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## Section 1: 8-K (FORM 8-K)

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 31, 2018**

**SAGA COMMUNICATIONS, INC.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**1-11588**

(Commission File Number)

**38-3042953**

(IRS Employer  
Identification No.)

**73 Kercheval Avenue  
Grosse Pointe Farms, MI**

(Address of Principal Executive Offices)

**48236**

(Zip Code)

Registrant's telephone number, including area code: **(313) 886-7070**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

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**Item 2.02. Results of Operations and Financial Condition.**

On May 8, 2018, Saga Communications, Inc. issued a press release announcing its financial results for the three months ended March 31, 2018. The press release, dated May 8, 2018, is attached as Exhibit 99.1 to this Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

99.1 [Press Release dated May 8, 2018.](#)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**SAGA COMMUNICATIONS, INC.**

Dated: May 8, 2018

By: /s/ Samuel D. Bush  
Samuel D. Bush  
Senior Vice President and Chief  
Financial Officer

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## INDEX OF EXHIBITS

| <u>Exhibit No.</u>   | <u>Description</u>                               |
|----------------------|--|
| <a href="#">99.1</a> | <a href="#">Press Release dated May 8, 2018.</a> |

[\(Back To Top\)](#)

## Section 2: EX-99.1 (EXHIBIT 99.1)

### Saga Communications, Inc. Reports 1st Quarter Results

Net Revenue increased \$1.9 million for the Quarter

GROSSE POINTE FARMS, Mich., May 8, 2018 /PRNewswire/ -- Saga Communications, Inc. (NYSE American: SGA) today reported net revenue increased 7.1% to \$28 million for the quarter ended March 31, 2018. Operating income from continuing operations increased 17.5% to \$2.3 million and station operating expense increased 9.6% to \$23.4 million for the quarter. Net income decreased to \$1.5 million from \$1.9 million on a historical basis including the income (net of tax) from the previously owned television stations which is reported as discontinued operations in the first quarter of 2017. Without the income from discontinued operations (net of tax) net income would have increased \$482 thousand over the comparable period last year. Diluted earnings per share from continuing operations was \$0.26/share in the first quarter of 2018 compared to \$0.18/share during the same period in 2017. Including discontinued operations diluted earnings per share for the quarter were \$0.26/share compared to \$0.33/share last year. Free cash flow from continuing operations increased \$191 thousand to \$2.3 million for the quarter ended March 31, 2018.

The results for the quarter were affected by the sale of the Company's television stations and purchase of radio stations in Charleston and Hilton Head, SC on September 1, 2017.

On a same station basis for the quarter ended March 31, 2018 net revenue increased 0.3% to \$26.2 million, Operating income from continuing operations increased 26.3% to \$2.5 million and station operating expense increased 0.5% to \$21.4 million.

The Company had \$47.8 million in cash on hand as of March 31, 2018 and \$49.8 million as of May 1, 2018. The Company's total long-term debt was \$25 million as of March 31, 2018. Including the recently announced \$0.30 per share dividend which was paid on March 30, 2018, the Company has paid over \$55 million in dividends since December 3, 2012.

Capital expenditures from continuing operations were \$1.5 million in the first quarter compared to \$1.3 million for the same period last year. The Company expects to spend approximately \$5.0 million to \$6.0 million for capital expenditures during 2018.

Saga's 2018 1st Quarter conference call will be on Tuesday, May 8, 2018 at 11:00 a.m. EDT. The dial-in number for the call is (612) 288-0329. A transcript of the call will be posted to the Company's website as soon as it is available after the call.

The Company requests that all parties that have a question that they would like to submit to the Company to please email the inquiry by 10:00 a.m. EDT on May 8, 2018 to [SagaIR@sagacom.com](mailto:SagaIR@sagacom.com). The Company will discuss, during the limited period of the conference call, those inquiries it deems of general relevance and interest. Only inquiries made in compliance with the foregoing will be discussed during the call.

