

# The Opportunity Ahead

MONETIZING THE MEDIA CONSUMER IN 2017 AND BEYOND

NOBLECON13 Jan. 31, 2017



# Safe Harbor/Disclosures

*This presentation contains forward-looking statements that involve a number of risks and uncertainties. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “believes,” “anticipates,” “plans,” “expects,” “intends,” and similar expressions are intended to identify forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are set forth in The E.W. Scripps Company’s annual report on Form 10-K for the year ended Dec. 31, 2015, as filed with the Securities and Exchange Commission. We undertake no obligation to publicly update any forward-looking statements to reflect events or circumstances after the date the statement is made.*

# Rebuilding Scripps For Growth

Complete separation of Scripps Networks Interactive

**2008**

Divest "Peanuts" and licensing

**2010**

Launch original programming unit, two access shows

**2012**

Buy Newsy

Buy two Granite TV stations

**2014**

Buy Cracked; Stitcher

National brands move to 45% of Digital revenue

**2016**

ECONOMIC CRISIS

**2007**

Propose spin off of cable networks to board

**2009**

Close Denver newspaper, reset expenses

**2011**

Combine digital operations; announce investment and salesforce overbuild

Acquire four McGraw Hill TV stations

**2013**

Terminate Scripps Howard News Service; Launch D.C. National Investigative Unit

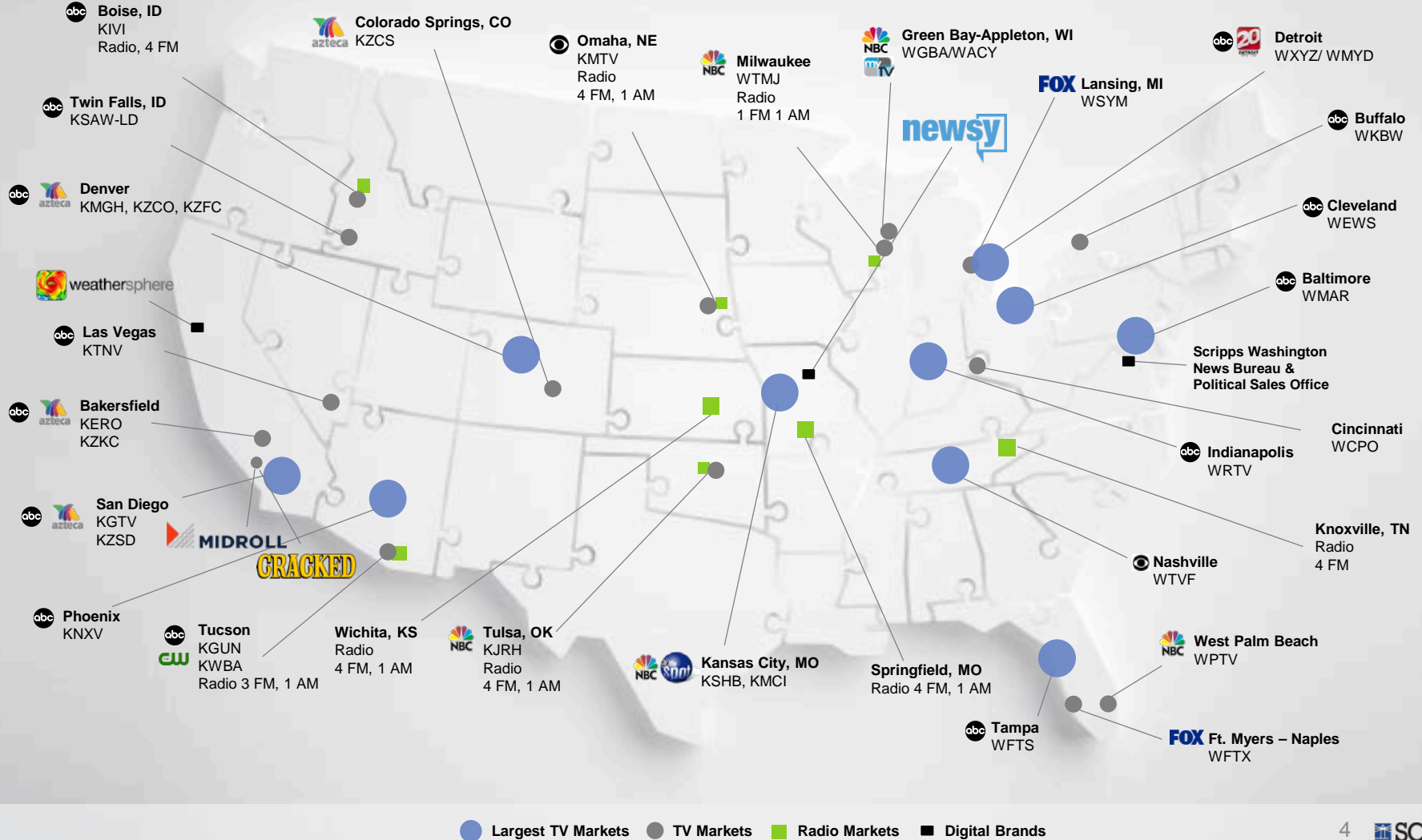
**2015**

Spin/combine newspapers with Journal

Merge Journal TV and radio operations into Scripps

Buy Midroll

# A Coast-to-Coast Portfolio of Television, Radio and Digital Brands



# Television

A person is seen from behind, sitting in a chair at a large desk in a television control room. The desk is cluttered with various electronic equipment, including multiple computer monitors displaying different video feeds and technical data. The person's hands are on a control panel with numerous buttons and sliders. The room is dimly lit, with the primary light source being the screens and the person's monitor. The overall atmosphere is professional and technical.



# Why We Love The Broadcast Television Business

High barriers to entry

Multiple revenue streams

