

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): **December 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.

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

On March 12, 2019, Saga Communications, Inc. issued a press release announcing its financial results for the three and twelve months ended December 31, 2018. The press release, dated March 12, 2019, 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 March 12, 2019.](#)

**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: March 12, 2019

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 March 12, 2019.</a> |

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## Saga Communications, Inc. Reports 4th Quarter and Year End 2018 Results; Net Operating Revenue increased 4.7% for the Quarter and 5.7% for the Year

GROSSE POINTE FARMS, Mich., March 12, 2019 /PRNewswire/ -- Saga Communications, Inc. (Nasdaq: SGA) today reported net revenue increased 4.7% to \$32.9 million for the quarter ended December 31, 2018. Income from continuing operations before tax increased \$2.3 million to \$6.0 million compared to \$3.7 million last year. Operating income increased \$2.1 million to \$6.0 million and station operating expense increased \$523 thousand to \$23.8 million for the quarter. Diluted earnings per share from continuing operations was \$0.72/share in the fourth quarter of 2018 compared to \$2.52/share during the same period in 2017. During the 4<sup>th</sup> quarter of 2017 the Company recognized an income tax benefit of \$11.2 million compared to an income tax expense of \$1.7 million for the same period in 2018. The income tax benefit in 2017 was primarily due to an \$11.5 million reduction in our deferred tax liability as a result of the Tax Cuts and Jobs Act. Free cash flow from continuing operations was \$5.9 million for the quarter ended December 31, 2018 compared to \$6.6 million for the same period in 2017.

Net revenue increased 5.7% to \$124.8 million for the twelve months ended December 31, 2018. Income from continuing operations before tax increased \$3.1 million to \$19.4 million compared to \$16.3 million last year. Operating income increased \$2.5 million to \$19.7 million and station operating expense increased \$6.0 million to \$93.7 million for the twelve month period. Diluted earnings per share from continuing operations was \$2.30/share for the twelve month period in 2018 compared to \$3.77/share during the same period in 2017. Free cash flow from continuing operations was \$19.5 million for the twelve months ended December 31, 2018 compared to \$17.4 million for the same period in 2017.

On a same station basis for the twelve months ended December 31, 2018 net revenue increased 1.1% to \$116.5 million. Operating income increased \$2.6 million to \$19.4 million and station operating expense increased \$642 thousand to \$86.0 million.

The Company had \$44.7 million in cash on hand as of December 31, 2018 and \$40.7 million as of March 11, 2019. The Company's total bank debt was \$20 million as of December 31, 2018 and \$15 million as of March 11, 2019. Including the recently announced \$0.30 per share dividend which will be paid on March 29, 2019, the Company will have paid over \$64 million in dividends since December 3, 2012.

The results for the twelve month period ended December 31, 2017 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.

Capital expenditures from continuing operations were \$1.5 million in the fourth quarter of 2018 which was flat with the same period in 2017. For the total year capital expenditures from continuing operations were \$5.9 million in 2018 compared to \$6.3 million in 2017. The Company expects to spend approximately \$5.0 to 5.5 million for capital expenditures during 2019.

The Company closed on its purchase of the assets of radio stations WOGK(FM), WNDD(FM) and WNDN(FM), from Ocala Broadcasting Corporation, LLC on December 31, 2018. All the stations serve the Gainesville-Ocala, Florida radio market.

Saga's 2018 4th Quarter and Year End conference call will be on Tuesday, March 12, 2019 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 March 12, 2019 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 27 markets, including 79 FM radio stations, 34 AM radio stations and 76 metro signals. For additional information, contact us at (313) 886-7070 or visit our website at [www.sagacom.com](http://www.sagacom.com).

