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 September 30, 2024

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 (State or other jurisdiction of incorporation or organization)	**16-0442930** (I.R.S. Employer Identification No.)
8350 Broad Street, Suite 2000, Tysons, Virginia (Address of principal executive offices)	**22102-5151** (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 October 31, 2024 was 161,121,748.

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September 30, 2024 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)

	Sept. 30, 2024	Dec. 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 536,253	$ 361,036
Accounts receivable, net of allowances of $3,500 and $2,845, respectively	608,794	624,445
Other receivables	6,779	9,299
Syndicated programming rights	37,351	31,530
Prepaid expenses and other current assets	26,563	24,008
Total current assets	**1,215,740**	**1,050,318**
Property and equipment		
Cost	1,083,904	1,078,209
Less accumulated depreciation	(640,774)	(626,029)
Net property and equipment	**443,130**	**452,180**
Intangible and other assets		
Goodwill	3,015,973	2,981,587
Indefinite-lived and amortizable intangible assets, less accumulated amortization of $273,787 and $289,949, respectively	2,322,582	2,328,972
Right-of-use assets for operating leases	66,135	73,479
Investments and other assets	135,042	113,521
Total intangible and other assets	**5,539,732**	**5,497,559**
Total assets	**$ 7,198,602**	**$ 7,000,057**

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)

	Sept. 30, 2024	Dec. 31, 2023
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND EQUITY		
Current liabilities		
Accounts payable	$ 91,964	$ 114,950
Accrued liabilities		
Compensation	66,325	54,929
Interest	11,772	45,144
Contracts payable for programming rights	145,657	119,562
Other	95,992	82,782
Income taxes payable	55,000	6,005
Total current liabilities	**466,710**	**423,372**
Noncurrent liabilities		
Deferred income tax liability	576,440	578,219
Long-term debt	3,075,504	3,072,801
Pension liabilities	64,402	70,483
Operating lease liabilities	66,000	73,733
Other noncurrent liabilities	58,242	57,765
Total noncurrent liabilities	**3,840,588**	**3,853,001**
Total liabilities	**$ 4,307,298**	**$ 4,276,373**
Commitments and contingent liabilities (see Note 10)		
Redeemable noncontrolling interest (see Note 1)	**$ 19,936**	**$ 18,812**
Shareholders' equity		
Common stock of $1 per value per share, 800,000,000 shares authorized, 324,418,632 shares issued	324,419	324,419
Additional paid-in capital	27,941	27,941
Retained earnings	8,393,910	8,091,245
Accumulated other comprehensive loss	(116,277)	(119,610)
Less treasury stock at cost, 161,940,919 shares and 144,502,338 shares, respectively	(5,758,625)	(5,619,123)
Total equity	**2,871,368**	**2,704,872**
Total liabilities, redeemable noncontrolling interest and equity	**$ 7,198,602**	**$ 7,000,057**

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 Sept. 30,		Nine months ended Sept. 30,	
	2024	2023	2024	2023
Revenues	**$ 806,827**	**$ 713,243**	**$ 2,231,442**	**$ 2,185,076**
Operating expenses:				
Cost of revenues[1]	437,855	438,260	1,300,466	1,295,720
Business units - Selling, general and administrative expenses	96,882	98,394	294,080	294,734
Corporate - General and administrative expenses	13,188	13,552	40,671	52,158
Depreciation	15,543	15,083	45,026	45,119
Amortization of intangible assets	13,467	13,297	40,790	40,175
Asset impairment and other	—	—	1,097	3,359
Merger termination fee	—	—	—	(136,000)
Total	**576,935**	**578,586**	**1,722,130**	**1,595,265**
Operating income	**229,892**	**134,657**	**509,312**	**589,811**
Non-operating (expense) income:				
Interest expense	(42,288)	(43,418)	(126,404)	(129,121)
Interest income	7,023	7,389	18,469	23,498
Other non-operating items, net	(2,696)	25,427	144,313	19,990
Total	**(37,961)**	**(10,602)**	**36,378**	**(85,633)**
Income before income taxes	**191,931**	**124,055**	**545,690**	**504,178**
Provision for income taxes	44,743	27,801	127,211	103,827
Net income	**147,188**	**96,254**	**418,479**	**400,351**
Net loss (income) attributable to redeemable noncontrolling interest	260	(71)	673	240
Net income attributable to TEGNA Inc.	**$ 147,448**	**$ 96,183**	**$ 419,152**	**$ 400,591**
Earnings per share:				
Basic	$ 0.89	$ 0.48	$ 2.44	$ 1.86
Diluted	$ 0.89	$ 0.48	$ 2.44	$ 1.86
Weighted average number of common shares outstanding:				
Basic shares	165,188	200,779	170,820	214,297
Diluted shares	165,748	201,218	171,334	214,591

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

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 Sept. 30,		Nine months ended Sept. 30,	
	2024	**2023**	**2024**	**2023**
Net Income	**$ 147,188**	**$ 96,254**	**$ 418,479**	**$ 400,351**
Recognition of previously deferred post-retirement benefit plan costs	1,498	1,388	4,493	4,165
Income tax effect related to components of other comprehensive income	(386)	(356)	(1,160)	(1,067)
Other comprehensive income, net of tax	**1,112**	**1,032**	**3,333**	**3,098**
Comprehensive income	**148,300**	**97,286**	**421,812**	**403,449**
Comprehensive loss attributable to redeemable noncontrolling interest	260	(71)	673	240
Comprehensive income attributable to TEGNA Inc.	**$ 148,560**	**$ 97,215**	**$ 422,485**	**$ 403,689**

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

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

	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023
Cash flows from operating activities:		
Net income	$ 418,479	$ 400,351
Adjustments to reconcile net income to net cash flow from operating activities:		
Depreciation and amortization	85,816	85,294
Employee stock-based compensation expenses	30,660	15,403
Company stock 401(k) match contributions	14,251	14,150
Gain on investment sales	(153,626)	(25,809)
Equity loss in unconsolidated investments, net	764	776
Merger termination fee	—	(136,000)
Pension expense, net of employer contributions	(1,530)	3,982
Change in operating assets and liabilities, net of acquisitions:		
Decrease in trade receivables	16,931	50,207
(Decrease) increase in accounts payable	(22,987)	9,690
Increase (decrease) in interest and taxes payable	13,766	(29,601)
Increase in deferred revenue	10,734	4,508
Changes in other assets and liabilities, net	21,958	15,888
Net cash flow from operating activities	**435,216**	**408,839**
Cash flows from investing activities:		
Purchase of property and equipment	(36,297)	(29,301)
Payments for acquisitions of businesses and assets, net of cash acquired	(52,799)	(1,150)
Payments for investments	(19,382)	(360)
Proceeds from investments	157,365	27,646
Proceeds from sale of assets	220	70
Net cash flow provided by (used for) investing activities	**49,107**	**(3,095)**
Cash flows from financing activities:		
Repurchase of common stock	(224,996)	(327,914)
Dividends paid	(61,375)	(63,078)
Payments for financing costs	(6,448)	—
Payment for acquisition-related earnout consideration	(4,667)	—
Payments for tax withholding related to vested stock-based compensation awards	(11,620)	(13,403)
Net cash flow used for financing activities	**(309,106)**	**(404,395)**
Increase in cash and cash equivalents	175,217	1,349
Balance of cash and cash equivalents at beginning of period	361,036	551,681
Balance of cash and cash equivalents at end of period	**$ 536,253**	**$ 553,030**
Supplemental cash flow information:		
Cash paid for income taxes, net of refunds	$ 75,386	$ 101,201
Cash paid for interest	$ 155,853	$ 156,924

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

Quarter ended:	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Equity
Balance as of June 30, 2024	**$ 19,555**	**$ 324,419**	**$ 27,941**	**$ 8,281,037**	**$ (117,389)**	**$ (5,714,908)**	**$ 2,801,100**
Net (loss) income	(260)	—	—	147,448	—	—	147,448
Other comprehensive income, net of tax	—	—	—	—	1,112	—	1,112
Total comprehensive income							148,560
Dividends declared: $0.125 per share	—	—	—	(20,461)	—	—	(20,461)
Company stock 401(k) match contributions	—	—	(5,906)	(7,273)	—	17,214	4,035
Stock-based awards activity	—	—	(5,034)	(6,200)	—	9,649	(1,585)
Employee stock-based compensation expenses	—	—	10,590	—	—	—	10,590
Repurchase of common stock	—	—	—	—	—	(70,580)	(70,580)
Adjustment of redeemable noncontrolling interest to redemption value	641	—	—	(641)	—	—	(641)
Other activity	—	—	350	—	—	—	350
Balance as of Sept. 30, 2024	**$ 19,936**	**$ 324,419**	**$ 27,941**	**$ 8,393,910**	**$ (116,277)**	**$ (5,758,625)**	**$ 2,871,368**

