# The E.W. Scripps Company

BANK OF AMERICA
LEVERAGED FINANCE CONFERENCE
NOV. 29, 2022

GIVE LIGHT AND THE PEOPLE WILL FIND THEIR OWN WAY

SCRIPPS

## SAFE HARBOR DISCLOSURE

This document contains certain forward-looking statements related to the company's businesses that are based on management's current expectations. Forward-looking statements are subject to certain risks, trends and uncertainties, including changes in advertising demand and other economic conditions that could cause actual results to differ materially from the expectations expressed in forward-looking statements. Such forward-looking statements are made as of the date of this document and should be evaluated with the understanding of their inherent uncertainty.

Included in this presentation are certain non-GAAP (generally accepted accounting principles) financial measures, in particular adjusted EBITDA, and are provided as supplements to assist management and the public in their analysis and valuation of the company. These metrics are not formulated in accordance with GAAP, are not meant to replace GAAP financial measures and may differ from other companies' uses or formulations. A reconciliation of non-GAAP financial measures to GAAP measures reported in our financial statements is included in the appendix.

A detailed discussion of principal risks and uncertainties, including those engendered by the COVID-19 pandemic, that may cause actual results and events to differ materially from such forward-looking statements is included in the company's form 10-K on file with the SEC, in the section titled "risk factors." The company undertakes no obligation to publicly update any forward-looking statements to reflect events or circumstances after the date such statements are made.

# ENGAGING OUR AUDIENCES

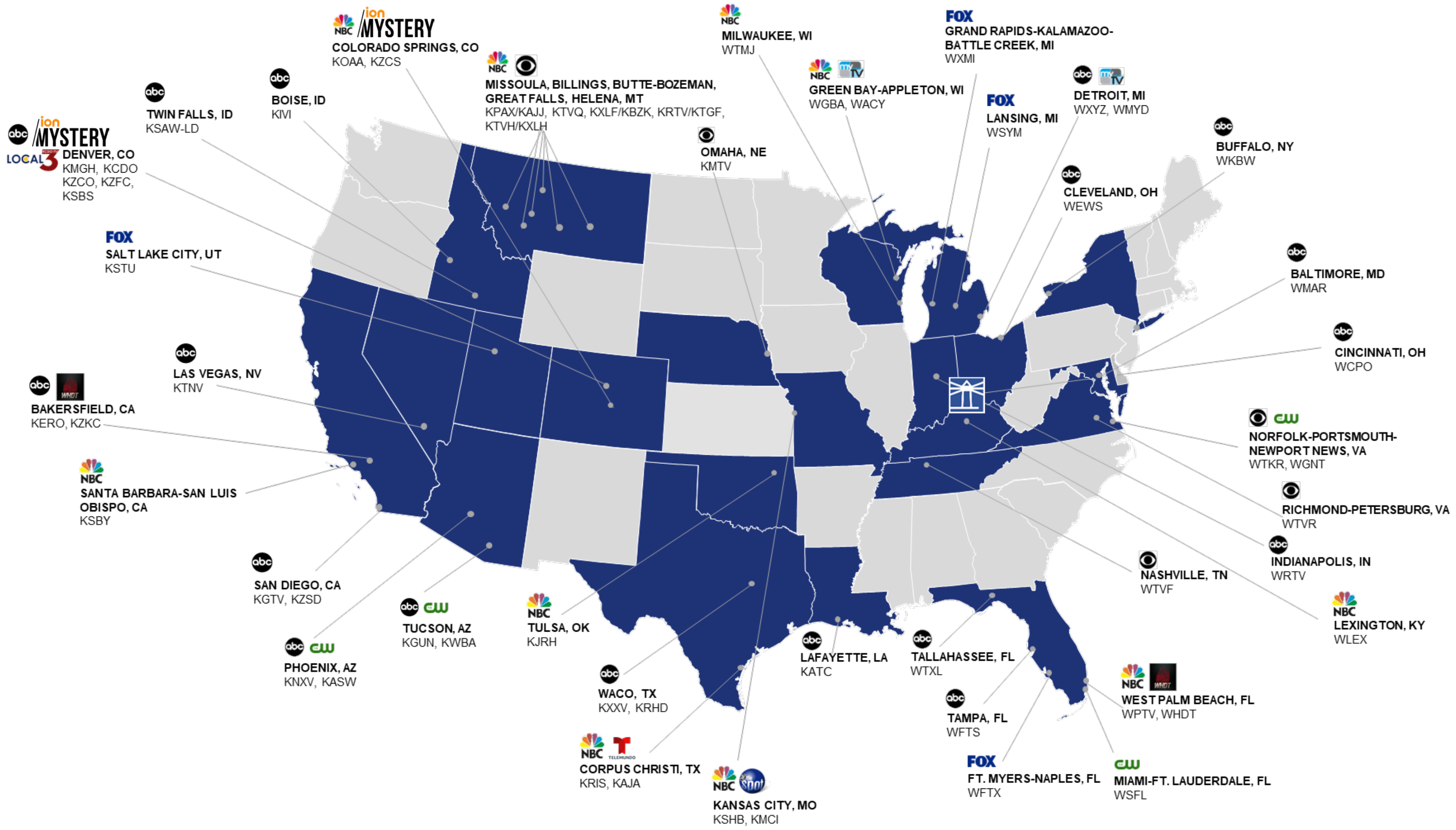
We seek to engage and empower the audiences and communities we serve through journalism, service and stewardship of the public trust.




