



2019 Annual Letter

To our fellow shareholders:

I am somewhat at a disadvantage this year in writing my annual review, specifically 2019. You have already heard about 2019 in our four earnings releases and conference calls and, with this annual report, you should have every bit of information available on the state of your company. What makes it especially difficult in writing is that, as I pen this, we are in uncharted waters both with the health of our country and the health and economic damage that could occur in our country once a semblance of normality has returned. Other than saying, "We had a profitable year in 2019" I don't know what more I can add. Specifically, all of our efforts are now on retaining existing revenue and CREATING new revenue.

Yes, we have had cancellations, especially on events, venues, sports, high ticket items, health care, and more. On the other hand, we have been successful in creating effective new advertising that answers the "whys" and "hows" a company should stay active in advertising. We have literally invented fresh and innovative reasons for many companies to stay open. So far the breach is holding and I believe that we can continue to hold the line so that 2020 remains a soft but "respectable" year for Saga Communications. What I can tell you is that our employees are all working diligently to both serve and inform our communities. It is a passion that each of them holds as a broadcaster with responsibilities that have become a personal commitment.

It may be somewhat unusual, but I would like to share with you the e-mail below that I was able to send to all 1,000 plus Saga employees:

Let me start by thanking each and every one of you for your commitment not only to Saga but to RADIO. When you signed on with Saga you may not have realized that you also agreed and understood the meaning of the terms of our broadcast licenses. Let me once again share it with you:

47 U.S. Code § 309 - Application for license | U.S. Code direct from the Federal Radio Commission (the predecessor of the FCC):

<https://www.law.cornell.edu/uscode/text/47/309>. Subject to the provisions of this section, the Commission shall determine, in the case of each application filed with it to which section 308 of this title applies, whether the public interest, convenience, and necessity will be served by the granting of such application, and, if the Commission, upon examination of such application and upon consideration of such other matters as the Commission may officially notice, shall find that public interest...

Right now NECESSITY is the operative word. We have been charged with being the voice of reason and information for our communities and it is an awesome responsibility. In fact, the government has designated broadcasters as first responders. Here is part of the release from the US Government:

The Role of First Responders

Emergency responders know that disasters and mass violence events can cause immense amounts of traumatic physical and emotional pain. Responders often are identified as individuals who can help treat and stabilize medical needs or provide direction on how to get to safety during a crisis. This means their actions and words have great influence on people who need assistance. In order to be most successful in providing care and safety in emergency situations, it is important to use effective and efficient communication strategies with those seeking help.

The following communication strategies can help responders gain trust and reduce anxiety in those being treated and achieve better physical and emotional outcomes for patients and safer conditions for all.

This is all of you. You are part of a device that translates words into air and allows your public to hear, understand, and be calm. By being part of Saga, you too have committed to this. With this said, a radio station is a combined, cooperative effort. If one part breaks down, it does impact our mission. Every person in your radio station(s) is part of the tapestry that is radio. You are indeed interwoven into the fabric, and that might be hard to comprehend because you can't see it...but you can HEAR our fabric, loud and strong.

If we look back over 100 years, radio has had a profound effect on the US. It goes anywhere. I have included three quotes from Franklin Delano Roosevelt -- two I will share now, one later. Both were broadcast on radio, and I'm certain also on many of our own AM that have been on the air more than 82 years:

FRANKLIN DELANO ROOSEVELT, First Inaugural Address, Mar. 4, 1932

“The only thing we have to fear is fear itself--nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.”

FRANKLIN D. ROOSEVELT, speech at Marietta, Ohio, Jul. 8, 1938

“This great Nation will endure as it has endured, will revive and will prosper.”

We indeed will get through these times. Saga has been built on a strong foundation and, unlike other broadcast companies, has not sold its soul and economic future for self-aggrandizement. All of you have helped build a company that has withstood difficult times before. When other radio companies perished, we continued with modest growth. All of this was achieved with some very simple thoughts such as “Do compelling radio” “Super-serve your communities” (never more important than right now) “Write and sell effective advertising” (yeah, that too is important now) and, above all else, “Never forget that you do good things and you are part of all things good that come over our airwaves.” We are a collective and a collective with a purpose.

Again, I personally want to thank you for all your efforts on behalf of our passion for radio. I know that many of you are aware that I am of Icelandic heritage. Those that have heard this before know why we named the company Saga. In Iceland, Sagas are long books of daring do. In essence, a Saga is an “on ongoing adventure.” We all share in this adventure that we are going through now....and will look back and tell stories about it to our families.

And as I mentioned above....one last FDR quote from FRANKLIN D. ROOSEVELT, Third Inaugural Address, Jan. 20, 1941:

“Be sincere, be brief, be seated.”

A handwritten signature in black ink, appearing to read 'Ed Christian', with a stylized flourish at the end.

Ed Christian