**Selected Consolidated Financial Data**  
**For The Three and Twelve Months Ended**  
**December 31, 2018 and 2017**  
(amounts in 000's except per share data)  
(Unaudited)

|   | Three Months Ended |           | Twelve Months Ended |            |
|---|--------------------|-----------|---------------------|------------|
|   | December 31,       |           | December 31,        |            |
|   | 2018               | 2017      | 2018                | 2017       |
| <b>Operating Results</b>                                    |                    |           |                     |            |
| Net operating revenue                                       | \$ 32,938          | \$ 31,464 | \$ 124,829          | \$ 118,149 |
| Station operating expense                                   | 23,761             | 23,238    | 93,727              | 87,759     |
| Corporate general and administrative                        | 3,154              | 2,782     | 11,359              | 11,657     |
| Other operating expense                                     | 14                 | 124       | 61                  | 55         |
| Impairment of intangible assets                             | -                  | 1,449     | -                   | 1,449      |
| Operating income  | 6,009              | 3,871     | 19,682              | 17,229     |
| Interest expense  | 229                | 212       | 946                 | 903        |
| Interest income   | (187)              | -         | (631)               | -          |
| Other expense (income), net                                 | 2                  | -         | (23)                | -          |
| Income from continuing operations, before tax               | 5,965              | 3,659     | 19,390              | 16,326     |
| Income tax expense (benefit)                                | 1,670              | (11,200)  | 5,700               | (5,920)    |
| Income from continuing operations, net of tax               | 4,295              | 14,859    | 13,690              | 22,246     |
| Income (loss) from discontinued operations, net of tax      | -                  | (30)      | -                   | 32,471     |
| Net income  | \$ 4,295           | \$ 14,829 | \$ 13,690           | \$ 54,717  |
| Basic Earnings (loss) per share:                            |                    |           |                     |            |
| From continuing operations                                  | \$ 0.72            | \$ 2.52   | \$ 2.30             | \$ 3.77    |
| From discontinued operations                                | -                  | (0.01)    | -                   | 5.50       |
| Basic earnings per share                                    | \$ 0.72            | \$ 2.51   | \$ 2.30             | \$ 9.27    |
| Diluted Earnings (loss) per share:                          |                    |           |                     |            |
| From continuing operations                                  | \$ 0.72            | \$ 2.52   | \$ 2.30             | \$ 3.77    |
| From discontinued operations                                | -                  | (0.01)    | -                   | 5.50       |
| Diluted earnings per share                                  | \$ 0.72            | \$ 2.51   | \$ 2.30             | \$ 9.27    |
| Weighted average common shares                              | 5,820              | 5,815     | 5,829               | 5,803      |
| Weighted average common and common equivalent shares        | 5,820              | 5,815     | 5,829               | 5,807      |
| <b>Free Cash Flow</b>                                       |                    |           |                     |            |
| Net income  | \$ 4,295           | \$ 14,829 | \$ 13,690           | \$ 54,717  |
| Plus: Depreciation and amortization:                        |                    |           |                     |            |
| Station   | 1,718              | 1,749     | 6,507               | 5,962      |
| Corporate   | 70                 | 75        | 279                 | 289        |
| Discontinued operations                                     | -                  | -         | -                   | 445        |
| Deferred tax provision (benefit)                            | 780                | (10,690)  | 2,660               | (8,670)    |
| Non-cash compensation                                       | 526                | 518       | 2,201               | 2,279      |
| Other operating expense from continuing operations          | 14                 | 124       | 61                  | 55         |
| Other operating expense from discontinued operations        | -                  | -         | -                   | 31         |
| Gain on the disposal of discontinued operations, net of tax | -                  | -         | -                   | (29,902)   |
| Impairment of intangible assets                             | -                  | 1,449     | -                   | 1,449      |
| Other expense (income), net                                 | 2                  | -         | (23)                | -          |
| Less: Capital expenditures from continuing operations       | (1,472)            | (1,521)   | (5,922)             | (6,246)    |
| Capital expenditures from discontinued operations           | -                  | (210)     | -                   | (335)      |
| Free cash flow  | \$ 5,933           | \$ 6,323  | \$ 19,453           | \$ 20,074  |

|   | December 31, |            |
|---|--------------|------------|
|   | 2018         | 2017       |
| <b>Balance Sheet Data</b>   |              |            |
| Working capital   | \$ 45,430    | \$ 55,269  |
| Net fixed assets  | \$ 59,103    | \$ 56,235  |
| Net intangible assets and other assets                                      | \$ 120,779   | \$ 116,360 |
| Total assets  | \$ 248,477   | \$ 248,769 |
| Long-term debt (including current portion of \$5,000 and \$0, respectively) | \$ 20,000    | \$ 25,000  |
| Stockholders' equity  | \$ 184,999   | \$ 179,465 |

