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

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2020

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from __________ to __________

Commission File Number 1-36756

Lamar Advertising Company

Commission File Number 1-12407

Lamar Media Corp.

(Exact name of registrants as specified in their charters)

Delaware	**72-1449411**
Delaware	**72-1205791**
(State or other jurisdiction of incorporation or organization)	***(I.R.S Employer Identification No.)***
5321 Corporate Blvd., Baton Rouge, LA	**70808**
(Address of principal executive offices)	**(Zip Code)**

Registrants' telephone number, including area code: (225) 926-1000

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.001 par value	LAMR	The NASDAQ Stock Market, LLC

Indicate by check mark whether each 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 each registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) 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 Lamar Advertising Company 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 Lamar Advertising Company 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 Lamar Media Corp. 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 Lamar Media Corp. 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 Lamar Advertising Company is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

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

The number of shares of Lamar Advertising Company's Class A common stock outstanding as of July 31, 2020: 86,389,807

The number of shares of the Lamar Advertising Company's Class B common stock outstanding as of July 31, 2020: 14,420,085

The number of shares of Lamar Media Corp. common stock outstanding as of July 31, 2020: 100

This combined Form 10-Q is separately filed by (i) Lamar Advertising Company and (ii) Lamar Media Corp. (which is a wholly owned subsidiary of Lamar Advertising Company). Lamar Media Corp. meets the conditions set forth in general instruction H(1) (a) and (b) of Form 10-Q and is, therefore, filing this form with the reduced disclosure format permitted by such instruction.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information included in this report is forward-looking in nature within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. This report uses terminology such as "anticipates," "believes," "plans," "expects," "future," "intends," "may," "will," "should," "estimates," "predicts," "potential," "continue" and similar expressions to identify forward-looking statements. Examples of forward-looking statements in this report include statements about:

- our future financial performance and condition;
- our business plans, objectives, prospects, growth and operating strategies;
- our future capital expenditures and level of acquisition activity;
- market opportunities and competitive positions;
- our future cash flows and expected cash requirements;
- estimated risks;
- our ability to maintain compliance with applicable covenants and restrictions included in Lamar Media's senior credit facility and the indentures relating to its outstanding notes;
- stock price;
- estimated future dividend distributions; and
- our ability to remain qualified as a Real Estate Investment Trust ("REIT").

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors, including but not limited to the following, any of which may cause the actual results, performance or achievements of Lamar Advertising Company (referred to herein as the "Company" or "Lamar Advertising") or Lamar Media Corp. (referred to herein as "Lamar Media") to differ materially from those expressed or implied by the forward-looking statements:

- the state of the economy and financial markets generally and their effects on the markets in which we operate and the broader demand for advertising;
- the magnitude of the impact of the novel coronavirus (COVID-19) on our operations and on general economic conditions;
- the levels of expenditures on advertising in general and outdoor advertising in particular;
- risks and uncertainties relating to our significant indebtedness;
- the demand for outdoor advertising and its continued popularity as an advertising medium;
- our need for, and ability to obtain, additional funding for acquisitions, operations and debt refinancing;
- increased competition within the outdoor advertising industry;
- the regulation of the outdoor advertising industry by federal, state and local governments;
- our ability to renew expiring contracts at favorable rates;
- the integration of businesses and assets that we acquire and our ability to recognize cost savings and operating efficiencies as a result of these acquisitions;
- our ability to successfully implement our digital deployment strategy;
- the market for our Class A common stock;
- changes in accounting principles, policies or guidelines;
- our ability to effectively mitigate the threat of and damages caused by hurricanes and other kinds of severe weather;
- our ability to qualify as a REIT and maintain our status as a REIT; and
- changes in tax laws applicable to REITs or in the interpretation of those laws.

The forward-looking statements in this report are based on our current good faith beliefs, however, actual results may differ due to inaccurate assumptions, the factors listed above or other foreseeable or unforeseeable factors. Consequently, we cannot guarantee that any of the forward-looking statements will prove to be accurate. The forward-looking statements in this report speak only as of the date of this report, and Lamar Advertising and Lamar Media expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained in this report, except as required by law.

For a further description of these and other risks and uncertainties, the Company encourages you to read carefully Item 1A to the combined Annual Report on Form 10-K for the year ended December 31, 2019 of the Company and Lamar Media (the "2019 Combined Form 10-K"), filed on February 20, 2020, as updated and supplemented in Part II, Item 1A of this Quarterly Report on Form 10-Q, and as such risk factors may be further updated or supplemented, from time to time, in our future combined Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

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PART I — FINANCIAL INFORMATION

ITEM 1. — FINANCIAL STATEMENTS

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

	June 30, 2020 (Unaudited)	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 177,093	$ 26,188
Receivables, net of allowance for doubtful accounts of $17,661 and $13,185 in 2020 and 2019, respectively	232,176	254,930
Other current assets	34,968	29,051
Total current assets	444,237	310,169
Property, plant and equipment	3,666,749	3,660,311
Less accumulated depreciation and amortization	(2,346,274)	(2,311,196)
Net property, plant and equipment	1,320,475	1,349,115
Operating lease right of use assets	1,292,917	1,320,779
Goodwill	1,912,161	1,912,274
Intangible assets	955,196	992,244
Other assets	56,595	56,574
Total assets	$ 5,981,581	$ 5,941,155
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	$ 11,928	$ 14,974
Current maturities of long-term debt, net of deferred financing costs of $0 and $6,081 in 2020 and 2019, respectively	9,120	226,514
Current operating lease liabilities	173,835	196,841
Accrued expenses	73,071	107,225
Deferred income	125,908	127,254
Total current liabilities	393,862	672,808
Long-term debt, net of deferred financing costs of $43,115 and $18,333 in 2020 and 2019, respectively	3,146,779	2,753,604
Operating lease liabilities	1,054,140	1,068,181
Deferred income tax liabilities	4,406	5,713
Asset retirement obligation	224,945	226,137
Other liabilities	34,078	34,406
Total liabilities	4,858,210	4,760,849
Stockholders' equity:		
Series AA preferred stock, par value $.001, $63.80 cumulative dividends, 5,720 shares authorized; 5,720 shares issued and outstanding at 2020 and 2019	—	—
Class A common stock, par value $.001, 362,500,000 shares authorized; 87,004,721 and 86,596,498 shares issued at 2020 and 2019, respectively; 86,389,807 and 86,093,300 outstanding at 2020 and 2019, respectively	87	87
Class B common stock, par value $.001, 37,500,000 shares authorized, 14,420,085 shares issued and outstanding at 2020 and 2019	14	14
Additional paid-in capital	1,955,612	1,922,222
Accumulated comprehensive (loss) income	(173)	685
Accumulated deficit	(787,751)	(708,408)
Cost of shares held in treasury, 614,914 and 503,198 shares at 2020 and 2019, respectively	(44,418)	(34,294)
Stockholders' equity	1,123,371	1,180,306
Total liabilities and stockholders' equity	$ 5,981,581	$ 5,941,155

See accompanying notes to condensed consolidated financial statements.

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES
Condensed Consolidated Statements of Income and Comprehensive Income
(Unaudited)
(In thousands, except share and per share data)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Statements of Income				
Net revenues	$ 347,652	$ 448,742	$ 754,221	$ 833,199
Operating expenses (income)				
Direct advertising expenses (exclusive of depreciation and amortization)	134,059	146,390	283,553	286,860
General and administrative expenses (exclusive of depreciation and amortization)	67,408	78,416	149,612	157,709
Corporate expenses (exclusive of depreciation and amortization)	16,750	18,674	35,241	35,703
Depreciation and amortization	63,998	61,693	126,311	123,199
Gain on disposition of assets	(1,015)	(537)	(3,519)	(5,161)
	281,200	304,636	591,198	598,310
Operating income	66,452	144,106	163,023	234,889
Other expense (income)				
Loss on extinguishment of debt	5	—	18,184	—
Interest income	(179)	(232)	(369)	(385)
Interest expense	35,437	38,322	71,990	75,917
	35,263	38,090	89,805	75,532
Income before income tax expense	31,189	106,016	73,218	159,357
Income tax (benefit) expense	(240)	(12,380)	1,296	(10,292)
Net income	31,429	118,396	71,922	169,649
Cash dividends declared and paid on preferred stock	91	91	182	182
Net income applicable to common stock	$ 31,338	$ 118,305	$ 71,740	$ 169,467
Earnings per share:				
Basic earnings per share	$ 0.31	$ 1.18	$ 0.71	$ 1.70
Diluted earnings per share	$ 0.31	$ 1.18	$ 0.71	$ 1.69
Cash dividends declared per share of common stock	$ 0.50	$ 0.96	$ 1.50	$ 1.92
Weighted average common shares used in computing earnings per share:				
Weighted average common shares outstanding basic	100,765,681	100,012,827	100,677,510	99,862,452
Weighted average common shares outstanding diluted	100,861,881	100,222,082	100,818,347	100,058,054
Statements of Comprehensive Income				
Net income	$ 31,429	$ 118,396	$ 71,922	$ 169,649
Other comprehensive income (loss)				
Foreign currency translation adjustments	740	287	(858)	546
Comprehensive income	$ 32,169	$ 118,683	$ 71,064	$ 170,195

See accompanying notes to condensed consolidated financial statements.

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands, except share and per share data)

	Series AA PREF Stock	Class A CMN Stock	Class B CMN Stock	Treasury Stock	Add'l Paid in Capital	Accumulated Comprehensive Income (Loss)	Accumulated Deficit	Total
Balance, December 31, 2019	$ —	87	14	(34,294)	1,922,222	685	(708,408)	$ 1,180,306
Non-cash compensation	—	—	—	—	1,261	—	—	1,261
Issuance of 272,813 shares of common stock through performance stock awards	—	—	—	—	24,956	—	—	24,956
Exercise of 14,609 shares of stock options	—	—	—	—	652	—	—	652
Issuance of 58,734 shares of common stock through employee purchase plan	—	—	—	—	2,560	—	—	2,560
Purchase of 110,520 shares of treasury stock	—	—	—	(10,068)	—	—	—	(10,068)
Foreign currency translation	—	—	—	—	—	(1,598)	—	(1,598)
Net income	—	—	—	—	—	—	40,493	40,493
Dividends/distributions to common shareholders ($1.00 per common share)	—	—	—	—	—	—	(100,687)	(100,687)
Dividends ($15.95 per preferred share)	—	—	—	—	—	—	(91)	(91)
Balance, March 31, 2020	$ —	87	14	(44,362)	1,951,651	(913)	(768,693)	$ 1,137,784
Non-cash compensation	—	—	—	—	1,525	—	—	1,525
Exercise of 13,642 shares of stock options	—	—	—	—	671	—	—	671
Issuance of shares 31,114 of common stock through employee purchase plan	—	—	—	—	1,765	—	—	1,765
Purchase of 1,196 shares of treasury stock				(56)				(56)
Foreign currency translation	—	—	—	—	—	740	—	740
Net income	—	—	—	—	—	—	31,429	31,429
Dividends/distributions to common shareholders ($0.50 per common share)	—	—	—	—	—	—	(50,396)	(50,396)
Dividends ($15.95 per preferred share)	—	—	—	—	—	—	(91)	(91)
Balance, June 30, 2020	$ —	87	14	(44,418)	1,955,612	(173)	(787,751)	$ 1,123,371

See accompanying notes to condensed consolidated financial statements

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)
(In thousands, except share and per share data)

	Series AA PREF Stock	Class A CMN Stock	Class B CMN Stock	Treasury Stock	Add'l Paid in Capital	Accumulated Comprehensive Income	Accumulated Deficit	Total
Balance, December 31, 2018	$ —	86	14	(25,412)	1,852,421	12	(695,337)	$ 1,131,784
Non-cash compensation	—	—	—	—	1,178	—	—	1,178
Issuance of 286,350 shares of common stock through performance stock awards	—	—	—	—	19,919	—	—	19,919
Exercise of 186,521 shares of stock options	—	—	—	—	7,352	—	—	7,352
Issuance of 44,161 shares of common stock through employee purchase plan	—	—	—	—	2,521	—	—	2,521
Purchase of 111,835 shares of treasury stock	—	—	—	(8,682)	—	—	—	(8,682)
Foreign currency translation	—	—	—	—	—	259	—	259
Net income	—	—	—	—	—	—	51,253	51,253
Dividends/distributions to common shareholders ($0.96 per common share)	—	—	—	—	—	—	(95,915)	(95,915)
Dividends ($15.95 per preferred share)	—	—	—	—	—	—	(91)	(91)
Balance, March 31, 2019	$ —	86	14	(34,094)	1,883,391	271	(740,090)	$ 1,109,578
Non-cash compensation	—	—	—	—	1,425	—	—	1,425
Exercise of 85,379 shares of stock options	—	—	—	—	3,943	—	—	3,943
Issuance of shares 31,455 of common stock through employee purchase plan	—	—	—	—	1,796	—	—	1,796
Foreign currency translation	—	—	—	—	—	287	—	287
Net income	—	—	—	—	—	—	118,396	118,396
Dividends/distributions to common shareholders ($0.96 per common share)	—	—	—	—	—	—	(96,039)	(96,039)
Dividends ($15.95 per preferred share)	—	—	—	—	—	—	(91)	(91)
Balance, June 30, 2019	$ —	86	14	(34,094)	1,890,555	558	(717,824)	$ 1,139,295

See accompanying notes to condensed consolidated financial statements

LAMAR ADVERTISING COMPANY
AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Six months ended June 30, 2020	Six months ended June 30, 2019
Cash flows from operating activities:		
Net income	$ 71,922	$ 169,649
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	126,311	123,199
Stock-based compensation	6,162	7,506
Amortization included in interest expense	2,878	2,670
Gain on disposition of assets and investments	(3,519)	(5,161)
Loss on extinguishment of debt	18,184	—
Deferred tax benefit	(1,313)	(15,121)
Provision for doubtful accounts	8,331	4,657
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables	13,772	(19,103)
Prepaid lease expenses	623	20,173
Other assets	(7,179)	(11,108)
(Decrease) increase in:		
Trade accounts payable	(25)	1,520
Accrued expenses	(12,012)	(13,528)
Operating lease liabilities	(8,735)	(45,836)
Other liabilities	(4,723)	17,532
Net cash provided by operating activities	210,677	237,049
Cash flows from investing activities:		
Acquisitions	(26,153)	(78,141)
Capital expenditures	(36,274)	(60,560)
Proceeds from disposition of assets and investments	4,750	2,100
Increase of notes receivable	—	(544)
Net cash used in investing activities	(57,677)	(137,145)
Cash flows from financing activities:		
Cash used for purchase of treasury stock	(10,124)	(8,682)
Net proceeds from issuance of common stock	5,648	15,612
Principal payments on long term debt	(182)	(14,421)
Borrowings on long term debt	8,750	—
Payments on revolving credit facility	(805,000)	(375,000)
Proceeds received from revolving credit facility	655,000	220,000
Redemption of senior subordinated notes	(519,139)	—
Proceeds received from note offering	1,400,000	255,000
Proceeds received from accounts receivable securitization program	—	9,000
Payments on accounts receivable securitization program	(175,000)	(9,000)
Proceeds received from senior credit facility term loans	598,500	—
Payments on senior credit facility term loans	(978,097)	—
Debt issuance costs	(30,112)	(4,435)
Distributions to non-controlling interest	(882)	(285)
Dividends/distributions	(151,265)	(192,136)
Net cash used in financing activities	(1,903)	(104,347)
Effect of exchange rate changes in cash and cash equivalents	(192)	203
Net increase (decrease) in cash and cash equivalents	150,905	(4,240)
Cash and cash equivalents at beginning of period	26,188	21,494
Cash and cash equivalents at end of period	$ 177,093	$ 17,254
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 68,784	$ 66,968
Cash paid for foreign, state and federal income taxes	$ 3,175	$ 9,260

See accompanying notes to condensed consolidated financial statements.

1. Significant Accounting Policies

The information included in the foregoing interim condensed consolidated financial statements is unaudited. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the Company's financial position and results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year. These interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and the notes thereto included in the 2019 Combined Form 10-K. Subsequent events, if any, are evaluated through the date on which the financial statements are issued.

The following are updates to our significant accounting policies from our 2019 Combined Form 10-K.

(a) Goodwill, intangibles and long-lived assets

Due to changes in relevant events and circumstances related to COVID-19, which could have a negative impact on the Company's goodwill, the Company updated its goodwill qualitative assessment as of June 30, 2020. The update includes assessing macroeconomic conditions, industry and market conditions, cost factors, overall financial performance, reporting unit dispositions and acquisitions, the market capitalization of the Company and other relevant events specific to the Company. After assessing the totality of events and circumstances, the Company determined that it is not "more likely than not" that the fair value of either of the Company's reporting units is less than its carrying amount. Therefore, management will not perform a quantitative impairment test and concluded its goodwill is not impaired as of June 30, 2020.

Management also reviewed the recoverability of our long-lived assets including intangibles, fixed assets and operating lease right of use assets and concluded there is no impairment loss as of June 30, 2020.

(b) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. These estimates take into account historical and forward-looking factors that the Company believes are reasonable, including but not limited to the potential impacts arising from the COVID-19 pandemic, based on available information to date.

2. Revenues

Advertising revenues: The majority of our revenues are derived from contracts for advertising space on billboard, logo and transit displays. Our contracts commencing prior to January 1, 2019 are accounted for under ASC 840, *Leases*. The majority of our contracts amended or commencing on or after January 1, 2019 are accounted for under ASC 606, *Revenue.* The contract revenues, under ASC 840, *Leases* and ASC 606, *Revenue*, are recognized ratably over their contract life. Costs to fulfill a contract, which include our costs to install advertising copy onto billboards, are capitalized and amortized to direct advertising expenses (exclusive of depreciation and amortization) in the Condensed Consolidated Statements of Income and Comprehensive Income.

Other revenues: Our other component of revenue primarily consists of production services which includes creating and printing the advertising copy. Revenue for production contracts is recognized under ASC 606. Contract revenues for production services are recognized upon satisfaction of the contract which is typically less than one week.

Arrangements with multiple performance obligations: Our contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenue to each performance obligation based on the relative standalone selling price. We determine standalone selling prices based on the prices charged to customers using expected cost plus margin.

Deferred revenues: We record deferred revenues when cash payments are received or due in advance of our performance obligation. The term between invoicing and when a payment is due is not significant. For certain services we require payment before the product or services are delivered to the customer. The balance of deferred income is considered short-term and will be recognized in revenue within twelve months.

(In thousands, except share and per share data)

Practical expedients and exemptions: The Company is utilizing the following practical expedients and exemptions from ASC 606. We generally expense sales commissions when incurred because the amortization period is one year or less. These costs are recorded within direct advertising expense (exclusive of depreciation and amortization). We do not disclose the value of unsatisfied performance obligations as the majority of our contracts with customers have an original expected length of less than one year. For contracts with customers which exceed one year, the future amount to be invoiced to the customer corresponds directly with the value to be received by the customer.

The following table presents our disaggregated revenue by source including both revenues accounted for under ASC 840 and ASC 606 for the three and six months ended June 30, 2020 and 2019.

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Billboard Advertising	$ 312,095	$ 393,798	$ 667,400	$ 729,993
Logo Advertising	21,053	21,811	42,445	41,723
Transit Advertising	14,504	33,133	44,376	61,483
Net Revenues	$ 347,652	$ 448,742	$ 754,221	$ 833,199

3. Leases

During the three months ended June 30, 2020 and 2019, we had operating lease costs of $78,331 and $77,816, respectively, and variable lease costs of $10,300 and $18,933, respectively. During the six months ended June 30, 2020 and 2019, we had operating lease costs of $158,734 and $155,166, respectively, and variable lease costs of $27,744 and $36,017, respectively. These operating lease costs are recorded in direct advertising expenses (exclusive of depreciation and amortization). Also, for the three months ended June 30, 2020 and 2019, we recorded a loss of $266 and $193, respectively, in (gain) loss of disposition of assets related to the amendment and termination of lease agreements. For the six months ended June 30, 2020 and 2019, we recorded a loss of $317 and a gain of $3,911, respectively, in (gain) loss of disposition of assets related to the amendment and termination of lease agreements. Cash payments of $161,460 and $180,487 were made reducing our operating lease liabilities for the six months ended June 30, 2020 and 2019, respectively, and are included in cash flows provided by operating activities in the Condensed Consolidated Statements of Cash Flows.

We elected the short-term lease exemption which applies to certain of our vehicle agreements. This election allows the Company to not recognize lease right of use assets (ROU assets) or lease liabilities for agreements with a term of twelve months or less. We recorded $1,249 and $1,097 in direct advertising expenses (exclusive of depreciation and amortization) for these agreements during the three months ended June 30, 2020 and 2019, respectively. We recorded $2,507 and $2,226 in direct advertising expenses (exclusive of depreciation and amortization) for these agreements during the six months ended June 30, 2020 and 2019, respectively.

Our operating leases have a weighted-average remaining lease term of 12.1 years. The weighted-average discount rate of our operating leases is 4.6%. Also, during the periods ended June 30, 2020 and 2019, we obtained $9,991 and $8,671, respectively, of leased assets in exchange for new operating lease liabilities, which includes liabilities obtained through acquisitions.

The following is a summary of the maturities of our operating lease liabilities as of June 30, 2020:

2020	$ 114,518
2021	206,414
2022	181,916
2023	158,968
2024	141,902
Thereafter	854,924
Total undiscounted operating lease payments	1,658,642
Less: Imputed interest	(430,667)
Total operating lease liabilities	$ 1,227,975

(In thousands, except share and per share data)

4. Stock-Based Compensation

Equity Incentive Plan. Lamar Advertising's 1996 Equity Incentive Plan, as amended, (the "Incentive Plan") has reserved 17.5 million shares of Class A common stock for issuance to directors and employees, including shares underlying granted options and common stock reserved for issuance under its performance-based incentive program. Options granted under the plan expire ten years from the grant date with vesting terms ranging from three to five years and include 1) options that vest in one-fifth increments beginning on the grant date and continuing on each of the first four anniversaries of the grant date and 2) options that cliff-vest on the fifth anniversary of the grant date. All grants are made at fair market value based on the closing price of our Class A common stock as reported on the Nasdaq Global Select Market on the date of grant.

We use a Black-Scholes-Merton option pricing model to estimate the fair value of share-based awards. The Black-Scholes-Merton option pricing model incorporates various and highly subjective assumptions, including expected term and expected volatility. The Company granted options for an aggregate of 32,000 shares of its Class A common stock during the six months ended June 30, 2020. At June 30, 2020 a total of 2,470,063 shares were available for future grant.

Stock Purchase Plan. Lamar Advertising's 2009 Employee Stock Purchase Plan (the "2009 ESPP"), approved by our shareholders on May 28, 2009, expired by its terms on June 30, 2019. On May 30, 2019, our shareholders approved Lamar Advertising's 2019 Employee Stock Purchase Plan (the "2019 ESPP"). The 2019 ESPP became effective upon the expiration of the 2009 ESPP. The number of shares of Class A common stock available under the 2019 ESPP was automatically increased by 86,093 shares on January 1, 2020 pursuant to the automatic increase provisions of the 2019 ESPP.

The following is a summary of 2019 ESPP share activity for the six months ended June 30, 2020:

	Shares
Available for future purchases, January 1, 2020	438,434
Additional shares reserved under 2019 ESPP	86,093
Purchases	(89,848)
Available for future purchases, June 30, 2020	434,679

Performance-based compensation. Unrestricted shares of our Class A common stock may be awarded to key officers, employees and directors under the Incentive Plan. The number of shares to be issued, if any, will be dependent on the level of achievement of performance measures for key officers and employees, as determined by the Company's Compensation Committee based on our 2020 results. Any shares issued based on the achievement of performance goals will be issued in the first quarter of 2021. The shares subject to these awards can range from a minimum of 0% to a maximum of 100% of the target number of shares depending on the level at which the goals are attained. For the six months ended June 30, 2020, the Company has recorded $3,494 as stock-based compensation expense related to performance-based awards. In addition, each non-employee director automatically receives a restricted stock award of our Class A common stock upon election or re-election. The awards vest 50% on grant date and 50% on the last day of the directors' one year term. The Company recorded $492 in stock-based compensation expense related to these awards for the six months ended June 30, 2020.