	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Equity
Balance as of June 30, 2023	**$ 18,106**	**$ 324,419**	**$ 27,941**	**$ 7,989,312**	**$ (123,467)**	**$ (5,314,047)**	**$ 2,904,158**
Net income	71	—	—	96,183	—	—	96,183
Other comprehensive income, net of tax	—	—	—	—	1,032	—	1,032
Total comprehensive income							97,215
Dividends declared: $0.11375 per share	—	—	—	(22,589)	—	—	(22,589)
Company stock 401(k) match contributions	—	—	(11,695)	—	—	15,619	3,924
Stock-based awards activity	—	—	(1,707)	—	—	1,701	(6)
Employee stock-based compensation expenses	—	—	6,558	—	—	—	6,558
Repurchase of common stock	—	—	51,093	—	—	(79,797)	(28,704)
Adjustment of redeemable noncontrolling interest to redemption value	282	—	—	(282)	—	—	(282)
Other activity	—	—	266	—	—	—	266
Balance as of Sept. 30, 2023	**$ 18,459**	**$ 324,419**	**$ 72,456**	**$ 8,062,624**	**$ (122,435)**	**$ (5,376,524)**	**$ 2,960,540**

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

Nine Months Ended:	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Equity
Balance as of Dec. 31, 2023	**$ 18,812**	**$ 324,419**	**$ 27,941**	**$ 8,091,245**	**$ (119,610)**	**$ (5,619,123)**	**$ 2,704,872**
Net (loss) income	(673)	—	—	419,152	—	—	419,152
Other comprehensive income, net of tax	—	—	—	—	3,333	—	3,333
Total comprehensive income							422,485
Dividends declared: $0.36375 per share	—	—	—	(61,375)	—	—	(61,375)
Company stock 401(k) match contributions	—	—	(25,610)	(22,438)	—	62,299	14,251
Stock-based awards activity	—	—	(64,162)	(30,877)	—	83,419	(11,620)
Employee stock-based compensation expenses	—	—	30,660	—	—	—	30,660
Repurchase of common stock			58,029	—	—	(285,220)	(227,191)
Adjustment of redeemable noncontrolling interest to redemption value	1,797	—	—	(1,797)	—	—	(1,797)
Other activity	—	—	1,083	—	—	—	1,083
Balance as of Sept. 30, 2024	**$ 19,936**	**$ 324,419**	**$ 27,941**	**$ 8,393,910**	**$ (116,277)**	**$ (5,758,625)**	**$ 2,871,368**

	Redeemable noncontrolling interest	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Total Equity
Balance as of Dec. 31, 2022	**$ 17,418**	**$ 324,419**	**$ 27,941**	**$ 7,898,055**	**$ (125,533)**	**$ (5,053,160)**	**$ 3,071,722**
Net (loss) income	(240)	—	—	400,591	—	—	400,591
Other comprehensive income, net of tax	—	—	—	—	3,098	—	3,098
Total comprehensive income							403,689
Dividends declared: $0.30375 per share	—	—	—	(63,078)	—	—	(63,078)
Company stock 401(k) match contributions	—	—	(13,231)	(27,188)	—	54,569	14,150
Stock-based awards activity	—	—	(5,316)	(88,695)	—	80,608	(13,403)
Employee stock-based compensation expenses	—	—	15,403	—	—	—	15,403
Repurchase of common stock			46,873	(55,780)	—	(458,541)	(467,448)
Adjusted redeemable noncontrolling interest to redemption value	1,281	—	—	(1,281)	—	—	(1,281)
Other activity	—	—	786	—	—	—	786
Balance as of Sept. 30, 2023	**$ 18,459**	**$ 324,419**	**$ 72,456**	**$ 8,062,624**	**$ (122,435)**	**$ (5,376,524)**	**$ 2,960,540**

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – Basis of presentation and accounting policies

Basis of presentation: Our (or TEGNA's) 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 audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023.

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. We use the best information available in developing significant estimates inherent 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, allocation of purchase price to assets and liabilities in 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 were previously included in "Equity loss in unconsolidated investments, net" in the Consolidated Statements of Income, however beginning in the first quarter of 2024 such amounts are now included in "Other non-operating items, net". Additionally, we now present interest income separately within the Non-operating income (expense) section of our Consolidated Statements of Income. We have recast the prior year amounts to conform to these new presentations.

We operate one operating and reportable segment, which primarily consists of our 64 television stations and two radio stations operating in 51 markets, providing high-quality television and radio 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 2024: We did not adopt any new accounting guidance in 2024 that had a material impact on our condensed consolidated financial statements or disclosures.

New accounting guidance not yet adopted: In November 2023, the Financial Accounting Standards Board (FASB) issued new guidance that changes required disclosures related to segment reporting. The guidance will require entities to disclose on a quarterly and annual basis the significant segment expense items that are regularly provided to the entity's chief operating decision maker (CODM). Entities will also be required to disclose the title and position of their CODM. The new guidance is effective for us beginning in 2024 on an annual basis and the first quarter of 2025 on a quarterly basis, and is to be applied on a retrospective basis. We are currently evaluating the effect this new guidance will have on our disclosures.

In December 2023, the FASB issued new guidance that changes certain disclosures related to income taxes. The guidance requires entities to disclose additional quantitative and qualitative information about the reconciliation between their statutory and effective tax rates. Specifically, the guidance requires disaggregation of the reconciling items using standardized categories. This guidance also requires additional disclosure of income taxes paid to now include disaggregation on a federal, state and foreign basis and to specifically include the amount of income taxes paid to individual jurisdictions when they represent five percent or more of total income tax payments. The new guidance is effective for us beginning in 2025 annual reporting and may be applied on either a prospective or retrospective basis. Early adoption of the guidance is permitted. We are currently evaluating the effect this new guidance will have on our disclosures.

In November 2024, the FASB issued new guidance related to expense disaggregation disclosures. This guidance requires additional disclosure of certain amounts included in the expense captions presented in the Statement of Income as well as disclosures about selling expenses. The new guidance is effective for us beginning in 2027 on an annual basis and the first quarter of 2028 on a quarterly basis, and may be applied on either a prospective or retrospective basis. Early adoption of the guidance is permitted. We are currently evaluating the effect this new guidance will have on our 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 (or declines), unemployment and demand for our products and services. 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 September 30, 2024, our allowance for doubtful accounts was $3.5 million as compared to $2.8 million as of December 31, 2023.

Redeemable Noncontrolling interest: Our Premion business operates an advertising network for over-the-top (OTT) streaming and connected television platforms. In March 2020, we sold a minority interest in Premion to an affiliate of Gray Television (Gray) and entered into a commercial reselling agreement with the affiliate. Gray's investment allows it to sell its interest to Premion if there is a change in control of TEGNA or if the commercial 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 Sheets in the caption "Redeemable noncontrolling interest." When the redemption or carrying value (the acquisition date fair value adjusted for the noncontrolling interest's share of net income (loss) and dividends) is less than the recorded 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.

Treasury Stock: We account for treasury stock under the cost method. When treasury stock is re-issued at a price higher than its cost, the difference is recorded as a component of additional paid-in-capital (APIC) in our Condensed Consolidated Balance Sheets. When treasury stock is re-issued at a price lower than its cost, the difference is recorded as a component of APIC to the extent that there are previously recorded gains to offset the losses. If there are no accumulated gains in APIC, the losses upon re-issuance of treasury stock are recorded as a reduction of retained earnings in our Condensed Consolidated Balance Sheets.

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) 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; 2) advertising & marketing services revenues, which include local and national non-political television advertising, digital marketing services (including Premion), advertising on the stations' websites, tablet and mobile products, and OTT apps; 3) political advertising revenues, which are driven by even-year election cycles at the local and national level (e.g. 2022, 2024, etc.) and particularly in the second half of those years; and 4) other services, such as production of programming, tower rentals and distribution of our local news content.