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

|   | Three Months Ended  |                     | Twelve Months Ended |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | December 31,        |                     | December 31,        |                     |
|   | 2018 <sup>(1)</sup> | 2017 <sup>(1)</sup> | 2018 <sup>(1)</sup> | 2017 <sup>(1)</sup> |
| <b>Results of Discontinued Operations</b>                         |                     |                     |                     |                     |
| Net operating revenue   | \$ -                | \$ -                | \$ -                | \$ 14,238           |
| Station operating expense   | -                   | 30                  | -                   | 9,757               |
| Other operating expense   | -                   | -                   | -                   | 31                  |
| Operating income (loss)   | -                   | (30)                | -                   | 4,450               |
| Interest expense  | -                   | -                   | -                   | 21                  |
| Income (loss) before income taxes                                 | -                   | (30)                | -                   | 4,429               |
| Gain on the disposal of discontinued operations, before tax       | -                   | -                   | -                   | 50,842              |
| Income (loss) from discontinued operations, before tax            | -                   | (30)                | -                   | 55,271              |
| Income tax expense  | -                   | -                   | -                   | 22,800              |
| Income (loss) from discontinued operations, net of tax            | \$ -                | \$ (30)             | \$ -                | \$ 32,471           |
| <b>Free Cash Flow from Discontinued Operations</b>                |                     |                     |                     |                     |
| Income (loss) from discontinued operations, net of tax            | \$ -                | \$ (30)             | \$ -                | \$ 32,471           |
| Plus: Depreciation and amortization                               | -                   | -                   | -                   | 445                 |
| Other operating expense (income) from discontinued operations     | -                   | -                   | -                   | 31                  |
| Less: Gain on the disposal of discontinued operations, net of tax | -                   | -                   | -                   | (29,902)            |
| Capital expenditures from discontinued operations                 | -                   | (210)               | -                   | (335)               |
| Free cash flow from discontinued operations                       | \$ -                | \$ (240)            | \$ -                | \$ 2,710            |

(1) Results of operations for the Television stations are reflected through August 31, 2017. The effective date of the sale was September 1, 2017. The three months ended December 31, 2017 activity was a result of additional expenses incurred after the sale of the television stations was completed.

