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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-6961

TEGNA INC.

(Exact name of registrant as specified in its charter)

Delaware	**16-0442930**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8350 Broad Street, Suite 2000, Tysons, Virginia	**22102-5151**
(Address of principal executive offices)	(Zip Code)

(703) 873-6600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	TGNA	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

The total number of shares of the registrant's Common Stock, $1 par value, outstanding as of July 31, 2020 was 218,955,098.

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June 30, 2020 FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TEGNA Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
In thousands of dollars (Unaudited)

	June 30, 2020	Dec. 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 173,070	$ 29,404
Accounts receivable, net of allowances of $8,808 and $3,723, respectively	485,211	581,765
Other receivables	14,909	19,640
Syndicated programming rights	18,786	49,616
Prepaid expenses and other current assets	19,081	26,899
Total current assets	711,057	707,324
Property and equipment		
Cost	1,025,235	997,736
Less accumulated depreciation	(544,274)	(512,015)
Net property and equipment	480,961	485,721
Intangible and other assets		
Goodwill	2,968,655	2,950,587
Indefinite-lived and amortizable intangible assets, less accumulated amortization of $201,355 and $168,452, respectively	2,518,140	2,561,614
Right-of-use assets for operating leases	101,574	103,461
Investments and other assets	148,031	145,269
Total intangible and other assets	5,736,400	5,760,931
Total assets	$ 6,928,418	$ 6,953,976

The accompanying notes are an integral part of these condensed consolidated financial statements.

TEGNA Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
In thousands of dollars, except par value and share amounts (Unaudited)

	June 30, 2020	Dec. 31, 2019
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Current liabilities		
Accounts payable	$ 37,019	$ 51,894
Accrued liabilities		
Compensation	44,909	63,876
Interest	50,464	46,013
Contracts payable for programming rights	101,182	119,872
Other	65,333	60,983
Dividends payable	—	15,188
Income taxes payable	17,631	3,332
Total current liabilities	316,538	361,158
Noncurrent liabilities		
Income taxes	7,311	7,490
Deferred income tax liability	523,528	515,621
Long-term debt	4,098,076	4,179,245
Pension liabilities	118,114	127,146
Operating lease liabilities	103,466	105,902
Other noncurrent liabilities	71,705	67,037
Total noncurrent liabilities	4,922,200	5,002,441
Total liabilities	5,238,738	5,363,599
Redeemable noncontrolling interest (see Note 11)	14,373	—
Commitments and contingent liabilities (see Note 11)		
Shareholders' equity		
Common stock of $1 par value per share, 800,000,000 shares authorized, 324,418,632 shares issued	324,419	324,419
Additional paid-in capital	140,255	247,497
Retained earnings	6,729,896	6,655,088
Accumulated other comprehensive loss	(140,179)	(142,597)
Less treasury stock at cost, 105,661,402 shares and 106,955,082 shares, respectively	(5,379,084)	(5,494,030)
Total equity	1,675,307	1,590,377
Total liabilities, redeemable noncontrolling interest and equity	$ 6,928,418	$ 6,953,976

The accompanying notes are an integral part of these condensed consolidated financial statements.

TEGNA Inc.
CONSOLIDATED STATEMENTS OF INCOME
Unaudited, in thousands of dollars, except per share amounts

	Quarter ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenues	$ 577,627	$ 536,932	$ 1,261,816	$ 1,053,685
Operating expenses:				
Cost of revenues[1]	355,367	285,293	724,735	566,604
Business units - Selling, general and administrative expenses	85,008	73,941	177,976	145,406
Corporate - General and administrative expenses	28,312	15,836	50,026	30,571
Depreciation	16,711	14,533	33,611	29,450
Amortization of intangible assets	17,248	8,823	33,464	17,512
Spectrum repacking reimbursements and other, net	(116)	(4,306)	(7,631)	(11,319)
Total	502,530	394,120	1,012,181	778,224
Operating income	75,097	142,812	249,635	275,461
Non-operating income (expense):				
Equity income (loss) in unconsolidated investments, net	1,921	(615)	10,936	11,413
Interest expense	(51,877)	(46,327)	(108,837)	(92,712)
Other non-operating items, net	1,039	8,964	(18,231)	7,425
Total	(48,917)	(37,978)	(116,132)	(73,874)
Income before income taxes	26,180	104,834	133,503	201,587
Provision for income taxes	6,607	24,879	27,732	47,653
Net Income	19,573	79,955	105,771	153,934
Net loss attributable to redeemable noncontrolling interest	374	—	484	—
Net income attributable to TEGNA Inc.	$ 19,947	$ 79,955	$ 106,255	$ 153,934
Net income per share:				
Basic	$ 0.09	$ 0.37	$ 0.48	$ 0.71
Diluted	$ 0.09	$ 0.37	$ 0.48	$ 0.71
Weighted average number of common shares outstanding:				
Basic shares	219,128	217,089	218,703	216,900
Diluted shares	219,426	217,905	219,144	217,555

[1] Cost of revenues exclude charges for depreciation and amortization expense, which are shown separately above.

The accompanying notes are an integral part of these condensed consolidated financial statements.

TEGNA Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Unaudited, in thousands of dollars

	Quarter ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income	$ 19,573	$ 79,955	$ 105,771	$ 153,934
Other comprehensive income, before tax:				
Foreign currency translation adjustments	(273)	(471)	130	(457)
Recognition of previously deferred post-retirement benefit plan costs	1,604	1,437	3,102	2,862
Pension lump-sum payment charges	—	686	—	686
Other comprehensive income, before tax	1,331	1,652	3,232	3,091
Income tax effect related to components of other comprehensive income	(335)	(414)	(814)	(774)
Other comprehensive income, net of tax	996	1,238	2,418	2,317
Comprehensive income	20,569	81,193	108,189	156,251
Comprehensive loss attributable to redeemable noncontrolling interest	374	—	484	—
Comprehensive income attributable to TEGNA Inc.	$ 20,943	$ 81,193	$ 108,673	$ 156,251

The accompanying notes are an integral part of these condensed consolidated financial statements.

TEGNA Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited, in thousands of dollars

	Six months ended June 30,	
	2020	**2019**
Cash flows from operating activities:		
Net income	$ 105,771	$ 153,934
Adjustments to reconcile net income to net cash flow from operating activities:		
Depreciation and amortization	67,075	46,962
Stock-based compensation	7,568	9,442
Company stock 401(k) contribution	8,566	3,244
Gains on sales of assets	—	(11,725)
Equity loss (income) from unconsolidated investments, net	(10,936)	(11,413)
Pension contributions, net of expense	(5,885)	(3,812)
Change in other assets and liabilities, net of acquisitions:		
Decrease (increase) in trade receivables	91,246	(20,091)
Decrease in accounts payable	(13,821)	(19,535)
Increase (decrease) in interest and taxes payable	32,056	(6,910)
Increase (decrease) in deferred revenue	(1,123)	(1,511)
Change in other assets and liabilities, net	33,025	(21,734)
Net cash flow from operating activities	**313,542**	**116,851**
Cash flows from investing activities:		
Purchase of property and equipment	(24,308)	(37,684)
Reimbursements from spectrum repacking	9,768	8,439
Payments for acquisitions of businesses and other assets, net of cash acquired	(15,841)	(185,926)
Payments for investments	(704)	(3,553)
Proceeds from investments	5,028	955
Proceeds from sale of assets and businesses	5,000	20,064
Net cash flow used for investing activities	**(21,057)**	**(197,705)**
Cash flows from financing activities:		
Payments under revolving credit facilities, net	(68,000)	55,000
Proceeds from borrowings	1,000,000	—
Debt repayments	(1,010,000)	(50,000)
Payments for debt issuance costs and early redemption fee	(29,948)	—
Proceeds from sale of minority ownership interest in Premion	14,000	—
Dividends paid	(45,776)	(30,294)
Other, net	(9,095)	(446)
Net cash flow used for financing activities	**(148,819)**	**(25,740)**
Increase (decrease) in cash	143,666	(106,594)
Balance of cash, beginning of period	29,404	135,862
Balance of cash, end of period	**$ 173,070**	**$ 29,268**
Supplemental cash flow information:		
Cash paid (received) for income taxes, net of refunds	$ 465	$ 55,785
Cash paid for interest	$ 100,074	$ 85,961

The accompanying notes are an integral part of these condensed consolidated financial statements.

TEGNA Inc.
CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NONCONTROLLING INTEREST
Unaudited, in thousands of dollars, except per share data

Quarters Ended:	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Equity
Balance at Mar. 31, 2020	**$ 14,093**	**$ 324,419**	**$ 152,106**	**$ 6,725,911**	**$ (141,175)**	**$ (5,403,005)**	**$ 1,658,256**
Net income (loss)	(374)	—	—	19,947	—	—	19,947
Other comprehensive income, net of tax	—	—	—	—	996	—	996
Total comprehensive income							20,943
Dividends declared: $0.07 per share	—	—	—	(15,308)	—	—	(15,308)
Company stock 401(k) contribution	—	—	(17,888)	—	—	21,316	3,428
Stock-based awards activity	—	—	(2,627)	—	—	2,605	(22)
Stock-based compensation	—	—	8,325	—	—	—	8,325
Accretion of redeemable noncontrolling interest	280	—	—	(280)	—	—	(280)
Adjustment of redeemable noncontrolling interest to redemption value	374	—	—	(374)	—	—	(374)
Other activity	—	—	339	—	—	—	339
Balance at June 30, 2020	**$ 14,373**	**$ 324,419**	**$ 140,255**	**$ 6,729,896**	**$ (140,179)**	**$ (5,379,084)**	**$ 1,675,307**

	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
Balance at Mar. 31, 2019	**$ —**	**$ 324,419**	**$ 262,823**	**$ 6,488,352**	**$ (135,432)**	**$ (5,534,911)**	**$ 1,405,251**
Net income	—	—	—	79,955	—	—	79,955
Other comprehensive income, net of tax	—	—	—	—	1,238	—	1,238
Total comprehensive income							81,193
Dividends declared: $0.07 per share	—	—	—	(15,158)	—	—	(15,158)
Company stock 401(k) contribution	—	—	(7,259)	—	—	10,503	3,244
Stock-based awards activity	—	—	(4,861)	—	—	4,752	(109)
Stock-based compensation	—	—	5,008	—	—	—	5,008
Other activity	—	—	313	—	—	—	313
Balance at June 30, 2019	**$ —**	**$ 324,419**	**$ 256,024**	**$ 6,553,149**	**$ (134,194)**	**$ (5,519,656)**	**$ 1,479,742**

TEGNA Inc.

CONSOLIDATED STATEMENTS OF EQUITY AND REDEEMABLE NON-CONTROLLING INTEREST

Unaudited, in thousands of dollars, except per share data

Six Months Ended:	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
Balance at Dec. 31, 2019	**$ —**	**$ 324,419**	**$ 247,497**	**$ 6,655,088**	**$ (142,597)**	**$ (5,494,030)**	**$ 1,590,377**
Net income (loss)	(484)	—	—	106,255	—	—	106,255
Other comprehensive income, net of tax	—	—	—	—	2,418	—	2,418
Total comprehensive income							108,673
Dividends declared: $0.14 per share	—	—	—	(30,590)	—	—	(30,590)
Company stock 401(k) contribution	—	—	(35,719)	—	—	44,285	8,566
Stock-based awards activity	—	—	(79,756)	—	—	70,661	(9,095)
Stock-based compensation	—	—	7,568	—	—	—	7,568
Sale of minority ownership interest in Premion	14,000	—	—	—	—	—	—
Accretion of redeemable noncontrolling interest	373	—	—	(373)	—	—	(373)
Adjustment of redeemable noncontrolling interest to redemption value	484	—	—	(484)	—	—	(484)
Other activity	—	—	665	—	—	—	665
Balance at June 30, 2020	**$ 14,373**	**$ 324,419**	**$ 140,255**	**$ 6,729,896**	**$ (140,179)**	**$ (5,379,084)**	**$ 1,675,307**

	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total
Balance at Dec. 31, 2018	**$ —**	**$ 324,419**	**$ 301,352**	**$ 6,429,512**	**$ (136,511)**	**$ (5,577,848)**	**$ 1,340,924**
Net income	—	—	—	153,934	—	—	153,934
Other comprehensive income, net of tax	—	—	—	—	2,317	—	2,317
Total comprehensive income							156,251
Dividends declared: $0.14 per share	—	—	—	(30,297)	—	—	(30,297)
Company stock 401(k) contribution	—	—	(7,259)	—	—	10,503	3,244
Stock-based awards activity	—	—	(48,136)	—	—	47,689	(447)
Stock-based compensation	—	—	9,442	—	—	—	9,442
Other activity	—	—	625	—	—	—	625
Balance at June 30, 2019	**$ —**	**$ 324,419**	**$ 256,024**	**$ 6,553,149**	**$ (134,194)**	**$ (5,519,656)**	**$ 1,479,742**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NOTE 1 – Accounting policies

Basis of presentation: Our accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for interim financial reporting, the instructions for Form 10-Q and Article 10 of the U.S. Securities and Exchange Commission (SEC) Regulation S-X. Accordingly, they do not include all information and footnotes which are normally included in the Form 10-K and annual report to shareholders. In our opinion, the condensed consolidated financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods presented. The condensed consolidated financial statements should be read in conjunction with our (or TEGNA's) audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2019.

The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. During the first quarter of 2020, a novel strain of coronavirus (COVID-19) believed to have been first identified in Wuhan, China, spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The federal and state governments in the United States responded by instituting a wide variety of mitigating control measures, including, mandatory quarantines, closures of non-essential businesses and all other places of social interaction, while implementing "shelter in place" orders and travel restrictions in an effort to slow the spread of the virus. Such mitigating measures began negatively impacting our advertising and marketing services (AMS) revenue stream in mid-March as demand for non-political advertising softened. This trend has continued in the second quarter of 2020 as such measures either remain largely in place or were being slowly relaxed as certain state and local governments have begun to implement multi-step policies towards re-opening and lifting the control measures. Demand improved for advertising during May and June as steps toward re-opening were implemented. However, some of the states which re-opened (particularly in the southern United States) also experienced increases in new COVID-19 cases late in the second quarter and early in the third quarter, forcing some to reinstate control measures and restrict public gatherings.

Beginning in mid-March, as a result of the expected near-term impact on non-political advertising demand caused by the COVID-19 pandemic, we implemented cost saving measures to reduce operating expenses and discretionary capital expenditures. These measures included implementing temporary furloughs for one week during the second quarter for most personnel, reducing compensation for executives and our board of directors, and reducing non-critical discretionary spending. As is true of most businesses, the ultimate magnitude of the COVID-19 pandemic cannot be reasonably estimated at this time, but we do expect it to have a material adverse effect on our near-term results of operations.

While it is too early to predict the duration of the pandemic or the long term effects on our financial condition, results of operations, and liquidity, we use the best information available in developing significant estimates included in our financial statements. Actual results could differ from these estimates, and these differences resulting from changes in facts and circumstances could be material. Significant estimates include, but are not limited to, evaluation of goodwill and other intangible assets for impairment, business combinations, fair value measurements, post-retirement benefit plans, income taxes including deferred taxes, and contingencies. The condensed consolidated financial statements include the accounts of subsidiaries we control. We eliminate all intercompany balances, transactions, and profits in consolidation. Investments in entities over which we have significant influence, but do not have control, are accounted for under the equity method. Our share of net earnings and losses from these ventures is included in "Equity income (loss) in unconsolidated investments, net" in the Consolidated Statements of Income.

We operate one operating and reportable segment, which primarily consists of our 63 television stations and two radio stations operating in 51 markets, offering high-quality television programming and digital content. Our reportable segment determination is based on our management and internal reporting structure, the nature of products and services we offer, and the financial information that is evaluated regularly by our chief operating decision maker.

Accounting guidance adopted in 2020: In June 2016, the Financial Accounting Standards Board (FASB) issued new guidance related to the measurement of credit losses on financial instruments. The new guidance changed the way credit losses on accounts receivable are estimated. Under previous GAAP, credit losses on accounts receivable were recognized once it was probable that such losses will occur. Under the new guidance, we are required to estimate credit losses based on the expected amount of future collections which may result in earlier recognition of doubtful accounts. We adopted the new guidance on January 1, 2020 using a modified retrospective approach. Due to the short-term nature of our accounts receivable balance, there was no material change to our allowance for doubtful accounts as a result of adopting this new guidance.

In March 2019, the FASB issued new guidance related to the accounting for episodic television series. The most significant aspect of this new guidance that was applicable to us relates to the level at which our capitalized programming assets are monitored for impairment. Under the new guidance these assets are monitored at the film group level which is the lowest level at

which independently identifiable cash flows are identifiable. We adopted the new guidance prospectively on January 1, 2020. There was no material impact on our consolidated financial statements and related disclosures as of the adoption date.

Programming assets are recorded at the gross amount of the related liability when the programs are available for telecasting. The related assets are recorded at the lower of cost or estimated net realizable value. Expense is recognized on a straight line basis which appropriately matches the cost of the programs with the revenues associated with them. During the first six months of 2020 and 2019 we incurred programming expense of $36.0 million and $27.0 million and in the second quarter of 2020 and 2019, we incurred programming expense of $17.8 million and $13.5 million, respectively. Programming expense is included in the “Cost of revenues” line item of our Consolidated Statements of Income. As of June 30, 2020 $18.8 million of programming assets had been recorded which will be expensed within the next twelve months.

We evaluate the net realizable value of our program broadcasting contract assets when a triggering event occurs, such as a change in our intended usage, or sustained lower-than-expected ratings for the program. Impairment analyses are performed at the syndicated program level (across all stations that utilize the program). We determine the net realizable value based on a projection of the estimated revenues less projected direct costs associated with the syndicated program (which is classified as Level 3 in the fair value hierarchy). If the future direct costs exceed expected revenues, impairment of the program asset may be required. No impairment charges were recognized in 2020 or 2019.

New accounting guidance not yet adopted: In August 2018, the FASB issued new guidance that changed disclosures related to defined benefit pension and other postretirement benefit plans. The guidance removed disclosures that are no longer economically relevant, clarifies certain existing disclosure requirements and added some new disclosures. The most relevant elimination for us is the annual disclosure of the amount of gain/loss and prior service cost/credit amortization expected in the following year. Additions most relevant to us include annually disclosing narrative explanations of the drivers for significant changes in plan obligations or assets, and disclosure for cost of living adjustments for certain participants of our TEGNA retirement plan. We will include the new disclosures in our 2020 Annual Report on Form 10-K and will apply them on a retrospective basis.

There is currently no other pending accounting guidance that we expect to have a material impact on our consolidated financial statements or disclosures.