5. Depreciation and Amortization

The Company includes all categories of depreciation and amortization on a separate line in its Condensed Consolidated Statements of Income and Comprehensive Income. The amounts of depreciation and amortization expense excluded from the following operating expenses in its Condensed Consolidated Statements of Income and Comprehensive Income are:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Direct advertising expenses	$ 60,142	$ 58,200	$ 118,839	$ 116,315
General and administrative expenses	1,151	1,140	2,432	2,261
Corporate expenses	2,705	2,353	5,040	4,623
	$ 63,998	$ 61,693	$ 126,311	$ 123,199

(In thousands, except share and per share data)

6. Goodwill and Other Intangible Assets

The following is a summary of intangible assets at June 30, 2020 and December 31, 2019:

	Estimated Life (Years)	June 30, 2020				December 31, 2019			
		Gross Carrying Amount		Accumulated Amortization		Gross Carrying Amount		Accumulated Amortization	
Amortizable intangible assets:									
Customer lists and contracts	7—10	$	644,330	$	551,309	$	641,714	$	539,405
Non-competition agreements	3—15		66,101		64,512		66,014		64,379
Site locations	15		2,399,355		1,550,917		2,384,520		1,509,335
Other	2—15		49,974		37,826		49,864		36,749
		$	3,159,760	$	2,204,564	$	3,142,112	$	2,149,868
Unamortizable intangible assets:									
Goodwill		$	2,165,697	$	253,536	$	2,165,810	$	253,536

7. Asset Retirement Obligations

The Company’s asset retirement obligations include the costs associated with the removal of its structures, resurfacing of the land and retirement cost, if applicable, related to the Company’s outdoor advertising portfolio. The following table reflects information related to our asset retirement obligations:

Balance at December 31, 2019	$	226,137
Additions to asset retirement obligations		421
Accretion expense		2,129
Liabilities settled		(3,742)
Balance at June 30, 2020	$	224,945

8. Distribution Restrictions

Lamar Media’s ability to make distributions to Lamar Advertising is restricted under both the terms of the indentures relating to Lamar Media’s outstanding notes and by the terms of its senior credit facility. As of June 30, 2020 and December 31, 2019, Lamar Media was permitted under the terms of its outstanding senior subordinated and senior notes to make transfers to Lamar Advertising in the form of cash dividends, loans or advances in amounts up to $3,429,654 and $3,389,763, respectively.

As of June 30, 2020, Lamar Media’s senior credit facility allows it to make transfers to Lamar Advertising in any taxable year up to the amount of Lamar Advertising’s taxable income (without any deduction for dividends paid). In addition, as of June 30, 2020, transfers to Lamar Advertising are permitted under Lamar Media’s senior credit facility and as defined therein up to the available cumulative credit, as long as no default has occurred and is continuing and, after giving effect to such distributions, (i) the total debt ratio is less than 7.0 to 1 and (ii) the secured debt ratio does not exceed 4.5 to 1. As of June 30, 2020, the total debt ratio was less than 7.0 to 1 and Lamar Media’s secured debt ratio was less than 4.5 to 1, and the available cumulative credit was $2,180,134.

9. Earnings Per Share

The calculation of basic earnings per share excludes any dilutive effect of stock options, while diluted earnings per share includes the dilutive effect of stock options. There were no dilutive shares excluded from this calculation resulting from their anti-dilutive effect for the three and six months ended June 30, 2020 or 2019.

(In thousands, except share and per share data)

10. Long-term Debt

Long-term debt consists of the following at June 30, 2020 and December 31, 2019:

	June 30, 2020		
	Debt	Deferred financing costs	Debt, net of deferred financing costs
Senior Credit Facility	$ 598,339	$ 12,697	$ 585,642
Accounts Receivable Securitization Program	—	667	(667)
5% Senior Subordinated Notes	535,000	2,786	532,214
5 3/4% Senior Notes	653,988	7,171	646,817
4 7/8% Senior Notes	400,000	5,790	394,210
4% Senior Notes	400,000	5,610	394,390
3 3/4% Senior Notes	600,000	8,394	591,606
Other notes with various rates and terms	11,687	—	11,687
	3,199,014	43,115	3,155,899
Less current maturities	(9,120)	—	(9,120)
Long-term debt, excluding current maturities	$ 3,189,894	$ 43,115	$ 3,146,779

	December 31, 2019		
	Debt	Deferred financing costs	Debt, net of deferred financing costs
Senior Credit Facility	$ 1,127,069	$ 9,077	$ 1,117,992
Accounts Receivable Securitization Program	175,000	846	174,154
5% Senior Subordinated Notes	535,000	3,237	531,763
5 3/8% Senior Notes	510,000	3,502	506,498
5 3/4% Senior Notes	654,345	7,752	646,593
Other notes with various rates and terms	3,118	—	3,118
	3,004,532	24,414	2,980,118
Less current maturities	(232,595)	(6,081)	(226,514)
Long-term debt, excluding current maturities	$ 2,771,937	$ 18,333	$ 2,753,604

Senior Credit Facility

On February 6, 2020, Lamar Media entered into a Fourth Amended and Restated Credit Agreement (the “Fourth Amended and Restated Credit Agreement”) with certain of Lamar Media’s subsidiaries as guarantors, JPMorgan Chase Bank, N.A. as administrative agent and the lenders party thereto, under which the parties agreed to amend and restate Lamar Media’s existing senior credit facility. The Fourth Amended and Restated Credit Agreement amended and restated the Third Amended and Restated Credit Agreement dated as of May 15, 2017, as amended (the “Third Amended and Restated Credit Agreement”).

The new senior credit facility, as established by the Fourth Amended and Restated Credit Agreement (the “senior credit facility”), consists of (i) a new $750,000 senior secured revolving credit facility which will mature on February 6, 2025 (the “revolving credit facility”), (ii) a new $600,000 Term B loan facility (the “Term B loans”) which will mature on February 6, 2027, and (iii) an incremental facility (the “Incremental Facility”) pursuant to which Lamar Media may incur additional term loan tranches or increase its revolving credit facility subject to a pro forma secured debt ratio of 4.50 to 1.00, as well as certain other conditions including lender approval. Lamar Media borrowed all $600,000 in Term B loans on February 6, 2020. The entire amount of the Term B loans will be payable at maturity. The net proceeds from the Term B loans, together with borrowing under the revolving portion of the senior credit facility and a portion of the proceeds of the issuance of the 3 3/4% Senior Notes due 2028 and 4% Senior Notes due 2030 (both as described below), were used to repay all outstanding amounts under the Third Amended and Restated Credit Agreement, and all revolving commitments under that facility were terminated. As a result of refinancing our credit facility the Company incurred a loss on debt extinguishment of $5,608 for the six months ended June 30, 2020.

The Term B loans mature on February 6, 2027 with no required amortization payments. The Term B loans bear interest at rates based on the Adjusted LIBO Rate (“Eurodollar term loans”) or the Adjusted Base Rate (“Base Rate term loans”), at Lamar Media’s option. Eurodollar Term B loans bear interest at a rate per annum equal to the Adjusted LIBO Rate plus 1.50%. Base Rate Term B loans bear interest at a rate per annum equal to the Adjusted Base Rate plus 0.50%.

The revolving credit facility bears interest at rates based on the Adjusted LIBO Rate (“Eurodollar revolving loans”) or the Adjusted Base Rate (“Base Rate revolving loans”), at Lamar Media’s option. Eurodollar revolving loans bear interest at a rate per annum equal to the Adjusted LIBO Rate plus 1.50% (or the Adjusted LIBO Rate plus 1.25% at any time the Total Debt Ratio is less than or equal to 3.25 to 1). Base Rate revolving loans bear interest at a rate per annum equal to the Adjusted Base Rate plus 0.50% (or the Adjusted Base Rate plus 0.25% at any time the total debt ratio is less than or equal to 3.25 to 1). The guarantees, covenants, events of default and other terms of the senior credit facility apply to the Term B loans and revolving credit facility.

As of June 30, 2020, there were no borrowings outstanding under the revolving credit facility. Availability under the revolving credit facility is reduced by the amount of any letters of credit outstanding. Lamar Media had $12,784 in letters of credit outstanding as of June 30, 2020 resulting in $737,216 of availability under its revolving credit facility. Revolving credit loans may be requested under the revolving credit facility at any time prior to its maturity on February 6, 2025.

The terms of Lamar Media’s senior credit facility and the indentures relating to Lamar Media’s outstanding notes restrict, among other things, the ability of Lamar Advertising and Lamar Media to:

- dispose of assets;
- incur or repay debt;
- create liens;
- make investments; and
- pay dividends.

The senior credit facility contains provisions that allow Lamar Media to conduct its affairs in a manner that allows Lamar Advertising to qualify and remain qualified as a REIT, including by allowing Lamar Media to make distributions to Lamar Advertising required for the Company to qualify and remain qualified for taxation as a REIT, subject to certain restrictions.

Lamar Media’s ability to make distributions to Lamar Advertising is also restricted under the terms of these agreements. Under Lamar Media’s senior credit facility, the Company must maintain a specified secured debt ratio as long as a revolving credit commitment, revolving loan or letter of credit remains outstanding, and in addition, must satisfy a total debt ratio in order to incur debt, make distributions or make certain investments.

Lamar Advertising and Lamar Media were in compliance with all of the terms of their indentures and the senior credit facility provisions during the periods presented.

Accounts Receivable Securitization Program

On December 18, 2018, Lamar Media entered into a $175,000 Receivable Financing Agreement (the “Accounts Receivable Securitization Program”) with its wholly-owned special purpose entities, Lamar QRS Receivables, LLC and Lamar TRS Receivables, LLC (the “Special Purpose Subsidiaries”) maturing on December 17, 2021. The Accounts Receivable Securitization Program is limited to the availability of eligible accounts receivable collateralizing the borrowings under the agreements governing the Accounts Receivable Securitization Program.

Pursuant to two separate Purchase and Sale Agreements dated December 18, 2018, each of which is among Lamar Media as initial Servicer, certain of Lamar Media’s subsidiaries and a Special Purpose Subsidiary, the subsidiaries sold substantially all of their existing and future accounts receivable balances to the Special Purpose Subsidiaries. The Special Purpose Subsidiaries use the accounts receivable balances to collateralize loans pursuant to the Accounts Receivable Securitization Program. Lamar Media retains the responsibility of servicing the accounts receivable balances pledged as collateral under the Accounts Receivable Securitization Program and provides a performance guaranty.

On June 30, 2020, Lamar Media and the Special Purpose Subsidiaries entered into the Third Amendment (the "Amendment") to the Receivables Financing Agreement dated December 18, 2018. The Amendment increases the maximum three month average Delinquency Ratio, Dilution Ratio and Days' Sales Outstanding to 11.00% (from 8.00%), 7.00% (from 4.00%) and 75 days (from 65 days), respectively, for each of the months of June, July and August 2020. The Amendment does not modify any other financial covenant. Additionally, the Amendment establishes a new Minimum Funding Threshold, which requires the Special Purpose Subsidiaries to maintain minimum borrowings under the Accounts Receivable Securitization Program on any day equal to the lesser of (i) 50.00% of the aggregate Commitment of all Lenders or (ii) the Borrowing Base, though the Special Purpose Subsidiaries have the right to borrow less than the Minimum Funding Threshold during certain periods prior to December 21, 2020 at their election.

As of June 30, 2020 there was no outstanding aggregate borrowings under the Accounts Receivable Securitization Program. Lamar Media had $171,810 available for borrowing under the Accounts Receivable Securitization Program as of June 30, 2020. The commitment fees based on the amount of unused commitments under the Accounts Receivable Securitization Program were immaterial during the six months ended June 30, 2020.

The Accounts Receivable Securitization Program is accounted for as a collateralized financing activity, rather than a sale of assets, and therefore: (i) accounts receivable balances pledged as collateral are presented as assets and the borrowings are presented as liabilities on our Condensed Consolidated Balance Sheets, (ii) our Condensed Consolidated Statements of Income and Comprehensive Income reflect the associated charges for bad debt expense (a component of general and administrative expenses) related to the pledged accounts receivable and interest expense associated with the collateralized borrowings and (iii) receipts from customers related to the underlying accounts receivable are reflected as operating cash flows and borrowings and repayments under the collateralized loans are reflected as financing cash flows within our Condensed Consolidated Statements of Cash Flows.

5% Senior Subordinated Notes

On October 30, 2012, Lamar Media completed an institutional private placement of $535,000 aggregate principal amount of 5% Senior Subordinated Notes due 2023 (the "5% Notes"). The institutional private placement resulted in net proceeds to Lamar Media of approximately $527,100.

Lamar Media may redeem the 5% Notes, in whole or in part, in cash at redemption prices specified in the 5% Notes. In addition, if the Company or Lamar Media undergoes a change of control, Lamar Media may be required to make an offer to purchase each holder's 5% Notes at a price equal to 101% of the principal amount of the 5% Notes, plus accrued and unpaid interest, up to but not including the repurchase date.

5 3/8% Senior Notes

On January 10, 2014, Lamar Media completed an institutional private placement of $510,000 aggregate principal amount of 5 3/8% Senior Notes due 2024 (the "5 3/8% Notes"). The institutional private placement resulted in net proceeds to Lamar Media of approximately $502,300. The Company used the proceeds from the 4% Senior Notes and 3 3/4% Senior Notes to redeem in full all of the 5 3/8% Notes on February 20, 2020 at a redemption price of 101% of the aggregate principal amounts of the outstanding 5 3/8% Notes, plus accrued and unpaid interest up to but not including the redemption date. In conjunction with the redemption, the Company recorded a loss on debt extinguishment of $12,576, of which $9,139 was cash, for the period ended June 30, 2020.

5 3/4% Senior Notes

On January 28, 2016, Lamar Media completed an institutional private placement of $400,000 aggregate principal amount of 5 3/4% Senior Notes due 2026 (the "5 3/4% Notes"). The institutional private placement on January 28, 2016 resulted in net proceeds to Lamar Media of approximately $394,500.

On February 1, 2019, Lamar Media completed an institutional private placement of an additional $250,000 aggregate principal amount under its 5 3/4% Notes (the "New Notes"). Other than with respect to the date of issuance, issue price and CUSIP number, the New Notes have the same terms as the 5 3/4% Notes. The net proceeds after underwriting fees and expenses, was approximately $251,500 and were used to repay a portion of the borrowings outstanding under the revolving credit facility.

At any time prior to February 1, 2021, Lamar Media may redeem some or all of the 5 3/4% Notes at a price equal to 100% of the aggregate principal amount, plus accrued and unpaid interest thereon plus a make-whole premium. On or after February 1, 2021, Lamar Media may redeem the 5 3/4% Notes, in whole or in part, in cash at redemption prices specified in the 5 3/4% Notes. In addition, if the Company or Lamar Media undergoes a change of control, Lamar Media may be required to make an offer to purchase each holder’s 5 3/4% Notes at a price equal to 101% of the principal amount of the 5 3/4% Notes, plus accrued and unpaid interest, up to but not including the repurchase date.

4% Senior Notes

On February 6, 2020, Lamar Media completed an institutional private placement of $400,000 aggregate principal amount of 4% Senior Notes due 2030 (the “4% Notes”). The institutional private placement on February 6, 2020 resulted in net proceeds to Lamar Media of approximately $395,000.

Lamar Media may redeem up to 40% of the aggregate principal amount of the 4% Notes, at any time and from time to time, at a price equal to 104% of the aggregate principal amount redeemed, plus accrued and unpaid interest thereon, with the net cash proceeds of certain public equity offerings completed before February 15, 2023, provided that following the redemption, at least 60% of the 4% Notes that were originally issued remain outstanding and any such redemption occurs within 120 days following the closing of any such public equity offering. At any time prior to February 15, 2025, Lamar Media may redeem some or all of the 4% Notes at a price equal to 100% of the aggregate principal amount, plus accrued and unpaid interest thereon and a make-whole premium. On or after February 15, 2025, Lamar Media may redeem the 4% Notes, in whole or in part, in cash at redemption prices specified in the 4% Notes. In addition, if the Company or Lamar Media undergoes a change of control, Lamar Media may be required to make an offer to purchase each holder’s 4% Notes at a price equal to 101% of the principal amount of the 4% Notes, plus accrued and unpaid interest, up to but not including the repurchase date.

3 3/4% Senior Notes

On February 6, 2020, Lamar Media completed an institutional private placement of $600,000 aggregate principal amount of 3 3/4% Senior Notes due 2028 (the “3 3/4% Notes”). The institutional private placement on February 6, 2020 resulted in net proceeds to Lamar Media of approximately $592,500.

Lamar Media may redeem up to 40% of the aggregate principal amount of 3 3/4% Notes, at any time and from time to time, at a price equal to 103.75% of the aggregate principal amount redeemed, plus accrued and unpaid interest thereon, with the net cash proceeds of certain public equity offerings completed before February 15, 2023, provided that following the redemption, at least 60% of the 3 3/4% Notes that were originally issued remain outstanding and any such redemption occurs within 120 days following the closing of any such public equity offering. At any time prior to February 15, 2023, Lamar Media may redeem some or all of the 3 3/4% Notes at a price equal to 100% of the aggregate principal amount, plus accrued and unpaid interest thereon and a make-whole premium. On or after February 15, 2023, Lamar Media may redeem the 3 3/4% Notes, in whole or in part, in cash at redemption prices specified in the 3 3/4% Notes. In addition, if the Company or Lamar Media undergoes a change of control, Lamar Media may be required to make an offer to purchase each holder’s 3 3/4% Notes at a price equal to 101% of the principal amount of the 3 3/4% Notes, plus accrued and unpaid interest, up to but not including the repurchase date.

4 7/8% Senior Notes

On May 13, 2020, Lamar Media completed an institutional private placement of $400,000 aggregate principal amount of 4 7/8% Senior Notes due 2029 (the “4 7/8% Notes”). The institutional private placement on May 13, 2020 resulted in net proceeds to Lamar Media of approximately $395,000.

Lamar Media may redeem up to 40% of the aggregate principal amount of the 4 7/8% Notes, at any time and from time to time, at a price equal to 104.875% of the aggregate principal amount redeemed, plus accrued and unpaid interest thereon, with the net cash proceeds of certain public equity offerings completed before May 15, 2023, provided that following the redemption, at least 60% of the 4 7/8% Notes that were originally issued remain outstanding and any such redemption occurs within 120 days following the closing of any such public equity offering. At any time prior to January 15, 2024, Lamar Media may redeem some or all of the 4 7/8% Notes at a price equal to 100% of the aggregate principal amount, plus accrued and unpaid interest thereon and a make-whole premium. On or after January 15, 2024, Lamar Media may redeem the 4 7/8% Notes, in whole or in part, in cash at redemption prices specified in the 4 7/8% Notes. In addition, if the Company or Lamar Media undergoes a change of control, Lamar Media may be required to make an offer to purchase each holder’s 4 7/8% Notes at a price equal to 101% of the principal amount of the 4 7/8% Notes, plus accrued and unpaid interest, up to but not including the repurchase date.

Debt Repurchase Program

On March 16, 2020, the Company's Board of Directors authorized Lamar Media to repurchase up to $250,000 outstanding senior or senior subordinated notes and other indebtedness outstanding from time to time under its Fourth Amended and Restated Credit Agreement. The repurchase program will expire on September 30, 2021 unless extended by the Board of Directors. There were no repurchases under the program as of June 30, 2020.

11. Fair Value of Financial Instruments

At June 30, 2020 and December 31, 2019, the Company's financial instruments included cash and cash equivalents, marketable securities, accounts receivable, investments, accounts payable and borrowings. The fair values of cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings and current portion of long-term debt approximated carrying values because of the short-term nature of these instruments. Investment contracts are reported at fair values. Fair values for investments held at cost are not readily available, but are estimated to approximate fair value. The estimated fair value of the Company's long-term debt (including current maturities) was $3,159,255 which does not exceed the carrying amount of $3,199,014 as of June 30, 2020. The majority of the fair value is determined using observed prices of publicly traded debt (level 1 in the fair value hierarchy) and the remaining is valued based on quoted prices for similar debt (level 2 in the fair value hierarchy).

12. New Accounting Pronouncements

Leases

In February 2016, the FASB established Topic 842, *Leases*, by issuing Accounting Standards Update (ASU) No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU No. 2018-10 and ASU No. 2019-01, *Codification Improvements to Topic 842, Leases*; and ASU No. 2018-11, *Targeted Improvements*. The new standard establishes a right of use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than twelve months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

We adopted the new standard effective January 1, 2019 using a modified retrospective transition approach, applying the new standard to all leases existing at the date of initial application. An entity was permitted to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. Consequently, financial information was not updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019.

The new standard provided a number of optional practical expedients in transition. We elected the 'package of practical expedients', which permitted us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs. We elected the practical expedient pertaining to land easements. We also elected the short-term lease recognition exemption for certain of our vehicle agreements. This means, for those leases that qualify, we will not recognize ROU assets or lease liabilities.

Upon adoption, we recognized additional operating liabilities of $1.2 billion, with corresponding ROU assets of the same amount based on the present value of the remaining minimum rental payments under current leasing standards for our existing operating leases. In addition to the increase to the operating lease liabilities and right of use assets, Topic 842 also resulted in reclassifying the presentation of prepaid and deferred rent to operating lease right of use assets. The Company did not have any changes to its opening balance of retained earnings for the adoption of this update.

Other recently released pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326*) – Measurement of Credit Losses on Financial Instruments, and additional changes modifications, clarifications, or interpretations related to this guidance thereafter, which require a reporting entity to estimate credit losses on certain types of financial instruments, and present assets held at amortized cost and available-for-sale debt securities at the amount expected to be collected. The new guidance is effective for annual and interim periods beginning after December 15, 2019. The Company adopted this guidance on January 1, 2020 and the impact of the adoption was not material to the Company's consolidated financial statements. As of June 30, 2020, our allowance for credit losses considered the current and future impacts caused by the COVID-19 pandemic, based on available information to date. The Company will continue to actively monitor the impact of COVID-19 on expected credit losses.

13. Dividends/Distributions

During the three months ended June 30, 2020 and 2019, the Company declared and paid cash distributions in an aggregate amount of $50,396 or $0.50 per share and $96,039 or $0.96 per share, respectively. During the six months ended June 30, 2020 and 2019, the Company declared and paid cash distributions in an aggregate amount of $151,083 or $1.50 per share and $191,954 or $1.92 per share, respectively. The amount, timing and frequency of future distributions will be at the sole discretion of the Board of Directors and will be declared based upon various factors, a number of which may be beyond the Company's control, including financial condition and operating cash flows, the amount required to maintain REIT status and reduce any income and excise taxes that the Company otherwise would be required to pay, limitations on distributions in our existing and future debt instruments, the Company's ability to utilize net operating losses to offset, in whole or in part, the Company's distribution requirements, limitations on its ability to fund distributions using cash generated through its taxable REIT subsidiaries (TRSs), the impact of COVID-19 on the Company's operations and other factors that the Board of Directors may deem relevant. During the three and six months ended June 30, 2020 and 2019, the Company paid cash dividend distributions to holders of its Series AA Preferred Stock in an aggregate amount of $91 or $15.95 per share and $182 or $31.90 per share for each period, respectively.

14. Information about Geographic Areas

Revenues from external customers attributable to foreign countries totaled $11,022 and $17,057 for the six months ended June 30, 2020 and 2019, respectively. Net carrying value of long-lived assets located in foreign countries totaled $5,406 and $4,549 as of June 30, 2020 and December 31, 2019, respectively. All other revenues from external customers and long lived assets relate to domestic operations.

15. Stockholders' Equity

On May 1, 2018, the Company entered into an equity distribution agreement (the "Sales Agreement") with J.P. Morgan Securities LLC, Wells Fargo Securities LLC, and SunTrust Robinson Humphrey, Inc. as its sales agents (each a "Sales Agent", and collectively, the "Sales Agents"). Under the terms of the Sales Agreement, the Company may, from time to time, issue and sell shares of its Class A common stock, having an aggregate offering price of up to $400,000, through the Sales Agents as either agents or principals. As of June 30, 2020, 842,412 shares of our Class A common stock have been sold under the Sales Agreement and accordingly $336,668 remained available to be sold under the Sales Agreement as of June 30, 2020.

