- + Revenue of **\$800.2 million** for the quarter, up 0.9% year over year on a same store basis
 - + Same store revenue trend growth reflects the cycling of third quarter 2020 when revenue trends remained negatively impacted by the COVID-19 pandemic
 - + Two-year pro forma same store revenue CAGR improved 190 basis points from Q2 2021 to Q3 2021 ⁽¹⁾
- + Digital revenue⁽²⁾ of **\$265.0 million** in Q3 2021, or **33.1%** of Q3 2021 revenue
 - + Digital revenue up 17.8% year over year on a same store basis
 - + Digital-only circulation revenue up 26.6% to the prior year quarter
- + Adjusted EBITDA⁽³⁾ of **\$102.1 million**, representing a **12.8%** margin
 - + **Adjusted EBITDA grew \$14.1M** to prior year quarter and Adjusted EBITDA margin⁽³⁾ improved 200 basis points
- + Net income attributable to Gannett of **\$14.7 million**
 - + Adjusted net income attributable to Gannett⁽³⁾ of \$26.5 million

1. Pro forma results reflect the consolidated operations of the Company and Legacy Gannett, assuming the companies had been consolidated for the entire period.

2. Digital revenue includes Digital advertising and marketing services revenues, Digital-only circulation revenues, and Digital syndication and affiliate revenues.

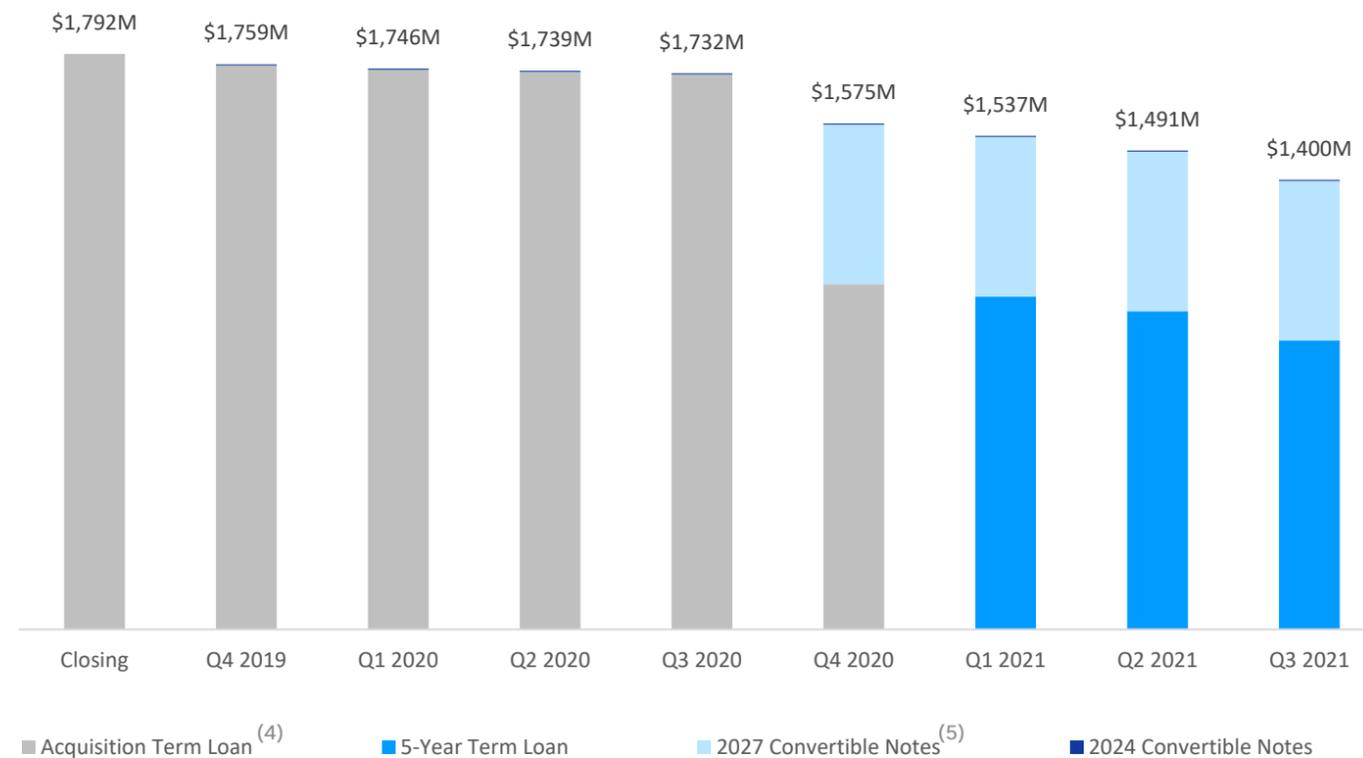
3. A reconciliation of non-GAAP results is located in the appendix of the Presentation.

Balance Sheet and Liquidity

Q3 2021 and subsequent events ⁽¹⁾

Significant Debt Repayment

Q3 2021



- + Cash on the balance sheet of **\$141.3 million** at the end of Q3
- + Total debt principal outstanding at September 30, 2021 of **\$1.400 billion**
 - Net leverage ratio⁽²⁾ of **2.7x**
 - First Lien Net leverage⁽³⁾ of **1.6x**
- + In October 2021, the Company refinanced its existing term loan through the issuance of \$400 million in 6% senior secured notes due in 2026 and by entering into a new term loan for \$516 million at LIBOR plus 5% with a floor of 50 basis points, materially reducing annual interest expense.
- + Real estate and other asset sales expected to continue to accelerate debt paydown
 - \$91.1 million of existing term loan principal was repaid during Q3 using proceeds from real estate and asset sales of \$39.0M and excess cash
 - Additional **\$40 million** of expected asset sales in Q4 2021

1. Reflects subsequent events as of November 5, 2021.

2. Net leverage ratio is calculated by subtracting cash on the balance sheet from total debt and dividing it by Q3 2021 LTM Adjusted EBITDA.

3. First Lien Net Leverage ratio is calculated by subtracting cash on the balance sheet from 5-Year Term Loan and dividing it by Q3 2021 LTM Adjusted EBITDA. 2027 Convertible Senior Notes are second lien as of the completion of the 5-Year Term Loan refinancing in February 2021.