Trade receivables and allowances for doubtful accounts: Trade receivables are recorded at invoiced amounts and generally do not bear interest. The allowance for doubtful accounts reflects our estimate of credit exposure, determined principally on the basis of our collection experience, aging of our receivables and any specific reserves needed for certain customers based on their credit risk. Our allowance also takes into account expected future trends which may impact our customers’ ability to pay, such as economic growth, unemployment and demand for our products and services, including the impacts of the COVID-19 pandemic on these trends. We monitor the credit quality of our customers and their ability to pay through the use of analytics and communication with individual customers. As of June 30, 2020, our allowance for doubtful accounts was $8.8 million as compared to $3.7 million as of December 31, 2019.

Revenue recognition: Revenue is recognized upon the transfer of control of promised services to our customers in an amount that reflects the consideration we expect to receive in exchange for those services. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. Amounts received from customers in advance of providing services to our customers are recorded as deferred revenue.

The primary sources of our revenues are: 1) advertising & marketing services revenues, which include local and national non-political television advertising, digital marketing services (including Premion), and advertising on the stations’ websites and tablet and mobile products; 2) subscription revenues, reflecting fees paid by satellite, cable, OTT (companies that deliver video content to consumers over the Internet) and telecommunications providers to carry our television signals on their systems; 3) political advertising revenues, which are driven by even year election cycles at the local and national level (e.g. 2020, 2018) and particularly in the second half of those years; and 4) other services, such as production of programming and advertising material.

Revenue earned by these sources in the second quarter and first six months of 2020 and 2019 are shown below (amounts in thousands):

	Quarter ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Advertising & Marketing Services	$ 229,083	$ 289,569	$ 524,236	$ 553,971
Subscription	323,475	236,162	656,277	477,737
Political	17,544	3,229	64,931	5,933
Other	7,525	7,972	16,372	16,044
Total revenues	$ 577,627	$ 536,932	$ 1,261,816	$ 1,053,685

NOTE 2 – Acquisitions

During 2019, we acquired the television stations listed in the table below, and a summary of each acquisition follows:

Market	Station	Affiliation	Seller
Indianapolis, IN	WTHR	NBC	Dispatch Broadcast Group
Columbus, OH	WBNS	CBS	Dispatch Broadcast Group
Hartford-New Haven, CT	WTIC/WCCT	FOX/CW	Nexstar Media Group
Harrisburg-Lancaster-Lebanon-York, PA	WPMT	FOX	Nexstar Media Group
Memphis, TN	WATN/WLMT	ABC/CW	Nexstar Media Group
Wilkes Barre-Scranton, PA	WNEP	ABC	Nexstar Media Group
Des Moines-Ames, IA	WOI/KCWI	ABC/CW	Nexstar Media Group
Huntsville-Decatur-Florence, AL	WZDX	FOX	Nexstar Media Group
Davenport, IA and Rock Island-Moline, IL	WQAD	ABC	Nexstar Media Group
Ft. Smith-Fayetteville-Springdale-Rogers, AR	KFSM	CBS	Nexstar Media Group
Toledo, OH	WTOL	CBS	Gray Television
Midland-Odessa, TX	KWES	NBC	Gray Television

Nexstar Stations

On September 19, 2019, we completed our acquisition of 11 local television stations in eight markets, including eight Big Four affiliates, from Nexstar Media Group (the Nexstar Stations). These stations were divested by Nexstar Media Group in connection with its acquisition of Tribune Media Company. The purchase price for the Nexstar Stations was $769.9 million which included a base purchase price of $740.0 million and working capital of $29.9 million (approximately $0.8 million was paid in April 2020 after finalization of the working capital true-up with the seller).

Dispatch Stations

On August 8, 2019, we completed the acquisition of Dispatch Broadcast Group’s two top-rated television stations and two radio stations (the Dispatch Stations). The purchase price for the Dispatch Stations was $560.5 million which consisted of a base purchase price of $535.0 million and working capital and cash acquired of $25.5 million.

Justice and Quest Multicast Networks

On June 18, 2019, we completed the acquisition of the remaining approximately 85% interest that we did not previously own in the multicast networks Justice Network (recently rebranded as True Crime Network) and Quest from Cooper Media. Cash paid for this acquisition was $77.1 million (which included $4.6 million for working capital).

Gray Stations

On January 2, 2019, we completed our acquisition of WTOL and KWES from Gray Television, Inc. for $109.9 million in cash (which included $4.9 million for working capital paid at closing).

The following table summarizes the fair values of the assets acquired and liabilities assumed in connection with these acquisitions (in thousands):

	Nexstar Stations	Dispatch Stations	Justice & Quest	Gray Stations	Total
Cash	$ —	$ 2,363	$ —	$ —	$ 2,363
Accounts receivable	34,680	26,344	8,501	5,553	75,078
Prepaid and other current assets	3,776	6,092	6,987	987	17,842
Property and equipment	45,186	40,418	361	11,757	97,722
Goodwill	128,191	202,274	23,567	19,405	373,437
FCC licenses	374,269	295,983	—	47,061	717,313
Network affiliation agreements	123,926	60,765	—	14,420	199,111
Retransmission agreements	68,316	33,107	—	12,198	113,621
Other intangible assets	—	—	52,553	—	52,553
Right-of-use assets for operating leases	22,715	362	—	251	23,328
Other noncurrent assets	237	—	5,253	18	5,508
Total assets acquired	$ 801,296	$ 667,708	$ 97,222	$ 111,650	$ 1,677,876
Accounts Payable	2,037	954	725	1	3,717
Accrued liabilities	8,544	9,011	4,236	1,494	23,285
Deferred income tax liability	—	97,044	(462)	—	96,582
Operating lease liabilities - noncurrent	20,346	226	—	235	20,807
Other noncurrent liabilities	426	—	2,677	—	3,103
Total liabilities assumed	$ 31,353	$ 107,235	$ 7,176	$ 1,730	$ 147,494
Net assets acquired	$ 769,943	$ 560,473	$ 90,046	$ 109,920	$ 1,530,382
Less: cash acquired	$ —	$ (2,363)	$ —	$ —	$ (2,363)
Less: fair value of existing ownership	—	—	(12,995)	—	(12,995)
Cash paid for acquisitions	$ 769,943	$ 558,110	$ 77,051	$ 109,920	$ 1,515,024

We accounted for the each of these acquisitions as business combinations, which requires us to record the assets acquired and liabilities assumed at fair value. The amount by which the purchase price exceeds the fair value of the net assets acquired is recorded as goodwill. The amounts recorded for assets and liabilities related to the Dispatch and Nexstar Stations presented above are preliminary in nature and are subject to adjustment as additional information is obtained about the facts and circumstances that existed as of the acquisition date. Assets and liabilities related to the Gray Stations and Justice & Quest are the final amounts.

During 2020, we continued to analyze information related to the estimated fair values for certain tangible and intangible assets acquired, liabilities assumed and the amount of goodwill recognized for these acquisitions. As a result, the carrying amounts for certain assets and liabilities were updated. The most significant changes were to retransmission agreement intangible assets, which were reduced by $21.3 million and goodwill, the carrying amount increased by $18.1 million. As a result of these adjustments, we expect our amortization expense related to intangible assets during fiscal year 2020 to be appropriately $68.0 million.

The final determination of the fair values of certain Dispatch and Nexstar Station balances will be completed within the measurement period of up to one year from the acquisition date permitted under GAAP. The primary areas still being assessed are intangible asset valuation and income taxes.

NOTE 3 – Goodwill and other intangible assets

The following table displays goodwill, indefinite-lived intangible assets, and amortizable intangible assets as of June 30, 2020 and December 31, 2019 (in thousands):

	June 30, 2020		Dec. 31, 2019	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Goodwill	$ 2,968,655	$ —	$ 2,950,587	$ —
Indefinite-lived intangibles:				
Television and radio station FCC broadcast licenses	2,104,167	—	2,090,732	—
Amortizable intangible assets:				
Retransmission agreements	235,215	(121,544)	256,533	(105,212)
Network affiliation agreements	309,503	(60,444)	309,496	(48,174)
Other	70,610	(19,367)	73,305	(15,066)
Total indefinite-lived and amortizable intangible assets	$ 2,719,495	$ (201,355)	$ 2,730,066	$ (168,452)

Our retransmission agreements and network affiliation agreements are amortized on a straight-line basis over their estimated useful lives. Other intangibles primarily include distribution agreements and brand names from our Justice & Quest acquisition, which are also amortized on a straight-line basis over their useful lives.

In the second quarter of 2020, we recognized a $2.1 million impairment charge in connection with eliminating the use of the Justice Network brand name and re-establishing the business under a new brand name. The impairment was recorded in the “Spectrum repacking reimbursements and other, net” line item of the Consolidated Statements of Income.

Interim impairment assessment

We review our goodwill and intangible assets for impairment at least annually and also when events or changes in circumstances occur that indicate the fair value may be below its carrying amount. As discussed in Note 2, during 2019 we acquired 15 television stations and as such, the indefinite-lived FCC licenses recently acquired have limited headroom as they were recorded at fair value upon acquisition. As a result of the negative effects we expect COVID-19 to have on our future AMS revenue and operating cash flows, we assessed whether it was more likely than not that our FCC licenses, including those that were recently acquired, were impaired.

In performing this assessment, we analyzed the significant inputs used in the fair value determination of the recently acquired FCC license assets. This included reviewing the impact of estimated changes in trends in market revenues and changes in the discount rate on the fair value of our licenses. Based on the analysis performed we concluded that none of our FCC licenses were more likely than not impaired as of June 30, 2020. However, a sustained economic decline resulting from COVID-19 could result in future non-cash impairment charges of our recently acquired FCC licenses, and any related impairment could have a material adverse impact on our results of operations.

NOTE 4 – Investments and other assets

Our investments and other assets consisted of the following as of June 30, 2020, and December 31, 2019 (in thousands):

	June 30, 2020	Dec. 31, 2019
Cash value life insurance	$ 51,797	$ 52,462
Equity method investments	35,084	27,650
Other equity investments	28,124	32,383
Deferred debt issuance costs	11,180	10,921
Other long-term assets	21,846	21,853
Total	$ 148,031	$ 145,269

Cash value life insurance: We are the beneficiary of life insurance policies on the lives of certain employees/retirees, which are recorded at their cash surrender value as determined by the insurance carrier. These policies are utilized as a partial funding

source for deferred compensation and other non-qualified employee retirement plans. Gains and losses on these investments are included in “Other non-operating items, net” within our Consolidated Statement of Income and were not material for all periods presented.

Equity method investments: We hold equity method investments. Our largest equity method investment is our ownership in CareerBuilder, of which we own approximately 17% (or approximately 10% on a fully-diluted basis). In the first quarter of 2020, CareerBuilder sold its employment screening business; our portion on the pre-tax gain of the sale was $18.6 million, and is recorded within “Equity income (loss) in unconsolidated investments, net” on our Consolidated Statement of Income. Our investment balance was $15.8 million and $7.9 million as of June 30, 2020 and December 31, 2019, respectively.

Other equity investments: Represents investments in non-public businesses that do not have readily determinable pricing, and for which we do not have control or do not exert significant influence. These investments are recorded at cost less impairments, if any, plus or minus changes in observable prices for those investments. In the second quarter of 2020, we sold one of these investments for $4.3 million. This investment had previously been recorded at estimated fair value. No gains or losses were recorded on these investments in the first six months of 2020.

Deferred debt issuance costs: These costs consist of amounts paid to lenders related to our revolving credit facility. Debt issuance costs paid for our term debt and unsecured notes are accounted for as a reduction in the debt obligation.

NOTE 5 - Income taxes

We generally estimate our annual effective tax rate for the full year and apply that rate to net income before tax in determining the provision for income taxes for interim periods. We record discrete items in each respective interim period as appropriate. However, for the three months ended March 31, 2020, we determined that the annual rate method would not provide for a reliable estimate due to volatility in the forecasting process as a result of the COVID-19 pandemic. As a result, we recorded the provision for income taxes for the three months ended March 31, 2020 using the actual effective rate plus discrete items for the three months ended March 31, 2020 (the “cut-off” method). We recorded the provision for income taxes for the six months ended June 30, 2020 using the annual rate method, consistent with our general practice.

In response to the COVID-19 pandemic, President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) on March 27, 2020. The CARES Act provides numerous tax provisions and other stimulus measures, including refundable payroll tax credits, deferral of employer social security payments, modifications to the net interest deduction limitations, expansions to the use and carryback of net operating losses, and a technical correction to the depreciation method applicable to qualified improvement property under the 2017 Tax Cuts and Jobs Act. We will benefit from the technical correction for qualified improvement property which allows for an immediate deduction of any eligible leasehold improvements placed in service during 2018 and 2019. We will also benefit from the new depreciation method available for qualified improvement property which allows for an immediate retroactive deduction of certain eligible leasehold improvements previously placed in service. As a result, our 2020 tax payments are expected to be reduced by approximately $7 million. There is no change to our tax expense or our effective income tax rate since the changes are payment deferrals only. We will continue to monitor the impact of the CARES Act on our business as conditions change.

Due to guidance from the U.S. Department of the Treasury and the Internal Revenue Service, certain federal income tax payments due before July 15, 2020, were deferred to July 15, 2020. As a result, we made no federal income tax payments during the six months ended June 30, 2020. We estimate making federal income tax payments of $33 million in the third quarter.

NOTE 6 – Long-term debt

Our long-term debt is summarized below (in thousands):

	June 30, 2020	Dec. 31, 2019
Unsecured floating rate term loan due quarterly through June 2020	$ —	$ 20,000
Unsecured floating rate term loan due quarterly through September 2020[1]	75,000	105,000
Unsecured notes bearing fixed rate interest at 5.125% due July 2020	—	310,000
Unsecured notes bearing fixed rate interest at 4.875% due September 2021	350,000	350,000
Unsecured notes bearing fixed rate interest at 6.375% due October 2023	—	650,000
Borrowings under revolving credit agreement expiring August 2024	835,000	903,000
Unsecured notes bearing fixed rate interest at 5.50% due September 2024	325,000	325,000
Unsecured notes bearing fixed rate interest at 7.75% due June 2027	200,000	200,000
Unsecured notes bearing fixed rate interest at 7.25% due September 2027	240,000	240,000
Unsecured notes bearing fixed rate interest at 4.625% due March 2028	1,000,000	—
Unsecured notes bearing fixed rate interest at 5.00% due September 2029	1,100,000	1,100,000
Total principal long-term debt	4,125,000	4,203,000
Debt issuance costs	(33,253)	(26,873)
Unamortized premiums and discounts, net	6,329	3,118
Total long-term debt	$ 4,098,076	$ 4,179,245

[1] We have the intent and ability to refinance the principal payments due within the next 12 months on a long-term basis through our revolving credit facility. As such, all debt presented in the table above is classified as long-term on our June 30, 2020 Condensed Consolidated Balance Sheet.

On January 9, 2020, we completed a private placement offering of $1.0 billion aggregate principal amount of senior unsecured notes bearing an interest rate of 4.625% which are due in March 2028.

On February 11, 2020 we used the net proceeds from the $1.0 billion senior notes to repay the remaining $310.0 million of unsecured notes bearing fixed rate interest of 5.125%, which were due in July 2020 and $650.0 million of unsecured notes bearing fixed rate interest of 6.375%, which were due in October 2023. We incurred $13.8 million of early redemption fees in relation to the 2023 debt payoff. Additionally, we wrote off $7.9 million of unamortized financing fees and discounts related to the early payoff of the 2020 and 2023 notes. These charges were recorded in the other non-operating items, net line item of the Consolidated Statement of Income.

Given the unpredictability of market conditions during the pandemic, we amended our revolving credit facility on June 11, 2020 to extend the initial step-down of the maximum permitted total leverage ratio (from 5.50 to 1.00 to 5.25 to 1.00) until the fiscal quarter ending March 31, 2022, with additional step downs continuing thereafter. The maximum permitted total leverage ratios under our revolving credit facility are now as follows:

Period	Leverage Ratio
Fiscal quarter ending September 30, 2020 through and including fiscal quarter ending December 31, 2021	5.50 to 1.00
Fiscal quarter ending March 31, 2022	5.25 to 1.00
Fiscal quarter ending June 30, 2022	5.00 to 1.00
Fiscal quarter ending September 30, 2022	4.75 to 1.00
Thereafter	4.50 to 1.00

As of June 30, 2020, cash and cash equivalents totaled $173.1 million and we had unused borrowing capacity of $653.8 million under our $1.51 billion revolving credit facility (which expires August 2024). We were in compliance with all covenants, including the leverage ratio (our one financial covenant) contained in our debt agreements and revolving credit facility. We believe that we will remain compliant with all covenants for the foreseeable future.

NOTE 7 – Retirement plans

We have various defined benefit retirement plans. Our principal defined benefit pension plan is the TEGNA Retirement Plan (TRP). The disclosure table below includes the pension expenses of the TRP and the TEGNA Supplemental Retirement Plan (SERP). The total net pension obligations, including both current and non-current liabilities, as of June 30, 2020, were $124.9 million, of which $6.8 million is recorded as a current obligation within accrued liabilities on the Condensed Consolidated Balance Sheet.

Pension costs, which primarily include costs for the qualified TRP and the non-qualified SERP, are presented in the following table (in thousands):

	Quarter ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Service cost-benefits earned during the period	$ 2	$ —	$ 4	$ —
Interest cost on benefit obligation	4,879	5,773	9,737	11,523
Expected return on plan assets	(7,779)	(6,585)	(15,529)	(13,160)
Amortization of prior service cost	87	20	45	45
Amortization of actuarial loss	1,481	1,541	3,081	3,041
Pension payment timing related charge	—	686	—	686
(Gains from) expense for company-sponsored retirement plans	$ (1,330)	$ 1,435	$ (2,662)	$ 2,135

Benefits no longer accrue for substantially all TRP and SERP participants as a result of amendments to the plans in the past years and as such we no longer incur a significant amount of the service cost component of pension expense. All other components of our pension expense presented above are included within the “Other non-operating items, net” line item of the Consolidated Statements of Income.

During the six months ended June 30, 2020 we made no cash contributions to the TRP, and made $0.9 million during the six months ended June 30, 2019. We made benefit payments to participants of the SERP of $3.2 million and $5.0 million, during six months ended June 30, 2020 and 2019, respectively. Based on actuarial projections and funding levels, we do not expect to make any cash payments to the TRP in 2020. We expect to make additional cash contributions of $2.7 million to our SERP participants in 2020.