Local/national advertising blend

Predictable revenue: long-term retransmission contracts

Predictable expenses: long-term network contracts

Opportunity to play strong role in ecosystem development

Strong local, trusted brands

# Primetime Viewing is Dominated by Broadcast Television



**The Big Four** command by far the largest viewing audiences



**Cable shows** account for only three of the top 50 shows on primetime

## TOP 50 PRIMETIME SHOWS RANKED BY TOTAL VIEWERS, IN MILLIONS, 2015-2016 SEASON

1	NFL Sunday Night Football <i>NBC</i>	22.0	24	<b>Downton Abbey (Masterpiece)</b> <i>PBS</i>	11.5
2	The Big Bang Theory <i>CBS</i>	20.6		Grey's Anatomy <i>ABC</i>	
3	NCIS <i>CBS</i>	20.5	28	Survivor <i>CBS</i>	11.2
4	<b>The Walking Dead</b> <i>AMC</i>	<b>18.9</b>	29	American Idol (Thursday) <i>Fox</i>	11.1
5	NFL Thursday Night Football <i>CBS/NFL Network</i>	17.7	30	Scandal <i>CBS</i>	10.8
6	Empire <i>Fox</i>	16.2		The Good Wife <i>CBS</i>	
7	NCIS: New Orleans <i>CBS</i>	16.1	32	Chicago Med <i>NBC</i>	10.7
8	Blue Bloods <i>CBS</i>	14.6	33	Life in Pieces <i>CBS</i>	10.5
9	Dancing With the Stars <i>ABC</i>	13.7	34	Chicago PD <i>NBC</i>	10.4
10	The X-Files <i>Fox</i>	13.6	35	Limitless <i>CBS</i>	10.3
11	The Voice (Monday) <i>NBC</i>	13.5		How to Get Away with Murder <i>ABC</i>	
12	Scorpion <i>CBS</i>	13.3	37	Code Black <i>CBS</i>	10.2
13	The Voice (Tuesday) <i>NBC</i>	13.2	38	<b>Game of Thrones</b> <i>HBO</i>	<b>10.1</b>
14	Little Big Shots <i>NBC</i>	13.0	39	Supergirl <i>CBS</i>	10.0
15	<b>NFL Monday Night Football</b> <i>ESPN</i>	<b>12.9</b>	40	Castle <i>ABC</i>	9.9
16	Criminal Minds <i>CBS</i>	12.8		Shades of Blue <i>NBC</i>	
17	Madam Secretary <i>CBS</i>	12.4	42	Law & Order: SVU <i>NBC</i>	9.8
18	60 Minutes <i>CBS</i>	12.3		Mom <i>CBS</i>	
19	Modern Family <i>ABC</i>	12.1	44	The Bachelor <i>ABC</i>	9.5
	NCIS: Los Angeles <i>CBS</i>		45	Criminal Minds: Beyond Borders <i>CBS</i>	9.4
21	Hawaii Five-O <i>CBS</i>	11.7	46	The Middle <i>ABC</i>	9.2
	Blindspot <i>NBC</i>		47	Elementary <i>CBS</i>	9.1
22	Chicago Fire <i>NBC</i>	11.6	48	Angel from Hell <i>CBS</i>	9.0
	The Blacklist <i>NBC</i>		49	The Odd Couple <i>CBS</i>	8.7
24	American Idol (Wednesday) <i>Fox</i>	11.5		Mike & Molly <i>CBS</i>	
			50	The Goldbergs <i>ABC</i>	8.8