4. Acquisition Term Loan included ~\$234 million for settlement of the 2024 Convertible Notes; of which all but \$3.3 million elected for settlement on 12/31/19.

5. 2027 Convertible Senior Notes are second lien as of the closing of the 5-Year Term Loan refinancing in February 2021.

Key Operating Pillars

Third Quarter 2021 Update

Key Operating Pillars

strong opportunity for creating stakeholder value

Accelerate digital subscriber growth

- + Expect to reach 10 million digital-only subscriptions in the next 5 years, inclusive of new offerings tailored to specific users
- + Anchored on high-quality, original, impactful journalism and premium content experiences

Drive digital marketing services (DMS) growth

- + Significant digital scale
- + Leverage integrated sales structure and lead generation strategy to grow client base
- + Data and insights inform new and dynamic marketing products and services

Optimize traditional print business

- + Optimizing our pricing and improving customer service for our print subscribers
- + Print advertising continues to offer a compelling branding opportunity across our U.S. and U.K. operations

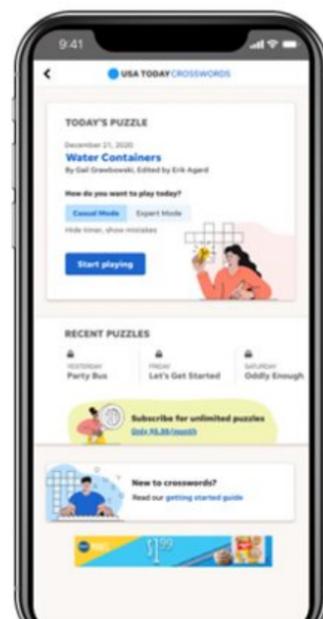
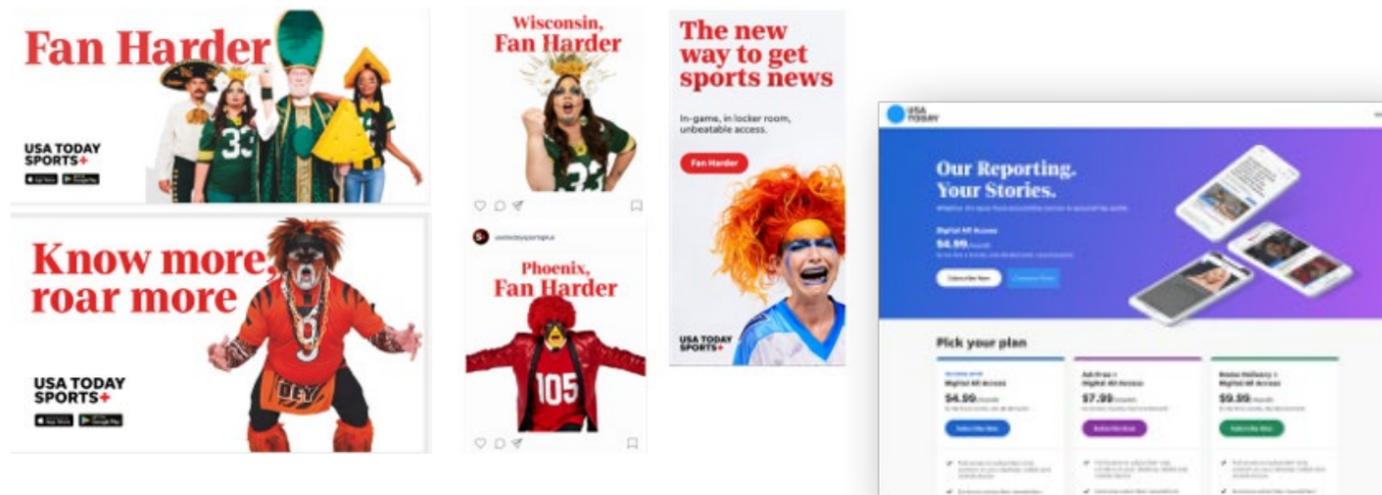
Prioritize investments in growth businesses

- + Identify, test, and invest in opportunities for growth
- + Examples include:
 - USA TODAY NETWORK Ventures (Events + Promotions)
 - Reviewed.com
 - USA TODAY Sports Media Group
 - Online sports betting / gaming partnership with Tipico USA Technology, Inc.