# WE OPERATE NINE NATIONAL NEWS AND ENTERTAINMENT TV NETWORKS THAT REACH NEARLY EVERY U.S. HOUSEHOLD OVER THE AIR


THE SCOPE OF OUR U.S. HOUSEHOLD REACH ACROSS FREE, OVER-THE-AIR AND ADVERTISING-SUPPORTED CONNECTED TV PLATFORMS HAS ESTABLISHED US AS THE LEADER IN FREE TV.

# WE ARE ONE OF THE COUNTRY’S LARGEST INDEPENDENT LOCAL BROADCAST GROUPS WITH 41 NETWORK AFFILIATES AND 61 STATIONS




18 abc
11 NBC
9 CBS
4 FOX
12 CW

# THE RECENT TRANSFORMATION OF OUR COMPANY HAS CREATED A DURABLE PORTFOLIO OF ASSETS

**RECENT KEY HIGHLIGHTS**

- Will have paid down a total of nearly $800 million in outstanding debt between the ION acquisition in 2021 and the end of 2022, moving closer to pre-ION levels
- Received upgrade by the credit rating agencies Moody's and S&P
- Renewed all major affiliation agreements (ABC, NBC, CBS, Fox and CW)
- Launched connected TV distribution for our Scripps Networks brands
- Formed Scripps News, a national TV news network that combines the teams at Newsy and Scripps Washington Bureau into one organization with total U.S. household reach, launching Jan. 1
- Kicked off The Free TV Project to promote the use of digital TV antennas in July. Data from leading national antenna manufacturers shows a 30% increase in antenna sales from Q2 to Q3 in the 13 markets where Scripps ran its marketing campaign.

# SCRIPPS' STRATEGIES FLOW FROM THE OPPORTUNITIES WE SEE IN THE MEDIA LANDSCAPE

> *"The Scripps Networks now engage with 70 million viewers a month and rising. Our networks reach Americans through the same pay TV and virtual MVPD platforms as other networks, but we also have the benefit of the expanding platforms of over-the-air and connected TV FAST networks. This has led us to growing distribution and reach, in growing marketplaces, growing audience shares, growing CPMs, and growing revenue."*
>
> ***– Scripps President and CEO Adam Symson***