Sales of the Class A common stock, if any, may be made in negotiated transactions or transactions that are deemed to be "at-the-market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on or through the Nasdaq Global Select Market and any other existing trading market for the Class A common stock, or sales made to or through a market maker other than on an exchange. The Company has no obligation to sell any of the Class A common stock under the Sales Agreement and may at any time suspend solicitations and offers under the Sales Agreement.

On August 6, 2018, the Company filed an automatically effective shelf registration statement that registered the offer and sale of an indeterminate amount of additional shares of our Class A common stock. During the year ended December 31, 2018, the Company issued 163,137 shares of its Class A common stock in connection with acquisitions occurring during the period. The Company filed a prospectus supplement to the shelf registration statement relating to the offer and resale of such shares of Class A common stock. There were no additional shares issued under this shelf registration during the year ended December 31, 2019 and the six months ended June 30, 2020.

On March 16, 2020, the Company's Board of Directors authorized the repurchase of up to $250,000 of the Company's Class A common stock. The repurchase program will expire on September 30, 2021 unless extended by the Board of Directors. There were no repurchases under the program as of June 30, 2020.

16. Subsequent Event

On July 30, 2020, the Company announced that its wholly owned subsidiary, Lamar Media, intends to redeem $267,500 in aggregate principal amount of its outstanding 5% Notes on August 31, 2020. Following the redemption, $267,500 of the original $535,000 in aggregate principal amount of 5% Notes will remain outstanding under the indenture. The redemption will be made in accordance with the terms of the indenture governing the 5% Notes.

LAMAR MEDIA CORP.
AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share data)

	June 30, 2020 (Unaudited)	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 176,593	$ 25,688
Receivables, net of allowance for doubtful accounts of $17,661 and $13,185 in 2020 and 2019, respectively	232,176	254,930
Other current assets	34,968	29,051
Total current assets	443,737	309,669
Property, plant and equipment	3,666,749	3,660,311
Less accumulated depreciation and amortization	(2,346,274)	(2,311,196)
Net property, plant and equipment	1,320,475	1,349,115
Operating lease right of use assets	1,292,917	1,320,779
Goodwill	1,902,009	1,902,123
Intangible assets	954,729	991,776
Other assets	50,980	50,959
Total assets	$ 5,964,847	$ 5,924,421
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Trade accounts payable	$ 11,928	$ 14,974
Current maturities of long-term debt, net of deferred financing costs of $0 and $6,081 in 2020 and 2019, respectively	9,120	226,514
Current operating lease liabilities	173,835	196,841
Accrued expenses	66,701	101,266
Deferred income	125,908	127,254
Total current liabilities	387,492	666,849
Long-term debt, net of deferred financing costs of $43,115 and $18,333 in 2020 and 2019, respectively	3,146,779	2,753,604
Operating lease liabilities	1,054,140	1,068,181
Deferred income tax liabilities	4,406	5,713
Asset retirement obligation	224,945	226,137
Other liabilities	34,078	34,406
Total liabilities	4,851,840	4,754,890
Stockholder's equity:		
Common stock, par value $.01, 3,000 shares authorized, 100 shares issued and outstanding at 2020 and 2019	—	—
Additional paid-in-capital	3,026,120	2,992,729
Accumulated comprehensive income	(173)	685
Accumulated deficit	(1,912,940)	(1,823,883)
Stockholder's equity	1,113,007	1,169,531
Total liabilities and stockholder's equity	$ 5,964,847	$ 5,924,421

See accompanying notes to condensed consolidated financial statements.

LAMAR MEDIA CORP.
AND SUBSIDIARIES
Condensed Consolidated Statements of Income and Comprehensive Income
(Unaudited)
(In thousands, except share and per share data)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Statements of Income				
Net revenues	$ 347,652	$ 448,742	$ 754,221	$ 833,199
Operating expenses (income)				
Direct advertising expenses (exclusive of depreciation and amortization)	134,059	146,390	283,553	286,860
General and administrative expenses (exclusive of depreciation and amortization)	67,408	78,416	149,612	157,709
Corporate expenses (exclusive of depreciation and amortization)	16,645	18,585	35,012	35,505
Depreciation and amortization	63,998	61,693	126,311	123,199
Gain on disposition of assets	(1,015)	(537)	(3,519)	(5,161)
	281,095	304,547	590,969	598,112
Operating income	66,557	144,195	163,252	235,087
Other expense (income)				
Loss on extinguishment of debt	5	—	18,184	—
Interest income	(179)	(232)	(369)	(385)
Interest expense	35,437	38,322	71,990	75,917
	35,263	38,090	89,805	75,532
Income before income tax expense	31,294	106,105	73,447	159,555
Income tax (benefit) expense	(240)	(12,380)	1,296	(10,292)
Net income	$ 31,534	$ 118,485	$ 72,151	$ 169,847
Statements of Comprehensive Income				
Net income	$ 31,534	$ 118,485	$ 72,151	$ 169,847
Other comprehensive income (loss)				
Foreign currency translation adjustments	740	287	(858)	546
Comprehensive income	$ 32,274	$ 118,772	$ 71,293	$ 170,393

See accompanying notes to condensed consolidated financial statements.

LAMAR MEDIA CORP.
AND SUBSIDIARIES
Condensed Consolidated Statements of Stockholder's Equity
(Unaudited)
(In thousands, except share and per share data)

	Common Stock	Additional Paid-In Capital	Accumulated Comprehensive Income (Loss)	Accumulated Deficit	Total
Balance, December 31, 2019	$ —	2,992,729	685	(1,823,883)	$ 1,169,531
Contribution from parent	—	29,429	—	—	29,429
Foreign currency translations	—	—	(1,598)	—	(1,598)
Net income	—	—	—	40,617	40,617
Dividend to parent	—	—	—	(110,755)	(110,755)
Balance, March 31, 2020	$ —	3,022,158	(913)	(1,894,021)	$ 1,127,224
Contribution from parent	—	3,962	—	—	3,962
Foreign currency translations	—	—	740	—	740
Net income	—	—	—	31,534	31,534
Dividend to parent	—	—	—	(50,453)	(50,453)
Balance, June 30, 2020	$ —	3,026,120	(173)	(1,912,940)	$ 1,113,007

	Common Stock	Additional Paid-In Capital	Accumulated Comprehensive Income	Accumulated Deficit	Total
Balance, December 31, 2018	$ —	2,922,907	12	(1,802,723)	$ 1,120,196
Contribution from parent	—	30,970	—	—	30,970
Foreign currency translations	—	—	259	—	259
Net income	—	—	—	51,362	51,362
Dividend to parent	—	—	—	(104,597)	(104,597)
Balance, March 31, 2019	$ —	2,953,877	271	(1,855,958)	$ 1,098,190
Contribution from parent	—	7,165	—	—	7,165
Foreign currency translations	—	—	287	—	287
Net income	—	—	—	118,485	118,485
Dividend to parent	—	—	—	(96,039)	(96,039)
Balance, June 30, 2019	$ —	2,961,042	558	(1,833,512)	$ 1,128,088

See accompanying notes to condensed consolidated financial statements

LAMAR MEDIA CORP.
AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In thousands)

	Six months ended June 30, 2020	Six months ended June 30, 2019
Cash flows from operating activities:		
Net income	$ 72,151	$ 169,847
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	126,311	123,199
Stock-based compensation	6,162	7,506
Amortization included in interest expense	2,878	2,670
Gain on disposition of assets and investments	(3,519)	(5,161)
Loss on extinguishment of debt	18,184	—
Deferred tax benefit	(1,313)	(15,121)
Provision for doubtful accounts	8,331	4,657
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	13,772	(19,103)
Prepaid lease expenses	623	20,173
Other assets	(7,179)	(11,108)
(Decrease) increase in:		
Trade accounts payable	(25)	1,520
Accrued expenses	(12,012)	(13,528)
Operating lease liabilities	(8,735)	(45,836)
Other liabilities	(32,876)	(5,371)
Net cash provided by operating activities	182,753	214,344
Cash flows from investing activities:		
Acquisitions	(26,153)	(78,141)
Capital expenditures	(36,274)	(60,560)
Proceeds from disposition of assets and investments	4,750	2,100
Increase of notes receivable	—	(544)
Net cash used in investing activities	(57,677)	(137,145)
Cash flows from financing activities:		
Principal payments on long term debt	(182)	(14,421)
Borrowings on long term debt	8,750	—
Payment on revolving credit facility	(805,000)	(375,000)
Proceeds received from revolving credit facility	655,000	220,000
Redemption of senior subordinated notes	(519,139)	—
Proceeds received from note offering	1,400,000	255,000
Proceeds received from accounts receivable securitization program	—	9,000
Payments on accounts receivable securitization program	(175,000)	(9,000)
Proceeds received from senior credit facility term loans	598,500	—
Payments on senior credit facility term loans	(978,097)	—
Debt issuance costs	(30,112)	(4,435)
Distributions to non-controlling interest	(882)	(285)
Contributions from parent	33,391	38,135
Dividend to parent	(161,208)	(200,636)
Net cash provided by (used in) financing activities	26,021	(81,642)
Effect of exchange rate changes in cash and cash equivalents	(192)	203
Net increase (decrease) in cash and cash equivalents	150,905	(4,240)
Cash and cash equivalents at beginning of period	25,688	20,994
Cash and cash equivalents at end of period	$ 176,593	$ 16,754
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 68,784	$ 66,968
Cash paid for foreign, state and federal income taxes	$ 3,175	$ 9,260

See accompanying notes to condensed consolidated financial statements.

1. Significant Accounting Policies

The information included in the foregoing interim condensed consolidated financial statements is unaudited. In the opinion of management all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of Lamar Media's financial position and results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year. These interim condensed consolidated financial statements should be read in conjunction with Lamar Media's consolidated financial statements and the notes thereto included in the 2019 Combined Form 10-K.

Certain notes are not provided for the accompanying condensed consolidated financial statements as the information in notes 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 14, and 15 to the condensed consolidated financial statements of Lamar Advertising included elsewhere in this report is substantially equivalent to that required for the condensed consolidated financial statements of Lamar Media. Earnings per share data is not provided for Lamar Media, as it is a wholly owned subsidiary of the Company.

2. Summarized Financial Information of Subsidiaries

Separate condensed consolidating financial information for Lamar Media, subsidiary guarantors and non-guarantor subsidiaries are presented below. Lamar Media and its subsidiary guarantors have fully and unconditionally guaranteed Lamar Media's obligations with respect to its publicly issued notes. All guarantees are joint and several. As a result of these guarantee arrangements, we are required to present the following condensed consolidating financial information. The following condensed consolidating financial information should be read in conjunction with the accompanying consolidated financial statements and notes. The condensed consolidating financial information is provided as an alternative to providing separate financial statements for guarantor subsidiaries. Separate financial statements of Lamar Media's subsidiary guarantors are not included because the guarantees are full and unconditional and the subsidiary guarantors are 100% owned and jointly and severally liable for Lamar Media's outstanding publicly issued notes. The accounts for all companies reflected herein are presented using the equity method of accounting for investments in subsidiaries.

(In Thousands, Except for Share Data)

Condensed Consolidating Balance Sheet as of June 30, 2020

	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Lamar Media Consolidated
			(unaudited)		
ASSETS					
Total current assets	$ 164,644	$ 44,905	$ 234,188	$ —	$ 443,737
Net property, plant and equipment	—	1,311,329	9,146	—	1,320,475
Operating lease right of use assets	—	1,271,821	21,096	—	1,292,917
Intangibles and goodwill, net	—	2,838,868	17,870	—	2,856,738
Other assets	4,157,051	225,091	10,393	(4,341,555)	50,980
Total assets	$ 4,321,695	$ 5,692,014	$ 292,693	$ (4,341,555)	$ 5,964,847
LIABILITIES AND STOCKHOLDER'S EQUITY					
Current liabilities:					
Current maturities of long-term debt	$ —	$ 9,120	$ —	$ —	$ 9,120
Current operating lease liabilities	—	168,390	5,445	—	173,835
Other current liabilities	33,062	158,005	13,470	—	204,537
Total current liabilities	33,062	335,515	18,915	—	387,492
Long-term debt	3,144,240	2,539	—	—	3,146,779
Operating lease liabilities	—	1,037,680	16,460	—	1,054,140
Other noncurrent liabilities	31,386	229,469	252,027	(249,453)	263,429
Total liabilities	3,208,688	1,605,203	287,402	(249,453)	4,851,840
Stockholder’s equity	1,113,007	4,086,811	5,291	(4,092,102)	1,113,007
Total liabilities and stockholder’s equity	$ 4,321,695	$ 5,692,014	$ 292,693	$ (4,341,555)	$ 5,964,847

(In Thousands, Except for Share Data)

Condensed Consolidating Balance Sheet as of December 31, 2019

	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Lamar Media Consolidated
ASSETS					
Total current assets	$ 13,859	$ 53,756	$ 242,054	$ —	$ 309,669
Net property, plant and equipment	—	1,340,675	8,440	—	1,349,115
Operating lease right of use assets	—	1,293,674	27,105	—	1,320,779
Intangibles and goodwill, net	—	2,875,644	18,255	—	2,893,899
Other assets	4,193,629	229,905	184,805	(4,557,380)	50,959
Total assets	$ 4,207,488	$ 5,793,654	$ 480,659	$ (4,557,380)	$ 5,924,421
LIABILITIES AND STOCKHOLDER'S EQUITY					
Current liabilities:					
Current maturities of long-term debt	$ 51,480	$ 34	$ 175,000	$ —	$ 226,514
Current operating lease liabilities	—	189,071	7,770	—	196,841
Other current liabilities	26,960	196,689	19,845	—	243,494
Total current liabilities	78,440	385,794	202,615	—	666,849
Long-term debt	2,753,570	34	—	—	2,753,604
Operating lease liabilities	—	1,049,220	18,961	—	1,068,181
Other noncurrent liabilities	205,947	231,416	250,859	(421,966)	266,256
Total liabilities	3,037,957	1,666,464	472,435	(421,966)	4,754,890
Stockholder’s equity	1,169,531	4,127,190	8,224	(4,135,414)	1,169,531
Total liabilities and stockholder’s equity	$ 4,207,488	$ 5,793,654	$ 480,659	$ (4,557,380)	$ 5,924,421

LAMAR MEDIA CORP.
AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements
(Unaudited)
(In Thousands, Except for Share Data)

Condensed Consolidating Statements of Income and Comprehensive Income for the Three Months Ended June 30, 2020

Statement of Income	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (unaudited)	Eliminations	Lamar Media Consolidated
Net revenues	$ —	$ 341,664	$ 6,237	$ (249)	$ 347,652
Operating expenses					
Direct advertising expenses (1)	—	128,485	5,823	(249)	134,059
General and administrative expenses (1)	—	65,222	2,186	—	67,408
Corporate expenses (1)	—	16,521	124	—	16,645
Depreciation and amortization	—	63,545	453	—	63,998
(Gain) loss on disposition of assets	—	(1,070)	55	—	(1,015)
	—	272,703	8,641	(249)	281,095
Operating income (loss)	—	68,961	(2,404)	—	66,557
Equity in (earnings) loss of subsidiaries	(66,370)	—	—	66,370	—
Loss on extinguishment of debt	5	—	—	—	5
Interest expense (income), net	34,831	(24)	451	—	35,258
Income (loss) before income tax expense	31,534	68,985	(2,855)	(66,370)	31,294
Income tax expense (benefit) (2)	—	582	(822)	—	(240)
Net income (loss)	$ 31,534	$ 68,403	$ (2,033)	$ (66,370)	$ 31,534
Statement of Comprehensive Income					
Net income (loss)	$ 31,534	$ 68,403	$ (2,033)	$ (66,370)	$ 31,534
Total other comprehensive income, net of tax	—	—	740	—	740
Total comprehensive income (loss)	$ 31,534	$ 68,403	$ (1,293)	$ (66,370)	$ 32,274

(1) Caption is exclusive of depreciation and amortization.
(2) The income tax expense reflected in each column does not include any tax effect of the equity in earnings from subsidiaries.

(In Thousands, Except for Share Data)

Condensed Consolidating Statements of Income and Comprehensive Income for the Three Months Ended June 30, 2019

	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Lamar Media Consolidated
Statement of Income			(unaudited)		
Net revenues	$ —	$ 437,074	$ 12,498	$ (830)	$ 448,742
Operating expenses					
Direct advertising expenses (1)	—	140,108	7,112	(830)	146,390
General and administrative expenses (1)	—	76,475	1,941	—	78,416
Corporate expenses (1)	—	18,274	311	—	18,585
Depreciation and amortization	—	61,031	662	—	61,693
(Gain) loss on disposition of assets	—	(550)	13	—	(537)
	—	295,338	10,039	(830)	304,547
Operating income	—	141,736	2,459	—	144,195
Equity in (earnings) loss of subsidiaries	(155,336)	—	—	155,336	—
Interest expense (income), net	36,851	(82)	1,321	—	38,090
Income (loss) before income tax expense	118,485	141,818	1,138	(155,336)	106,105
Income tax (benefit) expense (2)	—	(13,231)	851	—	(12,380)
Net income (loss)	$ 118,485	$ 155,049	$ 287	$ (155,336)	$ 118,485
Statement of Comprehensive Income					
Net income (loss)	$ 118,485	$ 155,049	$ 287	$ (155,336)	$ 118,485
Total other comprehensive income, net of tax	—	—	287	—	287
Total comprehensive income (loss)	$ 118,485	$ 155,049	$ 574	$ (155,336)	$ 118,772

(1) Caption is exclusive of depreciation and amortization.
(2) The income tax expense reflected in each column does not include any tax effect of the equity in earnings from subsidiaries.

(In Thousands, Except for Share Data)

Condensed Consolidating Statements of Income and Comprehensive Income for the Six Months Ended June 30, 2020

Statement of Income	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Lamar Media Consolidated
			(unaudited)		
Net revenues	$ —	$ 738,295	$ 16,689	$ (763)	$ 754,221
Operating expenses					
Direct advertising expenses (1)	—	271,537	12,779	(763)	283,553
General and administrative expenses (1)	—	145,750	3,862	—	149,612
Corporate expenses (1)	—	34,608	404	—	35,012
Depreciation and amortization	—	125,450	861	—	126,311
(Gain) loss on disposition of assets	—	(3,574)	55	—	(3,519)
	—	573,771	17,961	(763)	590,969
Operating income (loss)	—	164,524	(1,272)	—	163,252
Equity in (earnings) loss of subsidiaries	(160,584)	—	—	160,584	—
Loss on extinguishment of debt	18,184	—	—	—	18,184
Interest expense (income), net	70,249	(59)	1,431	—	71,621
Income (loss) before income tax expense	72,151	164,583	(2,703)	(160,584)	73,447
Income tax expense (benefit) (2)	—	1,924	(628)	—	1,296
Net income (loss)	$ 72,151	$ 162,659	$ (2,075)	$ (160,584)	$ 72,151
Statement of Comprehensive Income					
Net income (loss)	$ 72,151	$ 162,659	$ (2,075)	$ (160,584)	$ 72,151
Total other comprehensive loss, net of tax	—	—	(858)	—	(858)
Total comprehensive income (loss)	$ 72,151	$ 162,659	$ (2,933)	$ (160,584)	$ 71,293

(1) Caption is exclusive of depreciation and amortization.
(2) The income tax expense reflected in each column does not include any tax effect of the equity in earnings from subsidiaries.

(In Thousands, Except for Share Data)

Condensed Consolidating Statements of Income and Comprehensive Income for the Six Months Ended June 30, 2019

	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Lamar Media Consolidated
Statement of Income			(unaudited)		
Net revenues	$ —	$ 811,655	$ 23,024	$ (1,480)	$ 833,199
Operating expenses					
Direct advertising expenses (1)	—	274,858	13,482	(1,480)	286,860
General and administrative expenses (1)	—	154,132	3,577	—	157,709
Corporate expenses (1)	—	34,897	608	—	35,505
Depreciation and amortization	—	121,864	1,335	—	123,199
Gain on disposition of assets	—	(1,010)	(4,151)	—	(5,161)
	—	584,741	14,851	(1,480)	598,112
Operating income	—	226,914	8,173	—	235,087
Equity in (earnings) loss of subsidiaries	(242,710)	—	—	242,710	—
Interest expense (income), net	72,863	(87)	2,756	—	75,532
Income (loss) before income tax expense	169,847	227,001	5,417	(242,710)	159,555
Income tax expense (2)	—	(12,612)	2,320	—	(10,292)
Net income (loss)	$ 169,847	$ 239,613	$ 3,097	$ (242,710)	$ 169,847
Statement of Comprehensive Income					
Net income (loss)	$ 169,847	$ 239,613	$ 3,097	$ (242,710)	$ 169,847
Total other comprehensive income, net of tax	—	—	546	—	546
Total comprehensive income (loss)	$ 169,847	$ 239,613	$ 3,643	$ (242,710)	$ 170,393

(1) Caption is exclusive of depreciation and amortization.
(2) The income tax expense reflected in each column does not include any tax effect of the equity in earnings from subsidiaries.

(In Thousands, Except for Share Data)

Condensed Consolidating Statement of Cash Flows for the Six Months Ended June 30, 2020

	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Lamar Media Consolidated
			(unaudited)		
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	$ 165,269	$ 238,800	$ 5,429	$ (226,745)	$ 182,753
Cash flows from investing activities:					
Acquisitions	577	(26,730)	—	—	(26,153)
Capital expenditures	—	(34,770)	(1,504)	—	(36,274)
Proceeds from disposition of assets and investments	—	4,750	—	—	4,750
Investment in subsidiaries	(26,730)	—	—	26,730	—
(Increase) decrease in intercompany notes receivable	(181,089)	—	—	181,089	—
Net cash (used in) provided by investing activities	(207,242)	(56,750)	(1,504)	207,819	(57,677)
Cash flows from financing activities:					
Proceeds received from revolving credit facility	655,000	—	—	—	655,000
Payment on revolving credit facility	(805,000)	—	—	—	(805,000)
Principal payments on long term debt	—	(182)	—	—	(182)
Borrowings on long term debt	—	8,750	—	—	8,750
Proceeds received from note offering	1,400,000	—	—	—	1,400,000
Payment on accounts receivable securitization program	—	—	(175,000)	—	(175,000)
Redemption on senior subordinated notes	(519,139)	—	—	—	(519,139)
Proceeds received from senior credit facility term loans	598,500	—	—	—	598,500
Payments on senior credit facility term loans	(978,097)	—	—	—	(978,097)
Debt issuance costs	(30,112)	—	—	—	(30,112)
Intercompany loan proceeds	—	3,808	177,281	(181,089)	—
Distributions to non-controlling interest	—	—	(882)	—	(882)
Dividends (to) from parent	(161,208)	(226,745)	—	226,745	(161,208)
Contributions from (to) parent	33,391	26,730	—	(26,730)	33,391
Net cash provided by (used in) financing activities	193,335	(187,639)	1,399	18,926	26,021
Effect of exchange rate changes in cash and cash equivalents	—	—	(192)	—	(192)
Net increase (decrease) in cash and cash equivalents	151,362	(5,589)	5,132	—	150,905
Cash and cash equivalents at beginning of period	13,185	8,278	4,225	—	25,688
Cash and cash equivalents at end of period	$ 164,547	$ 2,689	$ 9,357	$ —	$ 176,593

(In Thousands, Except for Share Data)

Condensed Consolidating Statement of Cash Flows for the Six Months Ended June 30, 2019

	Lamar Media Corp.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries (unaudited)	Eliminations	Lamar Media Consolidated
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	$ 158,778	$ 287,842	$ (2,208)	$ (230,068)	$ 214,344
Cash flows from investing activities:					
Acquisitions	—	(78,141)	—	—	(78,141)
Capital expenditures	—	(59,193)	(1,367)	—	(60,560)
Proceeds from disposition of assets and investments	—	2,100	—	—	2,100
Proceeds received from insurance claims	(78,141)	—	—	78,141	—
Investment in subsidiaries	5,161	—	—	(5,161)	—
Increase in intercompany notes receivable	(127)	(417)	—	—	(544)
Net cash (used in) provided by investing activities	(73,107)	(135,651)	(1,367)	72,980	(137,145)
Cash flows from financing activities:					
Proceeds received from revolving credit facility	220,000	—	—	—	220,000
Payment on revolving credit facility	(375,000)	—	—	—	(375,000)
Principal payments on long-term debt	(14,421)	—	—	—	(14,421)
Proceeds received from note offering	255,000	—	—	—	255,000
Payment on accounts receivable securitization program	—	—	(9,000)	—	(9,000)
Proceeds received from accounts receivable securitization program	—	—	9,000	—	9,000
Debt issuance costs	(4,435)	—	—	—	(4,435)
Intercompany loan proceeds	—	(8,461)	3,300	5,161	—
Distributions to non-controlling interest	—	—	(285)	—	(285)
Dividends (to) from parent	(200,636)	(230,068)	—	230,068	(200,636)
Contributions from (to) parent	38,135	78,141	—	(78,141)	38,135
Net cash (used in) provided by financing activities	(81,357)	(160,388)	3,015	157,088	(81,642)
Effect of exchange rate changes in cash and cash equivalents	—	—	203	—	203
Net increase (decrease) in cash and cash equivalents	4,314	(8,197)	(357)	—	(4,240)
Cash and cash equivalents at beginning of period	4,029	11,655	5,310	—	20,994
Cash and cash equivalents at end of period	$ 8,343	$ 3,458	$ 4,953	$ —	$ 16,754

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements. Actual results could differ materially from those anticipated by the forward-looking statements due to risks and uncertainties described in the section of this combined report on Form 10-Q entitled "Note Regarding Forward-Looking Statements" and in Item 1A to the 2019 Combined Form 10-K filed on February 20, 2020, as updated and supplemented in Part II, Item 1A of this Quarterly Report on Form 10-Q, and as such risk factors may be further updated or supplemented, from time to time, in our future combined Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. You should carefully consider each of these risks and uncertainties in evaluating the Company's and Lamar Media's financial conditions and results of operations. Investors are cautioned not to place undue reliance on the forward-looking statements contained in this document. These statements speak only as of the date of this document, and the Company undertakes no obligation to update or revise the statements, except as may be required by law.

