

TEGNA INC
Form 10-Q
August 07, 2018

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

FORM 10-Q

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

For the quarterly period ended June 30, 2018

OR

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

Commission file number 1-6961

TEGNA INC.
(Exact name of registrant as specified in its charter)

Delaware 16-0442930
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

7950 Jones Branch Drive, McLean, Virginia 22107-0150
(Address of principal executive offices) (Zip Code)

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or 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. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) 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.

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

The total number of shares of the registrant's Common Stock, \$1 par value, outstanding as of June 30, 2018 was 215,266,835.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TEGNA Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

In thousands of dollars

	June 30, 2018 (Unaudited)	Dec. 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	\$24,503	\$98,801
Accounts receivable, net of allowances of \$3,459 and \$3,266, respectively	414,316	406,852
Other receivables	32,018	32,442
Programming rights	11,669	37,758
Prepaid expenses and other current assets	20,372	61,070
Total current assets	502,878	636,923
Property and equipment		
Cost	822,065	782,602
Less accumulated depreciation	(470,697)	(447,262)
Net property and equipment	351,368	335,340
Intangible and other assets		
Goodwill	2,596,505	2,579,417
Indefinite-lived and amortizable intangible assets, less accumulated amortization	1,542,171	1,273,269
Investments and other assets	149,741	137,166
Total intangible and other assets	4,288,417	3,989,852
Total assets	\$5,142,663	\$4,962,115

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

	June 30, 2018	Dec. 31, 2017
	(Unaudited)	
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$45,565	\$52,992
Accrued liabilities		
Compensation	35,984	54,088
Interest	38,664	39,217
Contracts payable for programming rights	75,996	105,040
Other	49,247	58,196
Dividends payable	15,158	15,173
Current portion of long-term debt	323	646
Total current liabilities	260,937	325,352
Noncurrent liabilities		
Income taxes	20,247	20,203
Deferred income taxes	395,611	382,310
Long-term debt	3,131,137	3,007,047
Pension liabilities	136,986	144,220
Other noncurrent liabilities	80,834	87,942
Total noncurrent liabilities	3,764,815	3,641,722
Total liabilities	4,025,752	3,967,074
Shareholders' equity		
Common stock of \$1 par value per share, 800,000,000 shares authorized, 324,418,632 shares issued	324,419	324,419
Additional paid-in capital	304,066	382,127
Retained earnings	6,201,694	6,062,995
Accumulated other comprehensive loss	(124,741)	(106,923)
Less treasury stock at cost, 109,151,797 shares and 109,487,979 shares, respectively	(5,588,527)	(5,667,577)
Total equity	1,116,911	995,041
Total liabilities and equity	\$5,142,663	\$4,962,115

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		Six months ended	
June 30,		June 30,	
2018	2017	2018	2017

Revenues	\$524,080	\$489,369	\$1,026,170	\$948,439
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