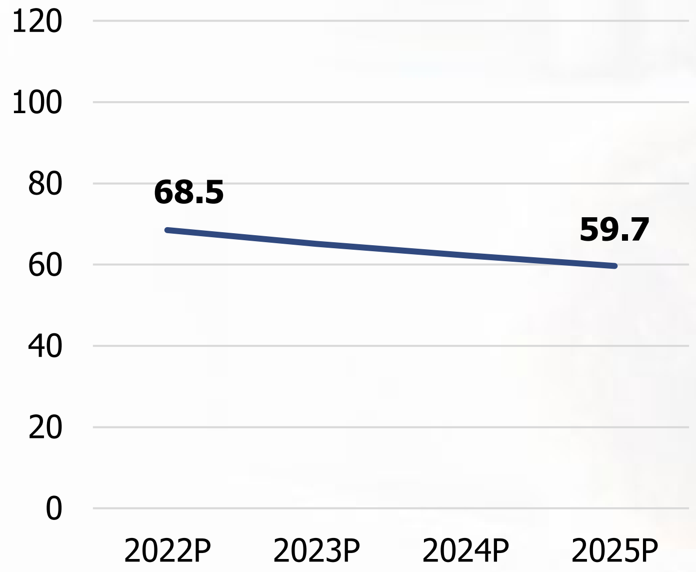
- We own assets that represent a unique mix in today's marketplace, positioning us differently and opening the opportunity to unlock enterprise value from synergies.
- As the dominant player in the growing over-the-air marketplace (we draw more than a quarter of U.S. TV viewers), we are working to aggressively accelerate consumer adoption of over the air beyond its natural growth rate.
- We see the connected TV marketplace as an expanding opportunity for our revenue growth.
- Spectrum is a finite asset with inherent value. As the largest holder of broadcast spectrum, we are seeking new paths to unlock incremental material value beyond today's television programming.
- As a result of our durable asset portfolio, we are financially well positioned to continue the company's evolution.

ADAM SYMSON,
SCRIPPS PRESIDENT & CEO

# TV DISTRIBUTION HAS FRAGMENTED INTO THREE PRINCIPAL PLATFORMS, EACH WITH SUBTLY DIFFERENT CONSUMER PROPOSITIONS AND BUSINESS MODELS