LAMAR ADVERTISING COMPANY

The following is a discussion of the consolidated financial condition and results of operations of the Company for the six and three months ended June 30, 2020 and 2019. This discussion should be read in conjunction with the consolidated financial statements of the Company and the related notes thereto.

Overview

The Company's net revenues are derived primarily from the rental of advertising space on outdoor advertising displays owned and operated by the Company. Revenue growth is based on many factors that include the Company's ability to increase occupancy of its existing advertising displays; raise advertising rates; and acquire new advertising displays and its operating results are therefore affected by general economic conditions, as well as trends in the advertising industry. Advertising spending is particularly sensitive to changes in general economic conditions which affect the rates that the Company is able to charge for advertising on its displays and its ability to maximize advertising sales or occupancy on its displays.

Impact of the COVID-19 Pandemic

The unprecedented and rapid spread of COVID-19 and the related government-imposed restrictions and social distancing measures implemented throughout the world have reduced demand for out-of-home advertising. Beginning in late March, large public events were cancelled, and governments began imposing restrictions on non-essential activities, which in turn lead to advertisers suspending, delaying or cancelling their advertising campaigns. The government-imposed restrictions have had an adverse impact on the volume of vehicles on roadways (particularly in larger markets), pedestrians in airports and riders on public transit and numerous advertising customer segments including, but not limited to, entertainment, retail, restaurant and automotive advertisers.

As a result, demand for billboard, transit and airport advertising declined, which has had an adverse impact on our revenues and financial position. The decrease in outdoor advertising demand during the three months ended June 30, 2020 resulted in a 22.5% decrease in our consolidated net revenues as compared to the same period in 2019. As revenues declined, the Company responded through a variety of cost saving and liquidity measures as discussed below. While we cannot predict the length and severity of the reduction in demand due to the pandemic, we observed an improvement in customer activity in June and July as the government-imposed restrictions on travel were eased. However, the exact timing and pace of the recovery remain uncertain given the continued impact of the pandemic on the overall U.S. and global economy, and new or renewed government-imposed restrictions on travel may be enacted in the future. Our liquidity measures and expense management initiatives may be modified as we monitor the timing of economic recovery.

In response to the ongoing pandemic, we have implemented measures to mitigate the impact on our financial position and operations. These measures include, but are not limited to, the following:

- issuing $400.0 million in 4 7/8% Senior Notes on May 13, 2020 which, along with cash on hand, were used to pay-down all outstanding balances under our revolving credit facility. Additionally, during the quarter ended June 30, 2020 we repaid all amounts outstanding under its Accounts Receivable Securitization Program. The Company's total liquidity was approximately $1.1 billion as of June 30, 2020;
- reducing our consolidated operating costs (exclusive of depreciation and amortization and gain on disposition of assets) by $25.3 million or 10.4% for the three months ended June 30, 2020 over the same period in 2019 which included:
    - o reductions in our transit and airport franchise costs and billboard lease costs; and
    - o reducing our workforce by approximately 5% through attrition and selected layoffs;

- sharply curtailing spending on capital projects, including new digital displays;
- limiting acquisition activity; and
- utilizing portions of the CARES Act for deferral of employer portions of social security taxes through the end of 2020, with 50% of the deferral due December 31, 2021 and the remaining 50% due December 31, 2022.

We will continue to evaluate the impact of the COVID-19 pandemic on our business and we may access the debt and/or equity capital markets for additional liquidity, if necessary.

The Company's management and Board of Directors are continuing to evaluate our quarterly dividend plans for the remainder of 2020. This evaluation includes ensuring the Company remains in compliance with its REIT dividend requirements for the year.

As of June 30, 2020 we did not incur any impairment charges related to goodwill or long-lived assets (including operating lease right of use assets). We also did not incur any significant credit losses for the three and six months ended June 30, 2020.

While some of our corporate, front office and sales workforce continues to work from home, a large majority have returned to their offices while adhering to the Center of Disease Control and Prevention and state and local governmental guidelines and recommendations. Due to the nature of their duties, our billboard operations employees, for the most part, continue to complete their tasks, while still adhering to social distancing measures. The impacts of working from home have been minimal on productivity. Also, while working from home has minimally impacted our processes, there have been no material impacts to our internal control environment.

We will continue to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state or local authorities, or that we determine are in the best interests of our employees, customers, partners and stockholders.

Acquisitions and capital expenditures

Historically, the Company has made strategic acquisitions of outdoor advertising assets to increase the number of outdoor advertising displays it operates in existing and new markets. The Company continues to evaluate and pursue strategic acquisition opportunities as they arise. The Company has financed its historical acquisitions and intends to finance any future acquisition activity from available cash, borrowings under its senior credit facility or the issuance of debt or equity securities. See "Liquidity and Capital Resources-*Sources of Cash*" for more information. During the six months ended June 30, 2020, the Company completed several acquisitions for a total cash purchase price of approximately $26.2 million. See *Uses of Cash – Acquisitions* for more information.

The Company's business requires expenditures for maintenance and capitalized costs associated with the construction of new billboard displays, the entrance into and renewal of logo sign and transit contracts, and the purchase of real estate and operating equipment. The following table presents a breakdown of capitalized expenditures for the three and six months ended June 30, 2020 and 2019:

	Three months ended June 30, (in thousands)		Six months ended June 30, (in thousands)	
	2020	**2019**	**2020**	**2019**
Total capital expenditures:				
Billboard — traditional	$ 1,503	$ 13,431	$ 8,023	$ 22,693
Billboard — digital	5,227	14,418	16,802	26,037
Logos	670	2,492	3,545	3,904
Transit	289	617	1,855	1,796
Land and buildings	1,022	1,208	2,258	1,696
Operating equipment	1,854	2,443	3,791	4,434
Total capital expenditures	$ 10,565	$ 34,609	$ 36,274	$ 60,560

Non-GAAP Financial Measures

Our management reviews our performance by focusing on several key performance indicators not prepared in conformity with Generally Accepted Accounting Principles in the United States ("GAAP"). We believe these non-GAAP performance indicators are meaningful supplemental measures of our operating performance and should not be considered in isolation of, or as a substitute for, their most directly comparable GAAP financial measures.

Included in our analysis of our results of operations are discussions regarding earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA"), funds from operations ("FFO"), as defined by the National Association of Real Estate Investment Trusts, adjusted funds from operations ("AFFO") and acquisition-adjusted net revenue.

We define adjusted EBITDA as net income before income tax expense (benefit), interest expense (income), loss (gain) on extinguishment of debt and investments, stock-based compensation, depreciation and amortization, gain or loss on disposition of assets and investments, capitalized contract fulfillment costs, net and the impact of ASC 842 adoption.

FFO is defined as net income before gains or losses from the sale or disposal of real estate assets and investments and real estate related depreciation and amortization and including adjustments to eliminate unconsolidated affiliates and non-controlling interest.

We define AFFO as FFO before (i) straight-line revenue and expense; (ii) impact of ASC 842 adoption; (iii) capitalized contract fulfillment costs, net (iv) stock-based compensation expense; (v) non-cash portion of tax provision; (vi) non-real estate related depreciation and amortization; (vii) amortization of deferred financing costs; (viii) loss on extinguishment of debt; (ix) non-recurring infrequent or unusual losses (gains); (x) less maintenance capital expenditures; and (xi) an adjustment for unconsolidated affiliates and non-controlling interest.

Acquisition-adjusted net revenue adjusts our net revenue for the prior period by adding to it the net revenue generated by the acquired assets before our acquisition of these assets for the same time frame that those assets were owned in the current period. In calculating acquisition-adjusted revenue, therefore, we include revenue generated by assets that we did not own in the period but acquired in the current period. We refer to the amount of pre-acquisition revenue generated by the acquired assets during the prior period that corresponds with the current period in which we owned the assets (to the extent within the period to which this report relates) as "acquisition net revenue". In addition, we also adjust the prior period to subtract revenue generated by the assets that have been divested since the prior period and, therefore, no revenue derived from those assets is reflected in the current period.

Adjusted EBITDA, FFO, AFFO and acquisition-adjusted net revenue are not intended to replace net income or any other performance measures determined in accordance with GAAP. Neither FFO nor AFFO represent cash flows from operating activities in accordance with GAAP and, therefore, these measures should not be considered indicative of cash flows from operating activities as a measure of liquidity or of funds available to fund our cash needs, including our ability to make cash distributions. Rather, adjusted EBITDA, FFO, AFFO and acquisition-adjusted net revenue are presented as we believe each is a useful indicator of our current operating performance. We believe that these metrics are useful to an investor in evaluating our operating performance because (1) each is a key measure used by our management team for purposes of decision making and for evaluating our core operating results; (2) adjusted EBITDA is widely used in the industry to measure operating performance as depreciation and amortization may vary significantly among companies depending upon accounting methods and useful lives, particularly where acquisitions and non-operating factors are involved; (3) acquisition-adjusted net revenue is a supplement to net revenue to enable investors to compare period over period results on a more consistent basis without the effects of acquisitions and divestures, which reflects our core performance and organic growth (if any) during the period in which the assets were owned and managed by us; (4) adjusted EBITDA, FFO and AFFO each provides investors with a meaningful measure for evaluating our period-to-period operating performance by eliminating items that are not operational in nature; and (5) each provides investors with a measure for comparing our results of operations to those of other companies.

Our measurement of adjusted EBITDA, FFO, AFFO and acquisition-adjusted net revenue may not, however, be fully comparable to similarly titled measures used by other companies. Reconciliations of adjusted EBITDA, FFO, AFFO and acquisition-adjusted net revenue to net income, the most directly comparable GAAP measure, have been included herein.

RESULTS OF OPERATIONS

Six Months ended June 30, 2020 compared to Six Months ended June 30, 2019

Net revenues decreased $79.0 million or 9.5% to $754.2 million for the six months ended June 30, 2020 from $833.2 million for the same period in 2019. This decrease was primarily attributable to a decrease in billboard and transit net revenues of $62.6 million and $17.1 million, respectively, over the same period in 2019, which related to the ongoing pandemic. The decrease was offset slightly by an increase of $0.7 million in logo revenue.

For the six months ended June 30, 2020, there was an $89.2 million decrease in net revenues as compared to acquisition-adjusted net revenue for the six months ended June 30, 2019, which represents a decrease of 10.6%. See “Reconciliations” below. The $89.2 million decrease in revenue is primarily due to a $73.3 million and $16.6 million decrease in billboard and transit net revenues, respectively, which are due to the effects of the ongoing pandemic. The decrease in outdoor and transit revenues were slightly off set by an increase of $0.7 million in logo revenue.

Total operating expenses, exclusive of depreciation and amortization and loss (gain) on disposition of assets, decreased $11.9 million, or 2.5% to $468.4 million for the six months ended June 30, 2020 from $480.3 million in the same period in 2019. The $11.9 million decrease over the prior year is comprised of a $10.5 million decrease in total direct, general and administrative and corporate expenses (excluding stock-based compensation) primarily related to the operations of our outdoor advertising assets, as well as a $1.3 million decrease in stock-based compensation.

Depreciation and amortization expense increased $3.1 million to $126.3 million for the six months ended June 30, 2020 as compared to $123.2 million for the same period in 2019.

For the six months ended June 30, 2020, the Company recognized a gain on disposition of assets of $3.5 million primarily resulting from transactions related to billboard locations.

Due to the above factors, operating income decreased by $71.9 million to $163.0 million for the six months ended June 30, 2020 as compared to $234.9 million for the same period in 2019.

The Company recognized a loss on debt extinguishment of $18.2 million during the six months ended June 30, 2020, which relates to the early repayment of our 5 3/8% Senior Notes and refinancing of our senior credit facility.

Interest expense decreased $3.9 million for the six months ended June 30, 2020 to $72.0 million as compared to $75.9 million for the six months ended June 30, 2019.

The decrease in operating income, offset by the decrease in interest expense, resulted in an $86.1 million decrease in net income before income taxes. The effective tax rate for the six months ended June 30, 2020 was 1.8%, which differs from the federal statutory rate primarily due to our qualification for taxation as a REIT and adjustments for foreign items.

As a result of the above factors, the Company recognized net income for the six months ended June 30, 2020 of $71.9 million, as compared to net income of $169.6 million for the same period in 2019.

Reconciliations:

Because acquisitions occurring after December 31, 2018 (the “acquired assets”) have contributed to our net revenue results for the periods presented, we provide 2019 acquisition-adjusted net revenue, which adjusts our 2019 net revenue for the six months ended June 30, 2019 by adding to or subtracting from it the net revenue generated by the acquired or divested assets prior to our acquisition or divestiture of these assets for the same time frame that those assets were owned in the six months ended June 30, 2020.

Reconciliations of 2019 reported net revenue to 2019 acquisition-adjusted net revenue for the six months ended June 30, as well as a comparison of 2019 acquisition-adjusted net revenue to 2020 reported net revenue for the six months ended June 30, are provided below:

Reconciliation and Comparison of Reported Net Revenue to Acquisition-Adjusted Net Revenue

	Six months ended June 30, 2020	Six months ended June 30, 2019
	(in thousands)	
Reported net revenue	$ 754,221	$ 833,199
Acquisition net revenue	—	10,209
Adjusted totals	$ 754,221	$ 843,408

Key Performance Indicators

Net Income/Adjusted EBITDA
(in thousands)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 71,922	$ 169,649	$ (97,727)	(57.6)%
Income tax expense (benefit)	1,296	(10,292)	11,588	
Loss on debt extinguishment	18,184	—	18,184	
Interest expense (income), net	71,621	75,532	(3,911)	
Gain on disposition of assets	(3,519)	(5,161)	1,642	
Depreciation and amortization	126,311	123,199	3,112	
Impact of ASC 842 adoption (lease accounting standard)	—	1,930	(1,930)	
Capitalized contract fulfillment costs, net	1,036	(8,304)	9,340	
Stock-based compensation expense	6,162	7,506	(1,344)	
Adjusted EBITDA	$ 293,013	$ 354,059	$ (61,046)	(17.2)%

Adjusted EBITDA for the six months ended June 30, 2020 decreased 17.2% to $293.0 million. The decrease in adjusted EBITDA was primarily attributable to a decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, the impact of ASC 842 adoption and capitalized contract fulfillment costs, net) of $68.3 million, and was offset by a decrease in total general and administrative and corporate expenses of $7.2 million, excluding the impact of stock-based compensation expense.

Net Income/FFO/AFFO
(in thousands)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 71,922	$ 169,649	$ (97,727)	(57.6)%
Depreciation and amortization related to real estate	120,453	116,178	4,275	
Gain from sale or disposal of real estate, net of tax	(3,098)	(4,884)	1,786	
Non-cash tax benefit for REIT converted assets	—	(17,031)	17,031	
Adjustments for unconsolidated affiliates and non-controlling interest	389	354	35	
FFO	$ 189,666	$ 264,266	$ (74,600)	(28.2)%
Straight line income	1,733	(216)	1,949	
Impact of ASC 842 adoption (lease accounting standard)	—	1,930	(1,930)	
Capitalized contract fulfillment costs, net	1,036	(8,304)	9,340	
Stock-based compensation expense	6,162	7,506	(1,344)	
Non-cash portion of tax provision	(1,313)	1,910	(3,223)	
Non-real estate related depreciation and amortization	5,858	7,021	(1,163)	
Amortization of deferred financing costs	2,878	2,670	208	
Loss on extinguishment of debt	18,184	—	18,184	
Capital expenditures – maintenance	(14,492)	(23,396)	8,904	
Adjustments for unconsolidated affiliates and non-controlling interest	(389)	(354)	(35)	
AFFO	$ 209,323	$ 253,033	$ (43,710)	(17.3)%

FFO for the six months ended June 30, 2020 decreased from $264.3 million in 2019 to $189.7 million for the same period in 2020, a decrease of 28.2%. AFFO for the six months ended June 30, 2020 decreased 17.3% to $209.3 million as compared to $253.0 million for the same period in 2019. The decrease in AFFO was primarily attributable to the decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, capitalized contract fulfillment costs, net and the impact of ASC 842 adoption) offset by decreases in the total of general and administrative and corporate expenses (excluding the effect of stock-based compensation expense).

Three Months ended June 30, 2020 compared to Three Months ended June 30, 2019

Net revenues decreased $101.1 million or 22.5% to $347.7 million for the three months ended June 30, 2020 from $448.7 million for the same period in 2019. This decrease was primarily attributable to a decrease in billboard and transit net revenues of $81.7 million and $18.6 million, respectively, over the same period in 2019, which related to the ongoing pandemic.

For the three months ended June 30, 2020, there was a $106.2 million decrease in net revenues as compared to acquisition-adjusted net revenue for the three months ended June 30, 2019, which represents a decrease of 23.4%. See “Reconciliations” below. The $106.2 million decrease in revenue is primarily due to an $87.0 million and $18.4 million decrease in billboard and transit net revenues, respectively, and are a result of the effects due to the ongoing pandemic.

Total operating expenses, exclusive of depreciation and amortization and loss (gain) on disposition of assets, decreased $25.3 million, or 10.4% to $218.2 million for the three months ended June 30, 2020 from $243.5 million in the same period in 2019. The $25.3 million decrease over the prior year is comprised of a $22.7 million decrease in total direct, general and administrative and corporate expenses (excluding stock-based compensation) primarily related to the operations of our outdoor advertising assets, as well as a $2.5 million decrease in stock-based compensation.

Depreciation and amortization expense increased $2.3 million to $64.0 million for the three months ended June 30, 2020 as compared to $61.7 million for the same period in 2019.

For the three months ended June 30, 2020, the Company recognized a gain on disposition of assets of $1.0 million primarily resulting from transactions related to billboard locations.

Due to the above factors, operating income decreased by $77.7 million to $66.5 million for the three months ended June 30, 2020 as compared to $144.1 million for the same period in 2019.

Interest expense decreased $2.9 million for the three months ended June 30, 2020 to $35.4 million as compared to $38.3 million for the three months ended June 30, 2019.

The decrease in operating income, offset by the decrease in interest expense resulted in a $74.8 million decrease in net income before income taxes. The effective tax rate for the three months ended June 30, 2020 was (0.8)%, which differs from the federal statutory rate primarily due to our qualification for taxation as a REIT and adjustments for foreign items.

As a result of the above factors, the Company recognized net income for the three months ended June 30, 2020 of $31.4 million, as compared to net income of $118.4 million for the same period in 2019.

Reconciliations:

Because acquisitions occurring after December 31, 2018 (the "acquired assets") have contributed to our net revenue results for the periods presented, we provide 2019 acquisition-adjusted net revenue, which adjusts our 2019 net revenue for the three months ended June 30, 2019 by adding to or subtracting from it the net revenue generated by the acquired or divested assets prior to our acquisition or divestiture of these assets for the same time frame that those assets were owned in the three months ended June 30, 2020.

Reconciliations of 2019 reported net revenue to 2019 acquisition-adjusted net revenue for the three months ended June 30, as well as a comparison of 2019 acquisition-adjusted net revenue to 2020 reported net revenue for the three months ended June 30, are provided below:

Reconciliation and Comparison of Reported Net Revenue to Acquisition-Adjusted Net Revenue

	Three months ended June 30,	
	2020	2019
	(in thousands)	
Reported net revenue	$ 347,652	$ 448,742
Acquisition net revenue	—	5,075
Adjusted totals	$ 347,652	$ 453,817

Key Performance Indicators

Net Income/Adjusted EBITDA
(in thousands)

	Three Months Ended June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2020	2019		
Net income	$ 31,429	$ 118,396	$ (86,967)	(73.5)%
Income tax benefit	(240)	(12,380)	12,140	
Loss on debt extinguishment	5	—	5	
Interest expense (income), net	35,258	38,090	(2,832)	
Gain on disposition of assets	(1,015)	(537)	(478)	
Depreciation and amortization	63,998	61,693	2,305	
Impact of ASC 842 adoption (lease accounting standard)	—	1,009	(1,009)	
Capitalized contract fulfillment costs, net	1,036	(3,609)	4,645	
Stock-based compensation expense	2,725	5,273	(2,548)	
Adjusted EBITDA	$ 133,196	$ 207,935	$ (74,739)	(35.9)%

Adjusted EBITDA for the three months ended June 30, 2020 decreased 35.9% to $133.2 million. The decrease in adjusted EBITDA was primarily attributable to a decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, the impact of ASC 842 adoption and amortization of capitalized contract fulfillment costs, net) of $85.1 million, and was offset by a decrease in total general and administrative and corporate expenses of $10.4 million, excluding the impact of stock-based compensation expense.

Net Income/FFO/AFFO
(in thousands)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 31,429	$ 118,396	$ (86,967)	(73.5)%
Depreciation and amortization related to real estate	61,089	58,178	2,911	
Gain from sale or disposal of real estate, net of tax	(555)	(410)	(145)	
Non-cash tax benefit for REIT converted assets	—	(17,031)	17,031	
Adjustments for unconsolidated affiliates and non-controlling interest	140	156	(16)	
FFO	$ 92,103	$ 159,289	$ (67,186)	(42.2)%
Straight line expense	679	20	659	
Impact of ASC 842 adoption (lease accounting standard)	—	1,009	(1,009)	
Capitalized contract fulfillment costs, net	1,036	(3,609)	4,645	
Stock-based compensation expense	2,725	5,273	(2,548)	
Non-cash portion of tax provision	(894)	1,118	(2,012)	
Non-real estate related depreciation and amortization	2,909	3,515	(606)	
Amortization of deferred financing costs	1,500	1,338	162	
Loss on extinguishment of debt	5	—	5	
Capital expenditures – maintenance	(3,863)	(13,689)	9,826	
Adjustments for unconsolidated affiliates and non-controlling interest	(140)	(156)	16	
AFFO	$ 96,060	$ 154,108	$ (58,048)	(37.7)%

FFO for the three months ended June 30, 2020 decreased from $159.3 million in 2019 to $92.1 million for the same period in 2020, a decrease of 42.2%. AFFO for the three months ended June 30, 2020 decreased 37.7% to $96.1 million as compared to $154.1 million for the same period in 2019. The decrease in AFFO was primarily attributable to the decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, capitalized contract fulfillment costs, net and the impact of ASC 842 adoption) offset by decreases in the total of general and administrative and corporate expenses (excluding the effect of stock-based compensation expense).