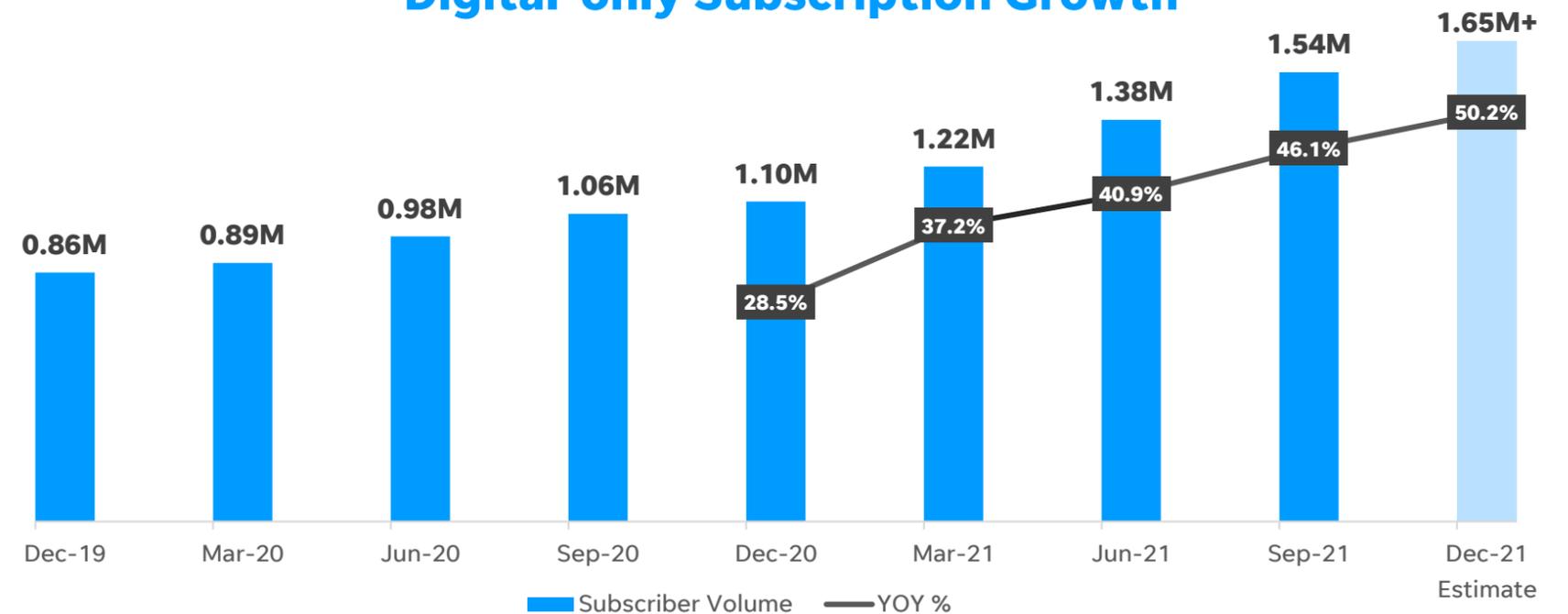
Build on inclusive & diverse culture

- + Progress toward stated 2025 workforce diversity goals
- + Align our culture around empowering our communities to thrive and putting our customers at the center of everything we do

Pillar One: Accelerating Digital Subscriptions



Digital-only Subscription Growth

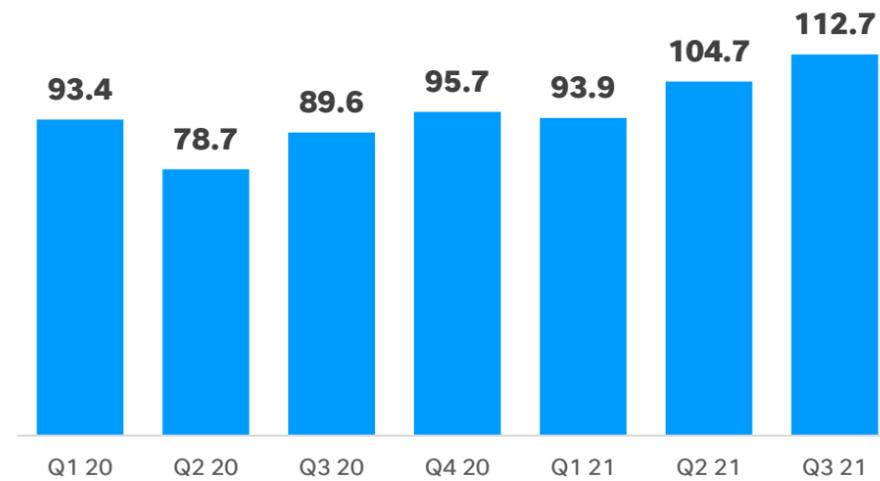


- + Paid digital-only subscribers grew **46.1%** over the prior year quarter to **1.543M**
- + **164K** net new subscribers quarter-over-quarter, largest quarterly growth to date
- + Launched premium sports subscription product, **USA TODAY Sports+** and the USA TODAY crossword subscription app
- + Full roll out of **USA TODAY digital subscription model**
- + Digital-only subscriber growth is **accelerating** and is **projected to be over 50% year-over-year** at the end of 2021

Pillar Two: Driving DMS Growth

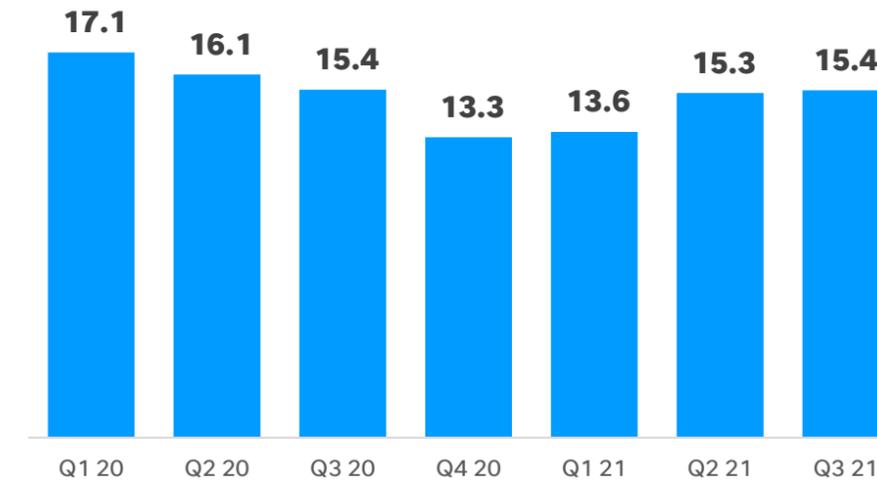
Digital Marketing Solutions - Core Platform ⁽¹⁾

Revenue (M)