**Saga Communications, Inc.**  
**Selected Supplemental Financial Data**  
**For the Three Months Ended**  
**December 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       |           |
|  | December 31,       |           | December 31,                |           | December 31,             |           |
|  | 2018               | 2017      | 2018                        | 2017      | 2018                     | 2017      |
| <b>Consolidated</b>                                    |                    |           |                             |           |                          |           |
| Net operating revenue                                  | \$ 32,938          | \$ 31,464 | \$ 32,938                   | \$ 31,464 | \$ 34,008                | \$ 32,447 |
| Station operating expense                              | 23,761             | 23,238    | 23,761                      | 23,238    | 24,697                   | 24,106    |
| Corporate general and administrative                   | 3,154              | 2,782     | 3,154                       | 2,782     | 3,154                    | 2,782     |
| Other operating expense                                | 14                 | 124       | 14                          | 124       | 14                       | 124       |
| Impairment of intangible assets                        | -                  | 1,449     | -                           | 1,449     | -                        | 1,449     |
| Operating income                                       | 6,009              | 3,871     | \$ 6,009                    | \$ 3,871  | 6,143                    | 3,986     |
| Interest expense                                       | 229                | 212       |                             |           | 229                      | 212       |
| Interest income  | (187)              | -         |                             |           | (187)                    | -         |
| Other expense (income), net                            | 2                  | -         |                             |           | 2                        | -         |
| Income from continuing operations, before tax          | 5,965              | 3,659     |                             |           | 6,099                    | 3,774     |
| Income tax expense (benefit)                           | 1,670              | (11,200)  |                             |           | 1,711                    | (11,153)  |
| Income from continuing operations, net of tax          | 4,295              | 14,859    |                             |           | 4,388                    | 14,927    |
| Income (loss) from discontinued operations, net of tax | -                  | (30)      |                             |           | -                        | (30)      |
| Net income   | \$ 4,295           | \$ 14,829 |                             |           | \$ 4,388                 | \$ 14,897 |
| Basic Earnings (loss) per share:                       |                    |           |                             |           |                          |           |
| From continuing operations                             | \$ 0.72            | \$ 2.52   |                             |           | \$ 0.74                  | \$ 2.52   |
| From discontinued operations                           | -                  | (0.01)    |                             |           | -                        | (0.01)    |
| Basic earnings per share                               | \$ 0.72            | \$ 2.51   |                             |           | \$ 0.74                  | \$ 2.51   |
| Diluted Earnings (loss) per share:                     |                    |           |                             |           |                          |           |
| From continuing operations                             | \$ 0.72            | \$ 2.52   |                             |           | \$ 0.74                  | \$ 2.52   |
| From discontinued operations                           | -                  | (0.01)    |                             |           | -                        | (0.01)    |
| Diluted earnings per share                             | \$ 0.72            | \$ 2.51   |                             |           | \$ 0.74                  | \$ 2.51   |

|                                      | Actual             |          | Same Station <sup>(1)</sup> |          | Pro Forma <sup>(2)</sup> |          |
|--------------------------------------|--------------------|----------|-----------------------------|----------|--------------------------|----------|
|                                      | Three Months Ended |          | Three Months Ended          |          | Three Months Ended       |          |
|                                      | December 31,       |          | December 31,                |          | December 31,             |          |
|                                      | 2018               | 2017     | 2018                        | 2017     | 2018                     | 2017     |
| <b>Depreciation and amortization</b> |                    |          |                             |          |                          |          |
| <b>by segment</b>                    |                    |          |                             |          |                          |          |
| Radio Stations                       | \$ 1,718           | \$ 1,749 | \$ 1,718                    | \$ 1,749 | \$ 1,851                 | \$ 1,882 |
| Corporate and Other                  | 70                 | 75       | 70                          | 75       | 70                       | 75       |
|                                      | \$ 1,788           | \$ 1,824 | \$ 1,788                    | \$ 1,824 | \$ 1,921                 | \$ 1,957 |

(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**  
**For the Twelve Months Ended**  
**December 31, 2018 and 2017**  
(amounts in 000's except per share data)  
(Unaudited)