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Company has historically satisfied its working capital requirements with cash from operations and borrowings under the senior credit facility. The Company's wholly owned subsidiary, Lamar Media Corp., is the borrower under the senior credit facility and maintains all corporate operating cash balances. Any cash requirements of the Company, therefore, must be funded by distributions from Lamar Media.

Sources of Cash

Total Liquidity. As of June 30, 2020 we had approximately $1.086 billion of total liquidity, which is comprised of approximately $177.1 million in cash and cash equivalents and approximately $737.2 million of availability under the revolving portion of Lamar Media's senior credit facility and $171.8 million of availability under our Accounts Receivable Securitization Program. We expect the liquidity measures taken (as discussed above) and the remaining availability under the revolving credit facility and Accounts Receivable Securitization Program to be adequate in order for the Company to meet its operational requirements for the next twelve months as we continue to contend with the impacts of the COVID-19 pandemic. We are currently in compliance with the maintenance covenant included in the senior credit facility and we would remain in compliance after giving effect to borrowing the full amount available to us under the revolving portion of the senior credit facility.

As of June 30, 2020 and December 31, 2019, the Company had a working capital surplus (deficit) of $50.4 million and $(362.6) million, respectively. The increase in the working capital of $413.0 million is primarily due to our repayment of all outstanding balances under our Accounts Receivable Securitization Program and increase in cash on hand as of June 30, 2020.

Cash Generated by Operations. For the six months ended June 30, 2020 and 2019 our cash provided by operating activities was $210.7 million and $237.0 million, respectively. The decrease in cash provided by operating activities for the six months ended June 30, 2020 over the same period in 2019 relates to a decrease in revenues offset by a decrease in operating expenses (excluding depreciation and amortization). Due to the adverse economic impact of the COVID-19 pandemic, we may not generate cash flows from operations during 2020 in excess of our cash needs for operations, capital expenditures and dividends, as described herein. However, we do expect to have sufficient cash on hand and availability under our revolving credit facility and accounts receivable securitization program to meet our operating cash needs for the next twelve months.

Accounts Receivable Securitization Program. On December 18, 2018, we entered into the Accounts Receivable Securitization Program. The Accounts Receivable Securitization Program provides up to $175.0 million in borrowing capacity, plus an accordion feature that would permit the borrowing capacity to be increased by up to $125.0 million. Borrowing capacity under the Accounts Receivable Securitization Program is limited to the availability of eligible accounts receivable collateralizing the borrowings under the agreements governing the Accounts Receivable Securitization Program. In connection with the Accounts Receivable Securitization Program, Lamar Media and certain of its subsidiaries (such subsidiaries, the “Subsidiary Originators”) sell and/or contribute their existing and future accounts receivable and certain related assets to one of two special purpose subsidiaries, Lamar QRS Receivables, LLC (the “QRS SPV”) and Lamar TRS Receivables, LLC (the “TRS SPV” and together with the QRS SPV the “Special Purpose Subsidiaries”), each of which is a wholly-owned subsidiary of Lamar Media. Existing and future accounts receivable relating to Lamar Media and its qualified REIT subsidiaries will be sold and/or contributed to the QRS SPV and existing and future accounts receivable relating to Lamar Media’s taxable REIT subsidiaries will be sold and/or contributed to the TRS SPV. Each of the Special Purpose Subsidiaries has granted the lenders party to the Accounts Receivable Securitization Program a security interest in all of its assets, which consist of the accounts receivable and related assets sold or contributed to them, as described above, in order to secure the obligations of the Special Purpose Subsidiaries under the agreements governing the Accounts Receivable Securitization Program. Pursuant to the Accounts Receivable Securitization Program, Lamar Media has agreed to service the accounts receivable on behalf of the two Special Purpose Subsidiaries for a fee. Lamar Media has also agreed to guaranty its performance in its capacity as servicer and originator, as well as the performance of the Subsidiary Originators, of their obligations under the agreements governing the Account Receivable Securitization Program. None of Lamar Media, the Subsidiary Originators or the Special Purpose Subsidiaries guarantees the collectability of the receivables under the Accounts Receivable Securitization Program. In addition, each of the Special Purpose Subsidiaries is a separate legal entity with its own separate creditors who will be entitled to access the assets of such Special Purpose Subsidiary before the assets become available to Lamar Media. Accordingly, the assets of the Special Purpose Subsidiaries are not available to pay creditors of Lamar Media or any of its subsidiaries, although collections from receivables in excess of the amounts required to repay the lenders and the other creditors of the Special Purpose Subsidiaries may be remitted to Lamar Media.

On June 30, 2020 Lamar Media and the Special Purpose Subsidiaries entered into the Third Amendment of the Accounts Receivable Securitization Program which increased the maximum three month average Delinquency Ratio, Dilution Ratio, and Days’ Sales Outstanding to 11.00% (from 8.00%), 7.00% (from 4.00%) and 75 days (from 65 days), respectively. Additionally, the Amendment establishes a new Minimum Funding Threshold, which requires the Special Purpose Subsidiaries to maintain borrowings under the Accounts Receivable Securitization Program on any day equal to the lesser of (i) 50.00% of the aggregate Commitment of all Lenders or (ii) the Borrowing Base, though the Special Purpose Subsidiaries have the right to borrow less than the Minimum Funding Threshold during certain periods prior to December 21, 2020, at their election.

As of June 30, 2020 there were no outstanding aggregate borrowings under the Accounts Receivable Securitization Program. Lamar Media had approximately $171.8 million of availability under the Accounts Receivable Securitization Program as of June 30, 2020.

“At-the-Market” Offering Program. On May 1, 2018, the Company entered into an equity distribution agreement (the “Sales Agreement”) with J.P. Morgan Securities LLC, Wells Fargo Securities LLC and SunTrust Robinson Humphrey, Inc. as our sales agents (each a “Sales Agent”, and collectively, the “Sales Agents”). Under the terms of the Sales Agreement, the Company may, from time to time, issue and sell shares of its Class A common stock, having an aggregate offering price of up to $400.0 million through the Sales Agents as either agents or principals. Sales of the Class A common stock, if any, may be made in negotiated transactions or transactions that are deemed to be “at-the-market offerings” as defined in Rule 415 under the Securities Act of 1933, as amended, including sales made directly on or through the Nasdaq Global Select Market and any other existing trading market for the Class A common stock, or sales made to or through a market maker other than on an exchange. The Company has no obligation to sell any of the Class A common stock under the Sales Agreement and may at any time suspend solicitations and offers under the Sales Agreement. The Company intends to use the net proceeds, if any, from the sale of the Class A common stock pursuant to the Sales Agreement for general corporate purposes, which may include the repayment, refinancing, redemption or repurchase of existing indebtedness, working capital, capital expenditures, acquisition of outdoor advertising assets and businesses and other related investments. During the six months ended June 30, 2020, the Company did not issue any shares under this program.

*Shelf Registration Statement***.** On August 6, 2018, we filed an automatically effective shelf registration statement (No. 333-226614) that registered the offer and sale of an indeterminate amount of additional shares of our Class A common stock. During the six months ended June 30, 2020, the Company did not issue any shares under this shelf registration, however, we may issue additional shares under the shelf registration statement in the future in connection with future acquisitions or for other general corporate purposes.

Credit Facilities. On February 6, 2020, Lamar Media entered into a Fourth Amended and Restated Credit Agreement (the "Fourth Amended and Restated Credit Agreement") with certain of Lamar Media's subsidiaries as guarantors, JPMorgan Chase Bank, N.A. as administrative agent and the lenders party thereto, under which the parties agreed to amend and restate Lamar Media's existing senior credit facility. The Fourth Amended and Restated Credit Agreement amended and restated the Third Amended and Restated Credit Agreement dated as of May 15, 2017, as amended (the "Third Amended and Restated Credit Agreement").

The senior credit facility, as established by the Fourth Amended and Restated Credit Agreement (the "senior credit facility"), consists of (i) a new $750.0 million senior secured revolving credit facility which will mature on February 6, 2025 (the "revolving credit facility"), (ii) a new $600.0 million Term B loan facility (the "Term B loans") which will mature on February 6, 2027, and (iii) an incremental facility (the "Incremental Facility") pursuant to which Lamar Media may incur additional term loan tranches or increase its revolving credit facility subject to a pro forma secured debt ratio calculated as described under *"Restrictions under Senior Credit Facility"* of 4.50 to 1.00, as well as certain other conditions including lender approval. Lamar Media borrowed all $600.0 million in Term B loans on February 6, 2020. The entire amount of the Term B loans will be payable at maturity. The net proceeds from the Term B loans, together with borrowing under the revolving credit facility and a portion of the proceeds of the issuance of the 3 3/4% Senior Notes due 2028 and 4% Senior Notes due 2030 (both as described below), were used to repay all outstanding amounts under the Third Amended and Restated Credit Agreement, and all revolving commitments under that facility were terminated. See *Uses of Cash* for more information.

As of June 30, 2020 the aggregate balance outstanding under the senior credit facility was $600.0 million, consisting of $600.0 million in Term B loans aggregate principal balance and no balance outstanding under our revolving credit facility loans. Lamar Media had approximately $737.2 million of unused capacity under the revolving credit facility. The Company recorded a loss on debt extinguishment of approximately $5.6 million related to the refinancing of its senior credit facility.

Note Offerings. On February 6, 2020, Lamar Media issued, through an institutional private placement, $1.0 billion in aggregate principal amount of new senior notes consisting of $600.0 million in aggregate principal amount of 3 3/4% Senior Notes due 2028 (the "3 3/4% Senior Notes") and $400.0 million in aggregate principal amount of 4% Senior Notes due 2030 (the "4% Senior Notes"). Lamar Media used the proceeds of this offering to repay its existing Term A loans, redeem in full all $510.0 million in aggregate principal amount of its outstanding 5 3/8% Senior Notes due 2024 and partially repay borrowings under its revolving credit facility. The Company recorded a loss on debt extinguishment of approximately $12.6 million, of which $9.1 million was cash related to its redemption of the 5 3/8% Senior Notes. See *Uses of Cash-Note Redemption* for more information.

On May 13, 2020, Lamar Media issued, through an institutional private placement, $400.0 million in aggregate principal amount of 4 7/8% Senior Notes due 2029 (the "4 7/8% Senior Notes"). The issuance of the 4 7/8% Senior Notes resulted in net proceeds to Lamar Media of approximately $395.0 million. Lamar Media used the proceeds of this offering to repay outstanding borrowings under its revolving credit facility and for general corporate purposes.

Factors Affecting Sources of Liquidity

Internally Generated Funds. The key factors affecting internally generated cash flow are general economic conditions, specific economic conditions in the markets where the Company conducts its business and overall spending on advertising by advertisers. As a result of COVID-19, we incurred an adverse effect on our internally generated cash flows for the quarter ended June 30, 2020, and while we are uncertain of the severity and duration of the decline, we are anticipating an economic rebound in the second half of 2020 and into 2021.

Credit Facilities and Other Debt Securities. The Company and Lamar Media must comply with certain covenants and restrictions related to the senior credit facility, its outstanding debt securities and its Accounts Receivable Securitization Program.

Restrictions Under Debt Securities. The Company and Lamar Media must comply with certain covenants and restrictions related to its outstanding debt securities. Currently, Lamar Media has outstanding the $535.0 million 5% Senior Subordinated Notes issued in October 2012 (the "5% Senior Subordinated Notes"), the $650.0 million 5 3/4% Senior Notes issued in January 2016 and February 2019 (the "5 3/4% Senior Notes"), the $600.0 million 3 3/4% Senior Notes issued February 2020, the $400.0 million 4% Senior Notes issued February 2020 and the $400.0 million 4 7/8% Senior Notes issued in May 2020.

The indentures relating to Lamar Media's outstanding notes restrict its ability to incur additional indebtedness but permit the incurrence of indebtedness (including indebtedness under the senior credit facility), (i) if no default or event of default would result from such incurrence and (ii) if after giving effect to any such incurrence, the leverage ratio (defined as the sum of (x) total consolidated debt plus (y) the aggregate liquidation preference of any preferred stock of Lamar Media's restricted subsidiaries to trailing four fiscal quarter EBITDA (as defined in the indentures)) would be less than 7.0 to 1.0. Currently, Lamar Media is not in default under the indentures of any of its outstanding notes and, therefore, would be permitted to incur additional indebtedness subject to the foregoing provision.

In addition to debt incurred under the provisions described in the preceding paragraph, the indentures relating to Lamar Media's outstanding notes permit Lamar Media to incur indebtedness pursuant to the following baskets:

- up to $1.5 billion (or up to $2.0 billion in the case of the indentures governing the 3 3/4% Senior Notes, the 4% Senior Notes and the 4 7/8% Senior Notes) of indebtedness under the senior credit facility;
- indebtedness outstanding on the date of the indentures or debt incurred to refinance outstanding debt;
- inter-company debt between Lamar Media and its restricted subsidiaries or between restricted subsidiaries;
- certain purchase money indebtedness and capitalized lease obligations to acquire or lease property in the ordinary course of business that cannot exceed the greater of $50.0 million or 5% of Lamar Media's net tangible assets;
- additional debt not to exceed $75.0 million; and
- up to $500.0 million of permitted securitization financings, in the case of the indentures governing the 3 3/4% Senior Notes, the 4% Senior Notes and the 4 7/8% Senior Notes.

Restrictions Under Senior Credit Facility. Lamar Media is required to comply with certain covenants and restrictions under the senior credit facility. If the Company or Lamar Media fails to comply with these tests, the lenders under the senior credit facility will be entitled to exercise certain remedies, including the termination of the lending commitments and the acceleration of the debt payments under the senior credit facility. At June 30, 2020 and currently, we are in compliance with all such tests under the senior credit facility.

Lamar Media must maintain a secured debt ratio, defined as total consolidated secured debt of Lamar Advertising, Lamar Media and its restricted subsidiaries (including capital lease obligations), minus the lesser of (x) $150.0 million and (y) the aggregate amount of unrestricted cash and cash equivalents of Lamar Advertising, Lamar Media and its restricted subsidiaries (other than the Special Purpose Subsidiaries (as defined above under *Sources of Cash – Accounts Receivable Securitization Program*)) to EBITDA, as defined below, for the period of four consecutive fiscal quarters then ended, of less than or equal to 4.5 to 1.0.

Lamar Media is restricted from incurring additional indebtedness subject to exceptions, one of which is that it may incur additional indebtedness not exceeding the greater of $250.0 million or 6% of its total assets.

Lamar Media is also restricted from incurring additional unsecured senior indebtedness under certain circumstances unless, after giving effect to the incurrence of such indebtedness, it is in compliance with the secured debt ratio covenant and if, after giving effect to the incurrence of such indebtedness, Lamar Media would have a total debt ratio, defined as (a) total consolidated debt (including subordinated debt) of Lamar Advertising, Lamar Media and its restricted subsidiaries as of any date minus the lesser of (i) $150.0 million and (ii) the aggregate amount of unrestricted cash and cash equivalents of Lamar Advertising, Lamar Media and its restricted subsidiaries (other than the Special Purpose Subsidiaries) to (b) EBITDA, as defined below, for the most recent four fiscal quarters then ended, is less than 7.0 to 1.0.

Lamar Media is also restricted from incurring additional subordinated indebtedness under certain circumstances unless, after giving effect to the incurrence of such indebtedness, it is in compliance with the secured debt ratio covenant and its total debt ratio is less than 7.0 to 1.0.

Under the senior credit facility, “EBITDA” means, for any period, operating income for Lamar Advertising, Lamar Media and its restricted subsidiaries (determined on a consolidated basis without duplication in accordance with GAAP) for such period (calculated (A) before (i) taxes, (ii) interest expense, (iii) depreciation, (iv) amortization, (v) any other non-cash income or charges accrued for such period, (vi) charges and expenses in connection with the senior credit facility, any actual or proposed acquisition, disposition or investment (excluding, in each case, purchases and sales of advertising space and operating assets in the ordinary course of business) and any actual or proposed offering of securities, incurrence or repayment of indebtedness (or amendment to any agreement relating to indebtedness), including any refinancing thereof, or recapitalization and (vii) any loss or gain relating to amounts paid or earned in cash prior to the stated settlement date of any swap agreement that has been reflected in operating income for such period) and (viii) any loss on sales of receivables and related assets to a Securitization Entity in connection with a Permitted Securitization Financing) and (B) after giving effect to the amount of cost savings, operating expense reductions and other operating improvements or synergies projected by Lamar Media in good faith to be realized as a result of any acquisition, investment, merger, amalgamation or disposition within 18 months of any such acquisition, investment, merger, amalgamation or disposition, net of the amount of actual benefits realized during such period from such action; provided, (a) the aggregate amount for all such cost savings, operating expense reductions and other operating improvements or synergies will not exceed an amount equal to 15% of EBITDA for the applicable four quarter period and (b) any such adjustment to EBITDA may only take into account cost savings, operating expense reductions and other operating improvements or synergies that are (I) directly attributable to such acquisition, investment, merger, amalgamation or disposition, (II) expected to have a continuing impact on Lamar Media and its restricted subsidiaries and (III) factually supportable, in each case all as certified by the chief financial officer of Lamar Media) on behalf of Lamar Media, and excluding (except to the extent received or paid in cash by Lamar Advertising, Lamar Media or any of its restricted subsidiaries (other than the special purpose subsidiaries) income or loss attributable to equity in affiliates for such period), excluding any extraordinary and unusual gains or losses during such period, and excluding the proceeds of any casualty events and dispositions. For purposes hereof, the effect thereon of any adjustments required under Statement of Financial Accounting Standards No. 141R shall be excluded. If during any period for which EBITDA is being determined, Lamar Media has consummated any acquisition or disposition, EBITDA will be determined on a pro forma basis as if such acquisition or disposition had been made or consummated on the first day of such period.

The Company believes that its current level of cash on hand, availability under the senior credit facility and future cash flows from operations are sufficient to meet its operating needs for the next twelve months. All debt obligations are reflected on the Company’s balance sheet.

Restrictions under Accounts Receivable Securitization Program. The agreements governing the Accounts Receivable Securitization Program contain customary representations and warranties, affirmative and negative covenants, and termination event provisions, including but not limited to those providing for the acceleration of amounts owed under the Accounts Receivable Securitization Program if, among other things, the Special Purpose Subsidiaries fail to make payments when due, Lamar Media, the Subsidiary Originators or the Special Purpose Subsidiaries become insolvent or subject to bankruptcy proceedings or certain judicial judgments, breach certain representations and warranties or covenants or default under other material indebtedness, a change of control occurs, or if Lamar Media fails to maintain the maximum secured debt ratio of 3.5 to 1.0 required under Lamar Media’s senior credit facility.

Uses of Cash

Capital Expenditures. Capital expenditures, excluding acquisitions were approximately $36.3 million for the six months ended June 30, 2020. Due to the economic impacts of COVID-19 we have updated our anticipated 2020 total capital expenditures to be approximately $58.0 million.

Acquisitions. During the six months ended June 30, 2020, the Company completed acquisitions for an aggregate purchase price of approximately $26.2 million, which were financed using available cash on hand or borrowings under its revolving credit facility. Due to the economic impacts of COVID-19 we are limiting our acquisition activity.

Note Redemption. On July 30, 2020, the Company announced its intent to redeem $267.5 million in aggregate principal amount of its outstanding 5% Senior Subordinated Notes due 2023 (the “5% Notes”) on August 31, 2020. Following the redemption, $267.5 million of the original $535.0 million in aggregate principal amount of the 5% Notes will remain outstanding. The redemption will be funded with a combination of cash on hand and availability under our Accounts Receivable Securitization Program.

On February 20, 2020, the Company used a portion of the proceeds from the 3 3/4% Senior Notes and 4% Senior Notes to redeem in full all $510.0 million in aggregate principal amount of Lamar Media’s 5 3/8% Senior Notes. The notes were redeemed at a redemption price equal to 101.792% of the aggregate principal amount of the outstanding notes, plus accrued and unpaid interest up to the redemption date. The Company recorded a loss on debt extinguishment of approximately $12.6 million related to the note redemption. See *Sources of Cash-Note Offerings* for more information.

Senior Credit facility. The Term B loans mature on February 6, 2027 and there are no required amortization payments related to the Term B loans. The Term B loans bear interest at rates based on the Adjusted LIBO Rate ("Eurodollar term loans") or the Adjusted Base Rate ("Base Rate term loans"), at Lamar Media's option. Eurodollar Term B loans bear interest at a rate per annum equal to the Adjusted LIBO Rate plus 1.50%. Base Rate Term B loans bear interest at a rate per annum equal to the Adjusted Base Rate plus 0.50%. The revolving credit facility bears interest at rates based on the Adjusted LIBO Rate ("Eurodollar revolving loans") or the Adjusted Base Rate ("Base Rate revolving loans"), at Lamar Media's option. Eurodollar revolving loans bear interest at a rate per annum equal to the Adjusted LIBO Rate plus 1.50% (or the Adjusted LIBO Rate plus 1.25% at any time the Total Debt Ratio is less than or equal to 3.25 to 1). Base Rate revolving loans bear interest at a rate per annum equal to the Adjusted Base Rate plus 0.50% (or the Adjusted Base Rate plus 0.25% at any time the total debt ratio is less than or equal to 3.25 to 1). The guarantees, covenants, events of default and other terms of the senior credit facility apply to the Term B loans and revolving credit facility.

*Dividends***.** On February 27, 2020, Lamar Advertising's Board of Directors declared a quarterly cash dividend of $1.00 per share, paid on March 31, 2020 to its stockholders of record of its Class A common stock and Class B common stock on March 16, 2020. On May 28, 2020, Lamar Advertising's Board of Directors declared a quarterly cash dividend of $0.50 per share, paid on June 30, 2020 to its stockholders of record of its Class A common stock and Class B common stock on June 22, 2020. The Company's Board of Directors will evaluate our future dividend plans on a quarterly basis, giving consideration to our liquidity, our leverage and the anticipated operating environment. We intend to distribute at least 90% of our REIT taxable income and remain REIT qualified.

As a REIT, the Company must annually distribute to its stockholders an amount equal to at least 90% of its REIT taxable income (determined before the deduction for distributed earnings and excluding any net capital gain). The amount, timing and frequency of future distributions will be at the sole discretion of the Board of Directors and will be declared based upon various factors, a number of which may be beyond the Company's control, including financial condition and operating cash flows, the amount required to maintain REIT status and reduce any income and excise taxes that the Company otherwise would be required to pay, limitations on distributions in our existing and future debt instruments, the Company's ability to utilize net operating losses to offset, in whole or in part, the Company's distribution requirements, limitations on its ability to fund distributions using cash generated through its Taxable REIT Subsidiaries ("TRSs") and other factors that the Board of Directors may deem relevant.

Stock and Debt Repurchasing Program. On March 16, 2020, the Company's Board of Directors authorized the repurchase of up to $250.0 million of the Company's Class A common stock. Additionally, the Board of Directors has authorized Lamar Media to repurchase up to $250.0 million in outstanding senior or senior subordinated notes and other indebtedness outstanding from time to time under its senior credit agreement. The repurchase program will expire on September 30, 2021 unless extended by the Board of Directors. There were no repurchases under the program as of June 30, 2020. The Company's management may opt not to make any repurchases under the program, or may make aggregate purchases less than the total amount authorized.

Off-Balance Sheet Arrangements

Our off-balance sheet commitments consist of guaranteed minimum payments to local transit municipalities and airport authorities for agreements which entitle us to rent advertising space to customers, in airports and on buses, benches or shelters. These agreements no longer meet the criteria of a lease under ASC 842, *Leases*, adopted on January 1, 2019 and are a result of our normal course of business.