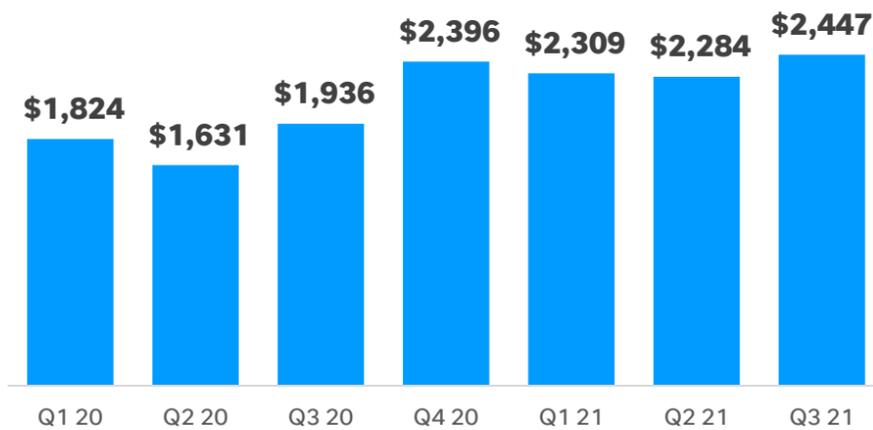


Q3 2021 - 26% growth YOY

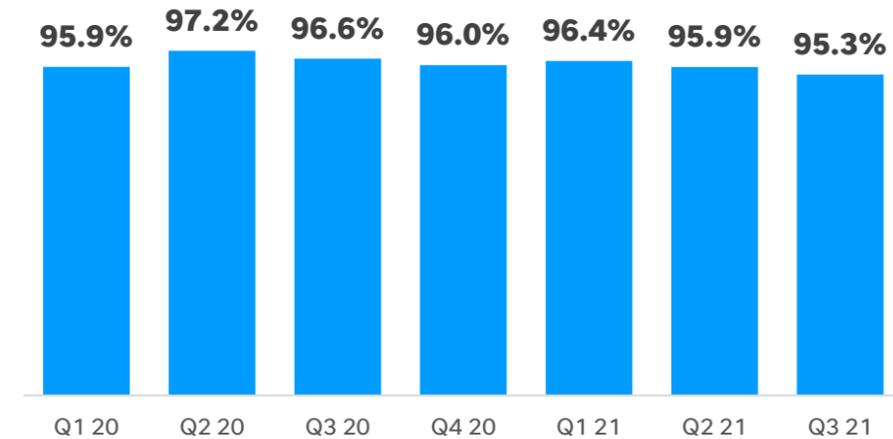
Client Count (K) ⁽²⁾



ARPU ⁽³⁾



Client Budget Retention ⁽⁴⁾



1. Core platform revenue is defined as revenue derived from customers utilizing our proprietary digital marketing services platform that are sold by either our direct or local market teams.
2. Client count is derived from the active number of clients each month averaged over the course of the quarter.
3. ARPU is defined as monthly revenue divided by client count within the given period.
4. Client Budget Retention is defined as the percentage of client spend under our management that is retained from month to month.

Pillar Three: **Optimizing Traditional Print Business**

- + Print advertising revenue trend on a same store basis in Q3 improved by 280 basis points compared to Q2 on a two-year pro forma CAGR ⁽¹⁾
- + Increased investment in **retaining print subscribers** is improving retention metrics year over year:
 - **Expanded content** in over 30 markets in response to customer feedback resulting in double digit improvement in content related cancellations in these markets
 - **Enhanced customer service** through completed integration to a centralized customer service center
 - Loyalty programs and **subscriber-only offerings**
 - Leading to 4+% improvement YOY in retention rates



1. Pro forma results reflect the consolidated operations of the Company and Legacy Gannett, assuming the companies had been consolidated for the entire period.

Pillar Four: Prioritize Investments in Growth Businesses



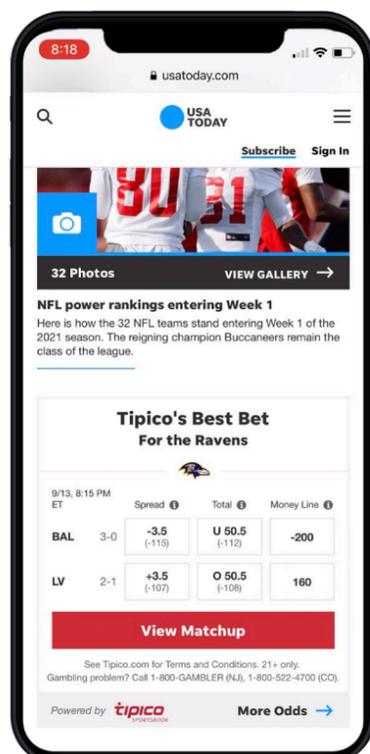
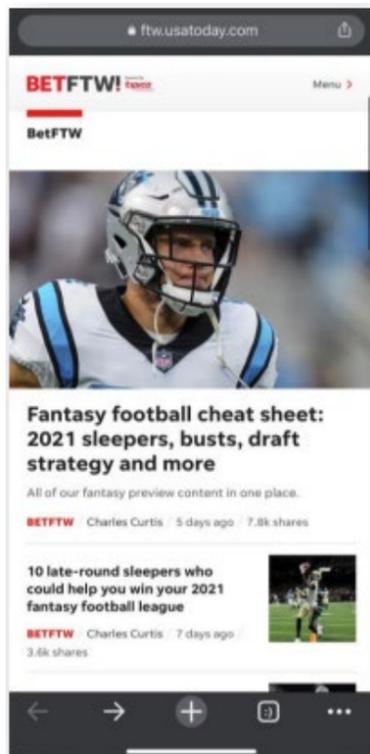
USA TODAY NETWORK Ventures

- + Hosted 2.1 million attendees across 71 in-person and virtual events during Q3 2021
 - Ventures hosted 24 races from RAGBRAI to in-person marathons to virtual Justice League Run Series
- + 33% growth year-over-year in Ventures revenue despite temporary impact on in-person events due to lingering pandemic impacts

Identify – Test - Invest

Sports Betting / Online Gaming

- + Activated Tipico USA Technology, Inc. (“Tipico”) partnership in Q3 2021
- + Launched new brands for the avid sports betting fan
 - Sportsbook Wire
 - BetFTW, dedicated to sports betting analysis
 - Daily Ticket – Free-to-play gaming
 - Video series *On Site* and *BetFTW 101*
 - *Lorenzo’s Locks* returns for football season



Pillar Five: Build on Inclusive & Diverse Culture

New Employee Resource Group (ERG)

Gannett launched our 11th ERG, MENA Forward – a group that creates a safe, supportive space committed to empowering and amplifying the voices of our **Middle Eastern and North African** employees and allies while expanding representation of this community in our products and services.

Gannett Foundation, ERGs donate to non-profits

From future business leaders to mental health advocates, Gannett's [Employee Resource Groups](#) are proud to announce \$50,000 in grants to be distributed to non-profit organizations across the country, as part of the company's social impact initiative. The funding comes from the [Gannett Foundation](#), which has granted more than \$220 million since 1991.