NOTE 8 – Accumulated other comprehensive loss

The following table summarizes the components of, and the changes in, Accumulated Other Comprehensive Loss (AOCL), net of tax (in thousands):

	Retirement Plans	Foreign Currency Translation	Total
Quarters Ended:			
Balance at Mar. 31, 2020	**$ (141,277)**	**$ 102**	**$ (141,175)**
Other comprehensive loss before reclassifications	—	(205)	(205)
Amounts reclassified from AOCL	1,201	—	1,201
Total other comprehensive income	1,201	(205)	996
Balance at June 30, 2020	**$ (140,076)**	**$ (103)**	**$ (140,179)**
Balance at Mar. 31, 2019	**$ (135,824)**	**$ 392**	**$ (135,432)**
Other comprehensive loss before reclassifications	—	(353)	(353)
Amounts reclassified from AOCL	1,591	—	1,591
Total other comprehensive income	1,591	(353)	1,238
Balance at June 30, 2019	**$ (134,233)**	**$ 39**	**$ (134,194)**

	Retirement Plans	Foreign Currency Translation	Total
Six Months Ended:			
Balance at Dec. 31, 2019	**$ (142,398)**	**$ (199)**	**$ (142,597)**
Other comprehensive income before reclassifications	—	96	96
Amounts reclassified from AOCL	2,322	—	2,322
Total other comprehensive income	2,322	96	2,418
Balance at June 30, 2020	**$ (140,076)**	**$ (103)**	**$ (140,179)**
Balance at Dec. 31, 2018	**$ (136,893)**	**$ 382**	**$ (136,511)**
Other comprehensive income before reclassifications	—	(343)	(343)
Amounts reclassified from AOCL	2,660	—	2,660
Total other comprehensive income	2,660	(343)	2,317
Balance at June 30, 2019	**$ (134,233)**	**$ 39**	**$ (134,194)**

Reclassifications from AOCL to the Consolidated Statements of Income are comprised of pension and other post-retirement components. Pension and other post retirement reclassifications are related to the amortization of prior service costs, and amortization of actuarial losses. Amounts reclassified out of AOCL are summarized below (in thousands):

	Quarter ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Amortization of prior service credit, net	$ (131)	$ (115)	$ (240)	$ (240)
Amortization of actuarial loss	1,735	1,552	3,342	3,102
Pension payment timing related charges	—	686	—	686
Total reclassifications, before tax	1,604	2,123	3,102	3,548
Income tax effect	(403)	(532)	(780)	(888)
Total reclassifications, net of tax	$ 1,201	$ 1,591	$ 2,322	$ 2,660

NOTE 9 – Earnings per share

Our earnings per share (basic and diluted) are presented below (in thousands, except per share amounts):

	Quarter ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net Income	$ 19,573	$ 79,955	$ 105,771	$ 153,934
Accretion of redeemable noncontrolling interest (see Note 11)	(280)	—	(373)	—
Earnings available to common shareholders	$ 19,293	$ 79,955	$ 105,398	$ 153,934
Weighted average number of common shares outstanding - basic	219,128	217,089	218,703	216,900
Effect of dilutive securities:				
Restricted stock units	25	476	153	327
Performance shares	273	315	286	286
Stock options	—	25	2	42
Weighted average number of common shares outstanding - diluted	219,426	217,905	219,144	217,555
Net income per share - basic	$ 0.09	$ 0.37	$ 0.48	$ 0.71
Net income per share - diluted	$ 0.09	$ 0.37	$ 0.48	$ 0.71

Our calculation of diluted earnings per share includes the dilutive effects for the assumed vesting of outstanding restricted stock units and performance shares.

NOTE 10 – Fair value measurement

We measure and record certain assets and liabilities at fair value in the accompanying condensed consolidated financial statements. U.S. GAAP establishes a hierarchy for those instruments measured at fair value that distinguishes between market data (observable inputs) and our own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 inputs that are either directly or indirectly observable; and

Level 3 - Unobservable inputs developed using our own estimates and assumptions, which reflect those that a market participant would use.

In the second quarter of 2019 we recognized a $1.6 million gain on one of our investments due to an observable price increase, which represents a Level 2 input. This gain was recorded in the Other non-operating items, net line item in our Consolidated Statements of Income. No other gains or losses were recorded on these investments in the six months ended June 30, 2020 or 2019.

We additionally hold other financial instruments, including cash and cash equivalents, receivables, accounts payable and debt. The carrying amounts for cash and cash equivalents, receivables and accounts payable approximated their fair values. The fair value of our total debt, based on the bid and ask quotes for the related debt (Level 2), totaled $4.02 billion at June 30, 2020, and $4.32 billion at December 31, 2019.

NOTE 11 – Other matters

Litigation

In the third quarter of 2018, certain national media outlets reported the existence of a confidential investigation by the United States Department of Justice Antitrust Division (DOJ) into the local television advertising sales practices of station owners. We received a Civil Investigative Demand (CID) in connection with the DOJ's investigation. On November 13 and December 13, 2018, DOJ and seven broadcasters settled a DOJ complaint alleging the exchange of competitively sensitive information in the broadcast television industry. In June 2019, we and four other broadcasters entered into a substantially identical agreement with DOJ, which was entered by the court on December 3, 2019. The settlement contains no finding of wrongdoing or liability and carries no penalty. It prohibits us and the other settling entities from sharing certain confidential business information, or using such information pertaining to other broadcasters, except under limited circumstances. The settlement also requires the settling parties to make certain enhancements to their antitrust compliance programs, to continue to cooperate with the DOJ's investigation, and to permit DOJ to verify compliance. We do not expect the costs of compliance to be material.

Since the national media reports, numerous putative class action lawsuits were filed against owners of television stations (the Advertising Cases) in different jurisdictions. Plaintiffs are a class consisting of all persons and entities in the United States who paid for all or a portion of advertisement time on local television provided by the defendants. The Advertising Cases assert antitrust and other claims and seek monetary damages, attorneys' fees, costs and interest, as well as injunctions against the allegedly wrongful conduct.

These cases have been consolidated into a single proceeding in the United States District Court for the Northern District of Illinois, captioned Clay, Massey & Associates, P.C. v. Gray Television, Inc. et. al., filed on July 30, 2018. At the court's direction, plaintiffs filed an amended complaint on April 3, 2019, that superseded the original complaints. Although we were named as a defendant in sixteen of the original complaints, the amended complaint did not name TEGNA as a defendant. After TEGNA and four other broadcasters entered into consent decrees with the DOJ in June 2019, the plaintiffs sought leave from the court to further amend the complaint to add TEGNA and the other settling broadcasters to the proceeding. The court granted the plaintiffs' motion, and the plaintiffs filed the second amended complaint on September 9, 2019. On October 8, 2019, the defendants jointly filed a motion to dismiss the matter. The motion to dismiss remains pending before the court. We deny any violation of law, believe that the claims asserted in the Advertising Cases are without merit, and intend to defend ourselves vigorously against them.

We, along with a number of our subsidiaries, also are defendants in other judicial and administrative proceedings involving matters incidental to our business. We do not believe that any material liability will be imposed as a result of any of the foregoing matters.

FCC Broadcast Spectrum Program

In April 2017, the FCC announced the completion of a voluntary incentive auction to reallocate certain spectrum currently occupied by television broadcast stations to mobile wireless broadband services, along with a related "repacking" of the television spectrum for remaining television stations. None of our stations relinquished any spectrum rights as a result of the auction. Stations in eighteen of our markets (which include four of our recently acquired stations from 2019 and one station we acquired in 2020 after it had completed its repacking) were repacked to new channels. As of July 3, 2020 - the end of the last official phase of the FCC's post-auction transition schedule - all of our repacked stations have moved to their new channels, with one station broadcasting on an interim antenna pending the completion of its main post-auction facility; all of our other repacked stations have completed construction on their permanent post-auction facilities.

The legislation authorizing the incentive auction and repacking established a $1.75 billion fund for reimbursement of costs incurred by stations required to change channels in the repacking. Subsequent legislation enacted on March 23, 2018, appropriated an additional $1 billion for the repacking fund, of which up to $750 million may be made available to repacked full power and Class A television stations and multichannel video programming distributors. Other funds are earmarked to assist affected low power television stations, television translator stations, and FM radio stations, as well for consumer education efforts.

A majority of our capital expenditures in connection with the repack occurred in 2018 and 2019. To date, we have incurred approximately $40.6 million in capital expenditures for the spectrum repack project (of which $4.9 million was paid during the first six months of 2020). We have received FCC reimbursements of approximately $34.1 million through June 30, 2020. The reimbursements were recorded as a contra operating expense within our "Spectrum repacking reimbursements and other, net" line item on our Consolidated Statement of Income and reported as an investing inflow on the Consolidated Statement of Cash Flows.

Related Party Transactions

We have an equity and debt investment in MadHive, Inc. (MadHive) which is a related party of TEGNA. In addition to our investment, we also have a commercial agreement with MadHive where they support our Premion business in acquiring and delivering over-the-top ad impressions. In the second quarter and first six months of 2020 and 2019, we incurred expenses of $13.7 million and $9.3 million, respectively, as a result of the commercial agreement with MadHive. As of June 30, 2020 and December 31, 2019 we had accounts payable and accrued liabilities associated with the commercial agreement of $4.2 million and $4.3 million, respectively.

Sale of minority ownership interest in Premion

On March 2, 2020, we sold a minority ownership interest in Premion, LLC (Premion) for $14.0 million to an affiliate of Gray Television (Gray). Gray is reselling Premion services across all of Gray's 93 television markets. Our TEGNA stations and Gray will each have the right to independently sell Premion in markets where we both operate a local television station. The sale of spot television advertising is not part of this agreement, and Gray and our TEGNA stations will continue to sell spot advertising for our respective stations without any involvement from the other party.

In connection with acquiring a minority interest, Gray has the right to sell its interest to Premion if there is a change in control of TEGNA or if the commercial reselling agreement terminates. Since redemption of the minority ownership interest is outside our control, Gray's equity interest is presented outside of the Equity section on the Condensed Consolidated Balance Sheet in the caption "Redeemable noncontrolling interest." On the date of sale, we recorded a $14.0 million redeemable noncontrolling interest on the Condensed Consolidated Balance Sheet in connection with Gray's investment. When the redemption value or the carrying value (the acquisition date fair value adjusted for the noncontrolling interest's share of net income (loss) and dividends) is less than the redemption value, we adjust the redeemable noncontrolling interest to equal the redemption value with changes recognized as an adjustment to retained earnings. Any such adjustment, when necessary, will be performed as of the applicable balance sheet date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Company Overview

We are an innovative media company that serves the greater good of our communities. Our business includes 63 television stations and two radio stations in 51 U.S. markets, we are the largest owner of top four network affiliates in the top 25 markets among independent station groups, reaching approximately 39% of U.S. television households. Each television station also has a robust digital presence across online, mobile and social platforms, reaching consumers whenever, wherever they are. We have been consistently honored with the industry's top awards, including Edward R. Murrow, George Polk, Alfred I. DuPont and Emmy Awards. Through TEGNA Marketing Solutions (TMS), our integrated sales and back-end fulfillment operations, we deliver results for advertisers across television, email, social, and Over the Top (OTT) platforms, including Premion, our OTT advertising network.

We have one operating and reportable segment. The primary sources of our revenues are: 1) advertising & marketing services (AMS) revenues, which include local and national non-political television advertising, digital marketing services (including Premion), and advertising on the stations' websites and tablet and mobile products; 2) subscription revenues, reflecting fees paid by satellite, cable, OTT (companies that deliver video content to consumers over the Internet) and telecommunications providers to carry our television signals on their systems; 3) political advertising revenues, which are driven by even year election cycles at the local and national level (e.g. 2020, 2018) and particularly in the second half of those years; and 4) other services, such as production of programming and advertising material.

As illustrated in the table below, our business continues to evolve toward growing stable and profitable revenue streams. Our high margin subscription and political revenues account for approximately half of our total two-year revenue for the period ending June 30, 2020, and we expect it will account for a larger percentage on a rolling two-year cycle thereafter. In 2020, we expect our combined subscription and political revenues to be more than 50% of our total revenues.

	Two Years Ending June 30,			
	2020		2019	
Advertising & Marketing Services	48%		53%	
Subscription	44%	51% (Subscription + Political)	40%	46% (Subscription + Political)
Political	7%		6%	
Other	1%		1%	
Total revenues	100%		100%	

Over the past several years, we have transformed our company to become a pure-play broadcasting company, adding approximately 40 stations in attractive markets and divesting non-core assets. During 2019 alone, we completed four strategic acquisitions for a total purchase price of $1.5 billion which enhanced our geographic diversity and bolstered our portfolio of Big Four stations while positioning our company to take full advantage of emerging viewing trends. As a result of this strategic evolution, we have increased revenue and cash flow, reduced economic cyclicality, delivered value for shareholders, and continue to be well-positioned to benefit from additional industry consolidation.

Recent Developments from COVID-19

During the first quarter of 2020, a novel strain of coronavirus (COVID-19) believed to have been first identified in Wuhan, China, spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The federal and state governments in the United States responded by instituting a wide variety of mitigating control measures, including, mandatory quarantines, closures of non-essential businesses and all other places of social interaction, while implementing “shelter in place” orders and travel restrictions in an effort to slow the spread of the virus. Such mitigating measures began negatively impacting our advertising and marketing services (AMS) revenue stream in mid-March as demand for non-political advertising softened. This trend has continued in the second quarter of 2020 as such measures either remain largely in place or were being slowly relaxed as certain state and local governments have begun to implement multi-step policies towards re-opening and lifting the control measures. Demand improved for advertising during May and June as steps toward re-opening were implemented. However, some states which re-opened (particularly in the southern United States) also experienced increases in new COVID-19 cases late in the second quarter and early in the third quarter, forcing some to reinstate control measures and restrict public gatherings.

Despite a strong start to the year, the wide variety of measures began negatively impacting our AMS revenue stream in mid-March as demand for non-political advertising softened. As noted above, the relative percentage of subscription and political revenues has grown over recent years and we expect this trend to continue. Historically, these revenue streams have been influenced less than AMS when economic conditions change, a trend we expect to continue. While the contribution of subscription and political revenues are increasing, AMS revenue still accounts for a significant amount of our total revenue. The impacts to AMS revenues in the near-term have been material. For the second quarter, our AMS revenue was down 21% year-over-year. Advertising demand steadily improved over the second quarter. The year-over-year decline for June AMS revenue, for example, was 20 percentage points better than the same comparison for April.

The duration of these trends and the magnitude of such impacts cannot be precisely estimated at this time, as they are affected by a number of factors (many of which are outside of management’s control), including those presented in Item 1A. “Risk Factors” of this Quarterly Report. Based on currently known information about COVID-19 trends and the governmental emphasis on re-opening the economy, we expect on a pro forma basis (assuming the businesses we acquired in mid-2019 were purchased on January 1, 2019), continued improvement in quarterly year-over-year comparisons for total revenues throughout the remainder of the fiscal year.

Our broadcast business has been designated an essential business, and therefore, our stations’ operations are continuing with new safeguards put in place to create a safe work environment for our employees. At most of our television stations, approximately 90-95 percent of the employees are working remotely. We have also adopted new measures based on current Centers for Disease Control guidelines to keep our employees safe and healthy. Measures include limiting the number of news and production employees in our stations to only those necessary to produce the newscasts, remote interviews, social distancing, and telework for all non-news personnel.

As a result of the near-term impact on non-political advertising demand caused by the COVID-19 pandemic, we implemented cost saving measures to reduce operating expenses and capital expenditures. These measures include

implementing temporary furloughs for one week during the second quarter for most personnel, reducing compensation for executives and our board of directors, and reducing non-critical discretionary spending. As is true of most businesses, the ultimate magnitude of the COVID-19 pandemic cannot be reasonably estimated at this time, but we do expect it to have a material adverse effect on our near-term results of operations.

We are experiencing a significant increase in ratings and audiences on all of our platforms, highlighting the crucial role our stations play by delivering important local journalism which builds trust and loyalty among our viewers. For example, TEGNA (and its portfolio of stations) has ascended into the top 50 digital properties (not just news) in terms of total audience in the U.S. according to Comscore’s report on Top 50 Multi-Platform Properties for June 2020.

The scope and nature of the COVID-19 impacts continue to evolve each day. For a discussion of mitigating measures being taken by management to navigate through these conditions as well as a discussion of key trends and uncertainties that have affected our business, see the sections that follow under the captions “Consolidated Results from Operations” and “Liquidity, Capital Resources and Cash Flows,” as well as within Part II, Item 1A “Risk Factors.”

Consolidated Results from Operations

The following discussion is a comparison of our consolidated results on a GAAP basis. The year-to-year comparison of financial results is not necessarily indicative of future results. In addition, see the section titled “Results from Operations - Non-GAAP Information” for additional tables presenting information which supplements our financial information provided on a GAAP basis.

During 2019, we acquired multiple local television stations and multicast networks. Specifically, we acquired the Gray stations (January 1, 2019), Justice (recently rebranded as True Crime Network) and Quest multicast networks (June 18, 2019), the Dispatch stations (August 8, 2019) and the Nexstar stations (September 9, 2019). See Note 2 to the condensed consolidated financial statements for further details. The Dispatch and Nexstar stations and multicast networks are collectively referred to as the “2019 Acquisitions” in the discussion that follows. The absence of the operating results from these 2019 Acquisitions for the periods prior to their acquisition in our financial statements impacts the year-to-year comparability of our consolidated operating results. The Gray stations do not impact the year-to-year comparability.

Our consolidated results of operations on a GAAP basis were as follows (in thousands, except per share amounts):

	Quarter ended June 30,			Six months ended June 30,		
	2020	2019	Change	2020	2019	Change
Revenues	$ 577,627	$ 536,932	8%	$ 1,261,816	$ 1,053,685	20%
Operating expenses:						
Cost of revenues	355,367	285,293	25%	724,735	566,604	28%
Business units - Selling, general and administrative expenses	85,008	73,941	15%	177,976	145,406	22%
Corporate - General and administrative expenses	28,312	15,836	79%	50,026	30,571	64%
Depreciation	16,711	14,533	15%	33,611	29,450	14%
Amortization of intangible assets	17,248	8,823	95%	33,464	17,512	91%
Spectrum repacking reimbursements and other, net	(116)	(4,306)	(97%)	(7,631)	(11,319)	(33%)
Total operating expenses	$ 502,530	$ 394,120	28%	$ 1,012,181	$ 778,224	30%
Total operating income	$ 75,097	$ 142,812	(47%)	$ 249,635	$ 275,461	(9%)
Non-operating expenses	(48,917)	(37,978)	29%	(116,132)	(73,874)	57%
Provision for income taxes	6,607	24,879	(73%)	27,732	47,653	(42%)
Net income	19,573	79,955	(76%)	105,771	153,934	(31%)
Net loss attributable to redeemable noncontrolling interest	374	—	***	484	—	***
Net income attributable to TEGNA Inc.	$ 19,947	$ 79,955	(75%)	$ 106,255	$ 153,934	(31%)
Net income per share - basic	$ 0.09	$ 0.37	(76%)	$ 0.48	$ 0.71	(32%)
Net income per share - diluted	$ 0.09	$ 0.37	(76%)	$ 0.48	$ 0.71	(32%)

*** Not meaningful

Revenues

Our AMS category includes all sources of our traditional television advertising and digital revenues including Premion and other digital advertising and marketing revenues across our platforms. Our Subscription revenue category includes revenue earned from cable and satellite providers for the right to carry our signals and the distribution of TEGNA stations on OTT streaming services.