Commitments and Contingencies

As of June 30, 2020, we had outstanding debt of approximately $3.156 billion. In the future, Lamar Media has principal revolver commitment reductions under the senior credit facility. In addition, it has fixed commercial commitments. These commitments are detailed on a contractual basis as follows:

		Payments Due by Period			
Contractual Obligations	**Total**	**Less Than 1 Year**	**1 - 3 Years**	**3 - 5 Years**	**After 5 Years**
			(In millions)		
Long-Term Debt	$ 3,155.9	$ 9.1	$ —	$ 533.0	$ 2,613.8
Interest obligations on long term debt(1)	880.0	134.1	274.7	223.3	247.9
Billboard site and other operating leases	1,758.9	246.2	406.6	308.1	798.0
Total payments due	$ 5,794.8	$ 389.4	$ 681.3	$ 1,064.4	$ 3,659.7

(1) Interest rates on our variable rate instruments are assuming rates at the June 2020 levels.

Other Commercial Commitments	Total Amount Committed	Amount of Expiration Per Period: Less Than 1 Year	1 - 3 Years	3 - 5 Years	After 5 Years
		(In millions)			
Revolving Credit Facility(2)	$ 750.0	$ —	$ —	$ 750.0	$ —
Standby Letters of Credit(3)	$ 12.8	$ 12.3	$ 0.5	$ —	$ —

(2) Lamar Media had no amounts outstanding under the revolving credit facility as of June 30, 2020.

(3) The standby letters of credit are issued under the revolving credit facility and reduce the availability of the facility by the same amount.

Critical Accounting Estimates

Our discussion and analysis of our results of operations and liquidity and capital resources are based on our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The presentation of these financial statements requires us to make estimates and judgements that affect the reported amounts of assets, liabilities, revenues and expenses. There have been no material changes to the critical accounting policies and estimates as previously disclosed in Item 7 of our 2019 Combined Form 10-K.

Accounting Standards Update

Leases

In February 2016, the FASB established Topic 842, *Leases*, by issuing Accounting Standards Update (ASU) No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU No. 2018-10 and ASU No. 2019-01, *Codification Improvements to Topic 842, Leases*; and ASU No. 2018-11, *Targeted Improvements*. The new standard establishes a right of use model (ROU) that requires a lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than twelve months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

We adopted the new standard effective January 1, 2019 using a modified retrospective transition approach, applying the new standard to all leases existing at the date of initial application. An entity was permitted to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. Consequently, financial information was not updated and the disclosures required under the new standard will not be provided for dates and periods before January 1, 2019.

The new standard provided a number of optional practical expedients in transition. We elected the 'package of practical expedients', which permitted us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs. We elected the practical expedient pertaining to land easements. We also elected the short-term lease recognition exemption for certain of our vehicle agreements. This means, for those leases that qualify, we will not recognize ROU assets or lease liabilities.

Upon adoption, we recognized additional operating liabilities of $1.2 billion, with corresponding ROU assets of the same amount based on the present value of the remaining minimum rental payments under current leasing standards for our existing operating leases. The Company did not have any changes to its opening balance of retained earnings for the adoption of this update.

Other recently released pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326*) – Measurement of Credit Losses on Financial Instruments, and additional changes modifications, clarifications, or interpretations related to this guidance thereafter, which require a reporting entity to estimate credit losses on certain types of financial instruments, and present assets held at amortized cost and available-for-sale debt securities at the amount expected to be collected. The new guidance is effective for annual and interim periods beginning after December 15, 2019, and early adoption is permitted. The Company's adoption of this update did not have a material impact on our Consolidated Financial Statements. As of June 30, 2020, our allowance for credit losses considered the current and future impacts caused by the COVID-19 pandemic, based on available information to date. The Company will continue to actively monitor the impact of COVID-19 on expected credit losses.

LAMAR MEDIA CORP.

The following is a discussion of the consolidated financial condition and results of operations of Lamar Media for the six and three months ended June 30, 2020 and 2019. This discussion should be read in conjunction with the consolidated financial statements of Lamar Media and the related notes thereto.

RESULTS OF OPERATIONS

Six Months ended June 30, 2020 compared to Six Months ended June 30, 2019

Net revenues decreased $79.0 million or 9.5% to $754.2 million for the six months ended June 30, 2020 from $833.2 million for the same period in 2019. This decrease was primarily attributable to a decrease in billboard and transit net revenues of $62.6 million and $17.1 million, respectively, over the same period in 2019, which related to the ongoing pandemic. The decrease was offset slightly by an increase of $0.7 million in logo revenue.

For the six months ended June 30, 2020, there was an $89.2 million decrease in net revenues as compared to acquisition-adjusted net revenue for the six months ended June 30, 2019, which represents a decrease of 10.6%. See “Reconciliations” below. The $89.2 million decrease in revenue is primarily due to a $73.3 and $16.6 million decrease in billboard and transit net revenues, respectively, which are due to the effects of the ongoing pandemic. The decreases in outdoor and transit revenues were slightly offset by an increase of $0.7 million in logo revenue.

Total operating expenses, exclusive of depreciation and amortization and loss (gain) on disposition of assets, decreased $11.9 million, or 2.5% to $468.2 million for the six months ended June 30, 2020 from $480.1 million in the same period in 2019. The $11.9 million decrease over the prior year is comprised of a $10.6 million decrease in total direct, general and administrative and corporate expenses (excluding stock-based compensation) primarily related to the operations of our outdoor advertising assets, as well as a $1.3 million decrease in stock-based compensation.

Depreciation and amortization expense increased $3.1 million to $126.3 million for the six months ended June 30, 2020 as compared to $123.2 million for the same period in 2019.

For the six months ended June 30, 2020, Lamar Media recognized a gain on disposition of assets of $3.5 million primarily resulting from transactions related to billboard locations.

Due to the above factors, operating income decreased by $71.8 million to $163.3 million for the six months ended June 30, 2020 as compared to $235.1 million for the same period in 2019.

Lamar Media recognized a loss on debt extinguishment of $18.2 million during the six months ended June 30, 2020, which relates to the early repayment of our 5 3/8% Senior Notes and refinancing of our senior credit facility.

Interest expense decreased $3.9 million for the six months ended June 30, 2020 to $72.0 million as compared to $75.9 million for the six months ended June 30, 2019.

The decrease in operating income, offset by the decrease in interest expense resulted in an $86.1 million decrease in net income before income taxes. The effective tax rate for the six months ended June 30, 2020 was 1.8%, which differs from the federal statutory rate primarily due to our qualification for taxation as a REIT and adjustments for foreign items.

As a result of the above factors, Lamar Media recognized net income for the six months ended June 30, 2020 of $72.2 million, as compared to net income of $169.8 million for the same period in 2019.

Reconciliations:

Because acquisitions occurring after December 31, 2018 (the “acquired assets”) have contributed to our net revenue results for the periods presented, we provide 2019 acquisition-adjusted net revenue, which adjusts our 2019 net revenue for the six months ended June 30, 2019 by adding to or subtracting from it the net revenue generated by the acquired or divested assets prior to our acquisition or divestiture of these assets for the same time frame that those assets were owned in the six months ended June 30, 2020.

Reconciliations of 2019 reported net revenue to 2019 acquisition-adjusted net revenue for the six months ended June 30, as well as a comparison of 2019 acquisition-adjusted net revenue to 2020 reported net revenue for the six months ended June 30, are provided below:

Reconciliation and Comparison of Reported Net Revenue to Acquisition-Adjusted Net Revenue

	Six months ended June 30,	
	2020	2019
	(in thousands)	
Reported net revenue	$ 754,221	$ 833,199
Acquisition net revenue	—	10,209
Adjusted totals	$ 754,221	$ 843,408

Key Performance Indicators

Net Income/Adjusted EBITDA
(in thousands)

	Six Months Ended June 30,		Amount of Increase	Percent Increase
	2020	2019	(Decrease)	(Decrease)
Net income	$ 72,151	$ 169,847	$ (97,696)	(57.5)%
Income tax expense (benefit)	1,296	(10,292)	11,588	
Loss on debt extinguishment	18,184	—	18,184	
Interest expense (income), net	71,621	75,532	(3,911)	
Gain on disposition of assets	(3,519)	(5,161)	1,642	
Depreciation and amortization	126,311	123,199	3,112	
Impact of ASC 842 adoption (lease accounting standard)	—	1,930	(1,930)	
Capitalized contract fulfillment costs, net	1,036	(8,304)	9,340	
Stock-based compensation expense	6,162	7,506	(1,344)	
Adjusted EBITDA	$ 293,242	$ 354,257	$ (61,015)	(17.2)%

Adjusted EBITDA for the six months ended June 30, 2020 decreased 17.2% to $293.2 million. The decrease in adjusted EBITDA was primarily attributable to a decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, capitalized contract fulfillment costs, net and the impact of ASC 842 adoption) of $68.3 million, and was offset by a decrease in total general and administrative and corporate expenses of $7.2 million, excluding the impact of stock-based compensation expense.

Net Income/FFO/AFFO
(in thousands)

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 72,151	$ 169,847	$ (97,696)	(57.5)%
Depreciation and amortization related to real estate	120,453	116,178	4,275	
Gain from sale or disposal of real estate, net of tax	(3,098)	(4,884)	1,786	
Non-cash tax benefit for REIT converted assets	—	(17,031)	17,031	
Adjustments for unconsolidated affiliates and non-controlling interest	389	354	35	
FFO	$ 189,895	$ 264,464	$ (74,569)	(28.2)%
Straight line expense (income)	1,733	(216)	1,949	
Impact of ASC 842 adoption (lease accounting standard)	—	1,930	(1,930)	
Capitalized contract fulfillment costs, net	1,036	(8,304)	9,340	
Stock-based compensation expense	6,162	7,506	(1,344)	
Non-cash portion of tax provision	(1,313)	1,910	(3,223)	
Non-real estate related depreciation and amortization	5,858	7,021	(1,163)	
Amortization of deferred financing costs	2,878	2,670	208	
Loss on extinguishment of debt	18,184	—	18,184	
Capital expenditures – maintenance	(14,492)	(23,396)	8,904	
Adjustments for unconsolidated affiliates and non-controlling interest	(389)	(354)	(35)	
AFFO	$ 209,552	$ 253,231	$ (43,679)	(17.2)%

FFO for the six months ended June 30, 2020 decreased from $264.5 million in 2019 to $189.9 million for the same period in 2020, a decrease of 28.2%. AFFO for the six months ended June 30, 2020 decreased 17.2% to $209.6 million as compared to $253.2 million for the same period in 2019. The decrease in AFFO was primarily attributable to the decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, capitalized contract fulfillment costs, net and the impact of ASC 842 adoption) offset by decreases in the total of general and administrative and corporate expenses (excluding the effect of stock-based compensation expense).

Three Months ended June 30, 2020 compared to Three Months ended June 30, 2019

Net revenues decreased $101.1 million or 22.5% to $347.7 million for the three months ended June 30, 2020 from $448.7 million for the same period in 2019. This decrease was primarily attributable to a decrease in billboard and transit net revenues of $81.7 million and $18.6 million, respectively, over the same period in 2019, which related to the ongoing pandemic.

For the three months ended June 30, 2020, there was a $106.2 million decrease in net revenues as compared to acquisition-adjusted net revenue for the three months ended June 30, 2019, which represents a decrease of 23.4%. See “Reconciliations” below. The $106.2 million decrease in revenue is primarily due to an $87.0 million and $18.4 million decrease in billboard and transit net revenues, respectively, and are a result of the effects due to the ongoing pandemic.

Total operating expenses, exclusive of depreciation and amortization and loss (gain) on disposition of assets, decreased $25.3 million, or 10.4% to $218.1 million for the three months ended June 30, 2020 from $243.4 million in the same period in 2019. The $25.3 million decrease over the prior year is comprised of a $22.7 million decrease in total direct, general and administrative and corporate expenses (excluding stock-based compensation) primarily related to the operations of our outdoor advertising assets, as well as a $2.5 million decrease in stock-based compensation.

Depreciation and amortization expense increased $2.3 million to $64.0 million for the three months ended June 30, 2020 as compared to $61.7 million for the same period in 2019.

For the three months ended June 30, 2020, Lamar Media recognized a gain on disposition of assets of $1.0 million primarily resulting from transactions related to billboard locations.

Due to the above factors, operating income decreased by $77.6 million to $66.6 million for the three months ended June 30, 2020 as compared to $144.2 million for the same period in 2019.

Interest expense decreased $2.9 million for the three months ended June 30, 2020 to $35.4 million as compared to $38.3 million for the three months ended June 30, 2019.

The decrease in operating income, offset by the decrease in interest expense resulted in a $74.8 million decrease in net income before income taxes. The effective tax rate for the three months ended June 30, 2020 was (0.8)%, which differs from the federal statutory rate primarily due to our qualification for taxation as a REIT and adjustments for foreign items.

As a result of the above factors, Lamar Media recognized net income for the three months ended June 30, 2020 of $31.5 million, as compared to net income of $118.5 million for the same period in 2019.

Reconciliations:

Because acquisitions occurring after December 31, 2018 (the "acquired assets") have contributed to our net revenue results for the periods presented, we provide 2019 acquisition-adjusted net revenue, which adjusts our 2019 net revenue for the three months ended June 30, 2019 by adding to or subtracting from it the net revenue generated by the acquired or divested assets prior to our acquisition or divestiture of these assets for the same time frame that those assets were owned in the three months ended June 30, 2020.

Reconciliations of 2019 reported net revenue to 2019 acquisition-adjusted net revenue for the three months ended June 30, as well as a comparison of 2019 acquisition-adjusted net revenue to 2020 reported net revenue for the three months ended June 30, are provided below:

Reconciliation and Comparison of Reported Net Revenue to Acquisition-Adjusted Net Revenue

	Three months ended June 30, 2020	Three months ended June 30, 2019
	(in thousands)	
Reported net revenue	$ 347,652	$ 448,742
Acquisition net revenue	—	5,075
Adjusted totals	$ 347,652	$ 453,817

Key Performance Indicators

Net Income/Adjusted EBITDA
(in thousands)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 31,534	$ 118,485	$ (86,951)	(73.4)%
Income tax benefit	(240)	(12,380)	12,140	
Loss on debt extinguishment	5	—	5	
Interest expense (income), net	35,258	38,090	(2,832)	
Gain on disposition of assets	(1,015)	(537)	(478)	
Depreciation and amortization	63,998	61,693	2,305	
Impact of ASC 842 adoption (lease accounting standard)	—	1,009	(1,009)	
Capitalized contract fulfillment costs, net	1,036	(3,609)	4,645	
Stock-based compensation expense	2,725	5,273	(2,548)	
Adjusted EBITDA	$ 133,301	$ 208,024	$ (74,723)	(35.9)%

Adjusted EBITDA for the three months ended June 30, 2020 decreased 35.9% to $133.3 million. The decrease in adjusted EBITDA was primarily attributable to a decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, capitalized contract fulfillment costs, net and the impact of ASC 842 adoption) of $85.1 million, and was offset by an decrease in total general and administrative and corporate expenses of $10.4 million, excluding the impact of stock-based compensation expense.

Net Income/FFO/AFFO

(in thousands)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Amount of Increase (Decrease)	Percent Increase (Decrease)
Net income	$ 31,534	$ 118,485	$ (86,951)	(73.4)%
Depreciation and amortization related to real estate	61,089	58,178	2,911	
Gain from sale or disposal of real estate, net of tax	(555)	(410)	(145)	
Non-cash tax benefit for REIT converted assets	—	(17,031)	17,031	
Adjustments for unconsolidated affiliates and non-controlling interest	140	156	(16)	
FFO	$ 92,208	$ 159,378	$ (67,170)	(42.1)%
Straight line expense	679	20	659	
Impact of ASC 842 adoption (lease accounting standard)	—	1,009	(1,009)	
Capitalized contract fulfillment costs, net	1,036	(3,609)	4,645	
Stock-based compensation expense	2,725	5,273	(2,548)	
Non-cash portion of tax provision	(894)	1,118	(2,012)	
Non-real estate related depreciation and amortization	2,909	3,515	(606)	
Amortization of deferred financing costs	1,500	1,338	162	
Loss on extinguishment of debt	5	—	5	
Capital expenditures – maintenance	(3,863)	(13,689)	9,826	
Adjustments for unconsolidated affiliates and non-controlling interest	(140)	(156)	16	
AFFO	$ 96,165	$ 154,197	$ (58,032)	(37.6)%

FFO for the three months ended June 30, 2020 decreased from $159.4 million in 2019 to $92.2 million for the same period in 2020, a decrease of 42.1%. AFFO for the three months ended June 30, 2020 decreased 37.6% to $96.2 million as compared to $154.2 million for the same period in 2019. The decrease in AFFO was primarily attributable to the decrease in our gross margin (net revenue less direct advertising expense, exclusive of depreciation and amortization, capitalized contract fulfillment costs, net and the impact of ASC 842 adoption) offset by decreases in the total of general and administrative and corporate expenses (excluding the effect of stock-based compensation expense).

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Lamar Advertising Company and Lamar Media Corp.

Lamar Advertising is exposed to interest rate risk in connection with variable rate debt instruments issued by its wholly owned subsidiary Lamar Media. The information below summarizes the Company's interest rate risk associated with its principal variable rate debt instruments outstanding at June 30, 2020, and should be read in conjunction with Note 10 of the Notes to the Company's Condensed Consolidated Financial Statements.

Lamar Media has variable-rate debt outstanding under its senior credit facility and its Accounts Receivable Securitization Program. Because interest rates may increase or decrease at any time, the Company is exposed to market risk as a result of the impact that changes in interest rates may have on the applicable borrowings outstanding. Increases in the interest rates applicable to these borrowings would result in increased interest expense and a reduction in the Company's net income.

At June 30, 2020 there was approximately $598.3 million of indebtedness outstanding under the senior credit facility and its Accounts Receivable Securitization Program, or approximately 18.7% of the Company's outstanding long-term debt on that date, bearing interest at variable rates. The aggregate interest expense for 2020 with respect to borrowings under the senior credit facility and the Accounts Receivable Securitization Program was $13.9 million, and the weighted average interest rate applicable to these borrowings during 2020 was 2.6%. Assuming that the weighted average interest rate was 200 basis points higher (that is 4.6% rather than 2.6%), then the Company's 2020 interest expense would have increased by approximately $10.4 million for the six months ended June 30, 2020.

The Company attempted to mitigate the interest rate risk resulting from its variable interest rate long-term debt instruments by issuing fixed rate long-term debt instruments and maintaining a balance over time between the amount of the Company's variable rate and fixed rate indebtedness. In addition, the Company has the capability under the senior credit facility to fix the interest applicable to its borrowings at an amount equal to Adjusted LIBO Rate or Adjusted Base Rate plus the applicable margin for periods of up to twelve months (in certain cases with the consent of the lenders), which would allow the Company to mitigate the impact of short-term fluctuations in market interest rates. In the event of an increase in interest rates, the Company may take further actions to mitigate its exposure. The Company cannot guarantee, however, that the actions that it may take to mitigate this risk will be feasible or that, if these actions are taken, that they will be effective.

ITEM 4. CONTROLS AND PROCEDURES

a) *Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures.*

The Company's and Lamar Media's management, with the participation of the principal executive officer and principal financial officer of the Company and Lamar Media, have evaluated the effectiveness of the design and operation of the Company's and Lamar Media's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report. Based on this evaluation, the principal executive officer and principal financial officer of the Company and Lamar Media concluded that these disclosure controls and procedures are effective and designed to ensure that the information required to be disclosed in the Company's and Lamar Media's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the requisite time periods.

b) *Changes in Internal Control Over Financial Reporting.*

There have been no changes in the internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) of the Company and Lamar Media identified in connection with the evaluation of the Company's and Lamar Media's internal control performed during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's and Lamar Media's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A, “Risk Factors” in our combined Annual Report on Form 10-K for the year ended December 31, 2019, which could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our Class A common stock. Except as stated below, there have been no material changes to our risk factors since our combined Annual Report on Form 10-K for the year ended December 31, 2019.

Pandemics or disease outbreaks, such as COVID-19, have and are expected to continue to materially affect our business, results of operations and financial condition.

Any outbreaks of contagious diseases and other adverse public health developments could have a significant adverse effect on our business, results of operations and financial condition. The recent outbreak of COVID-19 has resulted in the implementation of significant governmental measures to control the spread of the virus, including quarantines, travel restrictions, business shutdowns and restrictions on non-essential activities in the United States and abroad. Such restrictions have had an adverse impact on the volume of vehicles on roadways (particularly in larger markets), pedestrians in airports and riders on public transit, which has temporarily reduced the size of the audience for our advertising in certain jurisdictions. The restrictions have also negatively affected the financial condition of numerous advertising customer segments including, but not limited to, entertainment, retail, restaurant and automotive advertisers, which have temporarily closed or limited their operations, and caused certain of our advertisers to decrease or eliminate the amount they spend on advertising with us on a temporary basis.

The Company’s business has been affected adversely due to decreased demand for its advertising in jurisdictions that have imposed such restrictions. In the United States, state and local governments have begun to lift certain of these restrictions in many locations, however, the extension of existing measures or implementation of new similar measures may further adversely affect the Company’s business in the future. Even if such measures are further relaxed, the perceived risk of infection may continue to alter the behavior of the audience for our advertising, which may continue to negatively affect the Company’s business. Such risks are also expected to continue to affect the financial condition of certain of our advertising customers, which may have a negative effect on the Company’s business if advertising customers continue to reduce advertising expenditures generally or for outdoor advertising specifically.

In addition to the above, the general market volatility resulting from the COVID-19 pandemic has caused a decline in the Company’s stock price.

These and other potential impacts of COVID-19 (or other epidemics, pandemics or other health crises) have and are expected to continue to adversely affect the Company’s business, financial condition and results of operations. The ultimate extent of the impact of COVID-19 or any epidemic, pandemic or other health crisis on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of COVID-19 and the actions taken to contain COVID-19 and address its impact, among others.

Prospective investors should consult with their tax advisors regarding the effects of the Tax Cuts and Jobs Act and the CARES Act.

On December 22, 2017, President Trump signed into law H.R. 1, informally titled the Tax Cuts and Jobs Act (the “TCJA”). The TCJA made major changes to the Code, including a number of provisions of the Code that affect the taxation of REITs and their stockholders. Among the changes made by the TCJA are permanently reducing the generally applicable corporate tax rate, generally reducing the tax rate applicable to individuals and other non-corporate taxpayers for tax years beginning after December 31, 2017 and before January 1, 2026, eliminating or modifying certain previously allowed deductions (including substantially limiting interest deductibility and, for individuals, the deduction for non-business state and local taxes). On March 27, 2020, legislation intended to support the economy during the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), was signed into law. The CARES Act made technical corrections, or temporary modifications, to certain of the provisions of the TJCA, including, without limitation, the provisions of the TCJA concerning net operating losses (“NOLs”) and interest expense deductions. Certain CARES Act related interest expense deduction changes are discussed in the following subsection. With respect to NOLs, effective for taxable years beginning on or after January 1, 2018, the TCJA limited the deduction for NOL carryforwards to 80% of taxable income (before the deduction) and eliminated NOL carrybacks for individuals and non-REIT corporations (NOL carrybacks did not apply to REITs under prior law), but allows for indefinite NOL carryforwards. The CARES Act repealed such 80% limitation for carryforwards to taxable years beginning before January 1, 2021. The CARES Act also allows a five-year carryback for NOLs arising in 2018, 2019, or 2020. The TCJA’s NOL limitations (even as modified by the CARES Act) may result in Lamar Advertising having to make additional distributions in order to comply with REIT distribution requirements or avoid taxes on retained income and gains.

The individual and collective impact of the changes made by the TCJA and the CARES Act on REITs and their security holders are uncertain and may not become evident for some period of time. The effect of any technical corrections with respect to the TCJA and CARES Act could have an adverse effect on us, Lamar Advertising, its subsidiaries, and holders of our notes. It is also possible additional legislation could be enacted in the future as a result of the COVID-19 pandemic which may affect the holders of our securities. Investors should consult their tax advisors regarding the implications of the TCJA and the CARES Act on their investment in the notes being offered hereby.

Lamar Advertising may potentially be unable to deduct the full amount of its interest expense pursuant to the TCJA and the CARES Act.

