

Set the stage

- Declining volume
- pandemic
- availability of labor
- cost of labor
- unprofitable delivery areas
- open route service impacts



Path to Mail

- 17 legacy mail sites
- publications tested to benchmark impacts.
 4 converted to daily mail with Sunday carrier delivery and another 4 were moved to 100% mail.
- additional publications converted during Q1 and Q2 of 2023 to establish best practices
- publications converted from late 2023 to Q1 2024

Today, the U.S.P.S. delivers 100% of more than 100 Gannett newspapers daily.



KEY PERFORMANCE INDICATORS

Service levels

2.0 CPM in month 2; CPMs better at the mail sites than the daily mail/Sunday carrier delivery

Delivery cost/copy

improved nearly 60% to \$0.198; Sunday carrier delivery was 3-4X as expensive as mail

Subscriber loss

realized incremental subscriber loss averaging 14%; subscriber retention slightly better for subscribers receiving daily mail/Sunday carrier delivery

B2B revenue

loss of Obits tied to Sunday moving up 24 hours, Preprints tied to volumes, negligible retail

Other expense

down ~40% (Excludes \$.198 Postal vs \$.476 HD). Payroll, Leases, Hauling, SC, Supplies, Utilities etc



Decision Model

- DDU Profitability
- Projected local impacts
 - Delivery expense
 - -Consumer revenue
 - -B2B impacts
 - -Commercial delivery
 - Single copy locations
 - -Obits
- EBITDA Improvement



DDU Profitability Model



													DDU Postage				
		Sund Daily		Weekly		Weekly			Weekly	eekly Savings + SC Value		Profit:	Profit: Next Day	Profit: Same			
	In or	Daily	ay	Mail	Sun Mail		Main	Postal		Weekly	Total	Cost to	Rev = Value of	Going	Same	in Main Post	Day in Main
Outlying	Out of	HD	HD	Draw at	Draw at	DDU	PO	Savings	Weekly	Mail	Rev in	Serve	Going to the	Minus Cost	Day with	Office (No SC,	Post Office
Areas	County	Draw	Draw	12% Loss	12% Loss	Rate	Rate	at DDU	SC Rev	Rev	Area	Area	Area	to Serve	DDU	added HD loss)	(No SC)
Town A	Out	1024	226	901	199	0.214	0.51	-\$320	\$506	\$1,362	\$1,868	\$279	\$826	\$547	\$1,353	\$645	\$806
Town B	In	1671	391	1470	344	0.156	0.2	-\$87	\$573	\$2,356	\$2,929	\$645	\$660	\$15	\$2,001	\$1,589	\$1,986
Town C	In	474	110	417	97	0.156	0.2	-\$25	\$134	\$663	\$797	\$325	\$159	-\$166	\$392	\$446	\$558

What are the postal rates for DDU delivery (In County and Out of County) for outlying markets? What are the postal rates if entered at main PO in town?

What is the cost to get to that outlying area to make the DDU delivery?

How much SC revenue is retained by continuing to service the outlying area?

Is the retained SC revenue plus the postal savings from entering at a DDU, greater than the cost to get to that area and derive that benefit?

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Defined Project Tasks

- Sunday on Saturday
- USPS Periodicals permit
- Packaging & labeling
 - White space
- Communications
 - content/sales leaders
 - Consumers
- Consumer post-conversion marketing ops



Project Tasks

DDU analysis & selection (9 tasks)

Consumer communications (10 tasks)

В	C	D	F	G	Н	I				
To	day->	5/21/2024	Red = Late	Distribution	Distribution	Distribution				
		Yellow field = < 7 days until due		Days Out	Days Out					
	Ente	r the # days before launch action should be	completed>	70	70	70				
·			Approved	Distribution	Complete DDU Selection Tab of DDU	Distribution Sends				
			Launch	Completes DDU	Profitability Analysis file. Copy and	List of DDUs to be				
			Dates Sept	Profitability Tab of	paste in the site info from your	Opened to				
		'23 to Jul	DDU Profitability	Interlink MEP mail entry plan. Insert	exceptional dispatch					
FOD	Tier	•	'24	Analysis file. Replace	columns for DDU selection and	@gannett.com				
				date with Done	Same or Next day mail. Replace date	Replace date with				
				when file is	with Done when complete.	Done when				
	· •	Site Name	↓ ↑	complete.	▼	complete.				
6M-F+Su	3	Battle Creek MI	9/25/2023	Done	Done	Done				
6Sun-F	3	Anderson SC	10/10/2023	Done	Done	Done				
6Sun-F	2	Greenville SC	10/10/2023	Done	Done	Done				
6Sun-F	2	Spartanburg Herald-Journal Inc	10/10/2023	Done	Done	Done				
6M-F+Su	3	Adrian	10/16/2023	Done	Done	Done				
6M-Sat	4	Fremont OH	10/16/2023	Done	Done					