Revenue earned by these sources in the third quarter and first nine months of 2024 and 2023 are shown below (amounts in thousands):

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2024	**2023**	**2024**	**2023**
Subscription	$ 356,205	$ 377,891	$ 1,098,554	$ 1,188,297
Advertising & Marketing Services	312,963	312,413	912,632	937,984
Political	126,318	11,643	185,789	22,925
Other	11,341	11,296	34,467	35,870
Total revenues	$ 806,827	$ 713,243	$ 2,231,442	$ 2,185,076

NOTE 2 – Goodwill and other intangible assets

The following table displays goodwill, indefinite-lived intangible assets, and amortizable intangible assets as of September 30, 2024 and December 31, 2023 (in thousands):

	Sept. 30, 2024		Dec. 31, 2023	
	Gross	Accumulated Amortization	Gross	Accumulated Amortization
Goodwill	$ 3,015,973	$ -	$ 2,981,587	$ -
Indefinite-lived intangibles:				
Television and radio station FCC broadcast licenses	2,124,731		2,124,731	
Amortizable intangible assets:				
Retransmission agreements	101,423	(97,426)	113,621	(95,619)
Network affiliation agreements	266,017	(117,362)	309,502	(144,834)
Other	104,198	(58,999)	71,067	(49,496)
Total indefinite-lived and amortizable intangible assets	$ 2,596,369	$ (273,787)	$ 2,618,921	$ (289,949)

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 from our multicast networks acquisition, which are also amortized on a straight-line basis over their useful lives. In the first nine months of 2024, gross intangible assets and associated accumulated amortization decreased by $57.0 million, due to certain intangible assets reaching the end of their useful lives.

On January 31, 2024, Premion, LLC acquired substantially all the assets of Octillion Media, a next-generation, demand-side platform focused on Local Connected TV (CTV)/Over-the-Top (OTT) advertising. The acquisition expands Premion's capabilities in the growing CTV marketplace by combining Octillion's technology with Premion's local CTV/OTT advertising solution.

The base purchase price of the acquisition was $56.0 million plus an adjustment for working capital and a maximum earnout of $14.0 million that the sellers will be entitled to receive if the Octillion Media business achieves certain technological and financial milestones during a defined period following the closing. In the third quarter of 2024, the Octillion Media business achieved the performance milestones contemplated by the first earnout, and as a result we paid $4.7 million of additional consideration to the sellers during the quarter. During the nine months ended September 30, 2024, $57.5 million of the purchase price had been paid.

The acquisition was funded with available cash on hand.

We are accounting for the acquisition as a business combination, 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. We have commenced the appraisals necessary to assess the fair values of the tangible and intangible assets acquired and liabilities assumed and the amount of goodwill to be recognized. Based on preliminary valuations we have recorded $34.4 million of intangible assets related to acquired technology and customer relationships. We also recorded an additional $34.4 million as goodwill, which represents the future economic benefits expected to arise from the acquisition that do not qualify for separate recognition, including assembled workforce, as well as future synergies that we expect to generate. The goodwill and intangible assets are deductible for tax purposes.

The amounts recorded for acquired assets and liabilities 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.

NOTE 3 – Investments and other assets

Our investments and other assets consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	Sept. 30, 2024	Dec. 31, 2023
Cash value life insurance	$ 52,545	$ 50,865
Equity method investments	16,509	16,195
Other equity investments	29,675	19,526
Deferred financing costs	6,517	—
Prepaid assets	7,111	9,878
Other long-term assets	22,685	17,057
Total	$ 135,042	$ 113,521

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 Statements of Income and were not material for all periods presented.

Equity method investments: These are investments in entities in which we have significant influence, but do not have a controlling financial interest. Our share of net earnings and losses from these ventures is included in “Other non-operating items, net” in the Consolidated Statements of Income.

Other equity investments: Represents investments in non-public businesses that do not have readily determinable pricing, and for which we do not have control and 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 first quarter of 2024 we received $152.9 million of pre-tax cash proceeds upon the completion of the previously announced sale of Broadcast Music, Inc. (BMI) to a private equity firm. The pre-tax gain of $152.9 million associated with this sale is included in “Other non-operating items, net” in the Consolidated Statements of Income. Following this sale we no longer have any ownership interest in BMI.

Deferred financing costs: These costs consist of amounts paid to lenders related to our revolving credit facility. On January 25, 2024, we entered into an amendment of our credit facility that resulted in the capitalization of $6.4 million of fees paid to lenders under the new amendment. Additionally, we reclassified approximately $1.1 million of fees under the previous credit facility as non-current deferred financing costs. See Note 4 for additional details of the revolving credit facility amendment. Financing costs paid for our unsecured notes are accounted for as a reduction in the debt obligation.

Prepaid assets: These amounts primarily consist of an asset related to a long-term services agreement for IT security.

NOTE 4 – Long-term debt

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

	Sept. 30, 2024	Dec. 31, 2023
Unsecured notes bearing fixed rate interest at 4.75% due March 2026	$ 550,000	$ 550,000
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	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	3,090,000	3,090,000
Financing costs	(18,567)	(22,226)
Unamortized premiums and discounts, net	4,071	5,027
Total long-term debt	$ 3,075,504	$ 3,072,801

On January 25, 2024, we entered into an amendment to our revolving credit facility (the Credit Agreement). Among other things, the amendment amends the Credit Agreement to:

- Reduce the Five-Year Commitments (as defined in the Credit Agreement) from $1.51 billion to $750 million;
- Extend the term of such Five-Year Commitments from August 15, 2024 to January 25, 2029, subject to a 91-day springing maturity date if debt in excess of $300 million (subject to certain exceptions) were to mature before such date;
- Add the right to obtain a temporary 0.5x step-up in the Total Leverage Ratio (as defined in the Credit Agreement) after consummating a Qualified Acquisition (as defined in the Credit Agreement);
- Increase the amount of Unrestricted Cash (as defined in the Credit Agreement) to $600 million;
- Amend the definition of Consolidated EBITDA to include an add-back for certain professional fees and expenses; and
- Establish a $50 million swingline facility.

Under the amended Credit Agreement, the Company’s maximum Total Leverage Ratio (as defined in the Credit Agreement) will remain unchanged at 4.50x.

As of September 30, 2024, cash and cash equivalents totaled $536.3 million and we had $12.1 million of letters of credit outstanding and unused borrowing capacity of $737.9 million under our $750 million revolving credit facility, which expires in January 2029. 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, based on our current financial forecasts and trends, that we will remain compliant with all covenants for the foreseeable future.

NOTE 5 – Retirement plans

We have various defined benefit retirement plans. Our principal defined benefit pension plan is the TEGNA Retirement Plan (TRP). The total net pension obligations, including both current and non-current liabilities, as of September 30, 2024, were $70.3 million, of which $5.9 million is recorded as a current obligation within accrued liabilities on the Condensed Consolidated Balance Sheets.

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

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2024	2023	2024	2023
Interest cost on benefit obligation	$ 5,686	$ 6,133	$ 17,058	$ 18,399
Expected return on plan assets	(5,517)	(5,235)	(16,550)	(15,705)
Amortization of prior service cost (credit)	23	(116)	68	(348)
Amortization of actuarial loss	1,475	1,504	4,425	4,513
Expense for company-sponsored retirement plans	$ 1,667	$ 2,286	$ 5,001	$ 6,859

Benefits no longer accrue for TRP and SERP participants as a result of amendments to the plans in past years, and as such we no longer incur a 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 nine months ended September 30, 2024 and 2023 we made cash contributions to the TRP of $3.7 million and $0.0 million, respectively. We made benefit payments to participants of the SERP of $2.8 million during each of the nine month periods ended September 30, 2024 and 2023. We expect to make additional cash payments of $0.9 million to our SERP participants during the remainder of 2024.