For taxable years beginning after December 31, 2017, interest deductions for businesses with average annual gross receipts of over $25 million are capped at 30% of the business' "adjusted taxable income" plus business interest income pursuant to the TCJA. For these purposes, for taxable years beginning after December 31, 2017 and before January 1, 2022, "adjusted taxable income" is computed without regard to deductions allowable for depreciation, amortization, or depletion. The CARES Act increased the aforementioned 30% limitation to 50% for taxable years beginning in 2019 or 2020 and permitted an entity to elect to use its 2019 adjusted taxable income to calculate the applicable limitation for its 2020 taxable year. For taxable years beginning after December 31, 2021, "adjusted taxable income" is calculated by taking deductions allowable for depreciation, amortization, or depletion into account. This limitation, however, does not apply to an "electing real property trade or business." As a REIT, Lamar Advertising would generally constitute a real property trade or businesses, and thus would retain the ability to fully deduct interest expenses if it makes such an election. However, an entity making such an election must use a longer depreciation cost recovery period for its property. Lamar Advertising has not made such election to date and has not yet determined whether it will make such election at a later date.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of Lamar Advertising Company (the "Company"), as filed with the Secretary of the State of Delaware effective as of November 18, 2014. Previously filed as Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on November 19, 2014 and incorporated herein by reference.
3.2	Certificate of Merger, effective as of November 18, 2014. Previously filed as Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on November 19, 2014 and incorporated herein by reference.
3.3	Amended and Restated Certificate of Incorporation of Lamar Media Corp. ("Lamar Media") Previously filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2007 (File No. 0-30242) filed on May 10, 2007 and incorporated herein by reference.
3.4	Amended and Restated Bylaws of the Company, adopted as of November 18, 2014. Previously filed as Exhibit 3.3 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on November 19, 2014 and incorporated herein by reference.
3.5	Amended and Restated Bylaws of Lamar Media. Previously filed as Exhibit 3.1 to Lamar Media's Quarterly Report on Form 10-Q for the period ended September 30, 1999 (File No. 1-12407) filed on November 12, 1999 and incorporated herein by reference.
4.1	Indenture, dated as of May 13, 2020, among Lamar Media, the Guarantors named therein and The Bank of New York Mellon Trust Company, N.A., as Trustee (including the Form of Note and Guarantee as Exhibit A thereto). Previously filed as Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on May 19, 2020 and incorporated herein by reference.
10.1	Registration Rights Agreement, dated as of May 13, 2020, among Lamar Media, the Guarantors named therein and Wells Fargo Securities, LLC, as representative for the Initial Purchasers named therein. Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on May 19, 2020 and incorporated herein by reference.
10.2	Second Amendment to the Receivables Financing Agreement, dated as of May 6, 2020, by and among Lamar Media Corp. as Servicer, Lamar TRS Receivables, LLC and Lamar QRS Receivables, LLC as borrowers and PNC Bank, National Association as Administrative Agent and Lender. Filed herewith.
10.3	Second Amendment to the Purchase and Sale Agreement, dated as of May 6, 2020, by and among certain subsidiaries of Lamar Media Corp. as originators, Lamar Media Corp. as Servicer, and Lamar QRS Receivables, LLC as Buyer, and consented to by PNC Bank, National Association, as Administrative Agent. Filed herewith.
10.4	Third Amendment to the Receivables Financing Agreement, dated as of June 30, 2020, among Lamar Media, as Initial Servicer, the SPEs, as Borrowers, and PNC Bank, National Association, as Administrative Agent and a Lender. Previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on July 6, 2020 and incorporated herein by reference.
10.5	First Amendment to the Receivables Financing Agreement, dated as of February 6, 2020, by and among Lamar Media Corp. as initial Servicer, Lamar TRS Receivables, LLC and Lamar QRS Receivables, LLC as borrowers and PNC Bank, National Association as Administrative Agent and Lender. Previously filed as Exhibit 10.5 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on February 12, 2020 and incorporated herein by reference.
10.6	First Amendment to the Purchase and Sale Agreement, dated as of February 6, 2020, by and among certain subsidiaries of Lamar Media Corp., Lamar Media Corp. as initial Servicer, and Lamar QRS Receivables, LLC as Buyer. Previously filed as Exhibit 10.6 to the Company's Current Report on Form 8-K (File No. 1-36756) filed on February 12, 2020 and incorporated herein by reference.
31.1	Certification of the Chief Executive Officer of the Company and Lamar Media pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.

Exhibit Number	Description
31.2	Certification of the Chief Financial Officer of the Company and Lamar Media pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. Filed herewith.
32.1	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Filed herewith.
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Cash Flows, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Balance Sheets, and (v) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	Cover Page Interactive Date File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	LAMAR ADVERTISING COMPANY
DATED: August 6, 2020	BY: /s/ Jay L. Johnson Executive Vice President, Chief Financial Officer and Treasurer
	LAMAR MEDIA CORP.
DATED: August 6, 2020	BY: /s/ Jay L. Johnson Executive Vice President, Chief Financial Officer and Treasurer

SECOND AMENDMENT TO THE
RECEIVABLES FINANCING AGREEMENT

This SECOND AMENDMENT TO THE RECEIVABLES FINANCING AGREEMENT (this "Amendment"), dated as of May 6, 2020, is entered into by and among the following parties:

(i) LAMAR TRS RECEIVABLES, LLC, a Delaware limited liability company, as a Borrower (the "TRS Borrower");

(ii) LAMAR QRS RECEIVABLES, LLC, a Delaware limited liability company, as a Borrower (the "QRS Borrower"; together with the TRS Borrower, collectively, the "Borrowers");

(iii) LAMAR MEDIA CORP., a Delaware corporation, as initial Servicer; and

(iv) PNC BANK, NATIONAL ASSOCIATION ("PNC"), as Administrative Agent and as Lender.

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Receivables Financing Agreement described below.

BACKGROUND

A. The parties hereto have entered into a Receivables Financing Agreement, dated as of December 18, 2018 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Receivables Financing Agreement").

B. Concurrently herewith, the QRS Borrower, as buyer, the Servicer, as servicer and as an originator, and the various originators party thereto, are entering into that certain Second Amendment to the Purchase and Sale Agreement, dated as of the date hereof (the "PSA Amendment").

C. The parties hereto desire to amend the Receivables Financing Agreement as set forth herein.

NOW THEREFORE, with the intention of being legally bound hereby, and in consideration of the mutual undertakings expressed herein, each party to this Amendment hereby agrees as follows:

SECTION 1. Amendments to the Receivables Financing Agreement. The Receivables Financing Agreement is hereby amended to incorporate the changes shown on the marked pages of the Receivables Financing Agreement attached hereto as Exhibit A.

SECTION 2. Representations and Warranties of the Borrowers and the Servicer. Each Borrower and the Servicer hereby represent and warrant to each of the parties hereto as of the date hereof as follows:

(a) *Representations and Warranties*. The representations and warranties made by it in the Receivables Financing Agreement and each of the other Transaction Documents to which it is a party are true and correct in all material respects as of the date hereof unless such representations and warranties by their terms refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date.

(b) *Enforceability*. The execution and delivery by it of this Amendment, and the performance of its obligations under this Amendment, the PSA Amendment, the Receivables Financing Agreement (as amended hereby) and the other Transaction Documents to which it is a party are within its organizational powers and have been duly authorized by all necessary action on its part, and this Amendment, the PSA Amendment, the Receivables Financing Agreement (as amended hereby) and the other Transaction Documents to which it is a party are (assuming due authorization and execution by the other parties thereto) its valid and legally binding obligations, enforceable in accordance with their terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) *No Event of Default*. No Event of Default or Unmatured Event of Default has occurred and is continuing, or would occur as a result of this Amendment, the PSA Amendment or the transactions contemplated hereby or thereby.

SECTION 3. Effect of Amendment; Ratification. All provisions of the Receivables Financing Agreement and the other Transaction Documents, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Receivables Financing Agreement (or in any other Transaction Document) to "this Receivables Financing Agreement", "this Agreement", "hereof", "herein" or words of similar effect referring to the Receivables Financing Agreement shall be deemed to be references to the Receivables Financing Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Receivables Financing Agreement other than as set forth herein. The Receivables Financing Agreement, as amended by this Amendment, is hereby ratified and confirmed in all respects.

SECTION 4. Effectiveness. This Amendment shall become effective as of the date hereof, subject to the conditions precedent that the Administrative Agent shall have received the following:

(a) counterparts to this Amendment executed by each of the parties hereto;

(b) counterparts to the PSA Amendment executed by each of the parties thereto;

(c) a pro forma Information Package; and

(d) the other agreements, documents, instruments, UCC financing statements, secretary certificates, lien searches and opinions listed on Annex A hereto.

SECTION 5. Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 6. Transaction Document. This Amendment shall be a Transaction Document for purposes of the Receivables Financing Agreement.

SECTION 7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart.

SECTION 8. GOVERNING LAW AND JURISDICTION.

(a) THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE

STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF).

(b) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO (I) WITH RESPECT TO EACH BORROWER AND THE SERVICER, THE EXCLUSIVE JURISDICTION, AND (II) WITH RESPECT TO EACH OF THE OTHER PARTIES HERETO, THE NON-EXCLUSIVE JURISDICTION, IN EACH CASE, OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT, AND EACH PARTY HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING (I) IF BROUGHT BY ANY BORROWER, THE SERVICER OR ANY AFFILIATE THEREOF, SHALL BE HEARD AND DETERMINED, AND (II) IF BROUGHT BY ANY OTHER PARTY TO THIS AMENDMENT MAY BE HEARD AND DETERMINED, IN EACH CASE, IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. NOTHING IN THIS SECTION 8 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER CREDIT PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST ANY BORROWER OR THE SERVICER OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS. EACH BORROWER AND THE SERVICER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

SECTION 9. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Receivables Financing Agreement or any provision hereof or thereof.

SECTION 10. Performance Guaranty Ratification. After giving effect to this Amendment and the PSA Amendment and the transactions contemplated hereby and thereby, (i) each of the New Originators shall constitute “Covered Entities” for purposes of the Performance Guaranty, (ii) all of the provisions of the Performance Guaranty shall remain in full force and effect and (iii) the Performance Guarantor hereby ratifies and affirms the Performance Guaranty and acknowledges that the Performance Guaranty has continued and shall continue in full force and effect in accordance with its terms.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

LAMAR TRS RECEIVABLES, LLC,
as a Borrower

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer

LAMAR QRS RECEIVABLES, LLC,
as a Borrower

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer

LAMAR MEDIA CORP.,
as the Servicer

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By: /s/ Michael Brown
Name: Michael Brown
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Michael Brown
Name: Michael Brown
Title: Senior Vice President

Acknowledged and agreed:

LAMAR MEDIA CORP.,
as Performance Guarantor

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer

Exhibit A

(attached)

RECEIVABLES FINANCING AGREEMENT

Dated as of December 18, 2018

by and among

THE PERSONS FROM TIME TO TIME PARTY HERETO,
as Borrowers,

THE PERSONS FROM TIME TO TIME PARTY HERETO,
as Lenders,

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent,

LAMAR MEDIA CORP.,
as initial Servicer,

and

PNC CAPITAL MARKETS LLC,
as Structuring Agent

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Party, as the case may be), in which case, "Attorney Costs" shall also include the fees, costs and disbursements of such separate counsel). For the avoidance of doubt, "Attorney Costs" shall include fees, costs, expenses and disbursements of McGlinchey Stafford PLLC, as a local Louisiana law firm for the Credit Parties.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended from time to time.

"Base Rate" means, for any day and any Lender, a fluctuating interest rate per annum as shall be in effect from time to time, which rate shall be at all times equal to the highest of:

(a) the rate of interest in effect for such day as publicly announced from time to time by such Lender or its Affiliate as its "reference rate" or "prime rate", as applicable. Such "reference rate" or "prime rate" is set by the applicable Lender or its Affiliate based upon various factors, including such Person's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above or below such announced rate, and is not necessarily the lowest rate charged to any customer;

(b) 0.50% per annum above the latest ~~Federal Funds~~Overnight Bank Funding Rate; and

(c) 0.50% per annum above Adjusted LIBOR applicable to the Interest Period for which the Base Rate is then being determined.

"Benchmark Replacement" means the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrowers giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to Adjusted LIBOR or LMIR, for U.S. dollar-denominated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"Benchmark Replacement Adjustment" means, with respect to any replacement of Adjusted LIBOR or LMIR with an alternate benchmark rate for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrowers (a) giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of Adjusted LIBOR or LMIR with the applicable

Benchmark Replacement (excluding such spread adjustment) by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for such replacement of Adjusted LIBOR or LMIR for U.S. dollar-denominated credit facilities at such time and (b) which may also reflect adjustments to account for (i) the effects of the transition from Adjusted LIBOR or LMIR to the Benchmark Replacement and (ii) yield- or risk-based differences between Adjusted LIBOR or LMIR and the Benchmark Replacement.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to Adjusted LIBOR or LMIR:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the London Interbank Offered Rate for interbank deposits in Dollars ("USD LIBOR") permanently or indefinitely ceases to provide USD LIBOR; or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to Adjusted LIBOR or LMIR:

(1) a public statement or publication of information by or on behalf of the administrator of USD LIBOR announcing that such administrator has ceased or will cease to provide USD LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide USD LIBOR;

(2) a public statement or publication of information by a Governmental Authority having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of USD LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for USD LIBOR, a resolution authority with jurisdiction over the administrator for USD LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for USD LIBOR, which states that the administrator of USD LIBOR has ceased or will cease to provide USD LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide USD LIBOR; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of USD LIBOR or a Governmental Authority having jurisdiction over the Administrative Agent announcing that USD LIBOR is no longer representative.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Adjusted LIBOR or LMIR and solely to the extent that Adjusted LIBOR or LMIR (as the case may be) has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced Adjusted LIBOR or LMIR (as the case may be) for all purposes hereunder in accordance with Section 5.06 and (y) ending at the time that a Benchmark Replacement has replaced Adjusted LIBOR or LMIR (as the case may be) for all purposes hereunder pursuant to Section 5.06.

“Borrowers” has the meaning specified in the preamble to this Agreement. “Borrower Indemnified Amounts” has the meaning set forth in Section 13.01(a). “Borrower Indemnified Party” has the meaning set forth in Section 13.01(a).

“Borrower Obligations” means all present and future indebtedness, reimbursement obligations, and other liabilities and obligations (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or due or to become due) of the Borrowers to any Credit Party, Borrower Indemnified Party and/or any Affected Person, arising under or in connection with this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, and shall include, without limitation, all Capital and Interest on the Loans, all Fees and all other amounts due or to become due under the Transaction Documents (whether in respect of fees, costs, expenses, indemnifications or otherwise), including, without limitation, interest, fees and other obligations that accrue after the commencement of any Insolvency Proceeding with respect to any Borrower (in each case whether or not allowed as a claim in such proceeding).

“Borrowers’ Net Worth” means, at any time of determination, an amount equal to (i) the aggregate Outstanding Balance of all Pool Receivables at such time (other than any Pool Receivables that constitute Defaulted Receivables at such time), minus (ii) the sum of (A) the Aggregate Capital at such time, plus (B) the Aggregate Interest at such time, plus (C) the aggregate accrued and unpaid Fees at such time, plus (D) the aggregate outstanding principal balance owing under each Intercompany Loan Agreement at such time, plus (E) the aggregate accrued and unpaid interest owing under each Intercompany Loan Agreement at such time, plus (F) without duplication, the aggregate accrued and unpaid other Borrower Obligations at such time.

“Borrowing Base” means, at any time of determination, the amount equal to the lesser of (a) the Facility Limit and (b) the amount equal to (i) the Net Receivables Pool Balance at such time, minus (ii) the Total Reserves at such time.

(b) TRS Holdings ceases to own, directly, 100% of the issued and outstanding Capital Stock and all other equity interests of the TRS Borrower free and clear of all Adverse Claims;

(c) Holdings ceases to own, directly, 100% of the issued and outstanding Capital Stock, membership interests or other equity interests of the Performance Guarantor;

(d) Holdings ceases to own, directly or indirectly, 100% of the issued and outstanding Capital Stock, membership interests or other equity interests of any Borrower, the Servicer or any Originator;

(e) a “Change ~~in~~of Control” (as defined in the Credit Agreement);

(f) any Adverse Claim shall exist with respect to any Intercompany Loan Agreement or any Intercompany Loan; or

(g) with respect to Holdings:

(i) the capital stock of Holdings owned directly or indirectly by Charles W. Lamar, III or Kevin P. Reilly, Sr., either of their wives, children, children’s spouses, grandchildren, trusts of which either of them, their wives, children, children's spouses and grandchildren are the sole beneficiaries and for which one or more of such individuals are the sole trustee(s) and any Qualified Reilly Partnership shall (on a fully diluted basis after giving effect to the exercise of any outstanding rights or options to acquire capital stock of Lamar) cease to constitute at least such percentage of the aggregate voting stock of Holdings as is sufficient at all times to elect a majority of the Board of Directors of Holdings;

(ii) any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the Closing Date), other than Charles W. Lamar, III or Kevin P. Reilly, Sr. and any of the other permitted holders referred to in clause (i) above, shall acquire or own, directly or indirectly, beneficially or of record, shares representing more than 20% of the ordinary voting power represented by the issued and outstanding voting capital stock of Holdings, or (y) acquire direct or indirect Control of Holdings; or

(iii) a majority of the seats (other than vacant seats) on the Board of Directors of Holdings shall be occupied by Persons who were neither (x) nominated by the Board of Directors of Holdings nor (y) appointed by directors so nominated.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, during such Fiscal Month, by (b) the aggregate sales made by the Originators during the Fiscal Month that is one month prior to such Fiscal Month.

"Dilution Reserve Percentage" means, at any time of determination, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of (a) the Dilution Horizon Ratio, multiplied by (b) the sum of (i) 2.25 times the average of the Dilution Ratios for the twelve most recent Fiscal Months and (ii) the Dilution Volatility Component.

"Dilution Volatility Component" means, for any Fiscal Month, the product (expressed as a percentage and rounded to the nearest 1/100th of 1%, with 5/1000th of 1% rounded upward) of:

(a) the positive difference, if any, between: (i) the highest Dilution Ratio for any Fiscal Month during the twelve (12) most recent Fiscal Months and (ii) the arithmetic average of the Dilution Ratios for such twelve (12) Fiscal Months; multiplied by

(b) the quotient of (i) the highest Dilution Ratio for any Fiscal Month during the twelve (12) most recent Fiscal Months, divided by (ii) the arithmetic average of the Dilution Ratios for such twelve (12) Fiscal Months.

"Dollars" and "$" each mean the lawful currency of the United States of America. "Early Opt-in Event" means the occurrence of :

(1) a determination by the Administrative Agent and/or the Borrowers that U.S. dollar-denominated credit facilities being executed at such time, or that include language similar to that contained in Section 5.06, are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace USD LIBOR; and

(2) the election by the Administrative Agent and/or the Borrowers to declare that an Early Opt-in Event has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrowers and the Lenders, or by the Borrowers of written notice of such election to the Administrative Agent and the Lenders.

"Eligible Assignee" means (i) any Lender or any of its Affiliates, (ii) any Person managed by a Lender or any of its Affiliates and (iii) any other financial or other institution; provided, that no Defaulting Lender shall be an "Eligible Assignee."

"Eligible Foreign Obligor" means an Obligor which is neither a U.S. Obligor nor a Sanctioned Person.

"Eligible Receivable" means, at any time of determination, a Pool Receivable:

(a) each Obligor of which is: (i) either a U.S. Obligor or an Eligible Foreign Obligor; (ii) not a Sanctioned Person; (iii) not subject to any Insolvency Proceeding; (iv) not an Affiliate of any Lamar Party; (v) not the Obligor with respect to Delinquent Receivables with an aggregate Outstanding Balance exceeding 50% of the aggregate Outstanding Balance of all such Obligor's Pool Receivables; (vi) not a natural person;

(g) the excess (if any) of (i) the aggregate Outstanding Balance of all EligibleReceivables that are Unperformed Receivables, over (ii) the product of (x) 45.0%, multiplied by (y) the aggregate Outstanding Balance of all Eligible Receivables then in the Receivables Pool; provided, however, that during the continuance of a Ratings Event Level II the Administrative Agent may, upon ten (10) Business Days' prior notice to the Borrowers, reduce the percentage in clause (ii)(x) above to 22.5%.

"Exchange Act" means the Securities Exchange Act of 1934, as amended or otherwise modified from time to time.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to an Affected Person or required to be withheld or deducted from a payment to an Affected Person: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Affected Person being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in the Loans or Commitment pursuant to a law in effect on the date on which (i) such Lender makes a Loan or its Commitment or (ii) such Lender changes its lending office, except in each case to the extent that amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Affected Person's failure to comply with Section 5.03(f) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"Exiting Lender" has the meaning set forth in Section 2.02(h).

"Facility Limit" means, $175,000,000, as reduced or increased from time to time pursuant to the terms hereof. References to the unused portion of the Facility Limit shall mean, at any time of determination, an amount equal to (x) the Facility Limit at such time, minus (y) the Aggregate Capital at such time.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, any applicable intergovernmental agreement entered into between the United States and any other Governmental Authority in connection with the implementation of the foregoing and any fiscal or regulatory legislation, rules or official practices adopted pursuant to any such intergovernmental agreement.

~~"Federal Funds Rate" means, for any day, the per annum rate set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (including any such successor, "H.15(519)")~~

~~for such day opposite the caption “Federal Funds (Effective).” If on any relevant day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the daily statistical release designated as the~~

~~Composite 3:30 p.m. Quotations for U.S. Government Securities, or any successor publication, published by the Federal Reserve Bank of New York (including any such successor, the “Composite 3:30 p.m. Quotations”) for such day under the caption “Federal Funds Effective Rate.” If on any relevant day the appropriate rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, the rate for such day will be the arithmetic mean as determined by the Administrative Agent of the rates for the last transaction in overnight Federal funds arranged before 9:00 a.m. (New York City time) on that day by each of three leading brokers of Federal funds transactions in New York City selected by the Administrative Agent.~~

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System, or any entity succeeding to any of its principal functions.

“Fee Letter” has the meaning specified in Section 2.03(a).

“Fees” has the meaning specified in Section 2.03(a).

“Final Maturity Date” means the date that (i) is one hundred eighty (180) days following the Termination Date or (ii) such earlier date on which the Aggregate Capital and all other Borrower Obligations become due and payable pursuant to Section 10.01.

“Final Payout Date” means the date on or after the Termination Date when (i) the Aggregate Capital and Aggregate Interest have been paid in full, (ii) all Borrower Obligations shall have been paid in full, (iii) all other amounts owing to the Credit Parties and any other Borrower Indemnified Party or Affected Person hereunder and under the other Transaction Documents have been paid in full and (iv) all accrued Servicing Fees have been paid in full.

“Financial Covenant Event” shall be deemed to have occurred if, at any time, the Secured Debt Ratio exceeds 4.50 to 1.00.

“Financial Officer” of any Person means, the chief executive officer, the chief financial officer, the chief accounting officer, the principal accounting officer, the controller, the treasurer or the assistant treasurer of such Person.

“First Amendment Effective Date” means February 6, 2020.

“Fiscal Month” means each calendar month.

“GAAP” means generally accepted accounting principles in the United States of America, consistently applied.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Originator” means each of the QRS Originators and the TRS Originators.

“Other Connection Taxes” means, with respect to any Affected Person, Taxes imposed as a result of a present or former connection between such Affected Person and the jurisdiction imposing such Tax (other than connections arising from such Affected Person having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Transaction Document, or sold or assigned an interest in any Loan or Transaction Document).

"Other Taxes" means any and all present or future stamp, court or documentary, intangible, recording, filing Taxes or any other excise or property Taxes, charges or similar levies or fees arising from any payment made hereunder or from the execution, delivery, performance, registration, enforcement of, from the receipt or perfection of a security interest under, or otherwise in respect of, this Agreement, the other Transaction Documents and the other documents or agreements to be delivered hereunder or thereunder except any Taxes that are Other Connection Taxes imposed with respect to an assignment.

"Outstanding Balance" means, at any time of determination, with respect to any Receivable, the then outstanding principal balance thereof.