Our revenues and operating results are subject to seasonal fluctuations. Generally, our second and fourth quarter revenues and operating results are stronger than those we report for the first and third quarter. This is driven by the second quarter reflecting increased spring seasonal advertising, while the fourth quarter typically includes increased advertising related to the holiday season. In addition, our revenue and operating results are subject to significant fluctuations across yearly periods resulting from political advertising. In even numbered years, political spending is usually significantly higher than in odd numbered years due to advertising for the local and national elections. Additionally, every four years, we typically experience even greater increases in political advertising in connection with the presidential election. The strong demand for advertising from political advertisers in these even years can result in the significant use of our available inventory (leading to a “crowd out” effect), which can diminish our AMS revenue in the even year of a two year election cycle, particularly in the fourth quarter of those years. In addition, in even years, our advertising revenue typically benefits from the Olympics which is carried on NBC, our largest network affiliation, although the summer Olympics originally scheduled for 2020 have been postponed to July 2021 due to the COVID-19 pandemic. To a lesser extent, the Super Bowl can influence our advertising results, the degree to which depending on which network broadcasts the event.

As noted above, while we expect the impacts of the COVID-19 pandemic to have a material adverse effect on non-political advertising placements and revenues while containment measures are in place and possibly longer, it is too early to tell with any kind of precision how or the extent to which future declines in non-political advertising revenues, particularly with respect to local AMS advertising, will impact our revenues and operating results in future quarters.

The following table summarizes the year-over-year changes in our revenue categories (in thousands):

	Quarter ended June 30,			Six months ended June 30,		
	2020	2019	Change	2020	2019	Change
Advertising & Marketing Services	$ 229,083	$ 289,569	(21%)	$ 524,236	$ 553,971	(5%)
Subscription	323,475	236,162	37%	656,277	477,737	37%
Political	17,544	3,229	***	64,931	5,933	***
Other	7,525	7,972	(6%)	16,372	16,044	2%
Total revenues	$ 577,627	$ 536,932	8%	$ 1,261,816	$ 1,053,685	20%

Total revenues increased $40.7 million in the second quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions contributed total revenues of $89.0 million in the second quarter of 2020. Excluding the 2019 Acquisitions, total revenues decreased $48.3 million, primarily due to a $99.0 million decrease in AMS reflecting COVID-19 related reduced advertising demand. AMS revenue comparisons to the prior year within the second quarter did improve steadily as advertising demand began to recover. April experienced the most significant decline. May’s decline was better than April’s and June’s was better than May’s. The June AMS revenue comparison to the prior year was 20 percentage points better than April. This decrease was partially offset by an increase in subscription revenue of $38.9 million, primarily due to annual rate increases under existing and newly renegotiated retransmission agreements and $11.4 million in political advertising, reflecting increased spending on the upcoming elections.

In the first six months of 2020, revenues increased $208.1 million compared to the same period in 2019. Our 2019 Acquisitions contributed total revenues of $196.5 million in the first six months of 2020. Excluding the 2019 Acquisitions, total revenues increased $11.6 million, primarily due to an increase in subscription revenue of $80.0 million in the first six months of 2020 from annual rate increases under existing retransmission agreements and $50.6 million in political advertising, reflecting increased spending on the upcoming elections. This increase was partially offset by a decline in AMS revenue of $119.7 million primarily due to reduced advertising demand caused by COVID-19. These underlying revenues have sequentially improved since the most significant impact felt at the onset of the pandemic early in the second quarter.

Cost of Revenues

Cost of revenues increased $70.1 million in the second quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added cost of revenues of $53.7 million in the second quarter of 2020. Excluding the 2019 Acquisitions, cost of revenues increased $16.4 million. The increase was primarily due to a $29.9 million increase in programming costs, due to the growth in subscription revenues (certain programming costs are linked to such revenues). Partially offsetting this increase was a reduction of $7.0 million of digital costs due to a decline in sales.

In the first six months of 2020, cost of revenues increased $158.1 million compared to the same period in 2019. Our 2019 Acquisitions added cost of revenues of $110.1 million in the first six months of 2020. Excluding the 2019 Acquisitions, cost of revenues increased $48.0 million. This increase was primarily due to a $57.4 million increase in programming costs, due to the growth in subscription revenues. Partially offsetting this increase was a reduction of $3.2 million of digital costs due to decline in sales.

Business Units - Selling, General and Administrative Expenses

Business unit selling, general and administrative (SG&A) expenses increased $11.1 million in the second quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added business unit SG&A expenses of $11.7 million in the first quarter of 2020. Excluding the 2019 Acquisitions, SG&A expenses decreased $0.6 million primarily due to lower selling costs of $4.8 million. Partially offsetting this decrease was a $3.0 million increase in bad debt expense, due to future collection risk from certain customers driven by impacts from the COVID-19 pandemic.

In the first six months of 2020, business unit SG&A expenses increased $32.6 million compared to the same period in 2019. Our 2019 Acquisitions added business unit SG&A expenses of $25.2 million. Excluding the 2019 Acquisitions, SG&A expenses increased $7.3 million primarily due to increases to bad debt expense.

Corporate General and Administrative Expenses

Our corporate costs are separated from our business expenses and are recorded as general and administrative expenses in our Consolidated Statement of Income. This category primarily consists of broad corporate management functions including Legal, Human Resources, and Finance, as well as activities and costs not directly attributable to the operations of our media business.

Corporate general and administrative expenses increased $12.5 million in the second quarter of 2020 compared to the same period in 2019. The increase was primarily due to $15.4 million of final payments for successful activism defense. Partially offsetting this was a decrease of $5.2 million in acquisition-related costs (principally advisory fees) due to the reduction in acquisition activity in 2020.

In the first six months of 2020, corporate general and administrative expenses increased $19.5 million compared to the same period in 2019. The increase was primarily due to $23.1 million of final payments for successful activism defense and $4.6 million of M&A due diligence costs. Partially offsetting this was a decrease of $9.1 million in acquisition-related costs (principally advisory fees) due to the reduction in acquisition activity in 2020.

Depreciation Expense

Depreciation expense increased by $2.2 million in the second quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added depreciation expense of $2.9 million. Excluding the impact of the 2019 Acquisitions, there was no material change in our depreciation expense.

In the first six months of 2020, depreciation expense increased $4.2 million compared to the same period in 2019. Our 2019 Acquisitions added depreciation expense of $5.6 million. Excluding the impact of the 2019 Acquisitions, there was no material change in our depreciation expense.

Amortization Expense

Amortization expense increased $8.4 million in the first quarter of 2020 compared to the same period in 2019. Our 2019 Acquisitions added amortization expense of $9.8 million. Excluding the impact of the 2019 Acquisitions, amortization expense decreased $1.4 million due to certain assets reaching the end of their assumed useful lives therefore becoming fully amortized.

In the first six months of 2020, amortization expense increased $16.0 million as compared to the same periods in 2019. Our 2019 Acquisitions added amortization expense of $18.5 million. Excluding the impact of the 2019 Acquisitions, amortization expense decreased $2.5 million due to certain assets reaching the end of their assumed useful lives.

Spectrum Repacking Reimbursements and Other, net

Spectrum repacking reimbursements and other net gains were $0.1 million in the second quarter of 2020 compared to gains of $4.3 million in the same period in 2019. The 2020 activity primarily consists of $2.3 million of reimbursements received from the Federal Communications Commission (FCC) for required spectrum repacking, partially offset by a $2.1 million impairment charge due to the retirement of a brand name. The 2019 gain consists of $4.3 million of reimbursements received from the FCC for required spectrum repacking.

In the first six months of 2020, we recognized net gains of $7.6 million, compared to $11.3 million recognized in the same period in 2019. The 2020 net gains primarily consist of $9.8 million of reimbursements received from the FCC for required spectrum repacking and partially offset by a $2.1 million impairment charge due to the retirement of a brand name. The 2019 gain primarily relates to $8.4 million of reimbursements received from the FCC for required spectrum repacking and a gain of $2.9 million as a result of the sale of certain real estate.

Operating Income

Our operating income decreased $67.7 million in the second quarter of 2020 compared to the same period in 2019. Results from our 2019 Acquisitions added operating income of $10.8 million in the second quarter of 2020. Excluding the 2019 Acquisitions, operating income decreased $78.5 million. The decrease was driven by the changes in revenue and expenses discussed above.

Our operating income decreased $25.8 million in the first six months of 2020 compared to the same period in 2019. Our 2019 Acquisitions added operating income of $37.1 million in the first six months of 2020. Excluding the 2019 Acquisitions, total operating income decreased $62.9 million in the first six months compared to the same period. The decrease was driven by the changes in revenue and expenses discussed above.

Non-Operating Expenses

Non-operating expenses increased $10.9 million in the second quarter of 2020 compared to the same period in 2019. This increase was partially due to the absence of a $7.3 million gain we recognized from the acquisition of Justice and Quest in 2019. In addition, interest expense increased by $5.6 million driven by higher average outstanding debt used to finance the 2019 Acquisitions partially offset by a lower average interest rate due to the refinancings undertaken in 2019 and 2020. Total average outstanding debt was $4.15 billion for the second quarter of 2020, compared to $2.91 billion in the same period of 2019. The weighted average interest rate on total outstanding debt was 4.84% for the second quarter of 2020, compared to 6.04% in the same period of 2019.

In the first six months of 2020, non-operating expenses increased $42.3 million compared to the same period in 2019. This increase was partially due to a $13.8 million call premium related to the repayment of our 2023 Senior Notes, acceleration of $7.9 million of previously deferred financing fees associated with the 2023 and 2020 Senior notes in the first quarter of 2020 due to their early repayment. In addition, the increase was driven by the absence of a $7.3 million gain we recognized from the acquisition of Justice and Quest in 2019 and $13.1 million of gains recognized in our equity income in unconsolidated investments as a result of the sale of two investments in 2019. Further, interest expense increased $16.1 million driven by higher average outstanding debt used to finance the 2019 Acquisitions partially offset by a lower average interest rate due to the refinancings undertaken in 2019 and 2020. The average debt outstanding was $4.17 billion for the first six months of 2020, compared to $2.93 billion in the same period of 2019. The weighted average interest rate on total outstanding debt was 5.04% for the first six months of 2020, compared to 6.05% in the same period of 2019. Partially offsetting the increase in non-operating expenses was equity income increase of $10.4 million from our CareerBuilder investment (which sold its employment screening business resulting in a pre-tax gain of $18.6 million being recognized by us).

Income Tax Expense

Income tax expense decreased $18.3 million in the second quarter of 2020 compared to the same period in 2019. Income tax expense decreased $19.9 million in the first six months of 2020 compared to the same period in 2019. The decreases were primarily due to decreases in net income before tax. Our effective income tax rate was 24.9% for the second quarter of 2020, compared to 23.7% for the second quarter of 2019. The tax rate for the second quarter of 2020 is higher than the comparable rate in 2019 primarily due to the impact of enacted state and local legislative changes. Our effective income tax rate was 20.7% for the first six months of 2020, compared to 23.6% for the same period in 2019. The tax rate for the first six months of 2020 is lower than the comparable amount in 2019 primarily due to the utilization of capital loss carryforwards in connection with certain disposition transactions and the release of the associated valuation allowance.

Net Income attributable to TEGNA Inc.

Net income attributable to TEGNA Inc. was $19.9 million, or $0.09 per diluted share, in the second quarter of 2020 compared to $80.0 million, or $0.37 per diluted share, during the same period in 2019. For the first six months of 2020, net income attributable to TEGNA Inc. was $106.3 million, or $0.48 per diluted share, compared to $153.9 million, or $0.71 per diluted share, for the same period in 2019. Both income and earnings per share were affected by the factors discussed above, most notably, the decline of AMS due to reduced advertising demand as a result of the COVID-19 pandemic.

The weighted average number of diluted common shares outstanding in the second quarter of 2020 and 2019 were 219.4 million and 217.9 million, respectively. The weighted average number of diluted shares outstanding in the first six months of 2020 and 2019 was 219.1 million and 217.6 million, respectively.

Results from Operations - Non-GAAP Information

Presentation of Non-GAAP information

We use non-GAAP financial performance measures to supplement the financial information presented on a GAAP basis. These non-GAAP financial measures should not be considered in isolation from, or as a substitute for, the related GAAP measures, nor should they be considered superior to the related GAAP measures, and should be read together with financial information presented on a GAAP basis. Also, our non-GAAP measures may not be comparable to similarly titled measures of other companies.

Management and our Board of Directors use the non-GAAP financial measures for purposes of evaluating company performance. Furthermore, the Leadership Development and Compensation Committee of our Board of Directors uses non-GAAP measures such as Adjusted EBITDA, non-GAAP net income, non-GAAP EPS and free cash flow to evaluate management's performance. Therefore, we believe that each of the non-GAAP measures presented provides useful information to investors and other stakeholders by allowing them to view our business through the eyes of management and our Board of Directors, facilitating comparisons of results across historical periods and focus on the underlying ongoing operating performance of our business. We also believe these non-GAAP measures are frequently used by investors, securities analysts and other interested parties in their evaluation of our business and other companies in the broadcast industry.

We discuss in this Form 10-Q non-GAAP financial performance measures that exclude from our reported GAAP results the impact of "special items" consisting of spectrum repacking reimbursements and other, gains related to businesses we account for under the equity method, acquisition-related costs, advisory fees related to activism defense, M&A due diligence costs, severance costs, intangible asset impairment charges, certain non-operating expenses related to the early extinguishment of debt, and a TEGNA foundation donation. In addition, we have excluded certain income tax special items associated with deferred tax benefits related to partial capital loss valuation allowance release.

We believe that such expenses and gains are not indicative of normal, ongoing operations. While these items may be recurring in nature and should not be disregarded in evaluation of our earnings performance, it is useful to exclude such items when analyzing current results and trends compared to other periods as these items can vary significantly from period to period depending on specific underlying transactions or events that may occur. Therefore, while we may incur or recognize these types of expenses and gains in the future, we believe that removing these items for purposes of calculating the non-GAAP financial measures provides investors with a more focused presentation of our ongoing operating performance.

We discuss Adjusted EBITDA (with and without corporate expenses), a non-GAAP financial performance measure that we believe offers a useful view of the overall operation of our businesses. We define Adjusted EBITDA as net income attributable to TEGNA before (1) net loss attributable to redeemable noncontrolling interest, (2) income taxes, (3) interest expense, (4) equity income (loss) in unconsolidated investments, net, (5) other non-operating items, net, (6) severance expense, (7) M&A due diligence costs, (8) acquisition-related costs, (9) advisory fees related to activism defense, (10) spectrum repacking reimbursements and other, net, (11) depreciation and (12) amortization. We believe these adjustments facilitate company-to-company operating performance comparisons by removing potential differences caused by variations unrelated to operating performance, such as capital structures (interest expense), income taxes, and the age and book appreciation of property/equipment (and related depreciation expense). The most directly comparable GAAP financial measure to Adjusted EBITDA is Net income attributable to TEGNA. Users should consider the limitations of using Adjusted EBITDA, including the fact that this measure does not provide a complete measure of our operating performance. Adjusted EBITDA is not intended to purport to be an alternate to net income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. In particular, Adjusted EBITDA is not intended to be a measure of cash flow available for management's discretionary expenditures, as this measure does not consider certain cash requirements, such as working capital needs, capital expenditures, contractual commitments, interest payments, tax payments and other debt service requirements.

We also discuss free cash flow, a non-GAAP performance measure that the Board of Directors uses to review the performance of the business. The most directly comparable GAAP financial measure to free cash flow is Net income attributable to TEGNA. Free cash flow is calculated as non-GAAP Adjusted EBITDA (as defined above), further adjusted by adding back (1) stock-based compensation, (2) non-cash 401(k) company match, (3) syndicated programming amortization, (4) pension reimbursements, (5) dividends received from equity method investments and (6) reimbursements from spectrum repacking. This is further adjusted by deducting payments made for (1) syndicated programming, (2) pension, (3) interest, (4) taxes (net of refunds) and (5) purchases of property and equipment. Like Adjusted EBITDA, free cash flow is not intended to be a measure of cash flow available for management's discretionary use.

Discussion of Special Charges Affecting Reported Results

Our results included the following items we consider "special items" that while at times recurring, can vary significantly from period to period:

Quarter and six months ended June 30, 2020:

- Spectrum repacking reimbursements and other, net consists of gains due to reimbursements from the FCC for required spectrum repacking, partially offset by an intangible asset impairment charge due to the retirement of a brand name;
- Advisory fees related to activism defense;
- M&A due diligence costs we incurred to assist prospective buyers of our company with their due diligence;
- A gain recognized in our equity income in unconsolidated investments, related to our share of CareerBuilder's gain on the sale of its employment screening business;
- Other non-operating items primarily related to costs incurred in connection with the early extinguishment of debt; and
- Deferred tax benefits related to partial capital loss valuation allowance release.

Quarter and six months ended June 30, 2019:

- Severance expense which included payroll and related benefit costs at our stations and corporate headquarters;
- Acquisition-related costs associated with business acquisitions;
- Spectrum repacking reimbursements and other, net consisting of a gain recognized on the sale of real estate and gains due to reimbursements from the FCC for required spectrum repacking;
- Gains recognized in our equity income in unconsolidated investments as a result of the sale of two investments; and
- Other non-operating items primarily relates to a gain for the remeasurement of our previously held ownership in Justice Network and Quest to fair value, and a charitable donation made to the TEGNA Foundation.