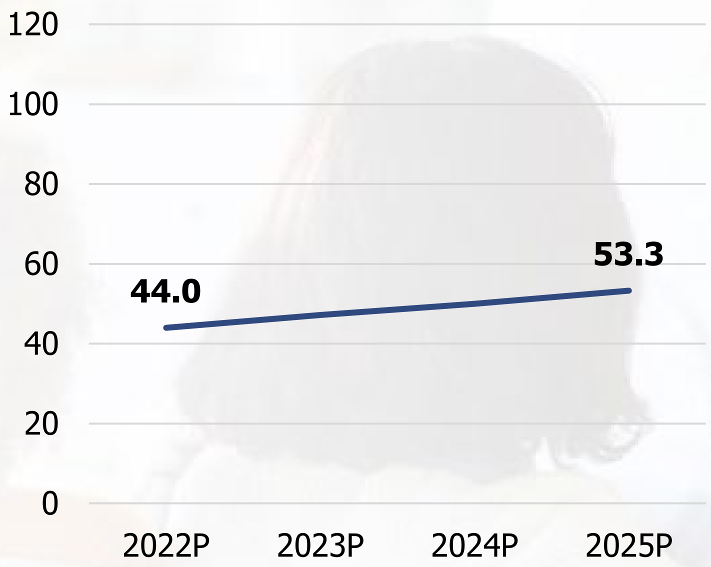
## PAY TV U.S. HOUSEHOLDS

*(in millions)*



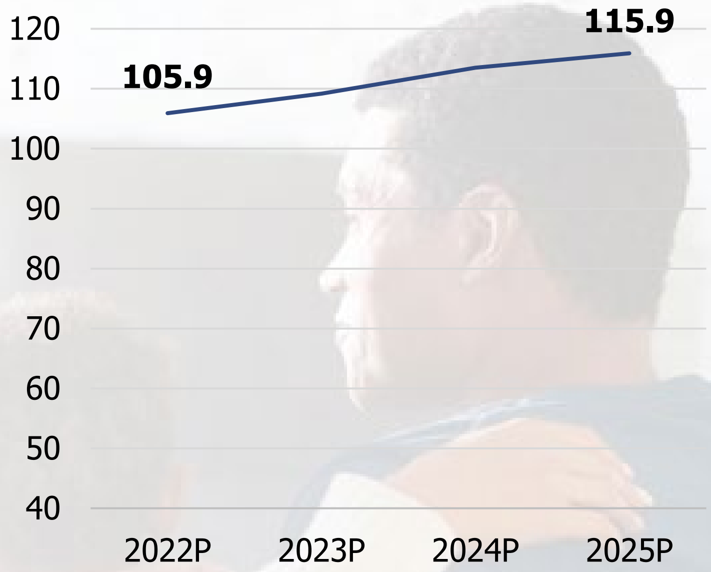

## OTA U.S. HOUSEHOLDS

*(in millions)*




## CONNECTED TV U.S. HOUSEHOLDS

*(in millions)*




WHILE PAY TV REMAINS THE LARGEST REVENUE-GENERATING MARKETPLACE, THE NUMBER OF CONNECTED TV HOUSEHOLDS HAS OUTPACED PAY TV AND HAS REACHED NEAR UBIQUITY. OVER-THE-AIR USE CONTINUES STEADY GROWTH.

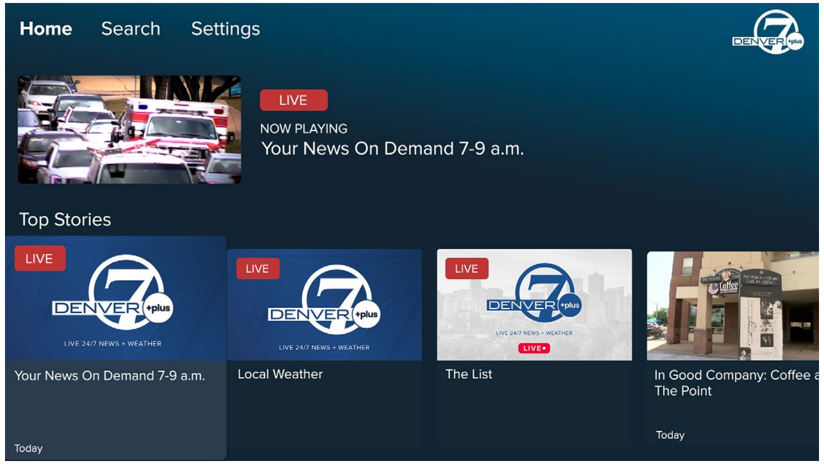
Source: Pay TV HH: eMarketer, February 2022; OTA HH: Scripps' projections based on Nielsen and CTA historical data and S&P Global forecasts
Connected TV: Scripps' forecast based on historical trends. Includes HHs that are CTV-capable via smart TV's and/or connected devices.

# SCRIPPS INTENDS TO CAPITALIZE ON THE GROWING CTV MARKETPLACE AS IT EXTENDS ITS LEADERSHIP IN FREE, AD-SUPPORTED TV


- Connected TV refers to any television delivered through the Internet.
  - Apps on smart TVs such as Netflix, Pluto and YouTube TV
  - Apps or services that come with your TV, such as Samsung TV Plus and Vizio Watch Free
  - Hardware devices such as Roku; and gaming consoles such as Xbox that deliver programming
- Connected TV can be free, ad-supported TV (FAST), advertising video on demand (AVOD) and subscription on demand (SVOD).