ВС	D	F	J	K	L	M				
Today->	5/21/2024	Red = Late	Mark Kent	Daily/Holley	Mark Kent	Mark Kent				
	Yellow field = < 7 days until due		Days Out	Days Out	Days Out	Days Out				
Enter the # o	days before launch action should b	e completed>	60	60	35	35				
		Approved	Mark Kent	Notify Mather	Mark Kent prepare and	Mark Kent prepare and				
		Launch	requests	to stop	mail letters to	mail letters to "Other				
		Dates Sept	subscriber lists	processing.	subscribers converting	Core" subscribers				
		'23 to Jul '24	from IT. Replace	Mark Done	to mail. Replace Date	converting to mail. Replace				
FOD Tier	1		date with Done	when	with Done when letters	Date with Done when				
			when request is	complete.	are sent to the printer	letters are sent to the				
			submitted.		and mail house. This is	printer and mail house. If				
					the date letters are	there are none, replace				
v v	Site Name	₹.				date with None.				
6M-F+Su 3	Manitowac WI	4/22/2024	Done	Done	Done	Done				
6M-F+Su 3	Sheboygan WI	4/22/2024	Done	Done	Done	Done				
6M-F+Su 3	Redding CA	6/24/2024	Done	Done	5/20/2024	Done				
6M-F+Su 2	Reno NV	6/24/2024	Done	Done	5/20/2024	Done				
6M-F+Su 2	The Pueblo Chieftain - Pueblo, CO	7/15/2024	Done	Done	6/10/2024	6/10/2024				
6M-F+Su 2	Evansville IN	7/15/2024	Done	Done	6/10/2024	6/10/2024				

Scope of Project

Activities

• Tasks per conversion 117

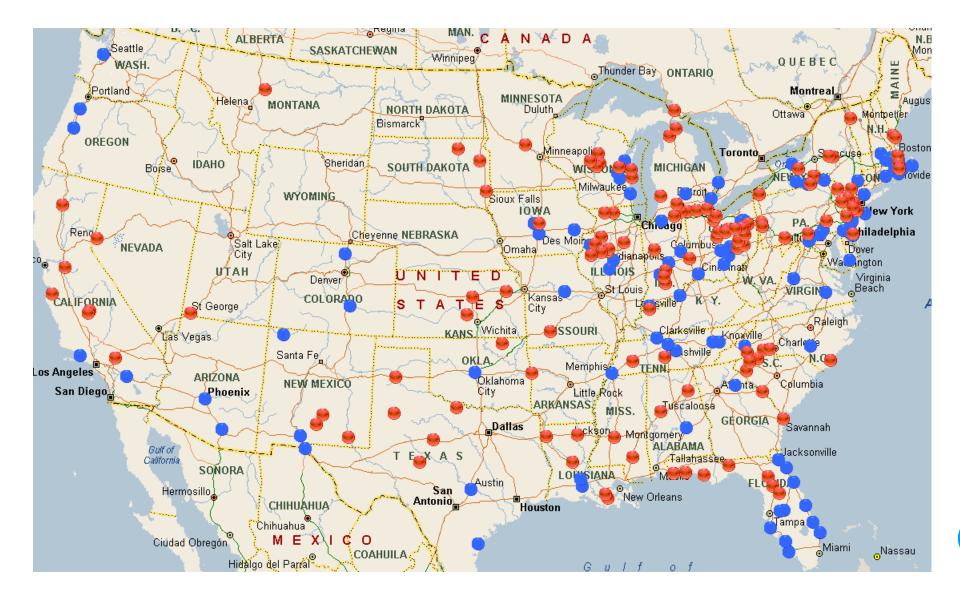
Publications converted
 92

Tasks tracked 10,764

50+ people with access to tracking file or ownership of project tasks



Carrier Delivery Versus Mail (today)



Mail represents
58% of Sites and
26% of Subscribers

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Key Performance Indicators

- CPMs < 2.0
- Subscriber attrition ~ 14%
- B2B retail impacts (-6%) negligible
- Obit (-15%), preprints (-12%) tied to days & volume
- Expense impacts 40% more significant than expected



Range of cost per copy:

	Cost per		Cost per		Cost per		Cost per
Site	Сору	Site	Сору	Site	Сору	Site	Сору
Abilene TX	\$0.26	East Brunswick NJ	\$0.24	Leesburg	\$0.21	Shreveport LA	\$0.22
Adrian, MI	\$0.14	Elmira NY	\$0.19	Lubbock, TX	\$0.23	Sioux Falls SD	\$0.20
Alamogordo NM	\$0.16	Erie, PA	\$0.15	Macomb, IL	\$0.34	Spartanburg	\$0.18
Alexandria	\$0.23	Fort Smith	\$0.22	Manitowac WI	\$0.20	Springfield MO	\$0.21
Alliance, OH	\$0.18	Fremont OH	\$0.16	Marion OH	\$0.28	St George UT	\$0.20
Amarillo, TX	\$0.20	Ft Walton	\$0.19	Marshfield WI	\$0.18	Stevens Point WI	\$0.27
Anderson SC	\$0.20	Gadsden	\$0.15	Massillon	\$0.16	Stockton	\$0.17
Appleton WI	\$0.17	Gainesville	\$0.19	Middletown	\$0.18	Stroudsburg	\$0.17
Augusta, GA	\$0.22	Gastonia	\$0.17	Monroe LA	\$0.27	The Shelby Star	\$0.17
Beaver, PA	\$0.16	Greenville SC	\$0.21	Monroe MI	\$0.14	Tuscaloosa	\$0.25
Bloomington, IN	\$0.20	Hattiesburg MS	\$0.23	Ocala	\$0.16	Utica	\$0.19
Bridgewater NJ	\$0.26	Henderson KY	\$0.17	Pekin	\$0.23	Victorville	\$0.21
Burlington VT	\$0.19	Hendersonville	\$0.17	Pensacola FL	\$0.20	Visalia CA	\$0.16
Cambridge, OH	\$0.20	Herkimer	\$0.42	Peoria IL	\$0.19	Wausau WI	\$0.18
Canandaigua, NY	\$0.20	Holland MI	\$0.13	Port Clinton OH	\$0.45	Wichita Falls TX	\$0.23
Canton, IL	\$0.24	Hutchinson, KS	\$0.21	Richmond IN	\$0.17	Wilmington NC	\$0.20
Carlsbad NM	\$0.13	Jackson MS	\$0.25	Salinas CA	\$0.17	Wisconsin Rapids	\$0.19
Chambersburg PA	\$0.15	Jackson TN	\$0.25	San Angelo TX	\$0.28	Wooster, OH	\$0.24
Columbia TN	\$0.23	Lafayette IN	\$0.19	Savannah, GA	\$0.23	Zanesville OH	\$0.19
Dover	\$0.25	Lebanon PA	\$0.15	Sheboygan WI	\$0.17		

Need In County permits for Herkimer/Port Clinton. Most other higher C.P.C. sites are tied to greater percentages of Out of County subscribers
Herkimer at 7K copies a month is \$1,500/month over normal postal costs, Port Clinton at 3,500 copies a month is \$875/month over
We are working on securing valid in county business addresses at those sites to secure In County rates lease costs below those savings

Mail service mirrors carrier delivery

In Jackson MS, from March to May, we saw a third of the mail complaints come from 9 out of 254 zip codes.

Good tracking allows you to identify and address these areas.

	Mar-May	Mar-May	Mar-May
Zip Group	Draw	Complaints	CPM
9 Zips	12,360	184	14.89
246 Other Zips	318,069	379	1.19
Total	330,429	563	1.70

Jackson MS	Weekly	Weekly	СРМ
March to May	•	Complaints	Weekly
39090	2,417	21	8.69
39339	1,985	14	7.05
39051	1,974	22	11.14
39440	1,284	42	32.71
39095	1,232	10	8.12
39203	1,115	10	8.97
39111	984	36	36.59
39114	843	14	16.61
39175	526	15	28.52
39110	39,127	42	1.07
39211	29,571	15	0.51
39157	20,666	21	1.02
39047	17,988	30	1.67
39042	16,291	13	0.80

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Do mail conversions reduce subscriber delivery complaints?