NOTE 6 – 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	Total
Quarter ended:			
Balance as of June 30, 2024	$ (117,921)	$ 532	$ (117,389)
Amounts reclassified from AOCL	1,112	—	1,112
Total other comprehensive income	1,112	—	1,112
Balance as of Sept. 30, 2024	$ (116,809)	$ 532	$ (116,277)
Balance as of June 30, 2023	$ (123,999)	$ 532	$ (123,467)
Amounts reclassified from AOCL	1,032	—	1,032
Total other comprehensive income	1,032	—	1,032
Balance as of Sept. 30, 2023	$ (122,967)	$ 532	$ (122,435)
Nine Months Ended:			
Balance as of Dec. 31, 2023	$ (120,142)	$ 532	$ (119,610)
Amounts reclassified from AOCL	3,333	—	3,333
Total other comprehensive income	3,333	—	3,333
Balance as of Sept. 30, 2024	$ (116,809)	$ 532	$ (116,277)
Balance as of Dec. 31, 2022	$ (126,065)	$ 532	$ (125,533)
Amounts reclassified from AOCL	3,098	—	3,098
Total other comprehensive income	3,098	—	3,098
Balance as of Sept. 30, 2023	$ (122,967)	$ 532	$ (122,435)

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 actuarial losses. Amounts reclassified out of AOCL are summarized below (in thousands):

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2024	2023	2024	2023
Amortization of prior service cost (credit), net	$ 23	$ (116)	$ 68	$ (348)
Amortization of actuarial loss	1,475	1,504	4,425	4,513
Total reclassifications, before tax	1,498	1,388	4,493	4,165
Income tax effect	(386)	(356)	(1,160)	(1,067)
Total reclassifications, net of tax	$ 1,112	$ 1,032	$ 3,333	$ 3,098

NOTE 7 – Earnings per share

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

	Quarter ended Sept. 30,		Nine months ended Sept. 30,	
	2024	2023	2024	2023
Net income	$ 147,188	$ 96,254	$ 418,479	$ 400,351
Net loss (income) attributable to the noncontrolling interest	260	(71)	673	240
Adjustment of redeemable noncontrolling interest to redemption value	(641)	(282)	(1,797)	(1,281)
Earnings available to common shareholders	$ 146,807	$ 95,901	$ 417,355	$ 399,310
Weighted average number of common shares outstanding - basic	165,188	200,779	170,820	214,297
Effect of dilutive securities:				
Restricted stock units	447	261	378	170
Performance share awards	113	178	136	124
Weighted average number of common shares outstanding - diluted	165,748	201,218	171,334	214,591
Net income per share - basic	$ 0.89	$ 0.48	$ 2.44	$ 1.86
Net income per share - diluted	$ 0.89	$ 0.48	$ 2.44	$ 1.86

Our calculation of diluted earnings per share includes the dilutive effects for the assumed vesting of outstanding restricted stock units and performance share awards. The diluted earnings per share amounts exclude the effects of approximately 160 thousand and 360 thousand stock awards for the three and nine months ended September 30, 2024, respectively, as their inclusion would be accretive to earnings per share.

NOTE 8 – 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.

We also hold other financial instruments including cash and cash equivalents, receivables, accounts payable, contingent consideration 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 $3.01 billion on September 30, 2024 and $2.93 billion on December 31, 2023.

As described in Note 2, in connection with the Octillion acquisition, the sellers may be entitled to earn additional consideration in the form of earnouts depending on the achievement of certain technological and financial milestones. The maximum value of these earnouts is $14.0 million and we currently estimate their fair value to be $12.8 million. In the third quarter of 2024, the Octillion Media business achieved the performance milestones contemplated by the first earnout and as a result we paid the sellers $4.7 million of additional consideration. The estimated fair value is based on unobservable inputs and is therefore a Level 3 fair value. The Company’s valuation was based on an income approach, which utilized Monte Carlo simulations that included expected payoff estimates calculated based on various discounted cash flow valuations.

NOTE 9 – Share repurchase program

On June 2, 2023, we entered into our first accelerated share repurchase program (the first ASR) with JPMorgan Chase Bank, National Association (JPMorgan). Under the terms of the first ASR, we repurchased $300 million in TEGNA common stock from JPMorgan, with an initial delivery of approximately 15.2 million shares received on June 6, 2023, representing 80% ($240 million) of the value of the first ASR contract. The first ASR program was completed during the third quarter of 2023 at which time JPMorgan delivered an additional 3.1 million shares to us. The final share settlement was based on the average daily volume-weighted average price of TEGNA shares during the term of the first ASR program, less a discount, less the previously delivered 15.2 million shares.

On November 9, 2023, we entered into a second accelerated share repurchase (the second ASR) program with JPMorgan. Under the terms of the second ASR, we repurchased $325 million in TEGNA common stock from JPMorgan, with an initial delivery of approximately 17.3 million shares received on November 13, 2023, representing 80% ($260 million) of the value of the second ASR contract. The second ASR program was completed on February 22, 2024, shortly after which date JPMorgan delivered an additional 4.0 million shares to us. The final share settlement was based on the average daily volume-weighted average price of TEGNA shares during the term of the second ASR program, less a discount, less the previously delivered 17.3 million shares.

In December 2023, our Board of Directors authorized a new share repurchase program for up to $650.0 million of our common stock, which was in addition to the second ASR program. This new share repurchase program expires on December 31, 2025. In the third quarter of 2024, 4.8 million shares were repurchased under this program at an average share price of $14.51 for an aggregate cost of $70.1 million. In the first nine months of 2024, 15.7 million shares were repurchased under this program at an average share price of $14.36 for an aggregate cost of $226.0 million. Of the shares repurchased in 2024, $1.0 million had not yet been paid for as of the end of the third quarter.

During the first nine months of 2024, we returned $286.4 million of capital to shareholders with $225.0 million of share repurchases, representing 15.7 million shares, and paid $61.4 million in dividends.

Our capital allocation plan is subject to a variety of factors, including our strategic plans, market and economic conditions and the discretion of our Board of Directors.

NOTE 10 – Other matters

Litigation

Antitrust matters

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, the DOJ and seven other broadcasters settled a DOJ complaint alleging the exchange of certain 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 as alleged by the DOJ, 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. The costs of compliance have not been material, nor do we expect future compliance costs 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 were consolidated into a single proceeding in the United States District Court for the Northern District of Illinois, captioned In re: Local TV Advertising Antitrust Litigation on October 3, 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 the 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. On November 6, 2020, the court denied the motion to dismiss. On March 16, 2022, the plaintiffs filed a third amended complaint, which, among other things, added ShareBuilders, Inc., as a named defendant. ShareBuilders filed a motion to dismiss on April 15, 2022, which was granted by the court without prejudice on August 29, 2022. TEGNA has filed its answer to the third amended complaint denying any violation of law and asserting various affirmative defenses.

On May 26, 2023, plaintiffs moved for preliminary approval of settlements with four co-defendants – CBS Corp (n/k/a Paramount Global), Fox Corp., certain Cox entities (including Cox Media Group, LLC, Cox Enterprises, Inc., CMG Media Corporation and Cox Reps, Inc.) and ShareBuilders, Inc. Although ShareBuilders prevailed on its motion to dismiss the case, as noted above, because the court had dismissed the claims without prejudice, ShareBuilders entered into a zero-dollar settlement with the plaintiffs in order to ensure that the plaintiffs do not re-file the claims in the future. In exchange for a release of plaintiffs' claims against them, the settling defendants, among other things, collectively agreed to pay $48 million, while expressly denying any liability or wrongdoing. The court approved the settlements in December 2023.

Discovery in the Advertising Cases is ongoing. We believe that the claims asserted in the Advertising Cases are without merit and intend to defend vigorously against them.

Other litigation matters

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.

Related Party Transactions

We have an equity investment in MadHive, Inc. (MadHive) which is a related party of TEGNA. We also have commercial agreements with MadHive, under which MadHive supports our Premion business in acquiring over-the-top advertising inventory and delivering corresponding advertising impressions. In the third quarter and first nine months of 2024, we incurred expenses of $16.4 million and $53.7 million, respectively, as a result of the commercial agreement with MadHive. In the third quarter and first nine months of 2023, we incurred expenses of $22.7 million and $71.8 million, respectively, as a result of the commercial agreements with MadHive. As of September 30, 2024, and December 31, 2023, we had accounts payable and accrued liabilities associated with the MadHive commercial agreements of $5.5 million and $5.4 million, respectively.

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

Company Overview

We serve our local communities across the U.S. through trustworthy journalism, engaging content, and tools that help people navigate their daily lives. Through customized marketing solutions, we help businesses grow and thrive. With 64 television stations in 51 U.S. markets, we reach approximately 100 million people every month across the web, mobile apps, streaming, and linear television. We have been consistently honored with the industry’s top awards, including Edward R. Murrow, George Polk, Alfred I. DuPont and Emmy Awards. We also own leading multicast networks True Crime Network and Quest.

We have one operating and reportable segment. The primary sources of our revenues are: 1) subscription revenues, reflecting fees paid by satellite, cable, over-the-top (OTT) (companies that deliver video content to consumers over the Internet) and telecommunications providers to carry our television signals on their systems; 2) 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, tablet and mobile products and OTT apps; 3) political advertising revenues, which are driven by even year election cycles at the local and national level (e.g. 2022, 2024, etc.) and particularly in the second half of those years; and 4) other services, such as production of programming, tower rentals, and distribution of our local news content.