Source: Nielsen Media Research, 2015-2016 season through May 25, 2016, in millions.  
Excludes repeats, sports pregame and postgame shows, and football overruns.

# Scripps' Total & Net Retrans See Strong Growth in 2017

2016



**\$220M**

in retrans revenue

2017



**20%**

increase in  
gross retrans  
revenue

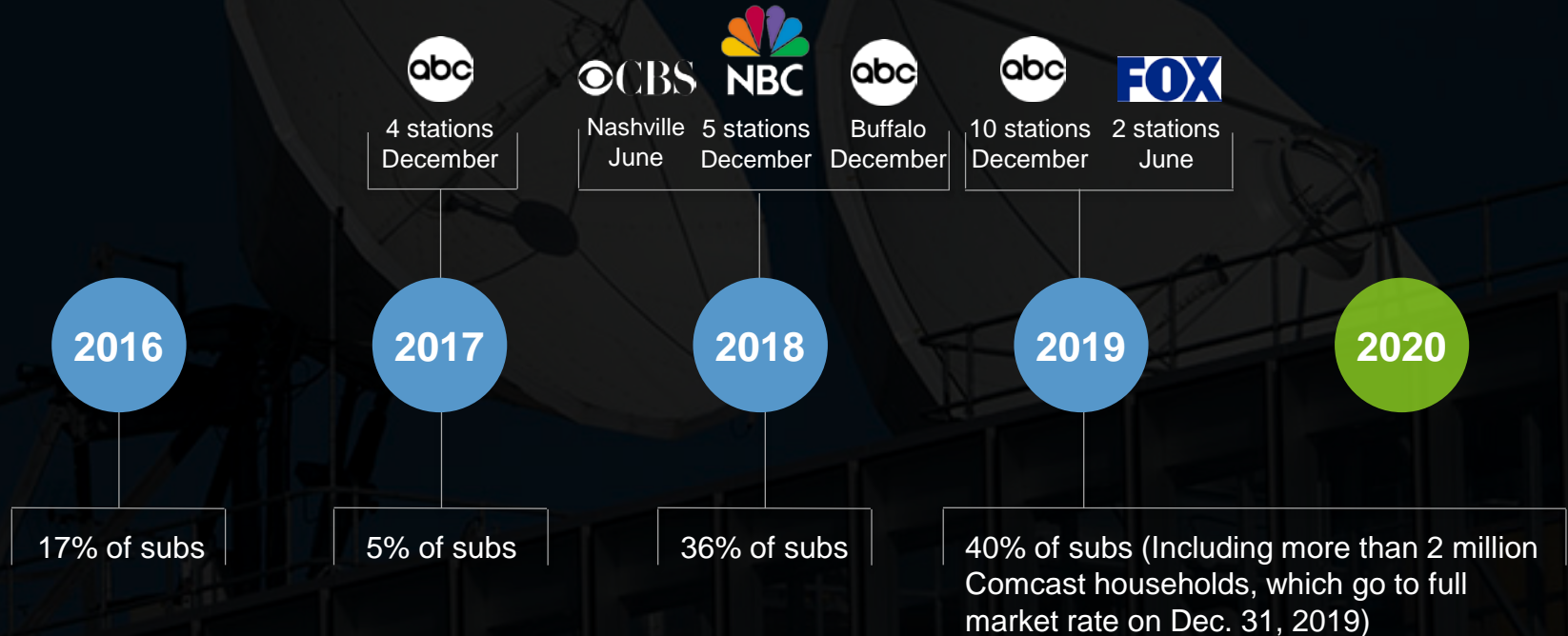
**25%**

increase in  
net retrans  
revenue



# Our Coming Retrans Cycle Maximizes Opportunity

## NETWORK CONTRACT RENEWALS



## MVPD RETRANS RENEWALS

# Broadcast Television is Positioned to Play a Key Role in 2018 Election

## 2016

saw the second-highest-grossing election season ever.