The attached Selected Supplemental Financial Data tables disclose "actual", "same station", "proforma", and discontinued operations information as well as the Company's trailing 12 month consolidated EBITDA. The "actual" amounts reflect our historical financial results and include the results of operations for stations that we did not own for the entire comparable period. The "same station" amounts reflect only the results of operations for stations that we owned for the entire comparable period. The "proforma" amounts assume all acquisitions in 2017 and 2018 occurred as of January 1, 2017.

Saga utilizes certain financial measures that are not calculated in accordance with generally accepted accounting principles (GAAP) to assess its financial performance. Such non-GAAP measures include same station financial information, free cash flow, trailing 12 month consolidated EBITDA, and consolidated net leverage ratio. These non-GAAP measures are generally recognized by the broadcasting industry as measures of performance and are used by Saga to assess its financial performance including, but not limited to, evaluating individual station and market-level performance, evaluating overall operations, as a primary measure for incentive based compensation of executives and other members of management and as a measure of financial position. Saga's management believes these non-GAAP measures are used by analysts who report on the industry and by investors to provide meaningful comparisons between broadcasting groups, as well as an indicator of their market value. These measures are not measures of liquidity or of performance in accordance with GAAP, and should be viewed as a supplement to and not as a substitute for the results of operations presented on a GAAP basis including net operating revenue, operating income, and net income. Reconciliations for all of the non-GAAP financial measures to the most directly comparable GAAP measure are attached in the Selected Consolidated and Supplemental Financial Data tables.

This press release contains certain forward-looking statements that are based upon current expectations and involve certain risks and uncertainties within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Words such as "believes," "expects," "anticipates," "guidance" and similar expressions are intended to identify forward-looking statements. Key risks, including risks associated with Saga's ability to effectively integrate the stations it acquires and the impact of federal regulation on Saga's business, are described in the reports Saga periodically files with the U.S. Securities and Exchange Commission, including Item 1A of our Annual Report on Form 10-K. Readers should note that these statements may be impacted by several factors, including national and local economic changes and changes in the radio and television broadcast industry in general, as well as Saga's actual performance. Results may vary from those stated herein and Saga undertakes no obligation to update the information contained here.

Saga is a broadcasting company whose business is devoted to acquiring, developing and operating broadcast properties. Saga owns or operates broadcast properties in 26 markets, including 75 FM and 33 AM radio stations and 64 metro signals. For additional information, contact us at (313) 886-7070 or visit our website at [www.sagacom.com](http://www.sagacom.com).

**Saga Communications, Inc.**  
**Selected Consolidated Financial Data**  
**For The Three Months Ended**  
**March 31, 2018 and 2017**  
**(amounts in 000's except per share data)**  
**(Unaudited)**

|   | Three Months Ended |           |
|---|--------------------|-----------|
|   | March 31,          |           |
|   | 2018               | 2017      |
| <b>Operating Results</b>                    |                    |           |
| Net operating revenue                       | \$ 28,009          | \$ 26,155 |
| Station operating expense                   | 23,397             | 21,340    |
| Corporate general and administrative        | 2,544              | 2,863     |
| Other operating income, net                 | (251)              | (21)      |
| Operating income from continuing operations | 2,319              | 1,973     |

|   |          |          |
|---|----------|----------|
| Interest expense                                | 219      | 208      |
| Other income                                    | (89)     | -        |
| Income from continuing operations, before tax   | 2,189    | 1,765    |
| Income tax expense                              | 660      | 718      |
| Income from continuing operations, net of tax   | 1,529    | 1,047    |
| Income from discontinued operations, net of tax | -        | 891      |
| Net income                                      | \$ 1,529 | \$ 1,938 |

Basic Earnings per share:

|                              |         |         |
|------------------------------|---------|---------|
| From continuing operations   | \$ 0.26 | \$ 0.18 |
| From discontinued operations | -       | 0.15    |
| Basic earnings per share     | \$ 0.26 | \$ 0.33 |

Diluted Earnings per share:

|                              |         |         |
|------------------------------|---------|---------|
| From continuing operations   | \$ 0.26 | \$ 0.18 |
| From discontinued operations | -       | 0.15    |
| Diluted earnings per share   | \$ 0.26 | \$ 0.33 |

|  |       |       |
|--|-------|-------|
| Weighted average common shares                       | 5,842 | 5,790 |
| Weighted average common and common equivalent shares | 5,842 | 5,802 |