Reconciliations of certain line items impacted by special items to the most directly comparable financial measure calculated and presented in accordance with GAAP on our Consolidated Statements of Income follow (in thousands, except per share amounts):

		Special Items			
Quarter ended June 30, 2020	**GAAP measure**	**Advisory fees related to activism defense**	**Spectrum repacking reimbursements and other**	**Gain on equity method investment**	**Non-GAAP measure**
Corporate - General and administrative expenses	$ 28,312	$ (15,448)	$ —	$ —	$ 12,864
Spectrum repacking reimbursements and other, net	(116)	—	116	—	—
Operating expenses	502,530	(15,448)	116	—	487,198
Operating income	75,097	15,448	(116)	—	90,429
Equity income (loss) in unconsolidated investments, net	1,921	—	—	(6,514)	(4,593)
Total non-operating expenses	(48,917)	—	—	(6,514)	(55,431)
Income before income taxes	26,180	15,448	(116)	(6,514)	34,998
Provision for income taxes	6,607	3,882	(27)	(1,637)	8,825
Net income attributable to TEGNA Inc.	19,947	11,566	(89)	(4,877)	26,547
Net income per share-diluted	$ 0.09	$ 0.05	$ —	$ (0.02)	$ 0.12

		Special Items				
Quarter ended June 30, 2019	**GAAP measure**	**Severance expense**	**Acquisition-related costs**	**Spectrum repacking reimbursements and other**	**Other non-operating item**	**Non-GAAP measure**
Cost of revenues	$ 285,293	$ (875)	$ —	$ —	$ —	$ 284,418
Business units - Selling, general and administrative expenses	73,941	(376)	—	—	—	73,565
Corporate - General and administrative expenses	15,836	(201)	(5,208)	—	—	10,427
Spectrum repacking reimbursements and other, net	(4,306)	—	—	4,306	—	—
Operating expenses	394,120	(1,452)	(5,208)	4,306	—	391,766
Operating income	142,812	1,452	5,208	(4,306)	—	145,166
Equity (loss) in unconsolidated investments, net	(615)	—	—	—	—	(615)
Other non-operating items, net	8,964	—	—	—	(7,285)	1,679
Total non-operating expenses	(37,978)	—	—	—	(7,285)	(45,263)
Income before income taxes	104,834	1,452	5,208	(4,306)	(7,285)	99,903
Provision for income taxes	24,879	359	1,062	(1,089)	(1,824)	23,387
Net income attributable to TEGNA Inc.	79,955	1,093	4,146	(3,217)	(5,461)	76,516
Net income per share-diluted	$ 0.37	$ 0.01	$ 0.02	$ (0.02)	$ (0.03)	$ 0.35

Six months ended June 30, 2020	GAAP measure	Special Items: M&A due diligence costs	Special Items: Advisory fees related to activism defense	Special Items: Spectrum repacking reimbursements and other	Special Items: Gains on equity method investment	Special Items: Other non-operating items	Special Items: Special tax benefits	Non-GAAP measure
Corporate - General and administrative expenses	$ 50,026	$ (4,588)	$ (23,087)	$ —	$ —	$ —	$ —	$ 22,351
Spectrum repacking reimbursements and other, net	(7,631)	—	—	7,631	—	—	—	—
Operating expenses	1,012,181	(4,588)	(23,087)	7,631	—	—	—	992,137
Operating income	249,635	4,588	23,087	(7,631)	—	—	—	269,679
Equity income (loss) in unconsolidated investments, net	10,936	—	—	—	(18,585)	—	—	(7,649)
Other non-operating items, net	(18,231)	—	—	—	—	21,744	—	3,513
Total non-operating expenses	(116,132)	—	—	—	(18,585)	21,744	—	(112,973)
Income before income taxes	133,503	4,588	23,087	(7,631)	(18,585)	21,744	—	156,706
Provision for income taxes	27,732	1,151	5,801	(2,017)	(4,670)	5,463	3,944	37,404
Net income attributable to TEGNA Inc.	106,255	3,437	17,286	(5,614)	(13,915)	16,281	(3,944)	119,786
Net income per share-diluted	$ 0.48	$ 0.02	$ 0.08	$ (0.03)	$ (0.06)	$ 0.07	$ (0.02)	$ 0.54

Six months ended June 30, 2019	GAAP measure	Special Items: Severance expense	Special Items: Acquisition-related costs	Special Items: Spectrum repacking reimbursements and other	Special Items: Gain on equity method investment	Special Items: Other non-operating items	Non-GAAP measure
Cost of revenues	$ 566,604	$ (875)	$ —	$ —	$ —	$ —	$ 565,729
Business units - Selling, general and administrative expenses	145,406	(376)	—	—	—	—	145,030
Corporate - General and administrative expenses	30,571	(201)	(9,119)	—	—	—	21,251
Spectrum repacking reimbursements and other, net	(11,319)	—	—	11,319	—	—	—
Operating expenses	778,224	(1,452)	(9,119)	11,319	—	—	778,972
Operating income	275,461	1,452	9,119	(11,319)	—	—	274,713
Equity income (loss) in unconsolidated investments, net	11,413	—	—	—	(13,126)	—	(1,713)
Other non-operating items, net	7,425	—	—	—	—	(6,285)	1,140
Total non-operating expense	(73,874)	—	—	—	(13,126)	(6,285)	(93,285)
Income before income taxes	201,587	1,452	9,119	(11,319)	(13,126)	(6,285)	181,428
Provision for income taxes	47,653	359	2,042	(2,847)	(3,169)	(1,574)	42,464
Net income attributable to TEGNA Inc.	153,934	1,093	7,077	(8,472)	(9,957)	(4,711)	138,964
Net income per share-diluted	$ 0.71	$ 0.01	$ 0.03	$ (0.04)	$ (0.05)	$ (0.02)	$ 0.64

Adjusted EBITDA - Non-GAAP

Reconciliations of Adjusted EBITDA to net income presented in accordance with GAAP on our Consolidated Statements of Income are presented below (in thousands):

	Quarter ended June 30,			Six months ended June 30,		
	2020	2019	Change	2020	2019	Change
Net income attributable to TEGNA Inc. (GAAP basis)	$ 19,947	$ 79,955	(75%)	$ 106,255	$ 153,934	(31%)
Less: Net loss attributable to redeemable noncontrolling interest	(374)	—	***	(484)	—	***
Plus: Provision for income taxes	6,607	24,879	(73%)	27,732	47,653	(42%)
Plus: Interest expense	51,877	46,327	12%	108,837	92,712	17%
(Less) Plus: Equity (income) loss in unconsolidated investments, net	(1,921)	615	***	(10,936)	(11,413)	(4%)
Plus: Other non-operating items, net	(1,039)	(8,964)	(88%)	18,231	(7,425)	***
Operating income (GAAP basis)	75,097	142,812	(47%)	249,635	275,461	(9%)
Plus: Severance expense	—	1,452	***	—	1,452	***
Plus: M&A due diligence costs	—	—	***	4,588	—	***
Plus: Acquisition-related costs	—	5,208	***	—	9,119	***
Plus: Advisory fees related to activism defense	15,448	—	***	23,087	—	***
Less: Spectrum repacking reimbursements and other, net	(116)	(4,306)	(97%)	(7,631)	(11,319)	(33%)
Adjusted operating income (non-GAAP basis)	90,429	145,166	(38%)	269,679	274,713	(2%)
Plus: Depreciation	16,711	14,533	15%	33,611	29,450	14%
Plus: Amortization of intangible assets	17,248	8,823	95%	33,464	17,512	91%
Adjusted EBITDA (non-GAAP basis)	**124,388**	**168,522**	**(26%)**	**336,754**	**321,675**	**5%**
Corporate - General and administrative expense (non-GAAP basis)	12,864	10,427	23%	22,351	21,251	5%
Adjusted EBITDA, excluding Corporate (non-GAAP basis)	**$ 137,252**	**$ 178,949**	**(23%)**	**$ 359,105**	**$ 342,926**	**5%**

*** Not meaningful

In the second quarter of 2020 Adjusted EBITDA margin was 24% without corporate expense or 22% with corporate expense, compared to second quarter of 2019 Adjusted EBITDA margin of 33% without corporate expense or 31% with corporate expense. For the six months ended June 30, 2020, Adjusted EBITDA margin was 28% without corporate expense or 27% with corporate expense, compared to six months ended June 30, 2019 Adjusted EBITDA of 33% without corporate expense or 31% with corporate expense. The decreases in Adjusted EBITDA margins are primarily driven by the declines in AMS revenue due to reduced advertising demand as a result of the COVID-19 pandemic.

Our total Adjusted EBITDA decreased $44.1 million in the second quarter of 2020 compared to 2019. Our 2019 Acquisitions added Adjusted EBITDA of $23.6 million. Excluding the 2019 Acquisitions, Adjusted EBITDA was lower by $67.7 million. This decrease was primarily driven by the operational factors discussed above within the revenue and operating expense fluctuation explanation sections, most notably, the decline of AMS revenue.

For the first six months of 2020, Adjusted EBITDA increased $15.1 million primarily due to the same factors affecting the second quarter. Our 2019 Acquisitions added Adjusted EBITDA of $61.2 million. Excluding 2019 Acquisitions, Adjusted EBITDA was lower by $46.1 million. This decrease was primarily driven by the operational factors discussed above within the revenue and operating expense fluctuation explanation sections, most notably, the decline of AMS revenue.

Free Cash Flow Reconciliation

Our free cash flow, a non-GAAP performance measure, was $238.3 million in the first half of 2020 compared to $160.7 million for the same period in 2019.

Reconciliations from “Net income” to “Free cash flow” follow (in thousands):

	Six months ended June 30,		
	2020	2019	Change
Net income attributable to TEGNA Inc. (GAAP basis)	$ 106,255	$ 153,934	(31%)
Plus: Provision for income taxes	27,732	47,653	(42%)
Plus: Interest expense	108,837	92,712	17%
Plus: M&A due diligence costs	4,588	—	***
Plus: Acquisition-related costs	—	9,119	***
Plus: Depreciation	33,611	29,450	14%
Plus: Amortization	33,464	17,512	91%
Plus: Stock-based compensation	7,568	9,442	(20%)
Plus: Company stock 401(k) contribution	8,566	3,244	***
Plus: Syndicated programming amortization	35,971	26,994	33%
Plus: Severance expense	—	1,452	***
Plus: Advisory fees related to activism defense	23,087	—	***
Plus: Cash dividend from equity investments for return on capital	3,566	—	***
Plus: Cash reimbursements from spectrum repacking	9,768	8,439	16%
Plus: Other non-operating items, net	18,231	(7,425)	***
Less: Net loss attributable to redeemable noncontrolling interest	(484)	—	***
Less: Income tax (payments) receipts, net of refunds	(465)	(55,785)	(99%)
Less: Spectrum repacking reimbursements and other, net	(7,631)	(11,319)	(33%)
Less: Equity income in unconsolidated investments, net	(10,936)	(11,413)	(4%)
Less: Syndicated programming payments	(35,831)	(23,722)	51%
Less: Pension contributions	(3,250)	(5,947)	(45%)
Less: Interest payments	(100,074)	(85,961)	16%
Less: Purchases of property and equipment	(24,308)	(37,684)	(35%)
Free cash flow (non-GAAP basis)	$ 238,265	$ 160,695	48%

*** Not meaningful

Liquidity, Capital Resources and Cash Flows

Our operations have historically generated strong positive cash flow which, along with availability under our existing revolving credit facility and cash and cash equivalents on hand, have been sufficient to fund our capital expenditures, interest expense, dividends, investments in strategic initiatives (including acquisitions) and other operating requirements.

The COVID-19 pandemic has recently had far-reaching material adverse impacts on many aspects of our operations, directly and indirectly, including our employees, consumer behavior, distribution of our content, our vendors, and the overall market. The full impact of the COVID-19 pandemic, particularly with regard to the broader advertising industry, remains uncertain and is evolving. In light of the uncertain and evolving situation relating to the COVID-19 pandemic, we have taken a number of precautionary measures to mitigate the financial impact of the pandemic, and minimize the resultant risks to our company, employees, our shareholders, customers, and the communities in which we serve. Such steps include the following:

- Halted the discretionary repayment of short-term borrowings resulting in the build up our cash balance to approximately $179.4 million as of July 31, 2020;
- Amended our revolving credit facility on June 11, 2020 to extend the initial step-down of the maximum permitted total leverage ratio by 15 months. Under the amendment our total leverage ratio will remain at 5.5x until the fiscal quarter ending March 31, 2022;
- Implemented temporary company-wide one-week furlough program of our workforce during the second quarter of 2020;

- Announced temporary pay reductions of 8% for certain key newsroom personnel, 20% for general managers and corporate senior vice presidents, and 25% for our CEO and Board of Directors in lieu of the one week furlough;
- Reduced and/or deferred capital expenditures and non-critical operating expenses; and
- Implemented travel bans and restrictions.

Further, in response to COVID-19, President Donald Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) on March 27, 2020. The CARES Act provides numerous tax provisions and other stimulus measures. We believe we will benefit from the CARES Act as a result of lower 2020 tax payments of approximately $7 million from the provisions that allow for (1) immediate deduction of any eligible leasehold improvements placed in service during 2018 and 2019, and (2) temporary relaxation of net interest deduction limitations which will allow us to immediately deduct 2019 interest expense that would other otherwise have been disallowed and carried forward to future periods. We also elected to defer the employer portion of the social security payroll tax (6.2%) as outlined within the CARES Act. The deferral is effective from March 27, 2020 through December 31, 2020. We estimate the cash flow benefit of this to be approximately $20 million in 2020. The deferred amount will be paid in two installments and the amount will be considered timely paid if 50% of the deferred amount is paid by December 31, 2021 and the remainder by December 31, 2022.

As of June 30, 2020, we were in compliance with all covenants contained in our debt agreements and credit facility and our leverage ratio, calculated in accordance with our revolving credit agreement and term loan agreements, was 4.7x, well below the permitted leverage ratio of less than 5.5x. The leverage ratio is calculated using annualized adjusted EBITDA (as defined in the agreement) for the trailing eight quarters. While we do expect the cash flow we generate to decline in the third quarter on account of the pandemic containment measures in place, we believe that we will remain compliant with all covenants for the foreseeable future.

We often present a different leverage ratio in our investor communications than the one required to be computed by our revolving covenant agreement. The ratio disclosed in our investor communications, which is regularly reviewed by our management and our board of directors, was 4.8x as of June 30, 2020. The primary difference between this computation and the leverage ratio calculated in accordance with our revolving credit agreement is the definition of adjusted EBITDA in the revolving credit agreement version requires additional adjustments to add back non-cash compensation and contractual synergy benefits during periods in the trailing eight quarters that preceded the acquisition.

On September 13, 2019, we completed a private placement offering of $1.1 billion aggregate principal amount of unsecured notes bearing an interest rate of 5.00% which are due in September 2029. The proceeds from this note offering were used to finance a portion of the acquisition of the Nexstar Stations, and along with borrowing under the revolving credit facility, were used to repay the remaining $320 million of notes bearing fixed rate interest at 5.125% which had become due in October 2019. Additionally we early repaid $290 million of our $600 million unsecured notes bearing fixed interest at 5.125% which are due in July 2020.

On January 9, 2020 we completed a private placement offering of $1.0 billion senior notes bearing an interest rate of 4.625% which are due in March 2028. These senior notes, as well as those issued in September 2019, include customary market covenants and call provisions consistent with our past issuances. On February 11, 2020 we used the net proceeds to repay the remaining $310 million principal amount of our 5.125% Senior Notes due 2020, the $650 million principal amount of our 6.375% Senior Notes due 2023, a $13.8 million call premium on our 6.375% Senior Notes due 2023 and borrowings under our revolving credit facility.

As of June 30, 2020, our total debt was $4.1 billion, cash and cash equivalents totaled $173.1 million, and we had unused borrowing capacity of $653.8 million under our revolving credit facility. As of June 30, 2020, approximately $3.22 billion, or 78%, of our debt has a fixed interest rate. Excluding our ability to repay funds with the revolving credit facility, we have minimal near-term contractual debt maturities due, with $75 million remaining in 2020, and then no maturities due until September 2021 of $350 million.

Our financial and operating performance, as well as our ability to generate sufficient cash flow to maintain compliance with credit facility covenants, are subject to certain risk factors; see Item 1A. “Risk Factors” in this Report as well as our 2019 Annual Report on Form 10-K for further discussion. We expect our existing cash and cash equivalents, cash flow from our operations, and borrowing capacity under the revolving credit facility will be more than sufficient to satisfy our debt service obligations, capital expenditure requirements, and working capital needs for the next twelve months.

Cash Flows

The following table provides a summary of our cash flow information followed by a discussion of the key elements of our cash flow (in thousands):

	Six months ended June 30,	
	2020	2019
Balance of cash and cash equivalents beginning of the period	$ 29,404	$ 135,862
Operating activities:		
Net income	105,771	153,934
Depreciation, amortization and other non-cash adjustments	72,273	36,510
Pension contributions, net of expense	(5,885)	(3,812)
Decrease (increase) in trade receivables	91,246	(20,091)
Increase (decrease) in interest and taxes payable	32,056	(6,910)
Other, net	18,081	(42,780)
Cash flow from operating activities	313,542	116,851
Investing activities:		
Payments for acquisitions of businesses and other assets, net of cash acquired	(15,841)	(185,926)
All other investing activities	(5,216)	(11,779)
Cash flow used for investing activities	(21,057)	(197,705)
Cash flow used for financing activities	(148,819)	(25,740)
Increase (decrease) in cash and cash equivalents	143,666	(106,594)
Balance of cash and cash equivalents end of the period	$ 173,070	$ 29,268

Operating Activities - Cash flow from operating activities was $313.5 million for the six months ended June 30, 2020, compared to $116.9 million for the same period in 2019. This was driven by the $59.0 million increase in political revenue in 2020. As political advertisements are paid upfront, they provide an immediate benefit to operating cash flow as compared to non-political advertising which is billed and collected in arrears after the advertisement has been delivered. Also contributing to the increase was a decrease in tax payments of $55.3 million due to guidance from U.S. Department of the Treasury and the Internal Revenue Service allowing for the deferral of federal income tax payments to July 15, 2020, which would have otherwise been paid in the second quarter (see Note 5 condensed consolidated financial statements). The 2019 Acquisitions and higher subscription revenue also contributed to the increase.

Investing Activities - Cash flow used for investing activities was $21.1 million for the six months ended June 30, 2020, compared to $197.7 million for the same period in 2019. The decrease was primarily due to $15.8 million being spent on acquisitions in 2020 as compared to cash used in the acquisition of the Gray Stations and Justice and Quest multicast networks for $185.9 million in the first six months of 2019.