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 that supplements our financial information provided on a GAAP basis.

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

	Quarter ended Sept. 30,			Nine months ended Sept. 30,		
	2024	2023	Change	2024	2023	Change
Revenues	$ 806,827	$ 713,243	13%	$ 2,231,442	$ 2,185,076	2%
Operating expenses:						
Cost of revenues	437,855	438,260	0%	1,300,466	1,295,720	0%
Business units - Selling, general and administrative expenses	96,882	98,394	(2%)	294,080	294,734	0%
Corporate - General and administrative expenses	13,188	13,552	(3%)	40,671	52,158	(22%)
Depreciation	15,543	15,083	3%	45,026	45,119	0%
Amortization of intangible assets	13,467	13,297	1%	40,790	40,175	2%
Asset impairment and other	—	—	***	1,097	3,359	(67%)
Merger termination fee	—	—	***	—	(136,000)	***
Total	$ 576,935	$ 578,586	0%	$ 1,722,130	$ 1,595,265	8%
Operating income	$ 229,892	$ 134,657	71%	$ 509,312	$ 589,811	(14%)
Non-operating (expense) income	(37,961)	(10,602)	***	36,378	(85,633)	***
Provision for income taxes	44,743	27,801	61%	127,211	103,827	23%
Net income	147,188	96,254	53%	418,479	400,351	5%
Net loss (income) attributable to redeemable noncontrolling interest	260	(71)	***	673	240	***
Net income attributable to TEGNA Inc.	$ 147,448	$ 96,183	53%	$ 419,152	$ 400,591	5%
Net Income per share - basic	$ 0.89	$ 0.48	85%	$ 2.44	$ 1.86	31%
Net Income per share - diluted	$ 0.89	$ 0.48	85%	$ 2.44	$ 1.86	31%

*** Not meaningful

Revenues

Our Subscription revenue category includes revenue earned from cable, satellite and telecommunication providers for the right to carry our signals and the distribution of TEGNA stations on OTT streaming services. 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 revenues and operating results are subject to seasonal fluctuations. Generally, our second and fourth quarter advertising revenues are stronger than those we report for the first and third quarters. 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, state 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.

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

	Quarter ended Sept. 30,			Nine months ended Sept. 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Subscription	$ 356,205	$ 377,891	(6%)	$ 1,098,554	$ 1,188,297	(8%)
Advertising & Marketing Services	312,963	312,413	0%	912,632	937,984	(3%)
Political	126,318	11,643	***	185,789	22,925	***
Other	11,341	11,296	0%	34,467	35,870	(4%)
Total revenues	$ 806,827	$ 713,243	13%	$ 2,231,442	$ 2,185,076	2%

*** Not meaningful

Total revenues increased $93.6 million in the third quarter of 2024 and $46.4 million in the first nine months of 2024 compared to the same periods in 2023. The net increases were primarily driven by an increase in political revenue ($114.7 million third quarter, $162.9 million first nine months) reflecting increased spending on the upcoming elections. Partially offsetting these increases was a decrease in subscription revenue ($21.7 million third quarter, $89.7 million first nine months) primarily due to declines in subscribers and for the nine-month period only, a temporary disruption of service with a distribution partner which was successfully resolved on January 13, 2024. These declines were partially offset by contractual rate increases under our retransmission agreements. For the third quarter, AMS revenue was up slightly driven by increased advertising related to the Summer Olympic Games partially offset by political crowd out. The underlying advertising trend improved due to demand from local accounts that outweighed continued softness from national accounts. For the nine month period only, AMS revenue was down $25.4 million due to continued softness in the national advertising market.

Cost of revenues

Cost of revenues decreased $0.4 million in the third quarter of 2024 and increased $4.7 million in the first nine months of 2024 compared to the same periods in 2023. The third quarter decrease was primarily due to a $9.0 million decline in programming costs, partially offset by increases in payroll-related costs of $3.7 million, employee stock-based compensation of $1.2 million, and employee retention costs of $0.6 million. The increase for the first nine months was primarily due to increase in payroll-related costs of $11.9 million, employee stock-based compensation of $3.8 million, employee retention costs of $2.9 million, and workforce restructuring costs of $0.9 million. These increases were partially offset by a $15.0 million decline in programming costs.

Business units - Selling, general and administrative expenses

Business unit selling, general and administrative expenses decreased $1.5 million in the third quarter of 2024 and $0.7 million in the first nine months of 2024 compared to the same periods in 2023. The decreases were primarily due to declines in professional service costs partially offset by increases from payroll-related costs, employee retention costs, employee stock-based compensation, and workforce restructuring costs.

Corporate - General and administrative expenses

Our corporate costs are separated from our direct business expenses and are recorded as general and administrative expenses in our Consolidated Statements of Income. This category primarily consists of corporate management and support functions including Legal, Human Resources, and Finance.

Corporate general and administrative expenses decreased $0.4 million in the third quarter of 2024 and $11.5 million in the first nine months of 2024 compared to the same periods in 2023. The decrease for the first nine months was primarily due to declines in merger and acquisition (M&A)-related costs of $17.6 million, partially offset by increases in employee retention costs of $4.2 million and workforce restructuring costs of $1.8 million.

Depreciation

Depreciation expense increased by $0.5 million in the third quarter of 2024 and decreased $0.1 million in the first nine months of 2024 compared to the same periods in 2023.

Amortization of intangible assets

Intangible asset amortization expense increased $0.2 million in the third quarter of 2024 and $0.6 million in the nine months of 2024 compared to the same periods in 2023. The increases were primarily due to the amortization of intangible assets acquired in the Octillion Media acquisition, partially offset by a decrease in amortization due to certain intangible assets reaching the end of their assumed useful lives and therefore becoming fully amortized.

Asset impairment and other

Asset impairment and other expenses were $1.1 million in the first nine months of 2024 compared to $3.4 million in the first nine months of 2023. The 2024 activity was due to a contract termination fee. The 2023 activity was due to an impairment charge recognized on programming assets in the second quarter of 2023.

Merger termination fee

On February 22, 2022, we entered into an Agreement and Plan of Merger (as amended, the Merger Agreement), with Teton Parent Corp. On May 22, 2023, after a protracted regulatory review, we terminated the Merger Agreement in accordance with its terms. Per the terms of the Merger Agreement, we received $136.0 million as a result of this termination which was satisfied in TEGNA common stock and recorded as a reduction in operating expense.

Operating income

Operating income increased $95.2 million in the third quarter of 2024 and decreased $80.5 million in the first nine months of 2024 compared to the same periods in 2023. The third quarter increase was primarily driven by an increase in political revenue of $114.7 million. The decrease in the first nine months of 2024 was primarily driven by the absence of the $136.0 million Merger termination fee, a decrease in subscription revenue of $89.7 million and a decline in AMS revenue of $25.4 million, partially offset by an increase in political revenue of $162.9 million. Non-GAAP operating income increased $103.0 million in the third quarter of 2024 and $53.7 million in the first nine months of 2024 due to the increases in political revenues, partially offset by declines in subscription revenues discussed above. For information on the nature and magnitude of items excluded from non-GAAP results, and a reconciliation to the most directly comparable GAAP measure, see the “Results from Operations- Non-GAAP Information” section.

Non-operating (expense) income

Non-operating expense increased $27.4 million in the third quarter of 2024 compared to the same period in 2023. The increase in expense was primarily due to the absence in 2024 of a $25.8 million gain recognized on the sale of a portion of our MadHive investment in the third quarter of 2023.

In the first nine months of 2024, non-operating income increased $122.0 million compared to the same period in 2023. The increase was primarily due to a $152.9 million gain recognized on the sale of our investment in Broadcast Music, Inc. in the first quarter of 2024. Partially offsetting this increase was the absence of the $25.8 million gain on the partial sale of our MadHive investment in 2023.

Provision for income taxes

Income tax expense increased $16.9 million in the third quarter of 2024 compared to the same period in 2023. Income tax expense increased $23.4 million in the first nine months of 2024 compared to the same period in 2023. The increases were primarily due to increases in net income before tax and higher effective income tax rates. Our effective income tax rate was 23.3% for the third quarter of 2024, compared to 22.4% for the third quarter of 2023. The tax rate for the third quarter of 2024 is higher than the comparable rate in 2023 primarily due to tax benefits recorded in 2023 associated with the release of a valuation allowance on a deferred tax asset related to an equity method investment. The tax rate for the third quarter of 2024 benefited from the purchase of federal clean energy tax credits. Our effective income tax rate was 23.3% for the first nine months of 2024, compared to 20.6% for the same period in 2023. The tax rate for the first nine months of 2024 is higher than the comparable rate in 2023 primarily due to the 2023 tax rate being favorably impacted by the deduction of previously capitalized transaction costs resulting from the termination of the Merger Agreement and a portion of the Merger termination fee being treated as non-taxable. The tax rate for the first nine months of 2024 benefited from the purchase of federal clean energy tax credits and discrete tax benefits as a result of a favorable settlement of an IRS audit related to the 2016 and 2017 tax years.