|   | Actual              |                  | Same Station (1)    |            | Pro Forma (2)       |                  |
|---|---------------------|------------------|---------------------|------------|---------------------|------------------|
|   | Twelve Months Ended |                  | Twelve Months Ended |            | Twelve Months Ended |                  |
|   | December 31,        |                  | December 31,        |            | December 31,        |                  |
|   | 2018                | 2017             | 2018                | 2017       | 2018                | 2017             |
| <b>Consolidated</b>                             |                     |                  |                     |            |                     |                  |
| Net operating revenue                           | \$ 124,829          | \$ 118,149       | \$ 116,504          | \$ 115,264 | \$ 129,228          | \$ 128,180       |
| Station operating expense                       | 93,727              | 87,759           | 85,959              | 85,317     | 97,314              | 96,218           |
| Corporate general and administrative            | 11,359              | 11,657           | 11,359              | 11,657     | 11,359              | 11,657           |
| Other operating expense (income), net           | 61                  | 55               | (191)               | 53         | 61                  | 55               |
| Impairment of intangible assets                 | -                   | 1,449            | -                   | 1,449      | -                   | 1,449            |
| Operating income                                | 19,682              | 17,229           | \$ 19,377           | \$ 16,788  | 20,494              | 18,801           |
| Interest expense                                | 946                 | 903              |                     |            | 946                 | 903              |
| Interest income                                 | (631)               | -                |                     |            | (631)               | -                |
| Other expense (income), net                     | (23)                | -                |                     |            | (23)                | -                |
| Income from continuing operations, before tax   | 19,390              | 16,326           |                     |            | 20,202              | 17,898           |
| Income tax expense (benefit)                    | 5,700               | (5,920)          |                     |            | 5,944               | (5,276)          |
| Income from continuing operations, net of tax   | 13,690              | 22,246           |                     |            | 14,258              | 23,174           |
| Income from discontinued operations, net of tax | -                   | 32,471           |                     |            | -                   | 32,471           |
| Net income                                      | <u>\$ 13,690</u>    | <u>\$ 54,717</u> |                     |            | <u>\$ 14,258</u>    | <u>\$ 55,645</u> |
| Basic Earnings (loss) per share:                |                     |                  |                     |            |                     |                  |
| From continuing operations                      | \$ 2.30             | \$ 3.77          |                     |            | \$ 2.40             | \$ 3.93          |
| From discontinued operations                    | -                   | 5.50             |                     |            | -                   | 5.50             |
| Basic earnings per share                        | <u>\$ 2.30</u>      | <u>\$ 9.27</u>   |                     |            | <u>\$ 2.40</u>      | <u>\$ 9.43</u>   |
| Diluted Earnings (loss) per share:              |                     |                  |                     |            |                     |                  |
| From continuing operations                      | \$ 2.30             | \$ 3.77          |                     |            | \$ 2.40             | \$ 3.93          |
| From discontinued operations                    | -                   | 5.50             |                     |            | -                   | 5.50             |
| Diluted earnings per share                      | <u>\$ 2.30</u>      | <u>\$ 9.27</u>   |                     |            | <u>\$ 2.40</u>      | <u>\$ 9.43</u>   |

|                                      | Actual              |                 | Same Station (1)    |                 | Pro Forma (2)       |                 |
|--------------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|-----------------|
|                                      | Twelve Months Ended |                 | Twelve Months Ended |                 | Twelve Months Ended |                 |
|                                      | December 31,        |                 | December 31,        |                 | December 31,        |                 |
|                                      | 2018                | 2017            | 2018                | 2017            | 2018                | 2017            |
| <b>Depreciation and amortization</b> |                     |                 |                     |                 |                     |                 |
| <b>by segment</b>                    |                     |                 |                     |                 |                     |                 |
| Radio Stations                       | \$ 6,507            | \$ 5,962        | \$ 5,475            | \$ 5,629        | \$ 7,039            | \$ 7,148        |
| Discontinued Operations              | -                   | 445             | -                   | -               | -                   | 445             |
| Corporate and Other                  | 279                 | 289             | 279                 | 289             | 279                 | 289             |
|                                      | <u>\$ 6,786</u>     | <u>\$ 6,696</u> | <u>\$ 5,754</u>     | <u>\$ 5,918</u> | <u>\$ 7,318</u>     | <u>\$ 7,882</u> |

- (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**  
**December 31, 2018**  
(amounts in 000's except ratios)  
(Unaudited)

|   | 12 Months Ended | Add:         | 12 Months Ended |
|---|-----------------|--------------|-----------------|
|   | December 31,    | Proforma     | December 31,    |
|   | 2018            | Acquisitions | 2018            |
| <b>Trailing 12 Month Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") (1)</b> |                 |              |                 |
| Net income  | \$ 13,690       | \$ 568       | \$ 14,258       |
| Exclusions:   |                 |              |                 |
| Gain (loss) on sale of assets from continuing operations  | (61)            | -            | (61)            |
| Gain on insurance proceeds  | 23              | -            | 23              |
| Interest or other non-operating income  | 631             | -            | 631             |
| Other   | (107)           | -            | (107)           |
| Total exclusions  | <u>486</u>      | <u>-</u>     | <u>486</u>      |
| Consolidated adjusted net income (1)  | 13,204          | 568          | 13,772          |
| Plus: Interest expense  | 946             | -            | 946             |
| Income tax expense  | 5,700           | 244          | 5,944           |
| Depreciation & amortization expense   | 6,786           | 532          | 7,318           |
| Non-cash stock based compensation expense   | <u>2,201</u>    | <u>-</u>     | <u>2,201</u>    |