Financing Activities - Cash flow used for financing activities was $148.8 million for the six months ended June 30, 2020, compared to $25.7 million for the same period in 2019. The change was primarily due to debt activity in 2020. Specifically, in 2020 we issued $1.0 billion of unsecured notes, the proceeds of which were used to early redeem $650.0 million of unsecured notes due in October 2023 and $310.0 million due in July 2020. In addition, we incurred fees of $29.9 million related to the debt issuance, early redemption fees and an amendment of the revolving credit facility. We also paid down $68.0 million on our revolving credit facility early in the first six months of 2020 as compared to borrowing $55.0 million in the first six months of 2019.

Fiscal Year 2020 Outlook

On April 20, 2020, due to the level of uncertainty at the beginning of the COVID-19 pandemic, we suspended our full year 2020 guidance and 2021 preliminary outlook. While the full impact of the COVID-19 pandemic, particularly with regard to the

broader advertising industry, remains uncertain, on August 10, 2020, we provided a full year 2020 outlook on a few key financial metrics which are summarized below:

- Political advertising revenue outlook of at least $370 million;
- Subscription revenue growth of up mid-twenties percentage-wise;
- Capital expenditures $45 - $50 million (which includes non-recurring capital expenditures of $20 - $24 million);
- Interest expense in the range of $210 - $215 million;
- Net leverage ratio of 4.5x or less by year end; and
- Effective tax rate in the range of 23.5% to 24.5%.

Certain Factors Affecting Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q contain forward-looking statements regarding business strategies, market potential, future financial performance and other matters, which include, but are not limited to the adverse impacts caused by the COVID-19 pandemic and its effect on our revenues, particularly our non-political advertising revenues. The words “believe,” “expect,” “estimate,” “could,” “should,” “intend,” “may,” “plan,” “seek,” “anticipate,” “project” and similar expressions, among others, generally identify “forward-looking statements”. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results and events to differ materially from those anticipated in the forward-looking statements, including those described within Part II, Item 1A “Risk Factors” in this current report, as well as under Item 1A. “Risk Factors” in our 2019 Annual Report on Form 10-K.

Our actual financial results may be different from those projected due to the inherent nature of projections. Given these uncertainties, forward-looking statements should not be relied on in making investment decisions. The forward-looking statements contained in this Form 10-Q speak only as of the date of its filing. Except where required by applicable law, we expressly disclaim a duty to provide updates to forward-looking statements after the date of this Form 10-Q to reflect subsequent events, changed circumstances, changes in expectations, or the estimates and assumptions associated with them. The forward-looking statements in this Form 10-Q are intended to be subject to the safe harbor protection provided by the federal securities laws.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For quantitative and qualitative disclosures about market risk, refer to the following section of our 2019 Annual Report on Form 10-K: “Item 7A. Quantitative and Qualitative Disclosures about Market Risk.” Our exposures to market risk have not changed materially since December 31, 2019.

As of June 30, 2020, approximately $3.22 billion of our debt has a fixed interest rate (which represents approximately 78% of our total principal debt obligation). Our remaining debt obligation of $910 million has floating interest rates. These obligations fluctuate with market interest rates. By way of comparison, a 50 basis points increase or decrease in the average interest rate for these obligations would result in a change in annual interest expense of approximately $4.5 million. The fair value of our total debt, based on bid and ask quotes for the related debt, totaled $4.02 billion as of June 30, 2020 and $4.32 billion as of December 31, 2019.

Item 4. Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2020. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective, as of June 30, 2020, to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 are recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms.

There have been no material changes in our internal controls or in other factors during the fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 11 to the condensed consolidated financial statements for information regarding our legal proceedings.

Item 1A. Risk Factors

While we attempt to identify, manage and mitigate risks and uncertainties associated with our business, some level of risk and uncertainty will always be present. “Item 1A. Risk Factors” of our 2019 Annual Report on Form 10-K describes the risks and uncertainties that we believe may have the potential to materially affect our business, results of operations, financial condition, cash flows, projected results and future prospects. The information below represents a new risk factor related to the adverse impacts from the COVID-19 pandemic.

The COVID-19 pandemic could continue to materially adversely affect our financial condition, results of operations and cash flows

During the first quarter of 2020, a novel strain of coronavirus (COVID-19) believed to have been first identified in Wuhan, China, spread globally, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The federal and state governments in the United States have responded by instituting a wide variety of mitigating control measures, including, mandatory quarantines, closures of non-essential businesses and all other places of social interaction, while implementing “shelter in place” orders and restricting travel. Such control measures have resulted in cancellation or postponement of sporting events, including the Olympics, and suspension of popular entertainment content production. The mitigating control measures began negatively impacting our AMS revenue stream in mid-March as demand for non-political advertising softened. This trend has continued into the second quarter of 2020 as such measures remain largely in place as of this date. During the second quarter, certain state and local governments began to implement multi-step policies towards re-opening and lifting the control measures. Demand improved for advertising during May and June as this occurred. However, some states which re-opened (particularly in the southern United States) also experienced increases in new COVID-19 cases late in second quarter and early in the third quarter, forcing some to reinstate control measures and restrict public gatherings.

The extent of its impact on our financial and operational results, which could be material, will depend on the length of time that the pandemic continues and whether we experience subsequent waves of the infection, its effect on our customers’ demand for our advertising products (as well as their ability to pay us for services provided), the pace at which governmental regulations closing businesses and restricting movement imposed in response to the pandemic are relaxed, the success of large economic stimulus measures passed into law as well as uncertainty regarding all of the foregoing.

While we cannot at this time predict the full impact of the COVID-19 pandemic, it is likely to have a material adverse effect on at least our near-term results of operations and cash flows. In addition, a sustained adverse impact from the COVID-19 pandemic could eventually impact our ability to maintain compliance with covenants under our revolving credit facility in the future further affecting our liquidity and financial condition. In addition, we may experience an increased risk of undetected malicious cyber-security attacks due to our workforce working remotely. We continue to closely monitor the situation, to assess further possible implications to our business and customers, and to take actions in an effort to mitigate adverse consequences.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On September 19, 2017, we announced that our Board of Directors authorized a share repurchase program for up to $300.0 million of our common stock over three years. During the second quarter of 2020, no shares were repurchased and as of June 30, 2020, approximately $279.1 million remained under this program. As a result of our 2019 Acquisitions, we have suspended share repurchases under this program.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description
3-1	Third Restated Certificate of Incorporation of TEGNA Inc. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 10-Q for the fiscal quarter ended April 1, 2007).
3-1-1	Amendment to Third Restated Certificate of Incorporation of TEGNA Inc. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 8-K filed on May 1, 2015).
3-1-2	Amendment to Third Restated Certificate of Incorporation of TEGNA Inc. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 8-K filed on July 2, 2015).
3-2	By-laws, as amended through July 24, 2018. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 8-K filed on July 27, 2018).
10-1	Thirteenth Amendment, dated as of June 11, 2020, to the Amended and Restated Competitive Advance and Revolving Credit Agreement, dated as of December 13, 2004 and effective as of January 5, 2005, and as amended and restated as of August 5, 2013, as further amended as of June 29, 2015, as further amended as of September 30, 2016, as further amended as of August 1, 2017, as further amended as of June 21, 2018 and as further amended as of August 15, 2019, among TEGNA Inc., JPMorgan Chase Bank, N.A., as administrative agent, and the several banks and other financial institutions from time to time parties thereto (incorporated by reference to Exhibit 10-1 to TEGNA Inc.'s Form 8-K filed on June 12, 2020).
10-2	Form of Executive Officer Performance Share Award Agreement.*
10-3	Form of Executive Officer Restricted Stock Unit Award Agreement.*
10-4	Form of Director Restricted Stock Unit Award Agreement.*
31-1	Rule 13a-14(a) Certification of CEO.
31-2	Rule 13a-14(a) Certification of CFO.
32-1	Section 1350 Certification of CEO.
32-2	Section 1350 Certification of CFO.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

We agree to furnish to the Commission, upon request, a copy of each agreement with respect to long-term debt not filed herewith in reliance upon the exemption from filing applicable to any series of debt representing less than 10% of our total consolidated assets.

* Asterisks identify management contracts and compensatory plans or arrangements.

SIGNATURE

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 thereunto duly authorized.

Date: August 10, 2020	TEGNA INC.
	/s/ Clifton A. McClelland III
	Clifton A. McClelland III
	Senior Vice President and Controller
	(on behalf of Registrant and as Principal Accounting Officer)

AWARD AGREEMENT

PERFORMANCE SHARES

The Leadership Development and Compensation Committee of the TEGNA Inc. Board of Directors has approved your opportunity to receive Performance Shares (referred to herein as “Performance Shares”) under the TEGNA Inc. 2020 Omnibus Incentive Compensation Plan (the “Plan”), as set forth below.

This Award Agreement and the enclosed Terms and Conditions effective as of ________, 2020, constitute the formal agreement governing this award.

Please sign both copies of this Award Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference.

Employee:	Location:
Grant Date:	________, 2020
Performance Period Commencement Date:	________, 2020
Performance Period End Date:	________, 2023
Performance Share Payment Date:	On a date specified by the Committee that is within 30 days after the Performance Period End Date
Target Number of Performance Shares:	_____*

* The actual number of Performance Shares you may receive will be higher or lower depending on the Company’s actual performance versus targeted performance and your continued employment with the Company, as more fully explained in the enclosed Terms and Conditions.

TEGNA Inc.

______________________________		______________________________
Employee’s Signature or Acceptance by Electronic Signature	By:	Jeffery Newman Senior Vice President/Human Resources

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PERFORMANCE SHARES
TERMS AND CONDITIONS
Under the
TEGNA Inc.
2020 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated ________, 2020, govern the right of the employee (the "Employee") designated in the Award Agreement dated coincident with these Terms and Conditions to receive Performance Shares (referred to herein as "Performance Shares"). Generally, the Employee will not receive any Performance Shares unless the specified service and performance requirements set forth herein are satisfied. The Performance Shares are granted under, and are subject to, the TEGNA Inc. (the "Company") 2020 Omnibus Incentive Compensation Plan (the "Plan"). Terms used herein that are defined in the Plan shall have the meanings ascribed to them in the Plan. If there is any inconsistency between these Terms and Conditions and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms herein.

1. Grant of Performance Shares. Pursuant to the provisions of (i) the Plan, (ii) the individual Award Agreement governing the grant, and (iii) these Terms and Conditions, the Employee may be entitled to receive Performance Shares. Each Performance Share that becomes payable shall entitle the Employee to receive from the Company one share of the Company's common stock ("Common Stock") upon the expiration of the Incentive Period, as defined in Section 2, except as provided in Section 13. The actual number of Performance Shares an Employee will receive will be calculated in the manner described in these Terms and Conditions, including Exhibit A, and may be different than the Target Number of Performance Shares set forth in the Award Agreement.

2. Incentive Period. Except as otherwise provided in Section 13 below, the Incentive Period in respect of the Performance Shares shall commence on the Performance Period Commencement Date specified in the Award Agreement and end on the Performance Period End Date specified in the Award Agreement.

3. No Dividend Equivalents. No dividend equivalents shall be paid to the Employee with regard to the Performance Shares.

4. Delivery of Shares. The Company shall deliver to the Employee a certificate or certificates, or at the election of the Company make an appropriate book-entry, for the number of shares of Common Stock equal to the number of Performance Shares that have been earned based on the Company's performance during the Incentive Period as set forth in Exhibit A and satisfaction of the Terms and Conditions set forth herein, which number of shares shall be reduced by the value of all taxes withheld by reason of such delivery; provided that the amount that is withheld cannot exceed the amount of the taxes owed by the Employee using the maximum statutory tax rate in the Employee's applicable jurisdiction(s). Except as provided in Sections 13 or 14, such delivery shall take place on the Performance Share Payment Date. An Employee shall have no further rights with regard to the Performance Shares once the underlying shares of Common Stock have been delivered.

5. Forfeiture and Cancellation of Right to Receive Performance Shares.

(a) Termination of Employment. Except as provided in Sections 6, 13, and 14, an Employee's right to receive Performance Shares shall automatically be cancelled upon the Employee's termination of employment (as well as an event that results in the Employee's employer ceasing to be a subsidiary of the Company) prior to the Performance Period End Date,

and in such event the Employee shall not be entitled to receive any shares of Common Stock in respect thereof.

(b) Forfeiture of Performance Shares/Recovery of Common Stock. Performance Shares granted under this Award Agreement are subject to the Company's Recoupment Policy, dated as of February 26, 2013, as amended as of December 7, 2018, and which may be further amended from time-to-time with retroactive effect. In addition, the Company may assert any other remedies that may be available to the Company under applicable law, including, without limitation, those available under Section 304 of the Sarbanes-Oxley Act of 2002.

6. Death, Disability, Retirement. Except as provided in Sections 13 or 14 below, in the event that the Employee's employment terminates on or prior to the Performance Period End Date by reason of death, permanent disability (as determined under the Company's Long Term Disability Plan), termination of employment after attaining age 65 (other than for "Cause"), or termination of employment after both attaining age 55 and completing at least 5 years of service (other than for "Cause"), the Employee (or in the case of the Employee's death, the Employee's estate or designated beneficiary) shall be entitled to receive at the Performance Share Payment Date the number of shares of Common Stock equal to the product of (i) the total number of shares in respect of such Performance Shares which the Employee would have been entitled to receive upon the expiration of the Incentive Period had the Employee's employment not terminated, and (ii) a fraction, the numerator of which shall be the number of full calendar months between the Performance Period Commencement Date and the date that employment terminated, and the denominator of which shall be the number of full calendar months from the Performance Period Commencement Date to the Performance Period End Date. In the event the Employee is terminated for "Cause" all unpaid awards shall be forfeited.

“Cause” shall mean a termination of the Employee’s employment following the occurrence of any of the following events, each of which shall constitute a “Cause” for such termination:

(i) any material misappropriation of funds or property of the Company or its affiliate by the Employee;

(ii) unreasonable and persistent neglect or refusal by the Employee to perform his or her duties which is not remedied within thirty (30) days after receipt of written notice from the Company;

(iii) conviction, including a plea of guilty or of nolo contendere, of the Employee of a securities law violation or a felony;

(iv) material violation of the Company’s employment policies by the Employee; or

(v) material harm to the Company (financial, competitive, reputational or otherwise) caused by the Employee’s gross negligence, intentional misconduct or knowing or reckless disregard of supervisory responsibility for a direct report who engaged in gross negligence or intentional misconduct.

The Committee, in its sole discretion, shall be responsible for making the determination whether an Employee’s termination is for “Cause”, and its decision shall be binding on all parties.

7. Non-Assignability. Performance Shares may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Performance Shares be made subject to execution, attachment or similar process.

8. Rights as a Shareholder. The Employee shall have no rights as a shareholder by reason of the Performance Shares.

9. Discretionary Plan; Employment. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of Performance Shares is a one-time benefit which does not create any contractual or other right to receive future grants of Performance Shares, or benefits in lieu of Performance Shares; (b) all determinations with respect to any such future grants, including, but not limited to, the times when the Performance Shares shall be granted, the number of Performance Shares, and the Incentive Period, will be at the sole discretion of the Company; (c) the Employee's participation in the Plan shall not create a right to further employment with the Employee's employer and shall not interfere with the ability of the Employee's employer to terminate the Employee's employment relationship at any time with or without cause; (d) the Employee's participation in the Plan is voluntary; (e) the Performance Shares are not part of normal and expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payment, bonuses, long-service awards, pension or retirement benefits, or similar payments; and (f) the future value of the Performance Shares is unknown and cannot be predicted with certainty.

10. Effect of Plan and these Terms and Conditions. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Leadership Development and Compensation Committee of the Board of Directors of the Company (the "Committee") in its sole discretion to adjust awards and to make interpretations and other determinations with respect to all matters relating to the applicable Award Agreements, these Terms and Conditions, the Plan and awards made pursuant thereto. These Terms and Conditions shall apply to the grant of Performance Shares made to the Employee on the date hereof and shall not apply to any future grants of Performance Shares made to the Employee.

11. Notices. Notices hereunder shall be in writing and, if to the Company, shall be addressed to the Secretary of the Company at 8350 Broad Street, Suite 2000, Tysons, Virginia 22102, and, if to the Employee, shall be addressed to the Employee at his or her address as it appears on the Company's records.

12. Successors and Assigns. The applicable Award Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company and, to the extent provided in Section 6 hereof, to the estate or designated beneficiary of the Employee.

13. Change in Control Provisions.

Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to the right of an Employee to receive Performance Shares under the attached Award Agreement.

(a) Definitions.

As used in Articles 2 and 14 of the Plan and in these Terms and Conditions, a “Change in Control” shall mean the first to occur of the following:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes

of this Section, the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates, or (iv) any acquisition pursuant to a transaction that complies with Sections 13(a)(iii)(A), 13(a)(iii)(B) and 13(a)(iii)(C);

(ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the

then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or entity resulting from such Business Combination (including, without limitation, a corporation or entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or any corporation or entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation or entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation or entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation or entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) Acceleration Provisions. In the event of a Change in Control, the number of Performance Shares payable to an Employee shall be calculated in accordance with the Change in Control rules set forth in Exhibit A, subject to the vesting rules set forth below.

(i) In the event of the occurrence of a Change in Control in which the Performance Shares are not continued or assumed (i.e., the Performance Shares are not

equitably converted into, or substituted for, a right to receive cash and/or equity of a successor entity or its affiliate), the Performance Shares that have not been cancelled shall become fully vested and shall be paid out to the Employee as soon as administratively practicable on or following the effective date of the Change in Control (but in no event later than 30 days after such event), provided that the Change in Control also constitutes a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A of the Internal Revenue Code of 1986 (the "Code") and the regulations and guidance issued thereunder ("Section 409A"), and such payout will not result in additional taxes under Section 409A. Otherwise, in the event of the occurrence of a Change in Control in which the Performance Shares are not continued or assumed, the vested Performance Shares shall be paid out at the earlier of the Employee's termination of employment or the Performance Share Payment Date.

(ii) In the event of the occurrence of a Change in Control in which the Performance Shares are continued or assumed (i.e., the Performance Shares are equitably converted into, or substituted for, a right to receive cash and/or equity of a successor entity or its affiliate), the Performance Shares shall not vest upon the Change in Control, provided that the Performance Shares that have not vested under the other provisions of this Award shall become fully vested in the event that the Employee has a "qualifying termination of employment" within two years following the date of the Change in Control. In the event of the occurrence of a Change in Control in which the Performance Shares are continued or assumed, vested Performance Shares shall be paid out to the Employee at the earlier of the Employee's termination of employment or the Performance Share Payment Date.