New Latino Tennessee Voices newsletter launches from Nashville

The Tennessean launched a new Latino Tennessee Voices newsletter, which builds upon more than a year of work engaging underrepresented communities. It features stories, commentary and videos showcasing members of the community and comes as census numbers show skyrocketing growth of Latinos in Tennessee and across the South.



African American Forward
AT THE USA TODAY NETWORK

Asian American Forward
AT THE USA TODAY NETWORK

Family Forward
AT THE USA TODAY NETWORK

Interfaith Forward
AT THE USA TODAY NETWORK

MENA Forward
AT THE USA TODAY NETWORK

Mentally Forward
AT THE USA TODAY NETWORK

Military Forward
AT THE USA TODAY NETWORK

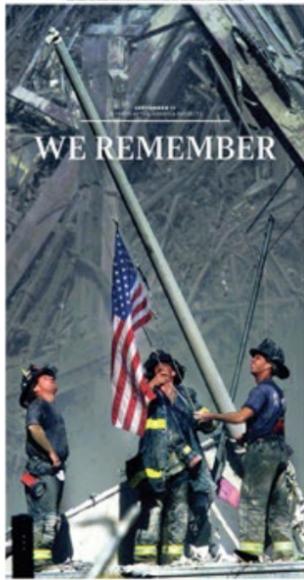
Next Gen Forward
AT THE USA TODAY NETWORK

Pride Forward
AT THE USA TODAY NETWORK

Vamos Forward
AT THE USA TODAY NETWORK

Women Forward
AT THE USA TODAY NETWORK

Journalism Update: **Newsroom Highlights**



9/11: 20 years later

Our journalists covered countless angles on how our lives have [changed](#) over the last two decades. USA TODAY brought back some of its [coverage](#) from the first anniversary, which led 2.6 million page views. We tracked more than [90 stories](#) across the Network, particularly from our New Jersey sites.



Olympics: By the numbers

- More than **150 journalists** across Gannett registered bylines and many others lent their time and talent to bringing coverage at the highest level to our nation and hometowns.
- Nearly 100 [Olympics stories](#) had more than **100,000 readers**
- More than **17,000 people** signed up for our Chasing Gold emails and 5,000 signed up for our Olympics Texts.



Ida, Caldor coverage

From the [Gulf](#) and [Atlantic](#) battered by Hurricane Ida and the West ravaged by the [Caldor](#) fires, Network journalists kept communities informed during the disasters and then followed with stories of [resilience](#) and [impact](#). We had 6.6 million pageviews.



COVID vaccinations

USA TODAY's early August weekend edition featured a bold headline, impressive graphic and thought-provoking articles. USA TODAY editor-in-chief Nicole Carroll also used her weekly [column](#) to address the vaccine divide within families by profiling her debate with her brother. It amassed more than 2 million pageviews, and Nicole [appeared on CNN](#) to discuss the column.

Journalism Update: Newsroom Highlights



Exiting Afghanistan

When [Kabul fell](#), USA TODAY freelancer Fatema Hosseini needed to get out fast. As a female journalist and as a member of the Shi'a Hazara ethnic group, among the most oppressed in Afghanistan, she was a Taliban target. Her telling of the escape is a heart-pounding, first-person [story](#) that shows how quickly life can change and how close she came to not making it out.



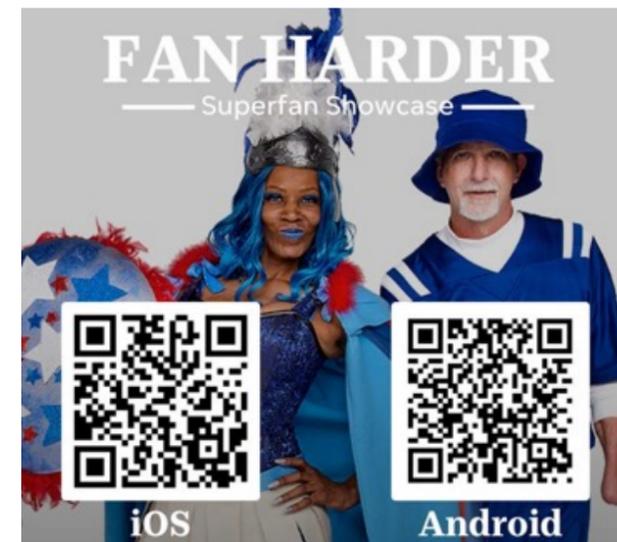
'Death Sentence' investigation

An investigation by the Indianapolis Star revealed that since 2010, more than [300 people have died](#) in county jails across the state. That's a new death every two weeks. Users were able to see details surrounding each death; it also revealed staffing issues and overcrowding conditions. Also, "[Athlete A](#)," the documentary that highlights the Star's investigation into abuse within USA Gymnastics, [won an Emmy](#).



1961

USA TODAY reporter Deborah Berry has been covering civil rights for most of her career, but she now feels more responsible to share the historical stories before the history makers are gone. "If we don't tell them now, when do we tell them?" Berry said. This sparked "[Seven Days of 1961](#)," a look at seven events that fueled the civil rights movement and their impact today.



"Fan Harder"

There are NFL fans, and then there are NFL super fans. You know the ones: all the gear, all the memorabilia, all the great stories – all the time. Win or lose, they show up ready, with game faces on. With the debut of [USA TODAY Sports +](#), we created an exclusive [augmented reality experience](#) so users can meet a few of these football junkies and hear them talk about their super fandom.

Journalism Update: **Newsroom Highlights**



Newsquest's journalism received a phenomenal **10 awards in this year's UK Regional Press Awards**

These annual awards in the UK recognise reporters, columnists, designers, photographers, scoops, campaigns and digital initiatives.

Among the accolades that Newsquest won, three of them were for the highly coveted best Weekly Newspapers of the Year categories.

Newsquest's *The Warrington Guardian* won **Paid For Weekly Newspaper of the Year (large)**, its *Hexham Courant* won **Paid For Weekly Newspaper of the Year (small)** and its *The Herald on Sunday* was awarded **Sunday Newspaper of the Year**.