**Free Cash Flow**

|   |          |          |
|---|----------|----------|
| Net income  | \$ 1,529 | \$ 1,938 |
| Plus: Depreciation and amortization:                        |          |          |
| Station   | 1,580    | 1,358    |
| Corporate   | 66       | 71       |
| Discontinued operations                                     | -        | 316      |
| Deferred tax provision                                      | 310      | 425      |
| Non-cash compensation                                       | 551      | 558      |
| Other operating expense (income) from continuing operations | (251)    | (21)     |
| Other operating expense from discontinued operations        | -        | 31       |
| Less: Capital expenditures from continuing operations       | (1,498)  | (1,342)  |
| Capital expenditures from discontinued operations           | -        | (97)     |
| Free cash flow  | \$ 2,287 | \$ 3,237 |

**Balance Sheet Data**

|  |         |         |
|--|---------|---------|
| Working capital                        | 56,206  | 56,189  |
| Net fixed assets                       | 56,320  | 49,180  |
| Net intangible assets and other assets | 116,108 | 100,157 |
| Total assets                           | 241,078 | 221,566 |
| Long-term debt                         | 25,000  | 36,365  |
| Stockholders' equity                   | 179,921 | 135,983 |

**Saga Communications, Inc.**  
**Selected Supplemental Financial Data**  
**For The Three Months Ended**  
**March 31, 2018 and 2017**  
**(amounts in 000's except per share data)**  
**(Unaudited)**

|   | Three Months Ended |          |
|---|--------------------|----------|
|   | March 31,          |          |
|   | 2018               | 2017 (1) |
| <b>Operating Results of Discontinued Operations</b>     |                    |          |
| Net operating revenue                                   | \$ -               | \$ 5,255 |
| Station operating expense                               | -                  | 3,712    |
| Other operating expense, net                            | -                  | 31       |
| Operating income from discontinued operations           | -                  | 1,512    |
| Interest expense  | -                  | 9        |
| Income from discontinued operations before income taxes | -                  | 1,503    |
| Income tax expense                                      | -                  | 612      |
| Income from discontinued operations, net of tax         | \$ -               | \$ 891   |
| <b>Free Cash Flow from Discontinued Operations</b>      |                    |          |
| Income from discontinued operations, net of tax         | \$ -               | \$ 891   |
| Plus: Depreciation and amortization:                    | -                  | 316      |
| Other operating income from discontinued operations     | -                  | 31       |
| Less: Capital expenditures from discontinued operations | -                  | (97)     |
| Free cash flow from discontinued operations             | \$ -               | \$ 1,141 |

(1) Results of operations for the Television stations are reflected through March 31, 2017. The effective date of the sale was September 1, 2017.

**Saga Communications, Inc.**  
**Selected Supplemental Financial Data**  
**For the Three Months Ended**  
**March 31, 2018 and 2017**  
(amounts in 000's except per share data)  
(Unaudited)