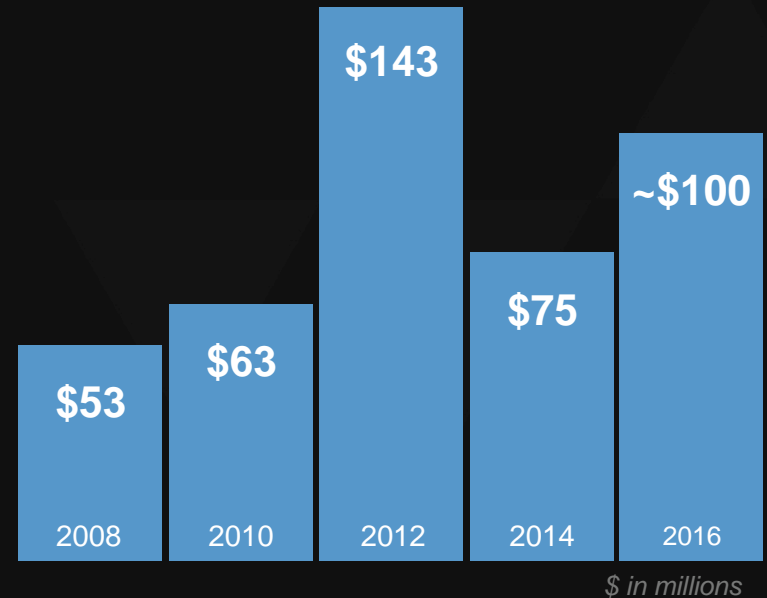
- Local broadcast TV spending for all candidates, excluding presidential, was up 5 percent from 2012.
- Candidates, the national parties and outside groups spent more than \$1.2 billion on local broadcast TV ads in 11 battleground states alone.
- Local broadcast TV spending on U.S. Senate races came in at \$679 million, 18 percent over 2012.

## 2018

is expected to see broadcast TV play a leading role in U.S. elections.

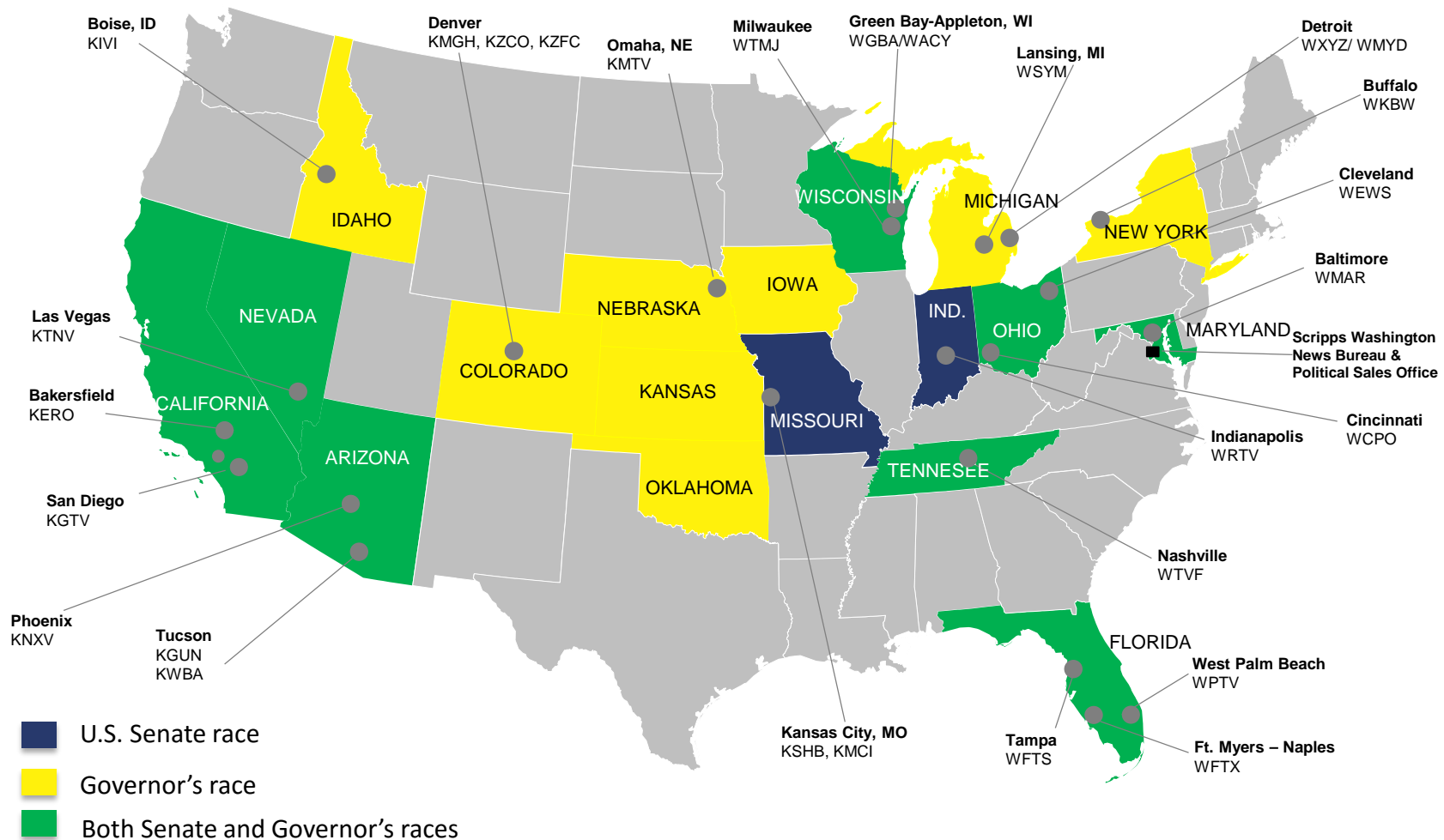
- Control of the U.S. Senate will again be up for grabs, with Democrats having to defend 23 of 33 seats.
- Scripps markets will host 10 U.S. Senate races.
- 36 states will have governors' races, compared to 12 in 2016.
- Scripps markets will host 16 governors' races.

