

Scripps closes Katz acquisition

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CINCINNATI — The E.W. Scripps Company (NYSE: SSP) has closed its acquisition of the Katz broadcast networks, which distribute programming for targeted audiences over the air.

The purchase price was \$302 million. Since Scripps was already a 5 percent owner in a portion of the business, its net purchase price is \$292 million. The deal will be treated as a purchase of assets for tax purposes. After including the present value of the future tax benefits, the purchase multiple is about 8x, based on Scripps' forecast for 2018 segment profit.

The four networks are forecast to generate about \$180 million in revenue and about \$30 million in segment profit in 2018. The transaction is expected to be accretive to Scripps' earnings in 2018 and beyond.

Scripps financed the transaction with \$300 million of new floating-rate debt with a maturity date of 2024. Upon closing, Scripps' leverage is expected to be about 3x on a pro forma 2017/18 blended basis.

The four national networks — Bounce, Grit, Escape and Laff — each reach more than 80 percent of all U.S. households and are among the fastest growing in television today. Founder Jonathan Katz, a former top Turner Broadcasting programming executive, will continue to lead the Katz networks business. The company, with about 130 employees, will remain based in the Atlanta area.

About Scripps

[The E.W. Scripps Company](#) (NYSE: SSP) serves audiences and businesses through a growing portfolio of television, radio and digital media brands. With 33 television stations, Scripps is one of the nation's largest independent TV station owners. Scripps runs an expanding collection of local and national digital journalism and content businesses, including [Newsy](#), the next-generation national news network, and podcast industry leader [Midroll Media](#). Scripps produces original programming including "Pickler & Ben," runs an award-winning investigative reporting newsroom in Washington, D.C., and is the longtime steward of the [Scripps National Spelling Bee](#). Founded in 1878, Scripps has held for decades to the motto, "Give light and the people will find their own way."

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