|   | Actual             |           | Same Station <sup>(1)</sup> |           | Pro Forma <sup>(2)</sup> |           |
|---|--------------------|-----------|-----------------------------|-----------|--------------------------|-----------|
|   | Three Months Ended |           | Three Months Ended          |           | Three Months Ended       |           |
|   | March 31,          |           | March 31,                   |           | March 31,                |           |
|   | 2018               | 2017      | 2018                        | 2017      | 2018                     | 2017      |
| <b>Consolidated</b>                             |                    |           |                             |           |                          |           |
| Net operating revenue                           | \$ 28,009          | \$ 26,155 | \$ 26,189                   | \$ 26,110 | \$ 28,009                | \$ 28,132 |
| Station operating expense                       | 23,397             | 21,340    | 21,395                      | 21,287    | 23,397                   | 23,070    |
| Corporate general and administrative            | 2,544              | 2,863     | 2,544                       | 2,863     | 2,544                    | 2,863     |
| Other operating income, net                     | (251)              | (21)      | (251)                       | (21)      | (251)                    | (21)      |
| Operating income from continuing operations     | 2,319              | 1,973     | 2,501                       | 1,981     | 2,319                    | 2,220     |
| Interest expense                                | 219                | 208       |                             |           | 219                      | 208       |
| Other income                                    | (89)               | -         |                             |           | (89)                     | -         |
| Income from continuing operations, before tax   | 2,189              | 1,765     |                             |           | 2,189                    | 2,012     |
| Income tax expense                              | 660                | 718       |                             |           | 660                      | 819       |
| Income from continuing operations, net of tax   | 1,529              | 1,047     |                             |           | 1,529                    | 1,193     |
| Income from discontinued operations, net of tax | -                  | 891       |                             |           | -                        | 891       |
| Net income                                      | \$ 1,529           | \$ 1,938  |                             |           | \$ 1,529                 | \$ 2,084  |
| <b>Basic Earnings per share:</b>                |                    |           |                             |           |                          |           |
| From continuing operations                      | \$ 0.26            | \$ 0.18   |                             |           | \$ 0.26                  | \$ 0.20   |
| From discontinued operations                    | -                  | 0.15      |                             |           | -                        | 0.15      |
| Basic earnings per share                        | \$ 0.26            | \$ 0.33   |                             |           | \$ 0.26                  | \$ 0.35   |
| <b>Diluted Earnings per share:</b>              |                    |           |                             |           |                          |           |
| From continuing operations                      | \$ 0.26            | \$ 0.18   |                             |           | \$ 0.26                  | \$ 0.20   |
| From discontinued operations                    | -                  | 0.15      |                             |           | -                        | 0.15      |
| Diluted earnings per share                      | \$ 0.26            | \$ 0.33   |                             |           | \$ 0.26                  | \$ 0.35   |

|   | Actual             |          | Same Station <sup>(1)</sup> |          | Pro Forma <sup>(2)</sup> |          |
|---|--------------------|----------|-----------------------------|----------|--------------------------|----------|
|   | Three Months Ended |          | Three Months Ended          |          | Three Months Ended       |          |
|   | March 31,          |          | March 31,                   |          | March 31,                |          |
|   | 2018               | 2017     | 2018                        | 2017     | 2018                     | 2017     |
| <b>Depreciation and amortization by segment</b> |                    |          |                             |          |                          |          |
| Radio Stations                                  | \$ 1,580           | \$ 1,358 | \$ 1,320                    | \$ 1,358 | \$ 1,580                 | \$ 1,603 |
| Discontinued Operations                         | -                  | 316      | -                           | -        | -                        | 316      |
| Corporate and Other                             | 66                 | 71       | 66                          | 71       | 66                       | 71       |
|   | \$ 1,646           | \$ 1,745 | \$ 1,386                    | \$ 1,429 | \$ 1,646                 | \$ 1,990 |

(1) Same station includes only the results of stations we owned and operated for the entire comparable period.

(2) Pro Forma results assume all acquisitions in 2017 and 2018 occurred as of January 1, 2017.

**Saga Communications, Inc.**  
**Selected Supplemental Financial Data**  
**March 31, 2018**  
(amounts in 000's except ratios)  
(Unaudited)