A “qualifying termination of employment” shall occur if the Company involuntarily terminates the Employee without “Cause” or the Employee voluntarily terminates for “Good Reason”. For this purpose, “Cause” shall mean:

- any material misappropriation of funds or property of the Company or its affiliate by the Employee;
- unreasonable and persistent neglect or refusal by the Employee to perform his or her duties which is not remedied within thirty (30) days after receipt of written notice from the Company; or
- conviction, including a plea of guilty or of nolo contendere, of the Employee of a securities law violation or a felony.

For this purpose, “Good Reason” means the occurrence after a Change in Control of any of the following circumstances without the Employee’s express written consent, unless such circumstances are fully corrected within 90 days of the Notice of Termination described below:

- the material diminution of the Employee’s duties, authorities or responsibilities from those in effect immediately prior to the Change in Control;
- a reduction in the Employee’s base salary or target bonus opportunity as in effect on the date immediately prior to the Change in Control;
- failure to provide the Employee with an annual long-term incentive opportunity the grant date value of which is equivalent to or greater in value than Employee’s regular annual long-term incentive opportunity in effect on the date of the Change of Control (counting only normal long-term incentive awards made as a part of the regular annual pay package, not special awards not made on a regular basis), calculated using widely recognized valuation methodologies by an experienced compensation consultant at a nationally recognized firm;
- the relocation of the Employee’s office from the location at which the Employee is principally employed immediately prior to the date of the Change in Control to a location 35 or more miles farther from the Employee’s residence immediately prior to the Change in Control, or the Company’s requiring the Employee to be based anywhere other than the Company’s offices at such location, except for required travel on the Company’s business to an extent substantially consistent with the Employee’s business travel obligations prior to the Change in Control; or
- the failure by the Company or its affiliate to pay any compensation or benefits due to the Employee.

Any termination by the Employee for Good Reason shall be communicated by a Notice of Termination that (x) indicates the specific termination provision in the Award Agreement relied upon, and (y) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated. Such notice must be provided to the Company within ninety (90) days after the event that created the "Good Reason".

(iii) If in connection with a Change in Control, the Performance Shares are assumed (i.e., the Performance Shares are equitably converted into, or substituted for, a right to receive cash and/or equity of a successor entity or its affiliate), the Performance Shares shall refer to the right to receive such cash and/or equity. An assumption of this Performance Share award must satisfy the following requirements:

- The converted or substituted award must be a right to receive an amount of cash and/or equity that has a value, measured at the time of such conversion or substitution, that is equal to the value of this Award as of the date of the Change in Control;
- Any equity payable in connection with a converted or substituted award must be publicly traded equity securities of the Company, a successor company or their direct or indirect parent company, and such equity issuable with respect to a converted or substituted award must be covered by a registration statement filed with the Securities Exchange Commission that permits the immediate sale of such shares on a national exchange;
- The vesting terms of any converted or substituted award must be substantially identical to the terms of this Award; and
- The other terms and conditions of any converted or substituted award must be no less favorable to the Employee than the terms of this Award are as of the date of the Change in Control (including the provisions that would apply in the event of a subsequent Change in Control).

The determination of whether the conditions of this Section 13(b)(iii) are satisfied shall be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(c) Legal Fees. The Company shall pay all legal fees, court costs, fees of experts and other costs and expenses when incurred by Employee in connection with any actual, threatened or contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 13, whether or not initiated by the Employee. The Company agrees to pay such amounts within 10 days following the Company's receipt of an invoice from the Employee, provided that the Employee shall have submitted an invoice for such amounts at least 30 days before the end of the calendar year next following the calendar year in which such fees and disbursements were incurred.

14. Employment or Similar Agreements. The provisions of Sections 1, 4, 5, 6 and 13 of these Terms and Conditions shall not be applied to or interpreted in a manner which would decrease the rights held by, or the payments owing to, an Employee under an employment agreement, termination benefits agreement or similar agreement with the Company that pre-exists the Grant Date and contains specific provisions applying to Plan awards in the case of any change in control or similar event or termination of employment, and if there is any conflict between the terms of such employment agreement, termination benefits agreement or similar agreement and the terms of Sections 1, 4, 5, 6 or 13, the employment agreement or termination benefits agreement shall control.

15. Grant Subject to Applicable Regulatory Approvals. Any grant of Performance Shares under the Plan is specifically conditioned on, and subject to, any regulatory approvals required in the Employee's country. These approvals cannot be assured. If necessary approvals

for grant or payment are not obtained, the Performance Shares may be cancelled or rescinded, or they may expire, as determined by the Company in its sole and absolute discretion.

16. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

17. Compliance with Section 409A. This Award is intended to comply with the requirements of Section 409A so that no taxes under Section 409A are triggered, and shall be interpreted and administered in accordance with that intent (e.g., the definition of “termination of employment” (or similar term used herein) shall have the meaning ascribed to “separation from service” under Section 409A). If any provision of these Terms and Conditions would otherwise conflict with or frustrate this intent, the provision shall not apply. Notwithstanding any provision in this Award Agreement to the contrary and solely to the extent required by Section 409A, if the Employee is a “specified employee” within the meaning of Code Section 409A and if delivery of shares is being made in connection with the Employee’s separation from service other than by reason of the Employee’s death, delivery of the shares shall be delayed until six months and one day after the Employee’s separation from service with the Company (or, if earlier than the end of the six-month period, the date of the Employee’s death). The Company shall not be responsible or liable for the consequences of any failure of the Award to avoid taxation under Section 409A.

Exhibit A

Performance Share Calculation

Subject to the Employee’s satisfaction of the applicable service requirements, the potential number of Performance Shares that the Employee may be awarded is the sum of the following:

(i) 67% of the Employee’s Target Number of Performance Shares multiplied by the Applicable Percentage determined pursuant to the chart set forth below based on the Company’s Actual 2020-2021 Compensation Adjusted EBITDA versus the Company’s 2020-2021 Target Compensation Adjusted EBITDA; and

(ii) 33% of the Employee’s Target Number of Performance Shares multiplied by the Applicable Percentage determined pursuant to the chart set forth below based on the Company’s Actual 2020-2021 FCF as a Percentage of Total Revenue versus the Company’s 2020-2021 Target FCF as a Percentage of Target Revenue.

Applicable Percentage Chart		
	Actual Versus Target	**Applicable Percentage**
Below Threshold	Below 80%	0% - No Award
Threshold	80%	65%*
Target	100%	100%*
Maximum	110%	200%*
Above Maximum	More than 110%	200%

* The Applicable Percentage is calculated using straight line interpolation between points.

Definitions:

“2020 Target Compensation Adjusted EBITDA” means the target Compensation Adjusted EBITDA amount set by the Committee at its February 18, 2020 Committee meeting.

“2021 Target Compensation Adjusted EBITDA” means such amount set by the Committee, in its sole discretion, in the first 60 days of 2021.

“2020-2021 Target Compensation Adjusted EBITDA” means the sum of the 2020 Target Compensation Adjusted EBITDA and the 2021 Target Compensation Adjusted EBITDA.

“2020 Target Compensation Free Cash Flow as a Percentage of Target Revenue” means the target 2020 Compensation Free Cash Flow as a percentage of target revenue set by the Committee at its February 18, 2020 Committee meeting.

“2021 Target Compensation Free Cash Flow as a Percentage of Target Revenue” means the target 2021 Compensation Free Cash Flow as a percentage of target revenue set by the Committee, in its sole discretion, in the first 60 days of 2021.

“2020-2021 Target FCF as a Percentage of Target Revenue” means the average, weighted on the basis of the respective 2020 and 2021 target revenue amounts set by the Committee, of the 2020 Target Compensation Free Cash Flow as a Percentage of Target Revenue and the 2021 Target Compensation Free Cash Flow as a Percentage of Target Revenue.

“Actual 2020-2021 Compensation Adjusted EBITDA” means the Company’s aggregate Compensation Adjusted EBITDA for its 2020 and 2021 fiscal years.

“Actual 2020-2021 Compensation Free Cash Flow” means the Company’s aggregate Compensation Free Cash Flow for its 2020 and 2021 fiscal years.

“Actual 2020-2021 Compensation Total Revenue” means the Company’s aggregate Compensation Total Revenue for its 2020 and 2021 fiscal years.

“Actual 2020-2021 FCF as a Percentage of Total Revenue” means the Actual 2020-2021 Compensation Free Cash Flow divided by the Actual 2020-2021 Compensation Total Revenue.

“Compensation Adjusted EBITDA” means net income from continuing operations before (1) interest expense, (2) income taxes, (3) equity income (losses) in unconsolidated investments, net, (4) other non-operating items, (5) severance expense, (6) facility consolidation charges, (7) impairment charges, (8) depreciation, (9) amortization, and (10) expense related to performance share long-term incentive awards and further adjusted to exclude unusual or non-recurring charges or credits to the extent and in the amount such items are separately reported or discussed in the audited financial statements and notes thereto or in management’s discussion and analysis of the financial statements in a period report filed with the Securities and Exchange Commission under the Exchange Act.

“Compensation Free Cash Flow” means “net cash flow from operating activities” less “purchase of property and equipment” as reported in the Consolidated Statements of Cash Flows and adjusted to exclude (1) voluntary pension contributions, (2) capital expenditures required either by government regulators or due to natural disasters offset by any reimbursements of such expenditures (e.g., from US Government or insurance company), and (3) the same adjustments made to Compensation Adjusted EBITDA other than income taxes and interest to the extent of their impact on Compensation Free Cash Flow. When calculating Compensation Free Cash Flow actual changes in working capital for the year will be disregarded to the extent that are greater than or less than the collars specified by the Committee from the target change in working capital.

“Compensation Total Revenue” means “Total Operating Revenues” as reported in the Consolidated Statements of Income.

In its sole discretion, the Committee may make such modifications to the Company's Compensation Adjusted EBITDA, Compensation Free Cash Flow and/or Compensation Total Revenue for any year as it deems appropriate to adjust for impacts so as to reflect the performance metric and not distort the calculation of the performance metric.

The Committee has the sole discretionary authority to make the above calculations and its decisions are binding on all parties.

Change In Control

In the event of a Change in Control, subject to the satisfaction of the applicable service requirements and rules set forth in Section 13 and provided that the Employee's right to receive Performance Shares has not previously been cancelled or forfeited, the number of Performance Shares that may be awarded to an Employee is calculated, as follows:

(i) If the Change in Control occurs in 2020 or 2021, the number of Performance Shares shall equal the Target Number of Performance Shares; and

(ii) If the Change in Control occurs in 2022 or later, the number of Performance Shares shall equal the number earned based on actual performance in 2020 and 2021 as determined by the Committee as constituted immediately prior to the Change in Control.

AWARD AGREEMENT
STOCK UNITS

The Leadership Development and Compensation Committee of the TEGNA Inc. Board of Directors has approved an award of Restricted Stock Units (referred to herein as "Stock Units") to you under the TEGNA Inc. 2020 Omnibus Incentive Compensation Plan (the "Plan"), as set forth below.

This Award Agreement and the enclosed Terms and Conditions effective as of ____________, 2020, constitute the formal agreement governing this award.

Please sign both copies of this Award Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference.

Employee:	Location:
Grant Date:	____________________
Stock Unit Commencement Date:	____________________
Stock Unit Expiration Date:	____________________
Stock Unit Vesting Schedule:	25% of the Stock Units shall vest on ______* 25% of the Stock Units shall vest on ______* 25% of the Stock Units shall vest on ______* 25% of the Stock Units shall vest on ______*
Payment Date:	25% of the Stock Units shall be paid on ______* 25% of the Stock Units shall be paid on ______* 25% of the Stock Units shall be paid on ______* 25% of the Stock Units shall be paid on ______*

* Provided the Employee is continuously employed until such vesting dates and has not terminated employment on or before such vesting dates. Such dates are hereinafter referred to as the "Vesting Date" or "Payment Date" for the Stock Units that vest or are paid on such dates.

Number of Stock Units:

TEGNA Inc.

______________________________	By: ______________________________
Employee's Signature or Acceptance by Electronic Signature	Jeffery Newman Senior Vice President/Human Resources

STOCK UNITS
TERMS AND CONDITIONS
Under the
TEGNA Inc.
2020 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated _______, 2020, govern the grant of Restricted Stock Units (referred to herein as "Stock Units") to the employee (the "Employee") designated in the Award Agreement dated coincident with these Terms and Conditions. The Stock Units are granted under, and are subject to, the TEGNA Inc. (the "Company") 2020 Omnibus Incentive Compensation Plan (the "Plan"). Terms used herein that are defined in the Plan shall have the meanings ascribed to them in the Plan. If there is any inconsistency between these Terms and Conditions and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms herein.

1. Grant of Stock Units. Pursuant to the provisions of (i) the Plan, (ii) the individual Award Agreement governing the grant, and (iii) these Terms and Conditions, the Company has granted to the Employee the number of Stock Units set forth on the applicable Award Agreement. Each vested Stock Unit shall entitle the Employee to receive from the Company one share of the Company's common stock ("Common Stock") upon the earliest of the Employee's termination of employment, a Change in Control (but only to the extent provided in Section 14) or the Payment Date, as defined below. The Employee shall not be entitled to receive any shares of Common Stock with respect to unvested Stock Units, and the Employee shall have no further rights with regard to a Stock Unit once the underlying share of Common Stock has been delivered with respect to that Stock Unit.

2. Payment Date. The Payment Date shall be the dates specified in the Award Agreement with respect to the Stock Units that are vested on such date under the schedule set forth in the Award Agreement.

3. Vesting Schedule. Subject to the special vesting rules set forth in Sections 7, 14 and 15, the Stock Units shall vest in accordance with the Vesting Schedule specified in the Award Agreement to the extent that the Employee is continuously employed by the Company or its Subsidiaries until the Vesting Dates specified in the Vesting Schedule and has not terminated employment on or before such dates. An Employee will not be treated as remaining in continuous employment if the Employee's employer ceases to be a Subsidiary of the Company.

4. No Dividend Equivalents. No dividend equivalents shall be paid to the Employee with regard to the Stock Units.

5. Delivery of Shares. The Company shall deliver to the Employee a certificate or certificates, or at the election of the Company make an appropriate book-entry, for the number of shares of Common Stock equal to the number of vested Stock Units as soon as administratively practicable (but always by the 30th day) after the earliest of the Employee's termination of employment, a Change in Control (but only to the extent provided in Section 14) or the Payment Date. The number of shares delivered shall be reduced by the value of all taxes withheld by reason of such delivery; provided that the amount that is withheld cannot exceed the amount of the taxes owed by the Employee using the maximum statutory tax rate in the Employee's applicable jurisdiction(s). The Employee shall not be entitled to receive any shares of Common Stock with respect to unvested Stock Units, and the Employee shall have no further rights with regard to a Stock Unit once the underlying share of Common Stock has been delivered with respect to that Stock Unit.

6. Cancellation of Stock Units.

(a) Termination of Employment. Subject to Sections 7, 14 and 15, all Stock Units granted to the Employee that have not vested as of the date of the Employee's termination of employment shall automatically be cancelled upon the Employee's termination of employment. Unvested Stock Units shall also be cancelled in connection with an event that results in the Employee's employer ceasing to be a Subsidiary of the Company.

(b) Forfeiture of Stock Units/Recovery of Common Stock. Stock Units granted under this Award Agreement are subject to the Company's Recoupment Policy, dated as of February 26, 2013, as amended as of December 7, 2018, and which may be further amended from time-to-time with retroactive effect. In addition, the Company may assert any other remedies that may be available to the Company under applicable law, including, without limitation, those available under Section 304 of the Sarbanes-Oxley Act of 2002.

7. Death, Disability, Retirement. In the event that the Employee's employment terminates on or prior to the Stock Unit Expiration Date by reason of death, permanent disability (as determined under the Company's Long Term Disability Plan), termination of employment after attaining age 65 (other than for "Cause"), or termination of employment after both attaining age 55 and completing at least 5 years of service (other than for "Cause"), the Employee (or in the case of the Employee's death, the Employee's estate or designated beneficiary) shall become vested in a number of Stock Units equal to the product of (i) the total number of Stock Units in which the Employee would have become vested upon the Stock Unit Expiration Date had the Employee's employment not terminated, and (ii) a fraction, the numerator of which shall be the number of full calendar months between the Stock Unit Commencement Date and the date that employment terminated, and the denominator of which shall be the number of full calendar months from the

Stock Unit Commencement Date to the Stock Unit Expiration Date; provided such number of Stock Units so vested shall be reduced by the number of Stock Units that had previously become vested. In the event the Employee is terminated for "Cause" all unpaid awards shall be forfeited. "Cause" shall mean a termination of the Employee's employment following the occurrence of any of the following events, each of which shall constitute a "Cause" for such termination:

(i) any material misappropriation of funds or property of the Company or its affiliate by the Employee;

(ii) unreasonable and persistent neglect or refusal by the Employee to perform his or her duties which is not remedied within thirty (30) days after receipt of written notice from the Company;

(iii) conviction, including a plea of guilty or of nolo contendere, of the Employee of a securities law violation or a felony;

(iv) material violation of the Company's employment policies by the Employee; or

(v) material harm to the Company (financial, competitive, reputational or otherwise) caused by the Employee's gross negligence, intentional misconduct or knowing or reckless disregard of supervisory responsibility for a direct report who engaged in gross negligence or intentional misconduct.

The Committee, in its sole discretion, shall be responsible for making the determination whether an Employee's termination is for "Cause", and its decision shall be binding on all parties.

8. Non-Assignability. Stock Units may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Stock Units be made subject to execution, attachment or similar process.

9. Rights as a Shareholder. The Employee shall have no rights as a shareholder by reason of the Stock Units.

10. Discretionary Plan; Employment. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of Stock Units is a one-time benefit which does not create any contractual or other right to receive future grants of Stock Units, or benefits in lieu of Stock Units; (b) all determinations with respect to any such future grants, including, but not limited to, the times when the Stock Units shall be granted, the number of Stock Units, the Vesting Dates and the Payment Dates, will be at the sole discretion of the Company; (c) the Employee's participation in the Plan shall not create a right to further employment with the Employee's employer and shall not interfere with the ability of the Employee's employer to terminate the Employee's employment relationship at any time with or without cause; (d) the Employee's participation in the Plan is voluntary; (e) the Stock Units are not part of normal and expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payment, bonuses, long-service awards, pension or retirement benefits, or similar payments; and (f) the future value of the Stock Units is unknown and cannot be predicted with certainty.

11. Effect of Plan and these Terms and Conditions. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Leadership Development and Compensation Committee of the Board of Directors of the Company (the "Committee") in its sole discretion to adjust awards and to make interpretations and other determinations with respect to all matters relating to the applicable Award Agreements, these Terms and Conditions, the Plan and awards made pursuant thereto. These Terms and Conditions shall apply

to the grant of Stock Units made to the Employee on the date hereof and shall not apply to any future grants of Stock Units made to the Employee.