# ALL SCRIPPS' LOCAL NETWORK-AFFILIATED STATIONS AND FLORIDA 24 HAVE A PRESENCE ON CONNECTED TV PLATFORMS SUCH AS ROKU AND APPLE TV

- Each market has a 24/7 news and weather streaming channel as the primary product.
  - Live newscast streams
  - On-demand newscast videos
  - Hybrid local/national newscasts and breaking news coverage
  - 24/7 dedicated weather streams
- We reach audiences through **platforms** such as Roku and **services** such as Tubi TV.
- In October 2022, Local Media brands served **10 million video users** nearly **3 million hours** of our programming on over-the-top, mobile and web platforms.
- We're bringing connected TV advertising to local advertisers through our proprietary Scripps Octane solution.




*A view of the KGMH-Denver station interface on Amazon's Fire TV.*

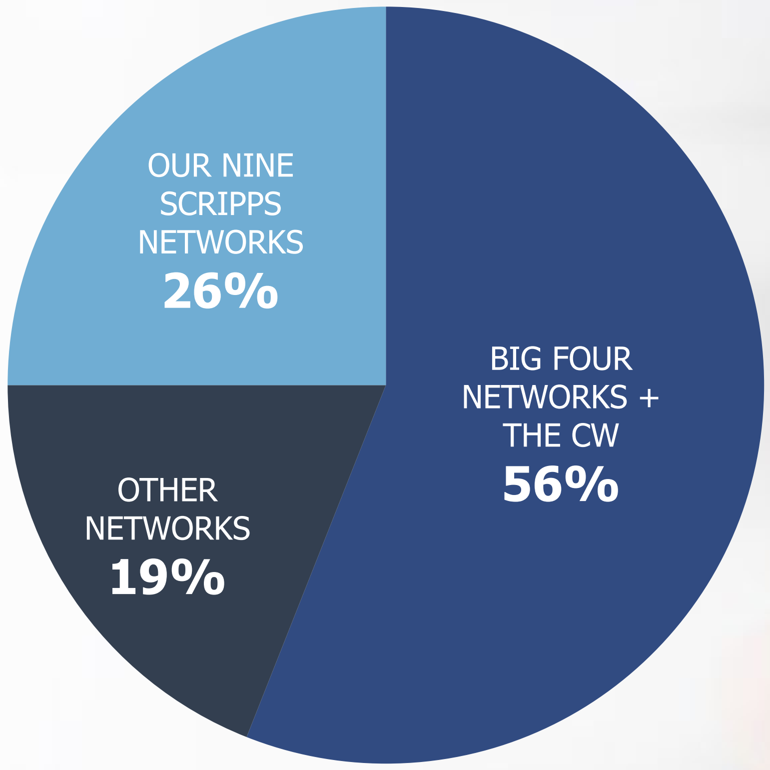
SCRIPPS OCTANE

# WE HAVE AGGRESSIVELY LAUNCHED THE SCRIPPS NETWORKS ON MAJOR CONNECTED TV SERVICES THIS YEAR

| | NEWSY | COURT TV | ion PLUS | BOUNCE | ion | ion MYSTERY | GRIT |
|---|---|---|---|---|---|---|---|
| **YouTubeTV** | *Live Q4* | ✓ | N/A | *Live Q4* | *Live Q4* | *Live Q4* | *Live Q4* |
| **Samsung TV Plus** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Vizio WatchFree+** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Roku Channel** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Xumo** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Tubi** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **FuboTV** | *Live Q4* | *Live Q4* | *Live Q4* | *Live Q4* | *Live Q4* | *Live Q4* | *Live Q4* |
| **TCL** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **FreeVee** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Amazon News** | ✓ | ✓ | N/A | N/A | N/A | N/A | N/A |

# BECAUSE WE ARE LEADERS IN OVER-THE-AIR NETWORKS, SCRIPPS ALSO PLANS TO ACCELERATE GROWTH OF OTA VIEWING

**SHARE OF NATIONAL NETWORK VIEWING WITHIN THE OTA UNIVERSE: PRIMETIME, TOTAL VIEWERS 2021**




Source: Nielsen through Q3 '22. Reflects Live+3 viewing for Total Viewers 2+ within "broadcast-only households" for Mon-Sat 8-11p/Sun 7-11p. Includes nationally-telecast programming only (i.e., excludes local slots). Excludes Spanish-language networks. Not all multicast networks were measured by Nielsen in all years.