Net income attributable to TEGNA Inc.

Net income attributable to TEGNA Inc. was $147.4 million, or $0.89 per diluted share, in the third quarter of 2024 compared to $96.2 million, or $0.48 per diluted share, during the same period in 2023. On a non-GAAP basis, net income attributable to TEGNA Inc. was $156.9 million, or $0.94 per diluted share, in the third quarter of 2024 compared to $78.0 million, or $0.39 per diluted share, during the same period in 2023. For the first nine months of 2024, net income attributable to TEGNA Inc. was $419.2 million, or $2.44 per diluted share, compared to $400.6 million, or $1.86 per diluted share, during the same period of 2023. On a non-GAAP basis, net income attributable to TEGNA Inc. was $323.2 million, or $1.88 per diluted share, in the first nine months of 2024 compared to $282.2 million, or $1.31 per diluted share, during the same period in 2023. Both income and earnings per share, on a GAAP and non-GAAP basis, were affected by the factors discussed above. For information on the nature and magnitude of items excluded from non-GAAP results, and a reconciliation to the most directly comparable GAAP measure, see the “Results from Operations- Non-GAAP Information” section.

The weighted average number of diluted common shares outstanding during the third quarter of 2024 and 2023 were 165.7 million and 201.2 million, respectively. The weighted average number of diluted shares outstanding in the first nine months of 2024 and 2023 was 171.3 million and 214.6 million, respectively. The decline in the number of diluted common shares outstanding was primarily due to share repurchases of 39.5 million under our ASR programs which began in the second quarter of 2023, the receipt of 8.6 million shares to satisfy the Merger termination fee which occurred in the second quarter of 2023 and share repurchases of 17.5 million shares from the third quarter of 2023 through the third quarter of 2024 under our authorized repurchase programs.

Results from Operations - Non-GAAP Information

Presentation of Non-GAAP information

The Company uses 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 the Company's Board of Directors (the "Board") regularly use Corporate – General and administrative expenses, Operating expenses, Operating income, Income before income taxes, Provision for income taxes, Net income attributable to TEGNA Inc., and Diluted earnings per share, each presented on a non-GAAP basis, for purposes of evaluating company performance. Management and the Board also use Adjusted EBITDA to evaluate Company performance. The Leadership Development and Compensation Committee of our Board uses non-GAAP measures such as Adjusted EBITDA, non-GAAP net income, non-GAAP EPS to evaluate and compensate senior management. The Company, therefore, believes 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, facilitating comparisons of results across historical periods and focus on the underlying ongoing operating performance of our business. The Company also believes 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.

The Company discusses in this Form 10-Q non-GAAP financial performance measures that exclude from its reported GAAP results the impact of "special items" which are described in detail below in the section titled "Discussion of Special Charges and Credits Affecting Reported Results." The Company believes that such expenses and gains are not indicative of normal, ongoing operations. While these items 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, charges, and gains in the future, the Company believes 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.

The Company also discusses Adjusted EBITDA (with and without stock-based compensation expense), a non-GAAP financial performance measure that it believes offers a useful view of the overall operation of its businesses. The Company defines Adjusted EBITDA as net income attributable to TEGNA before (1) net loss attributable to redeemable noncontrolling interest, (2) income taxes, (3) interest expense, (4) interest income, (5) other non-operating items, net, (6) M&A-related costs, (7) asset impairment and other, (8) workforce restructuring costs, (9) employee retention costs, (10) the Merger termination fee, (11) depreciation and (12) amortization of intangible assets. The Company believes 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 and 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.

Discussion of Special Charges and Credits Affecting Reported Results

Our results included the following items we consider "special items" that, while at times recurring, are not normal and can vary significantly from period to period:

Quarter and nine months ended September 30, 2024:

- Retention costs, including stock-based compensation (SBC) and cash payments to certain employees to ensure their continued service to the Company;
- Workforce restructuring expenses;
- M&A-related costs;
- Asset impairment and other consisting of a contract termination fee; and
- Other non-operating item consisting of a gain recognized on the sale of our investment in Broadcast Music Inc. (BMI).

Quarter and nine months ended September 30, 2023:

- M&A-related costs;
- Retention costs, including SBC and cash payments to certain employees to ensure their continued service to the Company;
- Merger termination fee;
- Asset impairment and other consisting of programming asset impairments;
- Other non-operating item consisting of a gain recognized on the partial sale of one of our equity investments; and
- Tax benefits associated with previously disallowed transaction costs and the release of a valuation allowance on a deferred tax asset related to an equity method investment.

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 Sept. 30, 2024	**GAAP measure**	**Retention costs - SBC**	**Retention costs - Cash**	**Workforce restructuring**	**Non-GAAP measure**
Corporate - General and administrative expenses	$ 13,188	$ (1,771)	$ (1,181)	$ (1,231)	$ 9,005
Operating expenses	576,935	(4,044)	(2,390)	(4,167)	566,334
Operating income	229,892	4,044	2,390	4,167	240,493
Income before income taxes	191,931	4,044	2,390	4,167	202,532
Provision for income taxes	44,743	242	430	518	45,933
Net income attributable to TEGNA Inc.	147,448	3,802	1,960	3,649	156,859
Earnings per share - diluted	$ 0.89	$ 0.02	$ 0.01	$ 0.02	$ 0.94

		Special Items				
Quarter ended Sept. 30, 2023	**GAAP measure**	**Retention costs - SBC**	**Retention costs - Cash**	**Other non-operating item**	**Special tax item**	**Non-GAAP measure**
Corporate - General and administrative expenses	$ 13,552	$ (440)	$ (553)	$ —	$ —	$ 12,559
Operating expenses	578,586	(1,692)	(1,192)	—	—	575,702
Operating income	134,657	1,692	1,192	—	—	137,541
Income before income taxes	124,055	1,692	1,192	(25,809)	—	101,130
Provision for income taxes	27,801	237	152	(6,604)	1,516	23,102
Net income attributable to TEGNA Inc.	96,183	1,455	1,040	(19,205)	(1,516)	77,957
Earnings per share - diluted	$ 0.48	$ 0.01	$ 0.01	$ (0.10)	$ (0.01)	$ 0.39

		Special Items						
Nine months ended Sept. 30, 2024	**GAAP measure**	**Retention costs - SBC**	**Retention costs - Cash**	**M&A-related costs**	**Workforce restructuring**	**Asset impairment and other**	**Other non-operating item**	**Non-GAAP measure**
Corporate - General and administrative expenses	$ 40,671	$ (3,094)	$ (2,056)	$ (2,290)	$ (1,834)	$ —	$ —	$ 31,397
Operating expenses	1,722,130	(9,135)	(3,963)	(2,290)	(7,804)	(1,097)	—	1,697,841
Operating income	509,312	9,135	3,963	2,290	7,804	1,097	—	533,601
Income before income taxes	545,690	9,135	3,963	2,290	7,804	1,097	(152,867)	417,112
Provision for income taxes	127,211	1,035	678	593	1,408	284	(36,621)	94,588
Net income attributable to TEGNA Inc.	419,152	8,100	3,285	1,697	6,396	813	(116,246)	323,197
Earnings per share - diluted [(a)]	$ 2.44	$ 0.05	$ 0.02	$ 0.01	$ 0.04	$ 0.01	$ (0.68)	$ 1.88

[(a)] Per share amounts do not sum due to rounding.