12. Notices. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company at 8350 Broad Street, Suite 2000, Tysons, Virginia 22102, and, if to the Employee, shall be addressed to the Employee at his or her address as it appears on the Company's records.

13. Successors and Assigns. The applicable Award Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company and, to the extent provided in Section 7 hereof, to the estate or designated beneficiary of the Employee.

14. Change in Control Provisions.

Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to all Stock Units granted under the attached Award Agreement.

(a) Definitions.

As used in Articles 2 and 14 of the Plan and in these Terms and Conditions, a “Change in Control” shall mean the first to occur of the following:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section, the following acquisitions shall not constitute

a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates or (iv) any acquisition pursuant to a transaction that complies with Sections 14(a)(iii)(A), 14(a)(iii)(B) and 14(a)(iii)(C);

(ii) individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a "Business Combination"), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or entity resulting

from such Business Combination (including, without limitation, a corporation or entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or any corporation or entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation or entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation or entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation or entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) Acceleration Provisions. (i) In the event of the occurrence of a Change in Control in which the Stock Units are not continued or assumed (i.e., the Stock Units are not equitably converted into, or substituted for, a right to receive cash and/or equity of a successor entity or its affiliate), the Stock Units that have not been cancelled or paid out shall become fully vested. The vested Stock Units shall be paid out to the Employee as soon as administratively practicable on or following the effective date of the Change in Control (but in no event later than 30 days after such event); provided that the Change in Control also constitutes a change in ownership or effective

control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A of the Internal Revenue Code of 1986 (the "Code") and the regulations and guidance issued thereunder ("Section 409A"), and such payout will not result in additional taxes under Section 409A. Otherwise, the vested Stock Units shall be paid out as soon as administratively practicable after the earlier of the Employee's termination of employment or the applicable Payment Date for such Stock Units (but in no event later than 30 days after such events).

(ii) In the event of the occurrence of a Change in Control in which the Stock Units are continued or assumed (i.e., the Stock Units are equitably converted into, or substituted for, a right to receive cash and/or equity of a successor entity or its affiliate), the Stock Units shall not vest upon the Change in Control, provided that the Stock Units that are not subsequently vested and paid under the other provisions of this Award shall become fully vested in the event that the Employee has a "qualifying termination of employment" within two years following the date of the Change in Control. In the event of the occurrence of a Change in Control in which the Stock Units are continued or assumed, vested Stock Units shall be paid out as soon as administratively practicable after the earlier of the Employee's termination of employment or the applicable Payment Date for such Stock Units (but in no event later than 30 days after such events).

A "qualifying termination of employment" shall occur if the Company involuntarily terminates the Employee without "Cause" or the Employee voluntarily terminates for "Good Reason". For this purpose, "Cause" shall mean:

- any material misappropriation of funds or property of the Company or its affiliate by the Employee;
- unreasonable and persistent neglect or refusal by the Employee to perform his or her duties which is not remedied within thirty (30) days after receipt of written notice from the Company; or

- conviction, including a plea of guilty or of nolo contendere, of the Employee of a securities law violation or a felony.

For this purpose, “Good Reason” means the occurrence after a Change in Control of any of the following circumstances without the Employee’s express written consent, unless such circumstances are fully corrected within 90 days of the Notice of Termination described below:

- the material diminution of the Employee’s duties, authorities or responsibilities from those in effect immediately prior to the Change in Control;

- a reduction in the Employee’s base salary or target bonus opportunity as in effect on the date immediately prior to the Change in Control;

- failure to provide the Employee with an annual long-term incentive opportunity the grant date value of which is equivalent to or greater in value than Employee’s regular annual long-term incentive opportunity in effect on the date of the Change of Control (counting only normal long-term incentive awards made as a part of the regular annual pay package, not special awards not made on a regular basis), calculated using widely recognized valuation methodologies by an experienced compensation consultant at a nationally recognized firm;

- the relocation of the Employee’s office from the location at which the Employee is principally employed immediately prior to the date of the Change in Control to a location 35 or more miles farther from the Employee’s residence immediately prior to the Change in Control, or the Company’s requiring the Employee to be based anywhere other than the Company’s offices at such location, except for required travel on the Company’s business to an extent substantially consistent with the Employee’s business travel obligations prior to the Change in Control; or

- the failure by the Company or its affiliate to pay any compensation or benefits due to the Employee.

Any termination by the Employee for Good Reason shall be communicated by a Notice of Termination that (x) indicates the specific termination provision in the Award Agreement relied upon, and (y) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee’s employment under the provision so indicated. Such notice must be provided to the Company within ninety (90) days after the event that created the “Good Reason”.

(iii) If in connection with a Change in Control, the Stock Units are assumed (i.e., the Stock Units are equitably converted into, or substituted for, a right to receive cash and/or equity of a successor entity or its affiliate), the Stock Units shall refer to the right to receive such cash and/or equity. An assumption of this Stock Unit award must satisfy the following requirements:

- The converted or substituted award must be a right to receive an amount of cash and/or equity that has a value, measured at the time of such conversion or substitution, that is equal to the value of this Award as of the date of the Change in Control;
- Any equity payable in connection with a converted or substituted award must be publicly traded equity securities of the Company, a successor company or their direct or indirect parent company, and such equity issuable with respect to a converted or substituted award must be covered by a registration statement filed with the Securities Exchange Commission that permits the immediate sale of such shares on a national exchange;
- The vesting terms of any converted or substituted award must be substantially identical to the terms of this Award; and
- The other terms and conditions of any converted or substituted award must be no less favorable to the Employee than the terms of this Award are as of the date of the Change in Control (including the provisions that would apply in the event of a subsequent Change in Control).

The determination of whether the conditions of this Section 14(b)(iii) are satisfied shall be made by the Committee, as constituted immediately before the Change in Control, in its sole discretion.

(c) Legal Fees. The Company shall pay all legal fees, court costs, fees of experts and other costs and expenses when incurred by Employee in connection with any actual, threatened or contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 14, whether or not initiated by the Employee. The Company agrees to pay such amounts within 10 days following the Company’s receipt of an invoice from the Employee, provided that the Employee shall have submitted an invoice for such amounts at least 30 days before the end of

the calendar year next following the calendar year in which such fees and disbursements were incurred.

15. Employment or Similar Agreements. The provisions of Sections 1, 3, 5, 6, 7 and 14 of these Terms and Conditions shall not be applied to or interpreted in a manner which would decrease the rights held by, or the payments owing to, an Employee under an employment agreement, termination benefits agreement or similar agreement with the Company that pre-exists the Grant Date and contains specific provisions applying to Plan awards in the case of any change in control or similar event or termination of employment, and if there is any conflict between the terms of such employment agreement, termination benefits agreement or similar agreement and the terms of Sections 1, 3, 5, 6, 7 and 14, the employment agreement, termination benefits agreement or similar agreement shall control.

16. Grant Subject to Applicable Regulatory Approvals. Any grant of Stock Units under the Plan is specifically conditioned on, and subject to, any regulatory approvals required in the Employee's country. These approvals cannot be assured. If necessary approvals for grant or payment are not obtained, the Stock Units may be cancelled or rescinded, or they may expire, as determined by the Company in its sole and absolute discretion.

17. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

18. Compliance with Section 409A. This Award is intended to comply with the requirements of Section 409A so that no taxes under Section 409A are triggered, and shall be interpreted and administered in accordance with that intent (e.g., the definition of “termination of employment” (or similar term used herein) shall have the meaning ascribed to “separation from service” under Section 409A). If any provision of these Terms and Conditions would otherwise conflict with or frustrate this intent, the provision shall not apply. Notwithstanding any provision in this Award Agreement to the contrary and solely to the extent required by Section 409A, if the Employee is a “specified employee” within the meaning of Code Section 409A and if delivery of shares is being made in connection with the Employee’s separation from service other than by reason of the Employee’s death, delivery of the shares shall be delayed until six months and one day after the Employee’s separation from service with the Company (or, if earlier than the end of the six-month period, the date of the Employee’s death). The Company shall not be responsible or liable for the consequences of any failure of the Award to avoid taxation under Section 409A.

AWARD AGREEMENT

STOCK UNITS

The Leadership Development and Compensation Committee of the TEGNA Inc. Board of Directors has approved an award of Restricted Stock Units (referred to herein as "Stock Units") to you under the TEGNA Inc. 2020 Omnibus Incentive Compensation Plan (the "Plan"), as set forth below.

This Award Agreement and the enclosed Terms and Conditions effective as of April 30, 2020, constitute the formal agreement governing this award.

Please sign both copies of this Award Agreement to evidence your agreement with the terms hereof. Keep one copy and return the other to the undersigned.

Please keep the enclosed Terms and Conditions for future reference.

Director:	
Grant Date:	April 30, 2020
Payment Date:	May 1, 2021
Stock Unit Vesting Schedule:	25% of the Stock Units shall vest on August 1, 2020* 25% of the Stock Units shall vest on November 1, 2020* 25% of the Stock Units shall vest on February 1, 2021* 25% of the Stock Units shall vest on earlier of May 1, 2021 or the date of the 2021 Annual Meeting*

* Provided the Director continues as a director until such vesting dates and does not separate from service before such vesting dates. Such dates are hereinafter referred to as the "Vesting Date" for the Stock Units that vest on such dates.

Number of Stock Units:

TEGNA Inc.

Director's Signature or Acceptance by Electronic Signature	By:	Jeffery Newman SVP/ Chief Human Resources Officer

STOCK UNITS
TERMS AND CONDITIONS
Under the
TEGNA Inc.
2020 Omnibus Incentive Compensation Plan

These Terms and Conditions, dated April 30, 2020, govern the grant of Restricted Stock Units (referred to herein as "Stock Units") to the director (the "Director") designated in the Award Agreement dated coincident with these Terms and Conditions. The Stock Units are granted under, and are subject to, the TEGNA Inc. (the "Company") 2020 Omnibus Incentive Compensation Plan (the "Plan"). Terms used herein that are defined in the Plan shall have the meaning ascribed to them in the Plan. If there is any inconsistency between these Terms and Conditions and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms herein.

1. Grant of Stock Units. Pursuant to the provisions of (i) the Plan, (ii) the individual Award Agreement governing the grant, and (iii) these Terms and Conditions, the Company has granted to the Director the number of Stock Units set forth on the applicable Award Agreement. Each vested Stock Unit shall entitle the Director to receive from the Company one share of the Company's common stock ("Common Stock") upon the earlier of the Director's separation from service, the Payment Date or upon a Change in Control (to the extent provided in Section 13).

2. Vesting Schedule. Except as otherwise provided in Sections 6 and 13, the Stock Units shall vest in accordance with the Vesting Schedule specified in the Award Agreement; provided that the Director continues as a director of the Company until the Vesting Dates specified in the Vesting Schedule and has not separated from service prior to such dates.

3. Dividend Units. Dividend units shall be credited to the Director with regard to the Stock Units. Dividend units shall be calculated based on the dividends paid on shares of Common

Stock. Dividend units shall be deemed to be reinvested in shares of Common Stock as of the date dividends are paid on Common Stock, shall be paid to the Director at the same time and in the same form as Stock Units are paid to the Director, and are subject to the same terms and conditions as the Stock Units, including, without limitation, the same vesting requirements.

4. Delivery of Shares. The Company shall deliver to the Director a certificate or certificates, or at the election of the Company make an appropriate book-entry, for the number of shares of Common Stock equal to the number of vested Stock Units as soon as administratively practicable after the earlier of the Payment Date, the date that Director separates from service or upon a Change in Control (to the extent provided in Section 13), but no later than 30 days from such dates. A Director shall have no further rights with regard to the Stock Units once the underlying shares of Common Stock have been delivered.

5. Cancellation of Stock Units. Except as provided in Sections 6 and 13 below, all unvested Stock Units granted to the Director shall automatically be cancelled upon the Director’s separation from service, and in such event, the Director shall not be entitled to receive any shares of Common Stock in respect thereof.

6. Death, Disability or Retirement. In the event that the Director separates from service on or prior to the Payment Date due to death, Disability or the age of service limitations set forth in the Company’s Bylaws, the Director (or in the case of the Director's death, the Director's estate or designated beneficiary) shall be entitled to receive at the time of the Director’s death or separation from service the total number of shares of Common Stock in respect of such Stock Units which the Director would have been entitled to receive had the Director continued employment until the Payment Date. For purposes of this Award Agreement, Disability shall mean the Director is unable to engage in any substantial gainful activity by reason of any medically determinable physical or

mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

7. Non-Assignability. Stock Units may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Stock Units be made subject to execution, attachment or similar process.

8. Rights as a Shareholder. The Director shall have no rights as a shareholder by reason of the Stock Units.

9. Discretionary Plan; Employment. The Plan is discretionary in nature and may be suspended or terminated by the Company at any time. With respect to the Plan, (a) each grant of Stock Units is a one-time benefit which does not create any contractual or other right to receive future grants of Stock Units, or benefits in lieu of Stock Units; (b) all determinations with respect to any such future grants, including, but not limited to, the times when the Stock Units shall be granted, the number of Stock Units, and the Vesting Schedule, will be at the sole discretion of the Company; (c) the Director’s participation in the Plan is voluntary; and (d) the future value of the Stock Units is unknown and cannot be predicted with certainty.

10. Effect of Plan and these Terms and Conditions. The Plan is hereby incorporated by reference into these Terms and Conditions, and these Terms and Conditions are subject in all respects to the provisions of the Plan, including without limitation the authority of the Leadership Development and Compensation Committee of the Company (the "Committee") in its sole discretion to adjust awards and to make interpretations and other determinations with respect to all matters relating to the applicable Award Agreements, these Terms and Conditions, the Plan and awards made pursuant thereto. These Terms and Conditions shall apply to the grant of Stock Units made

to the Director on the date hereof and shall not apply to any future grants of Stock Units made to the Director.

11. Notices. Notices hereunder shall be in writing and if to the Company shall be addressed to the Secretary of the Company at 8350 Broad Street, Suite 2000, Tysons, Virginia 22102, and if to the Director shall be addressed to the Director at his or her address as it appears on the Company's records.

12. Successors and Assigns. The applicable Award Agreement and these Terms and Conditions shall be binding upon and inure to the benefit of the successors and assigns of the Company and, to the extent provided in Section 6 hereof, to the estate or designated beneficiary of the Director.

13. Change in Control Provisions.

Notwithstanding anything to the contrary in these Terms and Conditions, the following provisions shall apply to all Stock Units granted under the attached Award Agreement.

(a) Definitions.

As used in Article 15 of the Plan and in these Terms and Conditions, a “Change in Control” shall mean the first to occur of the following:

(i) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that, for purposes of this Section, the following acquisitions shall not constitute

a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or one of its affiliates, or (iv) any acquisition pursuant to a transaction that complies with Sections 13(a)(iii)(A), 13(a)(iii)(B) and 13(a)(iii)(C);

(ii) individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any of its subsidiaries (each, a “Business Combination”), in each case, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation or entity resulting

from such Business Combination (including, without limitation, a corporation or entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding any employee benefit plan (or related trust) of the Company or any corporation or entity resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation or entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation or entity, except to the extent that such ownership existed prior to the Business Combination, and (C) at least a majority of the members of the board of directors of the corporation or entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) Acceleration Provisions. In the event of the occurrence of a Change in Control, the vesting of the Stock Units shall be accelerated and, if such Change in Control constitutes a "change in control event" within the meaning of Section 409A of the Code, there shall be paid out to the Director within thirty (30) days following the effective date of the Change in Control, the full number of shares of Common Stock subject to the Stock Units. In the event of the occurrence of a Change in Control that is not a "change in control event" within the meaning of Section 409A of the Code,

the vesting of the Stock Units shall be accelerated and the Stock Units shall be paid out at the earlier of the Payment Date or the Director's separation from service.

(c) Legal Fees. The Company shall pay all legal fees, court costs, fees of experts, and other costs and expenses when incurred by the Director in connection with any actual, threatened or contemplated litigation or legal, administrative or other proceedings involving the provisions of this Section 13, whether or not initiated by the Director. The Company agrees to pay such amounts within 10 days following the Company's receipt of an invoice from the Director, provided that the Director shall have submitted an invoice for such amounts at least 30 days before the end of the calendar year next following the calendar year in which such fees and disbursements were incurred.

14. Applicable Laws and Consent to Jurisdiction. The validity, construction, interpretation and enforceability of this Agreement shall be determined and governed by the laws of the State of Delaware without giving effect to the principles of conflicts of law. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to exclusive jurisdiction in Virginia and agree that such litigation shall be conducted in the courts of Fairfax County, Virginia or the federal courts of the United States for the Eastern District of Virginia.

15. Compliance with Section 409A. This Award is intended to comply with the requirements of Section 409A so that no taxes under Section 409A are triggered, and shall be interpreted and administered in accordance with that intent (e.g., the definition of "separates from service" or "separation from service" (or similar term used herein) shall have the meaning ascribed to "separation from service" under Section 409A). If any provision of these Terms and Conditions would otherwise conflict with or frustrate this intent, the provision shall not apply. Solely to the extent required by Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), if the Director is a "specified employee" (within the meaning of Code Section 409A and the

regulations and guidance issued thereunder ("Section 409A")) and if delivery of shares is being made in connection with the Director's separation from service other than by reason of the Director's death, delivery of the shares shall be delayed until six months and one day after the Director's separation from service with the Company (or, if earlier than the end of the six-month period, the date of the Director's death). The Company shall not be responsible or liable for the consequences of any failure of the Award to avoid taxation under Section 409A.

EXHIBIT 31-1

CERTIFICATIONS

I, David T. Lougee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TEGNA Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ David T. Lougee

David T. Lougee

President and Chief Executive Officer

(principal executive officer)

Date: August 10, 2020

EXHIBIT 31-2

CERTIFICATIONS

I, Victoria D. Harker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TEGNA Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Victoria D. Harker

Victoria D. Harker

Chief Financial Officer (principal financial officer)

Date: August 10, 2020

EXHIBIT 32-1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of TEGNA Inc. (“TEGNA”) on Form 10-Q for the quarter ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David T. Lougee, president and chief executive officer of TEGNA, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of TEGNA.

/s/ David T. Lougee

David T. Lougee

President and Chief Executive Officer

(principal executive officer)

August 10, 2020

EXHIBIT 32-2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of TEGNA Inc. (“TEGNA”) on Form 10-Q for the quarter ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Victoria D. Harker, chief financial officer of TEGNA, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of TEGNA.

/s/ Victoria D. Harker

Victoria D. Harker

Chief Financial Officer (principal financial officer)

August 10, 2020