|  |    |        |    |       |    |        |
|--|----|--------|----|-------|----|--------|
| Trailing twelve month consolidated EBITDA (1)            | \$ | 28,837 | \$ | 1,344 | \$ | 30,181 |
| Total long-term debt, including current maturities       | \$ |        |    |       | \$ | 20,000 |
| Divided by trailing twelve month consolidated EBITDA (1) |    |        |    |       |    | 30,181 |
| Leverage ratio   |    |        |    |       |    | 0.66   |

(1) As defined in the Company's credit facility.

**Saga Communications, Inc.**  
**Selected Financial Data Non-GAAP Disclosures**  
**For the Three and Twelve Months Ended**  
**December 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>December 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>December 31,<br>2018 | Actual<br>Three Months<br>Ended<br>December 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>December 31,<br>2017 |
|--------------------------------------|---|--|---|---|--|---|
| <b>Consolidated</b>                  |   |  |   |   |  |   |
| Net operating revenue                | \$ 32,938   | \$ -   | \$ 32,938   | \$ 31,464   | \$ -   | \$ 31,464   |
| Station operating expense            | 23,761  | -  | 23,761  | 23,238  | -  | 23,238  |
| Corporate general and administrative | 3,154   | -  | 3,154   | 2,782   | -  | 2,782   |
| Other operating expense              | 14  | -  | 14  | 124   | -  | 124   |
| Impairment of intangible assets      | -   | -  | -   | 1,449   | -  | 1,449   |
| Operating income                     | <u>\$ 6,009</u>   | <u>\$ -</u>  | <u>\$ 6,009</u>   | <u>\$ 3,871</u>   | <u>\$ -</u>  | <u>\$ 3,871</u>   |
| <b>Depreciation and amortization</b> | <u>\$ 1,788</u>   | <u>\$ -</u>  | <u>\$ 1,788</u>   | <u>\$ 1,824</u>   | <u>\$ -</u>  | <u>\$ 1,824</u>   |

|                                      | Actual<br>Twelve Months<br>Ended<br>December 31,<br>2018 | Adjustment<br>For Acquisitions<br>and Dispositions<br>Not Included in<br>Entire Comparable<br>Period | Same Station<br>Twelve Months<br>Ended<br>December 31,<br>2018 | Actual<br>Twelve Months<br>Ended<br>December 31,<br>2017 | Adjustment<br>For Acquisitions<br>and Dispositions<br>Not Included in<br>Entire Comparable<br>Period | Same Station<br>Twelve Months<br>Ended<br>December 31,<br>2017 |
|--------------------------------------|--|--|--|--|--|--|
| <b>Consolidated</b>                  |  |  |  |  |  |  |
| Net operating revenue                | \$ 124,829   | \$ (8,325)   | \$ 116,504   | \$ 118,149   | \$ (2,885)   | \$ 115,264   |
| Station operating expense            | 93,727   | (7,768)  | 85,959   | 87,759   | (2,442)  | 85,317   |
| Corporate general and administrative | 11,359   | -  | 11,359   | 11,657   | -  | 11,657   |
| Other operating (income) expense     | 61   | (252)  | (191)  | 55   | (2)  | 53   |
| Impairment of intangible assets      | -  | -  | -  | 1,449  | -  | 1,449  |
| Operating income                     | <u>\$ 19,682</u>   | <u>\$ (305)</u>  | <u>\$ 19,377</u>   | <u>\$ 17,229</u>   | <u>\$ (441)</u>  | <u>\$ 16,788</u>   |
| <b>Depreciation and amortization</b> | <u>\$ 6,786</u>  | <u>\$ (1,032)</u>  | <u>\$ 5,754</u>  | <u>\$ 6,696</u>  | <u>\$ (778)</u>  | <u>\$ 5,918</u>  |



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