Newsquest also picked up awards for **Front Page of the Year**, best **Photographer of the Year**, best **Sports Journalist**, best **Feature Writer** and best **Business & Finance Journalist**.

Newsquest's 10 awards were rounded off with *Cumbria Life* awarded **Magazine of the Year** and *Glastonbury 50* by the *Somerset County Gazette* won **Special Supplement of the Year**.

Appendix

Integration and Synergy Update

\$300M

Annualized synergies target committed to achieve by the end of 2021

Met as of Q1 2021

\$25M+

Additional annualized measures expected above original target

Met as of Q3 2021

\$20.6M

Implemented Q3 2021 synergies

\$295M

In expense savings from synergies implemented to date

Debt and Leverage Overview

Q3 2021 principal payments brought 5-Year Term Loan below \$1B

(\$ in millions)	Rate	Ending Balance as of September 30, 2021
2024 Convertible Senior Notes	4.75%	\$3.3
2027 Convertible Senior Notes	6.0%	\$497.1
5-Year Term Loan	7.75% ⁽¹⁾	\$899.4
Total Debt Outstanding	7.12% Blended Rate	\$1,399.8
Q3 2021 LTM Adjusted EBITDA ⁽²⁾		\$467.1
Cash on the Balance Sheet		\$141.3
Gross Leverage Ratio ⁽³⁾		3.0x
Net Leverage Ratio ⁽⁴⁾		2.7x
First Lien Net Leverage ⁽⁵⁾		1.62x

1.0x

Target First Lien
Net Leverage by
YE 2022

1. Rate of LIBOR+7.0%, LIBOR floor of 0.75%.

2. A reconciliation of non-GAAP results is located in the appendix of the Presentation.

3. Gross leverage ratio is calculated by dividing total debt by Q3 2021 LTM Adjusted EBITDA.

4. Net leverage ratio is calculated by subtracting cash on the balance sheet from total debt and dividing it by Q3 2021 LTM Adjusted EBITDA.

5. First Lien Net Leverage ratio is calculated by subtracting cash on the balance sheet from 5-Year Term Loan and dividing it by Q3 2021 LTM Adjusted EBITDA. Convertible Senior Notes due 2027 are second lien as of the completion of the 5-Year Term Loan refinancing in February 2021.

Debt and Leverage Overview – Pro Forma for October 2021 Refinancing

(\$ in millions)	Rate	Pro Forma Balance as of September 30, 2021
2024 Convertible Senior Notes	4.75%	\$3.3
2027 Convertible Senior Notes	6.0%	\$497.1
5-Year Term Loan	7.75%	\$0.0
New Senior Secured 5-Year Term Loan	5.50% ⁽¹⁾	\$516.0
2026 Senior Notes	6.0%	\$400.0
Total Debt Outstanding	5.81% Blended Rate	\$1,416.4
Q3 2021 LTM Adjusted EBITDA ⁽²⁾		\$467.1
Cash on the Balance Sheet		\$141.3
Gross Leverage Ratio ⁽³⁾		3.0x
Net Leverage Ratio ⁽⁴⁾		2.7x
First Lien Net Leverage ⁽⁵⁾		1.66x

1.0x

Target First Lien Net Leverage by YE 2022

1. Rate of LIBOR+5.0%, LIBOR floor of 0.5%.

2. A reconciliation of non-GAAP results is located in the appendix of the Presentation.

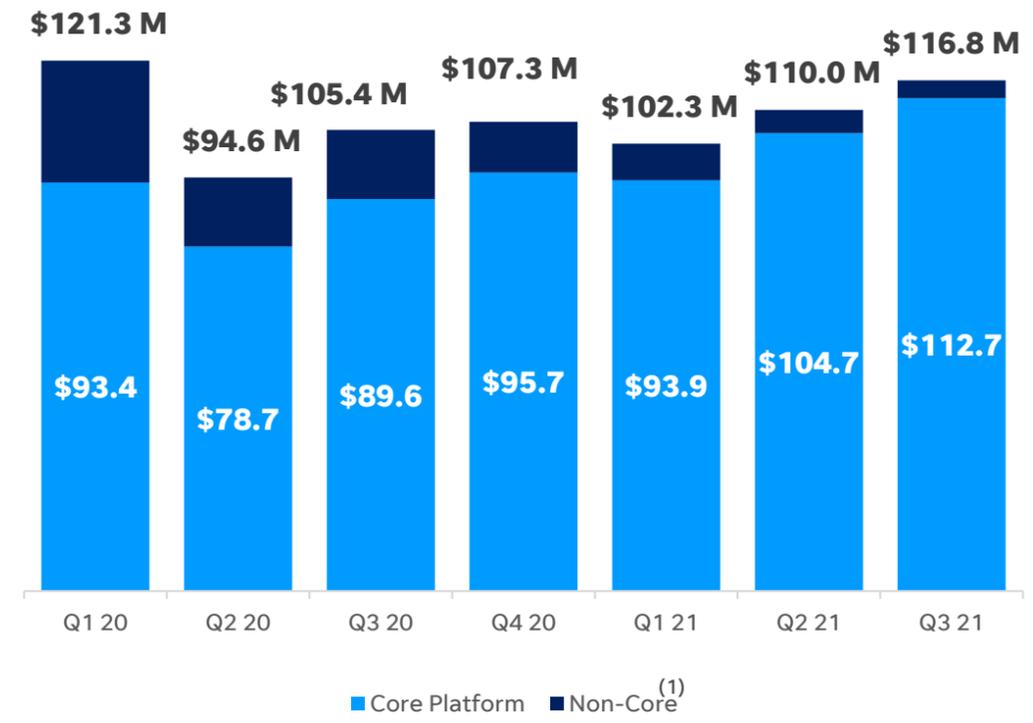
3. Gross leverage ratio is calculated by dividing total debt by Q3 2021 LTM Adjusted EBITDA.