"Overnight Bank Funding Rate" means for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York ("NYFRB"), as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the NYFRB (or by such other recognized electronic source (such as Bloomberg) selected by the Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to the Borrower.

"Parent" means Lamar.

"Parent Entity" shall mean any direct or indirect parent of Holdings.

"Parent Group" has the meaning set forth in Section 8.03(c).

"Participant" has the meaning set forth in Section 14.03(d).

"Participant Register" has the meaning set forth in Section 14.03(e).

"PATRIOT Act" has the meaning set forth in Section 14.15. such Receivable, whether pursuant to the Contract related to such Receivable or otherwise;

(e) all books and records of each Borrower and each Originator to the extent related to any of the foregoing, and all rights, remedies, powers, privileges, title and interest (but not obligations) in and to each Lock-Box and all Collection Accounts, into which any Collections or other proceeds with respect to such Receivables may be deposited, and any related investment property acquired with any such Collections or other proceeds (as such term is defined in the applicable UCC);

(f) all of the applicable Borrower's rights, interests and claims under the applicable Purchase and Sale Agreement and the other Transaction Documents; and

(g) all Collections and other proceeds (as defined in the UCC) of any of the foregoing.

“Release” has the meaning set forth in Section 4.01(a).

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Reportable Compliance Event” means that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

“Reportable Event” means any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Pension Plan.

“Representatives” has the meaning set forth in Section 14.06(c).

“Required Capital Amount” means, as of any date of determination, an amount equal to the product of (i) the Loss Reserve Percentage at such time times (ii) the Net Receivables Pool Balance at such time.

“Restricted Payments” has the meaning set forth in Section 8.01(r).

“Returned Goods” means all right, title and interest in and to returned, repossessed or foreclosed goods and/or merchandise the sale of which gave rise to a Receivable; provided that such goods shall no longer constitute Returned Goods after a Deemed Collection has been deposited in a Collection Account with respect to the full Outstanding Balance of the related Receivables. Receivables, (iii) all Collections with respect to such Pool Receivables, (iv) the Lock-Boxes and Collection Accounts and all amounts on deposit therein, and all certificates and instruments, if any, from time to time evidencing such Lock-Boxes and Collection Accounts and amounts on deposit therein, (v) all rights (but none of the obligations) of such Borrower under the related Purchase and Sale Agreement, (vi) all other personal and fixture property or assets of such Borrower of every kind and nature including, without limitation, all goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts, chattel paper (whether tangible or electronic), deposit accounts, securities accounts, securities entitlements, letter-of-credit rights, commercial tort claims, securities and all other investment property, supporting obligations, money, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles) (each as defined in the UCC) and (vii) all proceeds of, and all amounts received or receivable under any or all of, the foregoing. Notwithstanding any provision set forth in this Agreement to the contrary, in no event shall the term “Collateral” include any Affiliate Receivables.

(b) The Administrative Agent (for the benefit of the Secured Parties) shall have, with respect to all the Collateral, and in addition to all the other rights and remedies available to the Administrative Agent (for the benefit of the Secured Parties), all the rights and remedies of a secured party under any applicable UCC. Each Borrower hereby authorizes the Administrative Agent to file financing statements describing as the collateral covered thereby as “all of the debtor’s personal property or assets” or words to that effect, notwithstanding that such wording may be broader in scope than the collateral described in this Agreement.

(c) Immediately upon the occurrence of the Final Payout Date, the Collateral shall be automatically released from the lien created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent, the Lenders and the other Credit Parties hereunder shall terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Borrowers; provided, however, that promptly following written request therefor by any Borrower delivered to the Administrative Agent following any such termination, and at the expense of the Borrowers, the Administrative Agent shall execute and deliver to such Borrower UCC-3 termination statements and such other documents as such Borrower shall reasonably request to evidence such termination.

SECTION 5.06. Successor Adjusted LIBOR or LMIR

~~(a) If the Administrative Agent determines (which determination shall be final and conclusive, absent manifest error) that either (i) (A) the circumstances set forth in Section 5.04 have arisen and are unlikely to be temporary, or (B) the circumstances set forth in Section 5.04 have not arisen but the applicable supervisor or administrator (if any) of Adjusted LIBOR or LMIR or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying the specific date after which Adjusted LIBOR or LMIR shall no longer be used for determining interest rates for loans (either such date, a "LIBOR Termination Date"), or (ii) a rate other than Adjusted LIBOR or LMIR, as applicable, has become a widely recognized benchmark rate for newly originated loans in Dollars in the U.S. market, then the Administrative Agent may (in consultation with the Borrowers) choose a replacement index for~~

~~Adjusted LIBOR or LMIR, as applicable, and make adjustments to applicable margins and related amendments to this Agreement as referred to below such that, to the extent practicable, the all in Interest based on the replacement index will be substantially equivalent to the all in Interest based on Adjusted LIBOR or LMIR, as applicable, in effect prior to its replacement.~~

(a) ~~(b) The Administrative Agent and the Borrowers shall enter into an amendment to~~

~~this Agreement to reflect the replacement index, the adjusted margins and such other related amendments as may be appropriate, in the discretion of the Administrative Agent, for the implementation and administration of the replacement index based rate~~Benchmark Replacement. Notwithstanding anything to the contrary ~~in this Agreement or the other Transaction Documents (including, without limitation, Section 14.01), such amendment shall become effective without any further action or consent of any other party to this Agreement~~herein or in any other Transaction Document, if the Administrative Agent determines that a Benchmark Transition Event or an Early Opt-in Event has occurred, the Administrative Agent and the Borrowers may amend this Agreement to replace Adjusted LIBOR or LMIR with a Benchmark Replacement; and any such amendment will become effective at 5:00 p.m. New York City time on the

~~tenth~~fifth (~~10~~5th) Business Day after the ~~date a draft of the~~Administrative Agent has provided such proposed amendment ~~is provided~~ to ~~the~~all Lenders, ~~unless~~so long as the Administrative Agent ~~receives, on or before such tenth (10th) Business Day, a~~has not received, by such time, written notice ~~from the Majority Lenders stating that such Majority Lenders object~~of objection to

such amendment from Lenders comprising the Majority Lenders.

~~(c) Selection of the replacement index, adjustments to the applicable margins,~~

~~and amendments to this Agreement (i) will be determined with due consideration to the then current market practices for determining and implementing a rate of interest for newly originated loans in the United States and loans converted from a rate based on Adjusted LIBOR or LMIR to a replacement index based rate, and (ii) may also reflect adjustments to account for (A) the effects of the transition from Adjusted LIBOR or LMIR, as applicable, to the replacement index and (B) yield or risk based differences between Adjusted LIBOR or LMIR, as applicable, and the replacement index. (d) Until an amendment reflecting a new replacement index in accordance with this Section 5.06 is effective, each Portion of Capital accruing Interest with~~Until the Benchmark Replacement is effective, each advance, conversion and renewal of a Loan bearing interest by reference to Adjusted LIBOR or LMIR will continue to bear interest with reference to Adjusted LIBOR or LMIR, (as ~~applicable; provided however, that if the Administrative Agent determines (which determination shall be final and conclusive, absent manifest error) that a LIBOR Termination Date has occurred, then following the LIBOR Termination Date, each Portion of Capital that would otherwise accrue Interest with~~the case may be); provided, however, that during a Benchmark Unavailability Period (i) any pending selection of, conversion to or renewal of a Loan bearing interest by reference to Adjusted LIBOR or LMIR that has not yet gone into effect shall be deemed to be a selection of, conversion to or renewal of the Base Rate with respect to such Loan, and such Loan shall bear interest by reference to the Base Rate (rather than by reference to Adjusted LIBOR or LMIR), and (ii) all outstanding Loans bearing interest by reference to Adjusted LIBOR or LMIR shall automatically ~~begin accruing Interest with~~be converted to bear interest by reference to the Base Rate ~~until such time as an amendment reflecting a replacement index and related matters as described above is implemented.~~.

~~(c) Notwithstanding~~

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary ~~contained herein, if at any time the replacement index is less than zero, at such times, such index shall be deemed to be zero for purposes of this Agreement.~~~~herein~~ or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrowers and the Lenders of (i) the implementation of any Benchmark Replacement, (ii) the effectiveness of any Benchmark Replacement Conforming Changes, (iii) the commencement or conclusion of any Benchmark Unavailability Period, and (iv) any occurrence of an Early Opt-in Election. Any determination, decision or election that may be made by the Administrative Agent or the Lenders pursuant to this Section 5.06 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 5.06.

ARTICLE VI

CONDITIONS TO EFFECTIVENESS AND CREDIT EXTENSIONS

SECTION 6.01. Conditions Precedent to Effectiveness and the Initial Credit Extension. This Agreement shall become effective as of the Closing Date when (a) the Administrative Agent shall have received each of the documents, agreements (in fully executed form), opinions of counsel, lien search results, UCC filings, certificates and other deliverables listed on the closing memorandum attached as Exhibit I hereto, in each case, in form and substance reasonably acceptable to the Administrative Agent and (b) all fees and expenses payable by the Borrowers on the Closing Date to the Credit Parties have been paid in full in accordance with the terms of the Transaction Documents.

SECTION 6.02. Conditions Precedent to All Credit Extensions. Each Credit Extension hereunder on or after the Closing Date shall be subject to the conditions precedent that:

(a) a Borrower shall have delivered to the Administrative Agent and each Lender a Loan Request for such Loan, in accordance with Section 2.02(a);

(b) the Servicer shall have delivered to the Administrative Agent and each Lender all Information Packages and Interim Reports, if any, required to be delivered hereunder;

(c) the conditions precedent to such Credit Extension specified in Section 2.01(i) through (iii), shall be satisfied; and appointed by the Majority Lenders as a successor Administrative Agent and has accepted such appointment. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, within thirty (30) days after the departing Administrative Agent's giving of notice of resignation, the departing Administrative Agent may, on behalf of the Secured Parties, appoint a successor Administrative Agent as successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders within sixty (60) days after the departing Administrative Agent's giving of notice of resignation, the departing Administrative Agent may, on behalf of the Secured Parties, petition a court of competent jurisdiction to appoint a successor Administrative Agent.

(b) Upon such acceptance of its appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall succeed to and become vested with all the rights and duties of the resigning Administrative Agent, and the resigning Administrative Agent shall be discharged from its duties and obligations under the Transaction Documents. After any resigning Administrative Agent's resignation hereunder, the provisions of this Article XI and Article XIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent.

SECTION 11.10. Structuring Agent. Each of the parties hereto hereby acknowledges and agrees that the Structuring Agent shall not have any right, power, obligation, liability, responsibility or duty under this Agreement, other than the Structuring Agent's right to receive fees pursuant to Section 2.03. Each Credit Party acknowledges that it has not relied, and will not rely, on the Structuring Agent in deciding to enter into this Agreement and to take, or omit to take, any action under any Transaction Document.

SECTION 11.11. LIBOR Notification. Section 5.06 ("*Successor Adjusted LIBOR or LMIR*") provides a mechanism for determining an alternative rate of interest in the event that Adjusted LIBOR or LMIR is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of Adjusted LIBOR or LMIR or with respect to any alternative or successor rate thereto, or replacement rate therefor.

ARTICLE XII

[RESERVED]

ARTICLE XIII

INDEMNIFICATION

SECTION 13.01. Indemnities by the Borrowers.

(a) Without limiting any other rights that the Administrative Agent, the CreditParties, the Affected Persons and their respective assigns, officers, directors, agents and employees (each, a "Borrower Indemnified Party") may have hereunder or under Applicable Law, each Borrower, jointly and severally, hereby agrees to indemnify each Borrower

Exhibit 10.3

**SECOND AMENDMENT TO THE
PURCHASE AND SALE AGREEMENT**

THIS SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT (this "Amendment"), dated as of May 6, 2020, is entered into among each of the entities listed on the signature pages hereto as a New Originator (each, a "New Originator" and collectively, the "New Originators") or as an Existing Originator (each, an "Existing Originator" and collectively, the "Existing Originators"), LAMAR MEDIA CORP., a Delaware corporation, as servicer (in such capacity, the "Servicer") and LAMAR QRS RECEIVABLES, LLC (the "Buyer").

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Purchase and Sale Agreement described below.

BACKGROUND

A. The parties hereto (other than the New Originators) have entered into a Purchase and Sale Agreement, dated as of December 18, 2018 (as amended, restated, supplemented or otherwise modified through the date hereof, the "Purchase and Sale Agreement").

B. Concurrently herewith, the Buyer and Lamar TRS Receivables, LLC, as borrowers, the Servicer and PNC Bank, National Association, as administrative agent and as a lender (the "Administrative Agent") are entering into that certain Second Amendment to the Receivables Financing Agreement, dated as of the date hereof (the "RFA Amendment").

C. The New Originators desire to become Originators under the Purchase and Sale Agreement pursuant to Section 4.3 of the Purchase and Sale Agreement.

D. The parties hereto desire to join the New Originators to the Purchase and Sale Agreement and to amend the Purchase and Sale Agreement as hereinafter set forth.

NOW THEREFORE, with the intention of being legally bound hereby, and in consideration of the mutual undertakings expressed herein, each party to this Amendment hereby agrees as follows:

SECTION 1. Amendments to the Purchase and Sale Agreement. The Purchase and Sale Agreement is hereby amended as follows:

(a) With respect to the New Originators, each reference in the Purchase and Sale Agreement to "the Closing Date" or "the date hereof" where applicable to the New Originators shall be deemed to be a reference to "May 6, 2020".

(b) With respect to the New Originators, each reference in the Purchase and Sale Agreement to "the Cut-Off Date" when applicable to the New Originators shall be deemed to be a reference to "March 31, 2020".

(c) Schedule I to the Purchase and Sale Agreement is hereby replaced in its entirety with Schedule I attached hereto.

(d) Schedule II to the Purchase and Sale Agreement is hereby replaced in its entirety with Schedule II attached hereto.

(e) Schedule III to the Purchase and Sale Agreement is hereby replaced in its entirety with Schedule III attached hereto.

SECTION 2. Joinder. Each New Originator hereby absolutely and unconditionally agrees to become a party to the Purchase and Sale Agreement as an "Originator" thereunder and to be bound by all of the provisions thereof, including the provisions of Article IX thereof. For greater certainty, each New Originator hereby acknowledges that pursuant to (i) Section 1.1 of the Purchase and Sale Agreement, on and after the date hereof it hereby sells all of its right, title and interest in, to and under the Receivables, the Related Rights with respect thereto and all proceeds of the foregoing to the Buyer and (ii) Section 1.5 of the Purchase and Sale Agreement, it has granted and hereby grants a security interest to Buyer in, to and under all of the New Originator's right, title and interest in and to: (A) the Receivables and the Related Rights now existing and hereafter created by the New Originator transferred or purported to be transferred under the Purchase and Sale Agreement, (B) all monies due or to become due and all amounts received with respect thereto and (C) all books and records of the New Originator to the extent related to any of the foregoing, to secure the New Originator's obligations under the Purchase and Sale Agreement. Upon effectiveness of this Amendment, each New Originator shall be an "Originator" for all purposes of the Purchase and Sale Agreement and each of the other Transaction Documents. Each New Originator further acknowledges that it has received copies of the Purchase and Sale Agreement and the other Transaction Documents. Each of the parties hereto hereby agrees that the provisions of this Amendment are in all material respects equivalent in form to the "Joinder Agreement" set forth as Exhibit C to the Purchase and Sale Agreement.

SECTION 3. Representations and Warranties of the Originators. Each of the New Originators and the Existing Originators hereby represents and warrants as of the date hereof as follows:

(a) *Representations and Warranties*. The representations and warranties made by it in the Purchase and Sale Agreement and each of the other Transaction Documents to which it is a party are true and correct in all material respects as of the date hereof unless such representations and warranties by their terms refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date.

(b) *Enforceability*. The execution and delivery by it of this Amendment, and the performance of its obligations under this Amendment, the RFA Amendment, the Purchase and Sale Agreement (as amended hereby) and the other Transaction Documents to which it is a party are within its organizational powers and have been duly authorized by all necessary action on its part, and this Amendment, the RFA Amendment, the Purchase and Sale Agreement (as amended hereby) and the other Transaction Documents to which it is a party are (assuming due authorization and execution by the other parties thereto) its valid and legally binding obligations, enforceable in accordance with their terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) *No Event of Default*. No Purchase and Sale Termination Event, Unmatured Purchase and Sale Termination Event, Event of Default or Unmatured Event of Default has occurred and is continuing, or would occur as a result of this Amendment, the RFA Amendment or the transactions contemplated hereby or thereby.

SECTION 4. Effect of Amendment; Ratification. All provisions of the Purchase and Sale Agreement and the other Transaction Documents, as expressly amended and modified by this Amendment, shall remain in full force and effect. After this Amendment becomes effective, all references in the Purchase and Sale Agreement (or in any other Transaction Document) to "this Agreement", "hereof", "herein" or words of similar effect referring to the Purchase and Sale Agreement shall be deemed to be references to the Purchase and Sale Agreement as amended by this Amendment. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of the Purchase and Sale Agreement other than as set forth herein. The Purchase and Sale Agreement, as amended by this Amendment, is hereby ratified and confirmed in all respects.

SECTION 5. Effectiveness. This Amendment shall become effective concurrently with the effectiveness of the RFA Amendment, subject to the condition precedent that the Administrative Agent shall have received counterparts to this Amendment executed by each of the parties hereto.

SECTION 6. Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 7. Transaction Document. This Amendment shall be a Transaction Document for purposes of the Receivables Financing Agreement.

SECTION 8. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart.

SECTION 9. GOVERNING LAW AND JURISDICTION.

(a) THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF).

(b) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO (I) WITH RESPECT TO THE BUYER, THE NEW ORIGINATORS, THE EXISTING ORIGINATORS AND THE SERVICER, THE EXCLUSIVE JURISDICTION, AND (II) WITH RESPECT TO EACH OF THE OTHER PARTIES HERETO, THE NON-EXCLUSIVE JURISDICTION, IN EACH CASE, OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT, AND EACH PARTY HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING (I) IF BROUGHT BY THE BUYER, THE SERVICER, ANY NEW ORIGINATOR, ANY EXISTING ORIGINATOR OR ANY AFFILIATE THEREOF, SHALL BE HEARD AND DETERMINED, AND (II) IF BROUGHT BY ANY OTHER PARTY TO THIS AMENDMENT, MAY BE HEARD AND DETERMINED, IN EACH CASE, IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. NOTHING IN THIS SECTION 9 SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER CREDIT PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST THE BUYER OR THE SERVICER OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS. EACH OF THE BUYER, EACH NEW ORIGINATOR, EACH EXISTING ORIGINATOR AND THE SERVICER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

SECTION 10. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Purchase and Sale Agreement or any provision hereof or thereof.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by their duly authorized officers as of the date first above written.

LAMAR QRS RECEIVABLES, LLC,
as Buyer

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President and Chief Financial Officer

LAMAR MEDIA CORP.,
as Servicer
By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

EXISTING ORIGINATORS:
LAMAR ADVERTISING OF MICHIGAN, INC.
LAMAR ADVERTISING OF YOUNGSTOWN, INC.
LAMAR ADVERTISING SOUTHWEST, INC.
LAMAR ELECTRICAL, INC.
LAMAR OCI SOUTH CORPORATION
LAMAR OHIO OUTDOOR HOLDING CORP.
LAMAR PENSACOLA TRANSIT, INC.

TLC PROPERTIES, INC.

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President ,Chief Financial Officer and Treasurer

LAMAR CENTRAL OUTDOOR, LLC
THE LAMAR COMPANY, L.L.C.

By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR ADVERTISING OF COLORADO SPRINGS, L.L.C.
LAMAR ADVERTISING OF LOUISIANA, L.L.C.
LAMAR ADVERTISING OF SOUTH DAKOTA, L.L.C.
LAMAR AIR, L.L.C.
LAMAR FLORIDA, L.L.C.
LAMAR OCI NORTH, L.L.C.
LAMAR TENNESSEE, L.L.C.

By: The Lamar Company, L.L.C., its Managing Member
By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR TEXAS LIMITED PARTNERSHIP

By: The Lamar Company, L.L.C., its General Partner
By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

TLC FARMS, L.L.C.
TLC PROPERTIES, L.L.C.

By: TLC Properties, Inc., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR ADVANTAGE GP COMPANY, LLC
LAMAR ADVANTAGE LP COMPANY, LLC
TRIUMPH OUTDOOR HOLDINGS, LLC

By: Lamar Central Outdoor, LLC, its Managing Member
By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR ADVANTAGE OUTDOOR COMPANY, L.P.

By: Lamar Advantage GP Company, LLC, its General Partner
By: Lamar Central Outdoor, LLC, its Managing Member
By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR ADVANTAGE HOLDING COMPANY

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR ADVERTISING OF PENN, LLC

By: The Lamar Company, L.L.C., its Class A Member
By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

By: Lamar Transit, LLC, its Class B Member
By: Lamar TRS Holdings, LLC, its Managing Member
By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR OBIE COMPANY, LLC

By: Lamar Media Corp., its Class A Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

By: Lamar Transit, LLC, its Class B Member
By: Lamar TRS Holdings, LLC, its Managing Member
By: Lamar Media Corp., its Managing Member

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

NEW ORIGINATORS

ASHBY STREET OUTDOOR CC LLC
ASHBY STREET OUTDOOR LLC

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

ASHBY STREET OUTDOOR HOLDINGS LLC

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

LAMAR-FAIRWAY BLOCKER 1, LLC
LAMAR-FAIRWAY BLOCKER 2, LLC
MAGIC MEDIA/LAMAR, LLC
FAIRWAY MEDIA GROUP, LLC
FAIRWAY OUTDOOR ADVERTISING, LLC
FAIRWAY OUTDOOR FUNDING HOLDINGS, LLC
FAIRWAY OUTDOOR FUNDING, LLC

By: /s/ Jay L. Johnson
Name: Jay L. Johnson
Title: Executive Vice President, Chief Financial Officer and Treasurer

Consented to:

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent and as a Lender

By: /s/ Michael Brown
Name: Michael Brown
Title: Senior Vice President

Exhibit 31.1

CERTIFICATION

I, Sean E. Reilly, certify that:

1. I have reviewed this combined quarterly report on Form 10-Q of Lamar Advertising Company and Lamar Media Corp.;

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 registrants as of, and for, the periods presented in this report;

4. The registrants' 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 registrants and 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 registrants, including their 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 registrants' 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 registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' 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 registrants' abilities 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 registrants' internal control over financial reporting.

Date: August 6, 2020

/s/ Sean E. Reilly
Sean E. Reilly
Chief Executive Officer, Lamar Advertising Company
Chief Executive Officer, Lamar Media Corp.

Exhibit 31.2

CERTIFICATION

I, Jay L. Johnson, certify that:

1. I have reviewed this combined quarterly report on Form 10-Q of Lamar Advertising Company and Lamar Media Corp.;

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 registrants as of, and for, the periods presented in this report;

4. The registrants' 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 registrants and 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 registrants, including their 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 registrants' 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 registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of the registrants' 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 registrants' abilities 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 registrants' internal control over financial reporting.

Date: August 6, 2020

/s/ Jay L. Johnson
Jay L. Johnson
Chief Financial Officer, Lamar Advertising Company
Chief Financial Officer, Lamar Media Corp.

Exhibit 32.1

LAMAR ADVERTISING COMPANY
LAMAR MEDIA CORP.

Certification of Periodic Financial Report
Pursuant to 18 U.S.C. Section 1350
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned officers of Lamar Advertising Company ("Lamar Advertising") and Lamar Media Corp. ("Lamar Media") certifies, to his knowledge and solely for the purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the combined Quarterly Report on Form 10-Q of Lamar Advertising and Lamar Media for the period ended June 30, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the combined Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Lamar Advertising and Lamar Media.

Dated: August 6, 2020	By:	/s/ Sean E. Reilly
		Sean E. Reilly Chief Executive Officer, Lamar Advertising Company Chief Executive Officer, Lamar Media Corp.
Dated: August 6, 2020	By:	/s/ Jay L. Johnson
		Jay L. Johnson Chief Financial Officer, Lamar Advertising Company Chief Financial Officer, Lamar Media Corp.