# OUR FREE TV CONSUMER MARKETING PROJECT IS DRIVING GROWTH IN THE OVER-THE-AIR MARKETPLACE TO BENEFIT SCRIPPS

## OUR FOUR OBJECTIVES FOR THE FREE TV PROJECT

1 Consumer awareness


2 Improve consumers' experience


3 Further monetize our broadcast signals

4 Foster constant learning and broadcast innovation

> *"In the midst of an economic climate that is challenging consumer spending and confidence, Scripps is leaning into its leadership in free TV to benefit the company and shareholders. Pay TV prices are rising, subscription on-demand services have nearly doubled in price, and the TV marketplace is more confusing to the consumer than ever. It is clear from the results of our earliest initiatives that Americans are seeking to add an option that is free and easy — broadcast television."* ***– Scripps President and CEO Adam Symson***

# WE ALSO ARE BUILDING PARTNERSHIPS WITH LIKEMINDED ORGANIZATIONS TO INFLUENCE THE CONSUMER EXPERIENCE

ANTENNA AND TV ACCESSORIES MANUFACTURERS

RETAILERS

ROOF-TOP ANTENNA INSTALLERS

OUR ANTENNA PARTNERS REPORTED A 30% INCREASE IN DIGITAL ANTENNA SALES, Q2-Q3 2022, IN THE MARKETS WHERE SCRIPPS HAS RUN ITS FREE TV PROJECT CAMPAIGN.