Oct '23 Mail Conversion Sites

HD ran 7.78 CPM Jan '23

Mail ran 1.73 CPM Jan '24

Site	2023	2024	Var	% Var	1/8/2023	1/15/2023	1/22/2023	1/29/2023	1/7/2024	1/14/2024	1/21/2024	1/28/2024
Aberdeen	302	72	(230)	-76%	92	12	129	69	25	23	4	20
Adrian	55	43	(12)	-22%	23	10	10	12	10	5	17	10
Anderson	453	453 101 (352) -78% 116		116	81	141	115	17	29	40	15	
Battle_Creek	38	27	(11)	-29%	17	12	6	3	6	0	11	11
Fort_Walton	1,181	180	(1,001)	-85%	305	383	225	268	39	38	54	50
Fremont	292	11	(281)	-96%	45	76	81	90	2	5	3	1
Greenville	3,360	416	(2,944)	-88%	880	834	994	652	64	71	147	133
Herkimer	82	5	(77)	-94%	13	35	18	16	2	1	2	0
Lebanon	92	73	(19)	-21%	12	44	21	15	11	37	11	15
Lubbock	283	110	(173)	-61%	99	40	66	78	19	32	25	34
Marshfield	81	41	(40)	-49%	11	24	24	22	5	14	12	10
Monroe_MI	155	116	(39)	-25%	61	27	22	45	32	18	42	24
San_Angelo	100	25	(75)	-75%	19	34	28	19	8	10	4	3
Shreveport	529	130	(399)	-75%	147	142	82	158	27	20	54	29
Sioux_Falls	544	87	(457)	-84%	191	74	154	125	19	18	36	13
Spartanburg	1,101	68	(1,033)	-94%	277	352	216	256	10	12	32	14
Stevens_Point	296	50	(246)	-83%	80	140	42	34	8	16	13	13
Utica	1,114	99	(1,015)	-91%	274	312	228	300	11	23	33	33
Wausau	256	131	(125)	-49%	64	52	61	79	13	55	35	29
Wisconsin_Rapids	271	41	(230)	-85%	64	83	51	73	4	13	15	9
Total	10,585	1,827	(8,758)	-83%	2790	2767	2599	2429	333	440	590	465