|   | 12 Months Ended |          | Less:          |        | Plus:          |           | Trailing        |  |
|---|-----------------|----------|----------------|--------|----------------|-----------|-----------------|--|
|   | December 31,    |          | 3 Months Ended |        | 3 Months Ended |           | 12 Months Ended |  |
|   | 2017            |          | March 31,      |        | March 31,      |           | March 31,       |  |
|   | 2017            |          | 2017           |        | 2018           |           | 2018            |  |
| <b>Trailing 12 Month Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") (1)</b> |                 |          |                |        |                |           |                 |  |
| Net income  | \$ 54,717       | \$ 1,938 | \$ 1,529       | \$ 266 | \$ 31,581      | \$ 22,993 |                 |  |
| <b>Exclusions:</b>  |                 |          |                |        |                |           |                 |  |
| Gain (loss) on sale of assets from continuing operations  | (55)            | 21       | 251            | -      | -              | 175       |                 |  |
| Gain (loss) on sale of assets from discontinued operations  | (31)            | (31)     | -              | -      | -              | -         |                 |  |
| Gain (loss) on sale of television stations  | 50,842          | -        | -              | -      | 50,842         | -         |                 |  |
| Impairment of Intangibles   | (1,449)         | -        | -              | -      | -              | (1,449)   |                 |  |
| Other   | 289             | 59       | 66             | -      | 36             | 260       |                 |  |
| Total exclusions  | 49,596          | 49       | 317            | -      | 50,878         | (1,014)   |                 |  |
| Consolidated adjusted net income (1)  | 5,121           | 1,889    | 1,212          | 266    | (19,297)       | 24,007    |                 |  |
| Plus: Interest expense  | 925             | 217      | 219            | -      | 14             | 913       |                 |  |
| Income tax expense  | 16,880          | 1,330    | 660            | 185    | 22,188         | (5,793)   |                 |  |
| Depreciation & amortization expense   | 6,696           | 1,745    | 1,646          | 409    | 129            | 6,877     |                 |  |
| Amortization of television syndicated programming contracts   | 418             | 158      | -              | -      | 260            | -         |                 |  |
| Non-cash stock based compensation expense   | 2,279           | 558      | 551            | -      | -              | 2,272     |                 |  |
| Less: Cash television programming payments  | (418)           | (158)    | -              | -      | (260)          | -         |                 |  |
| Trailing twelve month consolidated EBITDA (1)   | \$ 31,901       | \$ 5,739 | \$ 4,288       | \$ 860 | \$ 3,034       | \$ 28,276 |                 |  |

Total long-term debt, including current maturities  
 Divided by trailing twelve month consolidated EBITDA (1)  
 Leverage ratio

\$ 25,000  
 28,276  
 0.88

- (1) As defined in the Company's credit facility.  
 (2) Trailing 12 Month Adjustment

**Saga Communications, Inc.**  
**Selected Financial Data Non-GAAP Disclosures**  
**For the Three Months Ended**  
**March 31, 2018 and 2017**  
 (amounts in 000's)  
 (Unaudited)

**Reconciliation of Actual Information to Same Station Operating Income**

|   | Actual<br>Three Months<br>Ended<br>March 31,<br>2018 | Adjustment<br>For Acquisitions<br>and Dispositions<br>Not Included in<br>Entire Comparable<br>Period | Same Station<br>Three Months<br>Ended<br>March 31,<br>2018 | Actual<br>Three Months<br>Ended<br>March 31,<br>2017 | Adjustment<br>For Acquisitions<br>and Dispositions<br>Not Included in<br>Entire Comparable<br>Period | Same Station<br>Three Months<br>Ended<br>March 31,<br>2017 |
|---|--|--|--|--|--|--|
| <b>Consolidated</b>                         |  |  |  |  |  |  |
| Net operating revenue                       | \$ 28,009  | \$ (1,820)   | \$ 26,189  | \$ 26,155  | \$ (45)  | \$ 26,110  |
| Station operating expense                   | 23,397   | (2,002)  | 21,395   | 21,340   | (53)   | 21,287   |
| Corporate general and administrative        | 2,544  | -  | 2,544  | 2,863  | -  | 2,863  |
| Other operating income, net                 | (251)  | -  | (251)  | (21)   | -  | (21)   |
| Operating income from continuing operations | <u>\$ 2,319</u>                                      | <u>\$ 182</u>  | <u>\$ 2,501</u>  | <u>\$ 1,973</u>                                      | <u>\$ 8</u>  | <u>\$ 1,981</u>  |
| Depreciation and amortization               | <u>\$ 1,646</u>                                      | <u>\$ (260)</u>  | <u>\$ 1,386</u>  | <u>\$ 1,745</u>                                      | <u>\$ (316)</u>  | <u>\$ 1,429</u>  |



CONTACT: Samuel D. Bush, 313/886-7070  
[\(Back To Top\)](#)