## Scripps Pro Forma Political Revenue

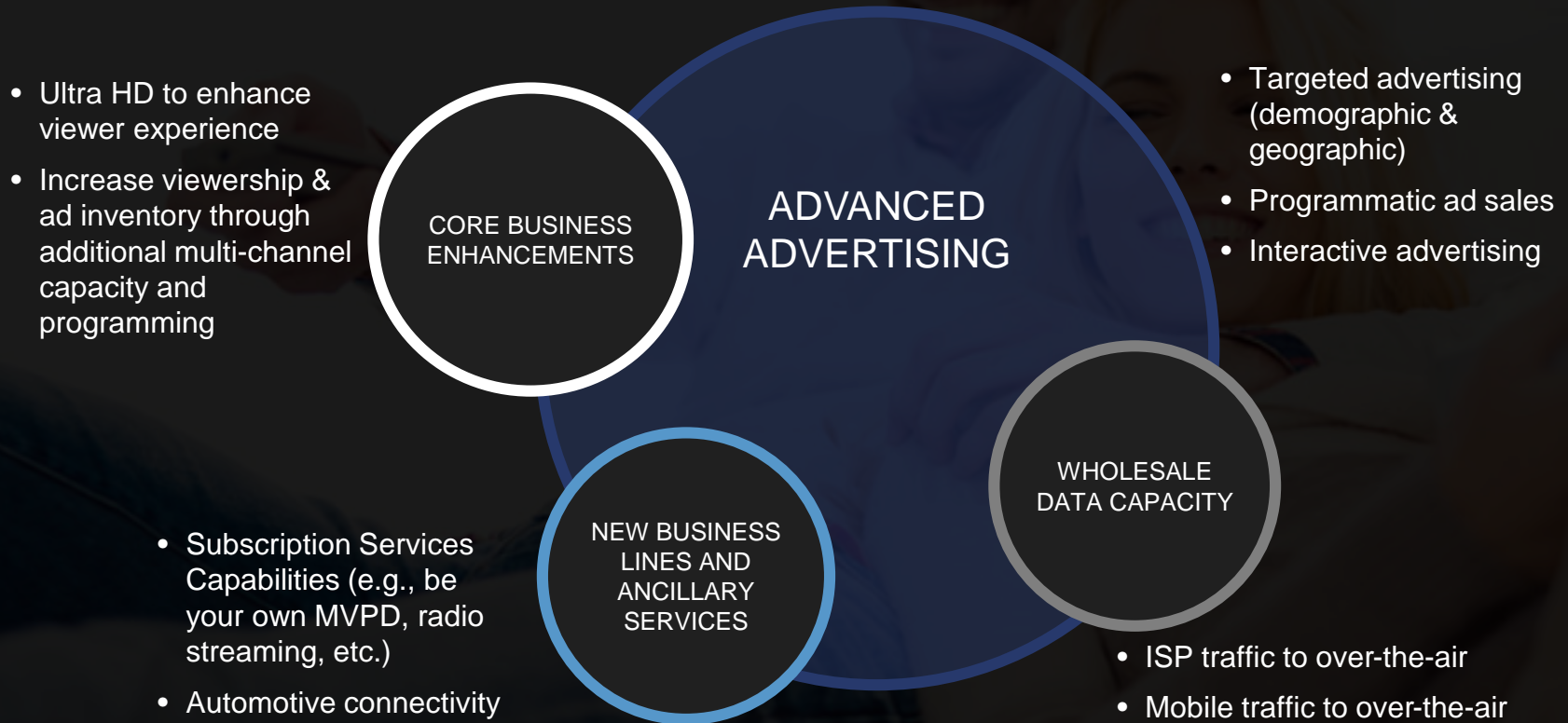


*Adjusted to include Journal Communications, McGraw Hill and Granite acquisitions.*