		Special Items							
Nine months ended Sept. 30, 2023	**GAAP measure**	**M&A-related costs**	**Retention costs - SBC**	**Retention costs - Cash**	**Merger termination fee**	**Asset impairment and other**	**Other non-operating item**	**Special tax item**	**Non-GAAP measure**
Corporate - General and administrative expenses	$ 52,158	$ (19,848)	$ (440)	$ (553)	$ —	$ —	$ —	$ —	$ 31,317
Operating expenses	1,595,265	(19,848)	(1,692)	(1,192)	136,000	(3,359)	—	—	1,705,174
Operating income	589,811	19,848	1,692	1,192	(136,000)	3,359	—	—	479,902
Income before income taxes	504,178	19,848	1,692	1,192	(136,000)	3,359	(25,809)	—	368,460
Provision for income taxes	103,827	4,552	237	152	(24,504)	860	(6,604)	7,959	86,479
Net income attributable to TEGNA Inc.	400,591	15,296	1,455	1,040	(111,496)	2,499	(19,205)	(7,959)	282,221
Earnings per share - diluted [(a)]	$ 1.86	$ 0.07	$ 0.01	$ —	$ (0.52)	$ 0.01	$ (0.09)	$ (0.04)	$ 1.31

[(a)] Per share amounts do not sum due to rounding.

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 Sept. 30,			Nine months ended Sept. 30,		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Net income attributable to TEGNA Inc. (GAAP basis)	$ 147,448	$ 96,183	53 %	$ 419,152	$ 400,591	5 %
(Less) Plus: Net (loss) income attributable to redeemable noncontrolling interest	(260)	71	***	(673)	(240)	***
Plus: Provision for income taxes	44,743	27,801	61 %	127,211	103,827	23 %
Plus: Interest expense	42,288	43,418	(3 %)	126,404	129,121	(2 %)
Less: Interest income	(7,023)	(7,389)	(5 %)	(18,469)	(23,498)	(21 %)
Plus (Less): Other non-operating items, net	2,696	(25,427)	***	(144,313)	(19,990)	***
Operating income (GAAP basis)	229,892	134,657	71 %	509,312	589,811	(14 %)
Plus: M&A-related costs	—	—	***	2,290	19,848	(88 %)
Plus: Asset impairment and other	—	—	***	1,097	3,359	(67 %)
Plus: Workforce restructuring	4,167	—	***	7,804	—	***
Plus: Retention costs - Employee stock-based compensation expenses	4,044	1,692	***	9,135	1,692	***
Plus: Retention costs - Cash	2,390	1,192	***	3,963	1,192	***
Less: Merger termination fee	—	—	***	—	(136,000)	***
Adjusted operating income (non-GAAP basis)	240,493	137,541	75 %	533,601	479,902	11 %
Plus: Depreciation	15,543	15,083	3 %	45,026	45,119	0 %
Plus: Amortization of intangible assets	13,467	13,297	1 %	40,790	40,175	2 %
Adjusted EBITDA	$ 269,503	$ 165,921	62 %	$ 619,417	$ 565,196	10 %
Stock-based compensation expenses:						
Employee awards	6,546	4,866	35 %	21,526	13,711	57 %
Company stock 401(k) match contributions	4,035	3,924	3 %	14,251	14,150	1 %
Adjusted EBITDA before stock-based compensation costs	$ 280,084	$ 174,711	60 %	$ 655,194	$ 593,057	10 %

*** Not meaningful

In the third quarter of 2024 Adjusted EBITDA margin was 33% with stock-based compensation expense or 35% without those expenses. For the nine months ended September 30, 2024, Adjusted EBITDA margin was 28% with stock-based compensation expense or 29% without those expenses. Our total Adjusted EBITDA increased $103.6 million, or 62%, in the third quarter of 2024 and $54.2 million, or 10% in the first nine months of 2024, compared to 2023. These increases were primarily driven by the operational factors discussed above within the revenue and operating expense fluctuation explanation sections, most notably, the increase in political revenue, partially offset by a decrease in subscription revenue.

Liquidity, Capital Resources and Cash Flows

Our operations have historically generated positive cash flow that, along with availability under our existing revolving credit facility and cash and cash equivalents on hand, has been sufficient to fund our capital expenditures, interest payments, dividends, share repurchases, investments in strategic initiatives and other operating requirements.

We paid dividends totaling $61.4 million and $63.1 million in the nine months ended September 30, 2024 and 2023, respectively. On May 8, 2024 we announced that our Board of Directors further increased the quarterly dividend by 10%, from 11.375 to 12.5 cents per share. This increase builds on a 20 percent increase to TEGNA's dividend in 2023. The most recent increase to the dividend took effect beginning with the July 1, 2024 dividend payment.

On June 2, 2023, we entered into our first accelerated share repurchase program (the first ASR) with JPMorgan Chase Bank, National Association (JPMorgan). Under the terms of the first ASR, we repurchased $300 million in TEGNA common stock from JPMorgan, with an initial delivery of approximately 15.2 million shares received on June 6, 2023, representing 80% ($240 million) of the value of the first ASR contract. The first ASR program was completed during the third quarter of 2023 at which time JPMorgan delivered an additional 3.1 million shares to us. The final share settlement was based on the average daily volume-weighted average price of TEGNA shares during the term of the first ASR program, less a discount, less the previously delivered 15.2 million shares.

On November 9, 2023, we entered into a second accelerated share repurchase (the second ASR) program with JPMorgan. Under the terms of the second ASR, we repurchased $325 million in TEGNA common stock from JPMorgan, with an initial delivery of approximately 17.3 million shares received on November 13, 2023, representing 80% ($260 million) of the value of the second ASR contract. The second ASR program was completed on February 22, 2024, shortly after which JPMorgan delivered an additional 4.0 million shares to us. The final share settlement was based on the average daily volume-weighted average price of TEGNA shares during the term of the second ASR program, less a discount, less the previously delivered 17.3 million shares.

In December 2023, our Board of Directors authorized a share repurchase program for up to $650.0 million of our common stock, which was in addition to the second ASR program. This share repurchase program expires on December 31, 2025. In the first nine months of 2024, 15.7 million shares were repurchased under this program at an average share price of $14.36 for an aggregate cost of $226.0 million, of which $1.0 million had not yet been paid as of the end of the third quarter.

Our comprehensive capital allocation framework supports shareholder value creation through a predictable and sustained distribution of free cash flow to shareholders. During the first nine months of 2024, we returned approximately 65% of Adjusted free cash flow to shareholders through share repurchases and dividends. We continue to expect to return 40-60 percent of our Adjusted free cash flow generated over 2024-2025 to shareholders. Remaining Adjusted free cash flow is expected to be used for organic investments and/or bolt-on acquisitions and to prepare for future debt retirement. We will continue to analyze all uses of capital, including regular evaluation of the dividend, with a goal of maximizing long-term shareholder value creation.

Consistent with this framework, we are on track to return approximately $350 million of capital to shareholders in 2024 through dividends and share repurchases from time to time on the open market at prevailing prices or in negotiated transactions.

During the first nine months of 2024, we returned $286.4 million of capital to shareholders with $225.0 million of share repurchases, representing 15.7 million shares, and paid $61.4 million in dividends.

Our capital allocation plan is subject to a variety of factors, including our strategic plans, market and economic conditions and the discretion of our Board of Directors.

In addition to the above share repurchase initiatives, during 2024 we deployed surplus cash in time deposit and money market investments with several financial institutions.

On January 25, 2024, we entered into an amendment to our revolving credit facility. Among other things, the amendment amends the revolving credit facility to:

- Reduce the Five-Year Commitments (as defined in the Credit Agreement) from $1.51 billion to $750 million;
- Extend the term of such Five-Year Commitments from August 15, 2024 to January 25, 2029, subject to a 91-day springing maturity date if debt in excess of $300 million (subject to certain exceptions) were to mature before such date;
- Add the right to obtain a temporary 0.5x step-up in the Total Leverage Ratio (as defined in the Credit Agreement) after consummating a Qualified Acquisition (as defined in the Credit Agreement);
- Increase the amount of Unrestricted Cash (as defined in the Credit Agreement) to $600 million;
- Amend the definition of Consolidated EBITDA to include an add-back for certain professional fees and expenses; and
- Establish a $50 million swingline facility.

Under the amended Credit Agreement, the Company’s maximum Total Leverage Ratio (as defined in the Credit Agreement) will remain unchanged at 4.50x. None of the available capacity on the revolving credit facility was drawn on the amendment date.

As of September 30, 2024, we were in compliance with all covenants contained in our debt agreements and credit facility. Our leverage ratio, calculated in accordance with our revolving Credit Agreement, was 2.79x, below the maximum permitted leverage ratio of 4.50x. The leverage ratio is calculated using annualized adjusted EBITDA (as defined in the Credit Agreement) for the trailing eight quarters. We expect to remain compliant with all covenants for the foreseeable future. As of September 30, 2024, our total debt was $3.08 billion, cash and cash equivalents totaled $536.3 million, and we had unused borrowing capacity of $737.9 million under our revolving credit facility after reducing for outstanding letters of credit. Our debt consists of unsecured notes which have fixed interest rates.