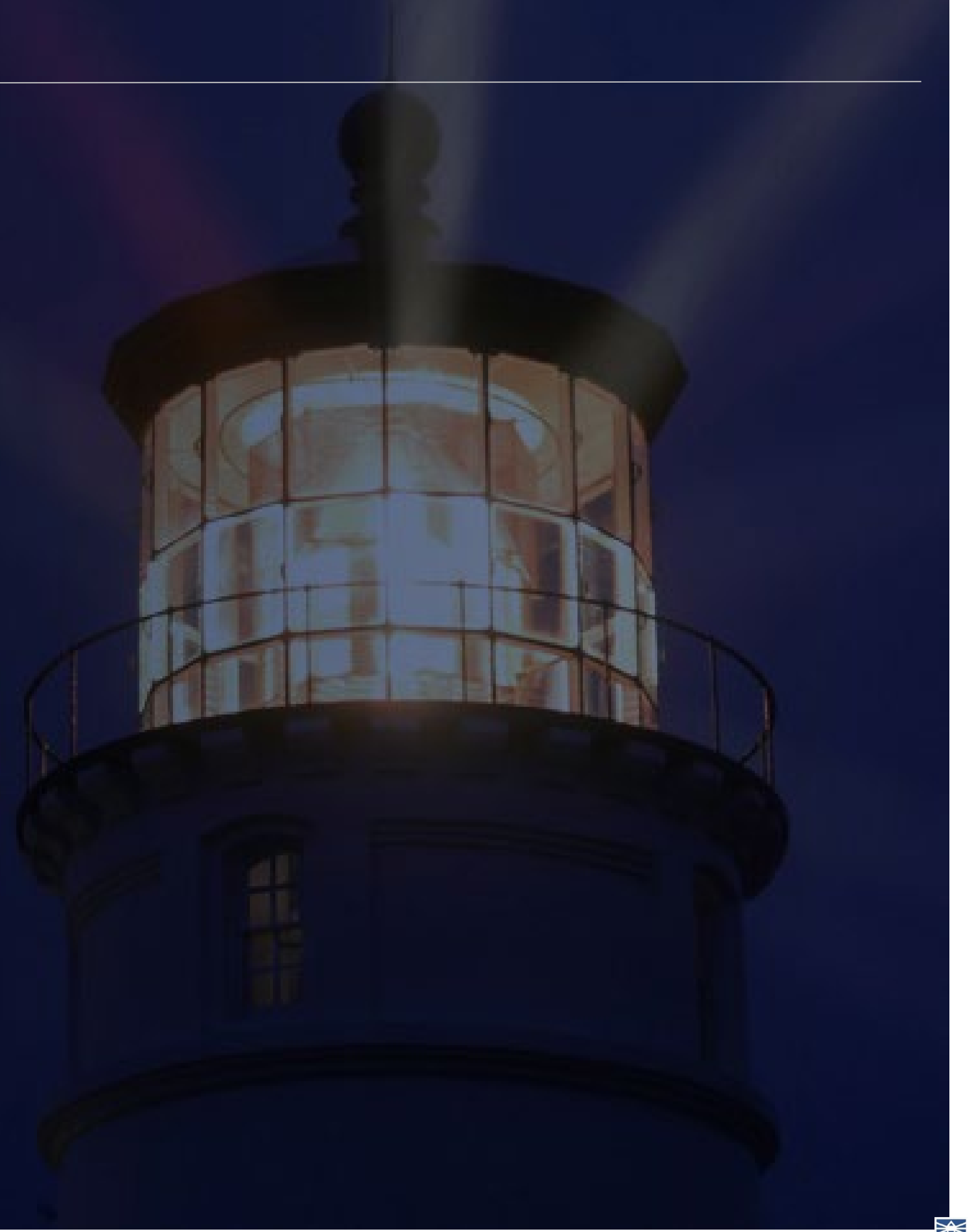
# THIRD-QUARTER 2022 FINANCIAL RESULTS AND DEBT POSITION

# SCRIPPS' Q3 REVENUE GREW 10%, FUELED BY POLITICAL ADVERTISING AND CONNECTED TV REVENUE

- Scripps Networks division revenue was higher than expected in the third quarter at 4% over Q3 2021. (Guidance was flat.)
  - Connected TV (CTV) revenue grew 57% year over year as the division launched more channels on major streaming services. The division expects to reach an annual run rate of more than $100 million in CTV revenue next year.
- Against a strong Q3 2021 core advertising comparison, Local Media delivered revenue growth of 14% by capturing $63 million in political advertising revenue and a 7% increase in retransmission revenue.
  - About 75% of Scripps' subscriber households will renew in 2023 and should lead to revenue growth and margin expansion.
- Due to cost-management efforts, expenses for both divisions came in as expected despite rising inflation.

# LOOKING AHEAD

- **Local Media Q4 revenue** is expected to be up in the mid 20 percent range, year over year. Local Media took in $200 million of political for the full election year.
- **Local Media Q4 expense** is expected to be up in the mid-single-digit percent range.
- **Scripps Networks Q4 advertising revenue** is expected to be down in the mid-to-high-single-digit percent range.
- **Scripps Networks Q4 expenses** are expected to be about flat as we move past the Q3 2021 cost to launch three networks over the air.
- **Free cash flow** is expected to be about $320 million.
- The company expects its **debt ratio** to drop to the mid-4x range by the end of 2022 and remains committed to debt paydown as its top capital allocation priority.



# CAPITAL STRUCTURE AND FINANCIAL POLICY

## Capital Structure

| *($ millions)* | **As of 9/30/22** |
|---|---|
| Secured debt | $2,183 |
| Unsecured debt | 866 |
| Total debt | $3,049 |
| Cash & equivalents | (38) |
| **Net debt** | **$3,010** |
| Preferred stock | 600 |
| Market capitalization | $ 1,110 |

*$ in millions*

| <u>Select Credit Stats:</u> | |
|---|---|
| *Secured leverage* [(1)] | *3.3x* |
| a *Total net leverage* [(1)] | *4.6x* |
| *Liquidity* | *$416* |
| *Weighted avg. cost of debt* | *5.7%* |
| b *Weighted avg. maturity* | *5 years* |
| c *Fixed / floating (%)* | *45.6% / 54.4%* |