# Ten U.S. Senate Races and 16 Governor's Races Will Be Held in Scripps States in 2018



# ATSC 3.0: Promising Business Opportunities Could Soon Emerge



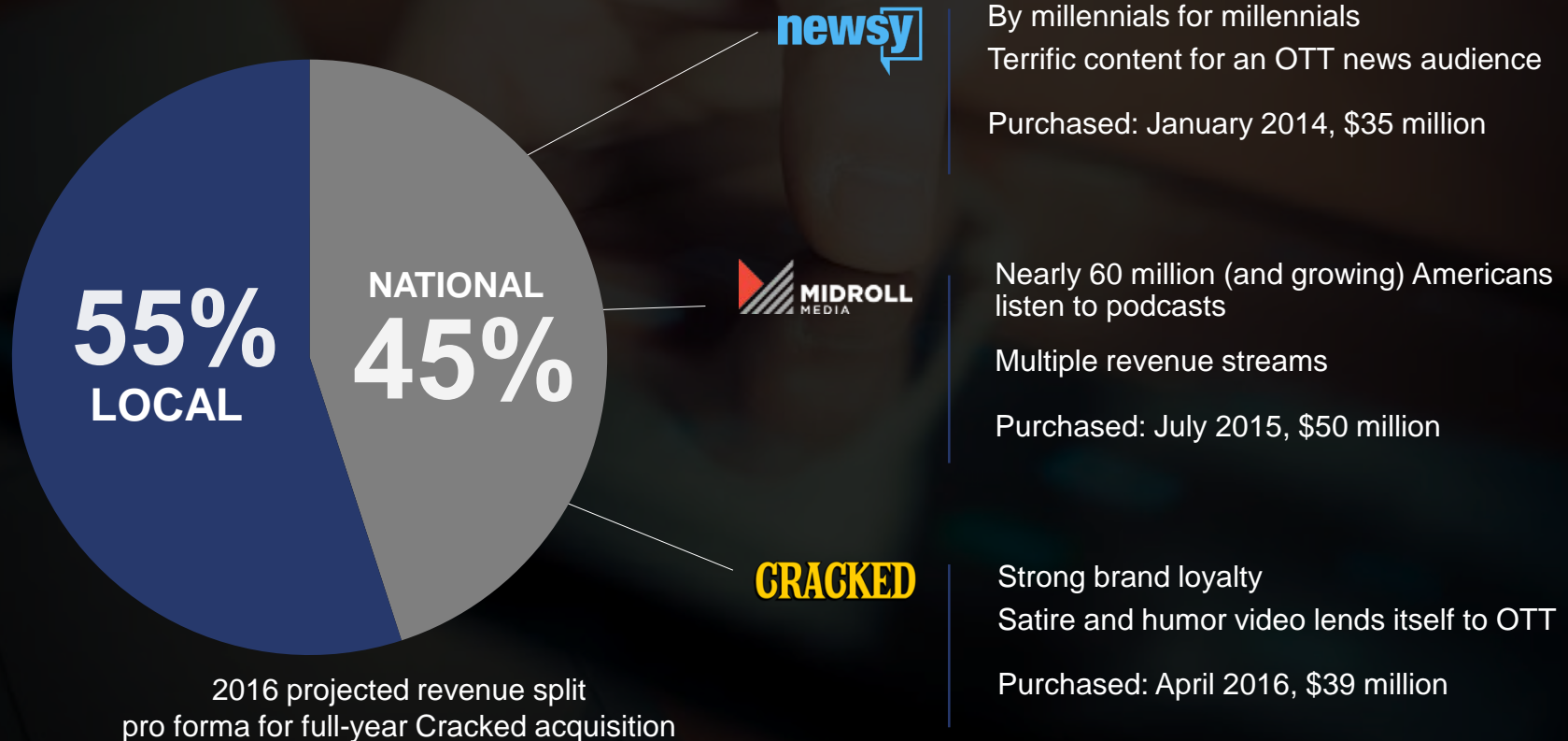


# Digital

# Five Trends That Guide Scripps' Digital Strategy

1. Digital technology and the ensuing fragmentation have changed the way we spend our time and the choices we have
2. Mobility takes media everywhere
3. We're watching more video but through new platforms
4. On-demand audio is a growing marketplace
5. Advertising is predictably experiencing the same shifts

# Scripps Is Building Essential Local and National Digital Brands



# Content on Locally Branded Websites is Closely Tied to the Broadcast Business

Scripps provides locally branded news content and information across 27 television and radio markets on multiple digital platforms.



**285  
million**

PAGE VIEWS  
(Q3 2016)

**25  
million**

AVERAGE  
VISITORS/MONTH  
(Q3 2016)

**136  
million**

VIDEOS VIEWED  
(Q3 2016)

**21+  
million**

SOCIAL  
INTERACTIONS



# Newsy Shares Its Content on Desktop, Mobile and Increasingly on OTT Video Platforms

WIDE DISTRIBUTION NETWORK  
PLACES NEWSY CONTENT ON 600+  
PARTNER PLATFORMS

WILL EXCEED 1 BILLION  
VIDEO STREAMS IN 2016

41 PERCENT YEAR-OVER-YEAR  
VIDEO STREAMING GROWTH

**Roku**  
**hulu**  
**sling**  
TELEVISION



**Apple TV**  
**amazon fireTV**  
**WATCHABLE**






**XUMO**

**PLUTO<sup>TV</sup>**

**Frequency**

*Scripps shows a 1-minute video here about Newsy and its over-the-top video strategies. You can find this video on scripps.com under “Investor Information”.*