CPM by Weeks Since	Launch>	7.97	4.23	3.19	2.88	2.32	2.23	1.82	2.03	2.02	1.68	1.85	1.93	1.71	1.70	1.76	1.51	1.31	1.26	1.49	1.26
Site	Conversion	Wk1	Wk2	Wk3	Wk4	Wk5	Wk6	Wk7	Wk8	Wk9	Wk10	Wk11	Wk12	Wk13	Wk14	Wk15	Wk16	Wk17	Wk18	Wk19	Wk20
Greenville, SC	10/10/2023	15.57	4.01	3.25	5.11	5.92	5.09	2.92	2.72	2.94	2.59	1.97	2.74	2.22	2.09	4.35	3.94	2.10	2.49	2.89	1.86
Spartanburg, SC	10/10/2023	7.99	2.45	1.40	1.57	2.15	2.25	1.22	1.31	0.82	1.33	0.67	1.01	0.61	0.60	1.66	0.70	0.71	0.94	1.17	1.00
Lubbock, TX	10/16/2023	4.33	2.55	5.24	3.02	1.77	1.02	1.07	1.00	0.76	0.68	0.51	1.03	1.48	1.14	1.60	0.99	0.45	0.46	0.74	1.31
Monroe, MI	10/16/2023	2.32	2.33	1.91	2.38	2.39	1.74	1.36	1.07	1.15	1.70	0.74	1.50	0.71	1.67	0.97	1.14	0.90	0.57	1.24	0.66
Utica, NY	10/23/2023	7.07	3.62	5.35	4.18	2.97	3.02	1.71	0.90	0.84	1.00	0.64	1.18	1.75	1.76	1.46	0.49	1.08	2.77	1.61	2.39
Fort_Walton_Beach	10/30/2023	8.86	7.07	4.92	3.64	3.62	4.43	2.52	2.67	2.14	3.46	2.81	4.08	3.76	3.68	1.63	2.58	2.85	1.22	2.73	2.66
Shreveport, LA	10/30/2023	8.26	5.55	3.29	2.16	3.51	1.82	1.33	1.08	1.77	1.55	1.01	2.69	1.46	1.15	1.22	1.01	1.07	1.71	1.27	0.82
Sioux Falls, SD	10/30/2023	2.44	2.70	1.78	2.01	1.90	1.49	1.06	1.12	0.82	0.94	0.75	1.51	0.56	0.97	0.41	0.47	0.42	1.00	1.48	0.80
New Philadelphia, OH	11/6/2023	5.64	2.36	1.48	0.98	1.17	1.00	0.73	1.10	1.56	1.30	1.41	1.60	0.76	0.29	0.58	1.35	1.36	0.99	1.49	2.31
Beaver, PA	11/7/2023	8.38	2.17	1.25	1.64	1.25	0.96	0.56	1.79	0.43	1.07	3.12	1.75	1.10	1.03	1.04	0.75	0.99	0.99	0.98	0.81
Peoria, IL	11/13/2023	5.53	1.64	1.84	2.07	0.82	1.92	1.05	0.79	1.79	1.40	2.49	2.14	1.47	0.79	0.70	0.66	1.27	0.61	0.62	0.67
Jackson, MS	12/4/2023	12.87	4.83	2.36	2.45	1.80	2.00	2.94	2.43	3.89	1.89	2.24	1.57	1.46	2.82	3.67	1.94	2.21	1.89	1.32	1.60
Springfield, MO	12/4/2023	8.50	3.87	2.67	2.75	3.93	3.01	1.64	3.81	2.16	2.42	2.43	3.05	5.30	2.15	2.46	1.80	1.96	1.67	3.61	1.95
Savannah, GA	1/29/2024	7.41	5.77	5.10	5.18	2.69	1.80	2.69	4.40	2.94	3.80	4.19	2.20	1.58	2.25	2.61	2.13	1.33			
Topeka, KS	1/29/2024	8.26	4.43	2.97	2.80	1.05	4.98	3.13	2.54	1.70	1.71	2.90	3.39	4.45	2.95	3.25	2.98	2.21			
Wilmington, NC	1/29/2024	17.18	5.98	4.65	3.26	1.54	2.32	1.83	2.11	1.98	2.37	1.75	1.88	2.77	1.81	2.44	1.73	1.12			
Gastonia, NC	1/29/2024	8.01	2.04	2.28	2.63	1.81	1.50	1.95	2.29	0.88	1.00	2.01	2.14	0.68	1.49	0.83	0.70	0.82			
Great Falls, MT	2/5/2024	3.58	1.29	0.97	1.23	1.00	1.91	1.76	1.01	0.68	0.86	1.63	0.86	0.78	1.13	0.70	0.52				
Hutchinson, KS	2/5/2024	4.88	3.81	4.02	2.76	2.09	1.84	2.48	2.68	2.07	1.00	1.48	1.39	1.58	2.37	1.80	3.25				
SalinaKS	2/5/2024	9.06	5.76	3.60	4.17	3.24	2.91	1.87	2.33	6.21	2.44	4.10	1.93	0.65	4.35	2.15	2.26				
Fort Smith, AR	2/12/2024	5.70	2.74	1.92	1.73	0.77	0.67	0.56	0.11	0.46	0.47	0.35	0.83	0.71	0.85	0.97					
Rockford IL	2/26/2024	7.85	3.54	2.37	2.66	2.62	1.91	1.99	3.13	3.35	1.21	1.75	1.08	1.42							
Holland, MI	3/4/2024	1.75	2.26	2.37	1.86	1.96	2.87	1.13	2.15	1.12	0.96	1.02	1.03								
Pensacola, FL	3/4/2024	15.17	10.08	8.52	3.87	3.60	3.47	2.69	2.19	3.64	2.34	2.52	2.15								
Stockton, CA	3/12/2024	18.31	2.19	3.98	3.14	1.91	4.50	1.94	3.16	1.23	3.03	2.95									
Erie, PA	3/18/2024	6.43	2.76	3.57	3.60	1.94	1.90	1.74	2.35	2.78	1.19										
Gainesville, FL	3/18/2024	12.93	5.51	3.39	3.63	3.52	3.66	2.59	4.12	2.76	2.21										
Middletown, NY	3/18/2024	17.62	5.78	7.27	5.90	3.21	3.23	3.15	4.74	3.19	4.02										
Ocala, FL	3/18/2024	8.81	4.17	3.26	4.33	4.28	3.52	4.28	3.17	3.71	2.84										
Wooster, OH	3/18/2024	2.30	1.09	0.86	0.63	1.42	0.55	0.79	0.67	0.64	0.40										
Burlington VT	4/1/2024	12.74	6.11	2.94	7.18	4.18	3.24	3.11	3.23												
Canton OH	4/1/2024	3.40	2.59	1.55	1.04	0.70	1.11	1.22	1.59												
Bloomington, IN	4/15/2024	3.84	9.12	2.94	0.97	0.89	0.48														
Appleton WI	4/22/2024	21.25	6.87	5.37	4.72	4.75															
Augusta, GA	4/22/2024	11.22	12.35	5.23	1.69	1.81															