(1) Based on LTM 06/30/22 EBITDA of $652.8 million

a *Leverage has decreased as we have applied excess cash toward debt paydown*

b *We have no material debt maturities until 2026*

c *Natural interest hedge with fixed / floating mix*

## Financial Policy

| | |
|---|---|
| Leverage | *Target mid ~3.0x*<br>*De-leverage via excess cash flow* |
| Liquidity | *Access $400 million revolver through 2025*<br>*Maintain average cash balance of $30-40 million* |
| Distributions | *Preferred shares prohibit stock repurchase or dividends while outstanding*<br>*Preferred shares are non-callable for five years + $300 million warrants* |

# QUESTIONS + DISCUSSION

The E.W. Scripps Company

# APPENDIX: GAAP RECONCILIATION

# NON-GAAP INFORMATION

In addition to results prepared in accordance with GAAP, the company discusses free cash flow, a non-GAAP performance measure that management and the company's Board of Directors uses to evaluate the performance of the business. We also believe that the non-GAAP measure provides useful information to investors by allowing them to view our business through the eyes of management and is a measure that is frequently used by industry analysts, investors and lenders as a measure of valuation for broadcast companies. Free cash flow is calculated as non-GAAP Adjusted EBITDA (as defined below), plus reimbursements received from the FCC for repack expenditures, less capital expenditures, preferred stock dividends, interest payments, income taxes paid (refunded) and contributions to defined retirement plans. Adjusted EBITDA is calculated as income (loss) from continuing operations, net of tax, plus income tax expense (benefit), interest expense, losses on extinguishment of debt, defined benefit pension plan expense (income), share-based compensation costs, depreciation, amortization of intangible assets, loss (gain) on business and asset disposals, mark-to-market losses (gains), acquisition and integration costs, restructuring charges and certain other miscellaneous items.

A reconciliation of these non-GAAP measures to the comparable financial measure in accordance with GAAP is as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| (in thousands) | 2022 | 2021 | 2022 | 2021 |
| Income from continuing operations, net of tax | $ 46,248 | $ 58,366 | $ 110,353 | $ 63,082 |
| Provision for income taxes | 16,055 | 16,654 | 44,018 | 48,866 |
| Interest expense | 41,917 | 41,013 | 114,427 | 126,905 |
| Loss (gain) on extinguishment of debt | — | — | (1,234) | 13,775 |
| Defined benefit pension plan expense (income) | (683) | 264 | (2,008) | 250 |
| Share-based compensation costs | 3,902 | 3,627 | 17,785 | 18,328 |
| Depreciation | 15,340 | 14,939 | 46,522 | 43,309 |
| Amortization of intangible assets | 24,225 | 27,147 | 73,807 | 79,035 |
| Losses (gains), net on disposal of property and equipment | 1,593 | (31,109) | 5,651 | (30,954) |
| Acquisition and related integration costs | — | 251 | 1,642 | 35,582 |
| Restructuring costs | — | 1,872 | — | 9,436 |
| Gain on sale of Triton business | — | — | — | (81,784) |
| Losses on stock warrant | — | — | — | 99,118 |
| Miscellaneous, net | 494 | (674) | (1,269) | 6,884 |
| Adjusted EBITDA | 149,091 | 132,350 | 409,694 | 431,832 |
| Capital expenditures | (9,124) | (16,146) | (34,079) | (46,197) |
| Proceeds from FCC Repack | 908 | 4,008 | 2,650 | 18,198 |
| Preferred stock dividends | (12,000) | (12,000) | (36,000) | (33,067) |
| Interest paid | (55,611) | (55,888) | (123,788) | (110,816) |
| Income taxes paid, net of tax indemnification reimbursements | (9,729) | (3,746) | (56,507) | (57,961) |
| Mandatory contributions to defined retirement plans | (247) | (12,305) | (753) | (24,860) |
| Free cash flow | $ 63,288 | $ 36,273 | $ 161,217 | $ 177,129 |