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 our 2023 Annual Report on Form 10-K for further discussion. We expect our existing cash and cash equivalents, expected future cash flow from our operations, and borrowing capacity under the revolving credit facility will be more than sufficient to satisfy our recurring contractual commitments, debt service obligations, capital expenditure requirements, and other working capital needs for the next twelve months and beyond.

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):

	Nine months ended Sept. 30, 2024	Nine months ended Sept. 30, 2023
Cash and cash equivalents at beginning of the period	$ 361,036	$ 551,681
Operating activities:		
Net income	418,479	400,351
Gain on investment sales	(153,626)	(25,809)
Merger termination fee	—	(136,000)
Depreciation, amortization and other non-cash adjustments	131,491	115,623
Pension expense, net of employer contributions	(1,530)	3,982
Decrease in trade receivables	16,931	50,207
(Decrease) increase in accounts payable	(22,987)	9,690
Increase (decrease) in interest and taxes payable	13,766	(29,601)
All other operating activities	32,692	20,396
Net cash flow from operating activities	435,216	408,839
Investing activities:		
Purchase of property and equipment	(36,297)	(29,301)
Payments for acquisitions of businesses and assets, net of cash acquired	(52,799)	(1,150)
Proceeds from investments	157,365	27,646
All other investing activities	(19,162)	(290)
Net cash flow provided by (used for) investing activities	49,107	(3,095)
Financing activities:		
Repurchase of common stock	(224,996)	(327,914)
Dividends paid	(61,375)	(63,078)
Payments for tax withholding related to vested stock-based compensation awards	(11,620)	(13,403)
All other financing activities	(11,115)	—
Net cash flow used for financing activities	(309,106)	(404,395)
Net change in cash and cash equivalents	175,217	1,349
Cash and cash equivalents at end of the period	$ 536,253	$ 553,030

Operating activities - Cash flow from operating activities was $435.2 million for the nine months ended September 30, 2024, compared to $408.8 million for the same period in 2023. The increase in operating cash flow of $26.4 million was primarily due to an increase in net income of $18.1 million mainly due to an increase in political revenue. Also driving the increase was a decrease in cash paid for income taxes of $25.8 million, driven in part by the utilization of purchased clean energy tax credits to reduce estimated income tax payments in the first nine months of 2024. Payment for these tax credits will be made primarily in the fourth quarter of 2024. The increase was partially offset by a $32.7 million change in accounts payable driven by the timing of payments.

Investing activities - Cash flow from investing activities was a net cash inflow of $49.1 million for the nine months ended September 30, 2024, compared to a net cash outflow of $3.1 million for the same period in 2023. The increase in net cash flows of $52.2 million from investing activities was primarily driven by a $129.7 million increase in proceeds from investments, primarily driven by $152.9 million of proceeds from the sale of our investment in BMI in the first quarter of 2024. Proceeds in 2023 were primarily related to $26.4 million of cash received from the sale of a portion of our investment in MadHive. This increase was partially offset by cash outflows of $52.8 million for the acquisition of Octillion Media in 2024 and a $19.0 million increase in 2024 in payments made for debt and equity investments.

Financing activities - Cash flow used for financing activities was $309.1 million for the nine months ended September 30, 2024, compared to $404.4 million for the same period in 2023. The decrease was primarily due to our repurchase of common stock, which included a $300.0 million ASR program payment in the second quarter of 2023 that did not recur in 2024. In the first nine months of 2024 we repurchased $225.0 million of common stock on the open market under our authorized share repurchase program, as compared to repurchases of $27.9 million in the first nine months of 2023.

Certain Factors Affecting Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q that do not describe historical facts may constitute forward-looking statements within the meaning of the “safe harbor” provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in the communication, the words “believes,” “estimates,” “plans,” “expects,” “should,” “could,” “outlook,” and “anticipates” and similar expressions as they relate to the Company, or its financial results are intended to identify forward-looking statements. Forward-looking statements in this communication may include, without limitation, statements regarding anticipated growth rates and the Company’s plans, objectives and expectations. Forward-looking statements are based on a number of assumptions about future events and are subject to various risks, uncertainties and other factors that may cause actual results to differ materially from the views, beliefs, projections and estimates expressed in such statements, many of which are outside the Company’s control. These risks, uncertainties and other factors include, but are not limited to, risks and uncertainties related to: changes in the market price of the Company’s shares; general market conditions, constraints, volatility, or disruptions in the capital markets; the possibility that the Company’s capital allocation plan, including dividends, share repurchases, and/or strategic acquisitions, investments, and partnerships may not enhance long-term stockholder value; legal proceedings, judgments or settlements; the Company’s ability to re-price or renew subscribers; potential regulatory actions; changes in consumer behaviors and impacts on and modifications to TEGNA’s operations and business relating thereto; and economic, competitive, governmental, technological and other factors and risks that may affect the Company’s operations or financial results, which are discussed in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Any forward-looking statements in this communication should be evaluated in light of these important risk factors. The Company is not responsible for updating the information contained in this communication beyond the published date, or for changes made to this press release by wire services, Internet service providers or other media.

Readers are cautioned not to place undue reliance on forward-looking statements made by or on behalf of the Company. Each such statement speaks only as of the day it was made. We undertake no obligation to update or to revise any forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For quantitative and qualitative disclosures about market risk, refer to the following section of our 2023 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, 2023.

As of September 30, 2024, we did not have any floating interest obligations outstanding and had unused borrowing capacity of $737.9 million under our $750 million revolving credit facility, which expires in January 2029. Any amounts borrowed under the revolving credit facility in the future are subject to a variable rate. Refer to Note 8 to the condensed consolidated financial statements for information regarding the fair value of our long-term debt.

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 September 30, 2024. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are effective, as of September 30, 2024, 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 10 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 2023 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. We do not believe that there have been any material changes from the risk factors previously disclosed in our 2023 Annual Report on Form 10-K.

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

Issuer Purchases of Equity Securities

The following table presents stock repurchases by the Company during the three months ended September 30, 2024 (in thousands, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
July 1, 2024 - July 31, 2024	1,546	$ 15.05	1,546	470,885
August 1, 2024 - August 31, 2024	1,797	14.03	1,797	445,668
September 1, 2024 - September 30, 2024	1,491	$ 14.53	1,491	424,003
Total Third Quarter 2024	4,834		4,834	

In December 2023, our Board of Directors authorized the renewal of our share repurchase program for up to $650 million of our common stock over two years. The shares may be repurchased at management's discretion, either on the open market or in privately negotiated block transactions. Management's decision to repurchase shares will depend on price, blackout periods and other corporate developments. Purchases may occur from time to time and no maximum purchase price has been set. Since the inception of this program, we have repurchased 15.7 million shares under this program, including the 4.8 million shares shown in the above table, at an aggregate price of $226.0 million. As of the end of the third quarter of 2024, $424.0 million of common stock may still be purchased 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	Fifth Restated Certificate of Incorporation of TEGNA Inc. (incorporated by reference to Exhibit 3-1 to TEGNA Inc.'s Form 8-K filed on April 25, 2024).
3-2	By-laws, as amended through April 24, 2024 (incorporated by reference to Exhibit 3-2 to TEGNA Inc.'s Form 8-K/A filed on October 21, 2024).
10-1	Letter Agreement, dated as of September 18, 2024, by and between TEGNA Inc. and Lynn Beall.* (incorporated by reference to Exhibit 10-1 to TEGNA Inc.'s Form 8-K filed on September 19, 2024.)
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 as its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Asterisks identify management contracts and compensatory plans and 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: November 7, 2024	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)

EXHIBIT 31-1

CERTIFICATIONS

I, Michael Steib, 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/ Michael Steib

Michael Steib
President and Chief Executive Officer
(principal executive officer)

Date: November 7, 2024

EXHIBIT 31-2

CERTIFICATIONS

I, Julie A. Heskett, 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/ Julie A. Heskett

Julie A. Heskett
Senior Vice President and Chief Financial Officer
(principal financial officer)

Date: November 7, 2024

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 period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Steib, 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) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Michael Steib

Michael Steib
President and Chief Executive Officer
(principal executive officer)

November 7, 2024

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 period ending September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Julie A. Heskett, senior vice president and 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) or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Julie A. Heskett

Julie A. Heskett
Senior Vice President and Chief Financial Officer
(principal financial officer)

November 7, 2024