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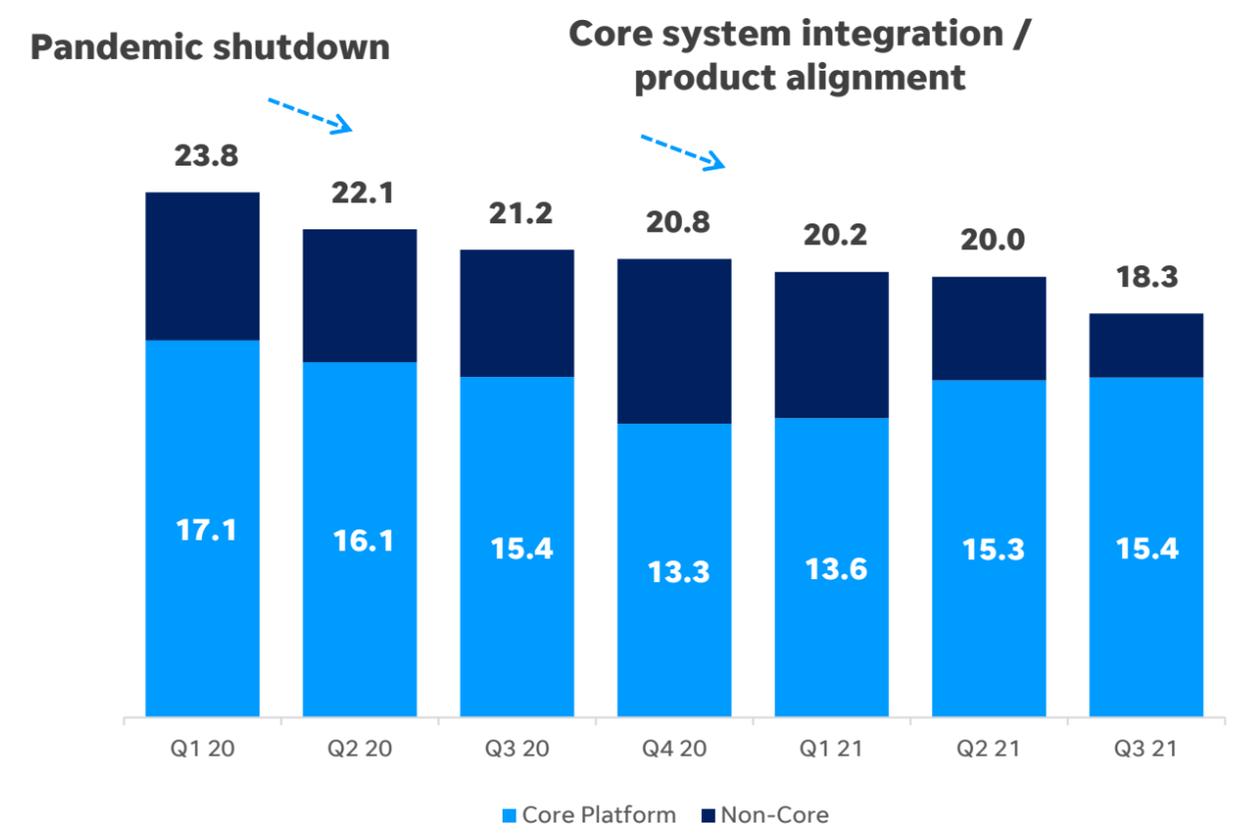
5. First Lien Net Leverage ratio is calculated by subtracting cash on the balance sheet from New Senior Secured 5-Year Term Loan and 2026 Notes and dividing it by Q3 2021 LTM Adjusted EBITDA. 2027 Convertible Senior Notes are second lien as of the completion of the 5-Year Term Loan refinancing in February 2021.

Pillar Two: Driving DMS Growth

Digital Marketing Solutions Revenue



Digital Marketing Solutions Client Count (K)⁽²⁾



In Q4 2020, two DMS businesses aligned onto a single platform and product suite. The consolidation of platforms and the intentional realignment of product offerings lowered client count. Core platform client count has returned to pre-conversion levels and at a significantly higher ARPU. Q3 2021 core platform revenue of \$113M is the highest quarterly revenue to date, pushing Digital Marketing Solution segment AEBITDA margins to 12.9%⁽³⁾.

1. Core platform revenue is defined as revenue derived from customers utilizing our proprietary digital marketing services platform that are sold by either our direct or local market teams.
 2. Client count is derived from the active number of clients each month averaged over the course of the quarter.
 3. A reconciliation of non-GAAP results is located in the appendix of the Presentation.

Gannett Diversified Revenue⁽¹⁾

(\$ in millions)	Q1 2021	Q2 2021	Q3 2021	Q3 2021 % of Total
Print Advertising Revenue ⁽²⁾	\$193.2	\$201.0	\$190.0	23.7%
Digital Marketing Services	\$101.5	\$111.4	\$117.0	14.6%
Digital Media	\$80.5	\$95.0	\$91.6	11.4%
Digital Classified	\$13.2	\$12.8	\$13.3	1.7%
Total Digital Advertising and Marketing Services Revenue⁽²⁾	\$195.2	\$219.2	\$222.0	27.7%
Digital Circulation	\$23.2	\$24.0	\$25.7	3.2%
Print Circulation	\$302.3	\$286.3	\$281.0	35.1%
Total Circulation Revenue	\$325.4	\$310.3	\$306.7	38.3%
Commercial Print, Distribution and Other ⁽²⁾	\$63.3	\$73.9	\$81.5	10.2%
Total Revenue	\$777.1	\$804.3	\$800.2	100%
USA TODAY VENTURES Revenue ⁽²⁾	\$6.4	\$13.2	\$19.0	2.4%