# Newsy Sits Within a Valuable Ecosystem

					
<b>PRODUCT</b>	OTT news service aimed at younger generations	Millennial-focused national news outlet	Millennial-focused national news outlet	Explainer journalism site founded by Ezra Klein	Culture magazine that grew into a content empire
<b>CONTENT TYPES</b>	Video; audio	Video	Mostly narrative; some video	Mostly narrative; some video	Narrative and video
<b>PRIMARY DISTRIBUTION CHANNELS</b>	OTT video platforms; also mobile, social	Social platforms, primarily Facebook	Desktop; mobile; social	Desktop; mobile; social	TV, cable network Viceland
<b>FUNDING</b>	\$35 million (purchase price)	\$27 million	\$32 million	\$308 million	\$770 million
<b>VALUATION</b>	NA	Not disclosed	\$100 million	\$850 million	\$4.2 billion

# Cracked Provides Humor and Satire Content Aimed at Younger Generations

## CRACKED

is for anyone who enjoys  
original journalism, social  
commentary and dissecting  
pop culture, history, science –  
pretty much any subject matter  
– through a comedic lens.

20  
million

UNIQUE VISITORS  
A MONTH TO CRACKED.COM

50%  
direct traffic  
TO CRACKED.COM

3.7  
million  
FACEBOOK FANS

20  
million  
VIDEO VIEWS  
PER MONTH ON YOUTUBE



# Midroll Is an End-to-End Podcasting Company

CONTENT CREATION

MONETIZATION

DISTRIBUTION



# Financials

# Scripps Investment Highlights

Our low net leverage provides capacity to grow through acquisition

Our retransmission growth provides opportunity for margin improvement

Our national digital brands are rapidly gaining scale through broad distribution

Our “all of the above” capital allocation strategy has combined share repurchase, TV M&A and digital acquisitions

Our portfolio of large and attractive TV markets provides leverage with the networks and MVPDs



**Questions?**