1. Small discrepancies may exist due to rounding of revenue or percentage categories.

2. Events (USA TODAY VENTURES) is included in revenue categories.

Same Store Year-over-Year Revenue⁽¹⁾ Metrics

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021
Print Advertising	-17.6%	-16.8%	-17.2%	-18.4%	17.6%	-21.1%	-45%	-31.0%	-26.9%	-31.1%	-24.9%	10.5%	-4.2%
Digital Advertising and Marketing Services	-5.1%	-4.5%	-1.5%	1.7%	-2.8%	2.1%	-26.2%	-13.8%	-3.2%	-10.5%	-10.5%	30.8%	14.3%
Advertising and Marketing Services	-13.0%	-12.3%	-11.0%	-12.1%	-12.0%	-12.1%	-37.4%	-23.6%	-17.1%	-22.7%	-18.3%	20.2%	5.0%
Circulation	-5.8%	-5.8%	-5.8%	-9.1%	-6.7%	-7.5%	-13.6%	-13.2%	-13.6%	-11.9%	-12.9%	-9.2%	-8.2%
Commercial Printing and Other	2.8%	1.6%	3.7%	1.8%	1.9%	-9.0%	-31.5%	-23.9%	-22.2%	-21.9%	-21.9%	19.1%	23.4%
Total Gannett	-9.1%	-8.8%	-7.8%	-9.9%	-8.9%	-10.0%	-28.0%	-19.6%	-16.3%	-18.5%	-16.5%	6.8%	0.9%

1. Same store revenues are based on U.S. GAAP revenues for Gannett for the current period, excluding (1) exited operations, (2) currency impacts, and (3) deferred revenue impacts related to the acquisition of Legacy Gannett.

Gannett Same Store Revenue Reconciliation

<i>(in thousands)</i>	3 months ended September 30, 2021	3 months ended September 30, 2020	\$ Variance	% Variance
Total Revenue	\$800,185	\$814,539	(\$14,354)	-1.8%
Currency Impacts	(3,778)	-		
Exited Operations	-	(26,168)		
Deferred Revenue Adjustments ⁽¹⁾	-	563		
Same Store Revenue, Total	\$796,407	\$788,934	\$7,473	0.9%

1. Adjustments due to deferred revenue impacts related to the acquisition of Legacy Gannett.

Non-GAAP Reconciliation

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

The Company defines its non-GAAP measures as follows:

Adjusted EBITDA is a non-GAAP performance measure the Company believes offers a useful view of the overall and segment operations of our business. The Company defines Adjusted EBITDA as Net income (loss) attributable to Gannett before: (1) Income tax expense (benefit), (2) Interest expense, (3) Gains or losses on the early extinguishment of debt, (4) Non-operating pension income (expense), (5) Loss on convertible notes derivative, (6) Depreciation and amortization, (7) Integration and reorganization costs, (8) Other operating expenses, including third-party debt expenses and acquisition costs, (9) Asset impairments, (10) Goodwill and intangible impairments, (11) Gains or losses on the sale or disposal of assets, (12) Share-based compensation, and (13) certain other non-recurring charges, including gains or losses on the sale of investments. The most directly comparable U.S. GAAP measure is Net income (loss) attributable to Gannett.

Adjusted EBITDA margin is a non-GAAP performance measure the Company believes offers a useful view of the overall and segment operations of our business. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total Operating revenues.

Adjusted Net income (loss) attributable to Gannett is a non-GAAP performance measure the Company believes offers a useful view of the overall operations of our business and is useful to analysts and investors in evaluating the results of operations and operational trends. The Company defines Adjusted Net income (loss) attributable to Gannett before (1) Gains or losses on the early extinguishment of debt, (2) Loss on convertible notes derivative, (3) Integration and reorganization costs, (4) Other operating expenses, including third-party debt expenses and acquisition costs, (5) Asset impairments, (6) Goodwill and intangibles impairments, (7) Gains or losses on the sale or disposal of assets, (8) Gains or losses on the sale of investments, and (9) the tax impact of the above items.

Free cash flow is a non-GAAP liquidity measure that adjusts our reported U.S. GAAP results for items we believe are critical to the ongoing success of our business. The Company defines Free cash flow as Net cash provided by operating activities as reported on the Statement of Cash Flows less capital expenditures, which results in a figure representing Free cash flow available for use in operations, additional investments, debt obligations, and returns to stockholders. The most directly comparable U.S. GAAP financial measure is Net cash from operating activities.

Management's Use of Non-GAAP Measures

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

Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Net income (loss) attributable to Gannett provide us with measures 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. These metrics measure 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, Adjusted EBITDA margin and Adjusted Net income (loss) attributable to Gannett are metrics we use to review the financial performance of our business on a monthly basis.

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

Limitations of Non-GAAP Measures

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

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

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

Gannett Non-GAAP Reconciliation⁽¹⁾

Adjusted EBITDA

Total Company

<i>(in thousands)</i>	3 months ended September 30, 2021
Net income attributable to Gannett	\$14,687
Provision for income taxes	2,984
Interest expense	34,603
Loss on early extinguishment of debt	3,761
Non-operating pension income	(23,860)
Depreciation and amortization	48,107
Integration and reorganization costs	13,619
Other operating expenses	4
Asset Impairments	2,301
Gain on sale or disposal of assets, net	(833)
Share-based compensation expense	4,602
Other items	2,092
Adjusted EBITDA (non-GAAP basis)	\$102,067
Net income attributable to Gannett margin	1.8%
Adjusted EBITDA margin (non-GAAP basis)	12.8%

Digital Marketing Solutions Segment

<i>(in thousands)</i>	3 months ended September 30, 2021
Net income attributable to Gannett	\$5,005
Depreciation and amortization	7,986
Integration and reorganization costs	931
Gain on sale or disposal of assets, net	(91)
Other items	1,193
Adjusted EBITDA (non-GAAP basis)	\$15,024
Net income attributable to Gannett margin	4.3%
Adjusted EBITDA margin (non-GAAP basis)	12.9%

1. Small discrepancies may exist due to rounding.

Gannett Non-GAAP Reconciliation⁽¹⁾

Adjusted Net Income attributable to Gannett and Free cash flow

<i>(in thousands)</i>	3 months ended September 30, 2021
Net income attributable to Gannett	\$14,687
Loss on early extinguishment of debt	3,761
Integration and reorganization costs	13,619
Other operating expenses	4
Asset impairments	2,301
Gain on sale or disposal of assets, net	(833)
Tax impact of above items	(7,033)
Adjusted Net Income attributable to Gannett	\$26,506

<i>(in thousands)</i>	3 months ended September 30, 2021
Net cash flow provided by operating activities (GAAP basis)	\$40,760
Capital expenditures	(11,444)
Free cash flow (non-GAAP basis)	\$29,316

1. Small discrepancies may exist due to rounding.