



# The E.W. Scripps Company Investor Presentation

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SPRING 2019



# DISCLAIMER

## Forward-Looking Statements

Certain statements in this communication may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical in nature and which may be identified by the use of words like “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions, are forward-looking statements. These forward-looking statements are based on management's current expectations, and 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 such forward-looking statements. Such forward-looking statements are made as of the date of this communication and should be evaluated with the understanding of their inherent uncertainty. A detailed discussion of principal risks and uncertainties which 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 the statement is made.

# Scripps Investment Highlights

- 1 Portfolio of local and national television / media brands provides diversified revenue streams
- 2 Well-positioned television stations in large markets reaching 30% of U.S. TV households
- 3 Retransmission revenue growth provides additional opportunities to improve margins
- 4 One of the strongest TV footprints for political advertising
- 5 Rapidly growing national media brands that attract large audiences
- 6 Prudently managed balance sheet and strong free cash flow generation over a two-year cycle



# Scripps Is One Of The Nation's Largest Local Broadcasters And Owns Content Brands With National Reach

Scripps serves audiences and businesses through a growing portfolio of local and national media brands. We are well-positioned to serve customers through our two key segments:

- **Local Media:** With 30% U.S. household reach<sup>1</sup>, Scripps is one of the nation's largest independent TV station owners.
- **National Media:** Scripps runs an expanding collection of national content businesses, including the five Katz audience-targeted multicast networks, the next-generation news network Newsy, podcast industry leader Stitcher and digital audio measurement and infrastructure services leader Triton.

## Local Media

- Attractive 60-station portfolio<sup>1</sup> with a diverse network affiliate mix, including 10 markets with two stations
- 30% TV household reach<sup>1</sup>
- Well-respected digital brands and broad over-the-top TV distribution
- Largest owner of ABC affiliates



## National Media

- Fast-growing, audience-targeted brands
- National reach with opportunity to continue to broaden distribution
- Rapidly expanding marketplaces that capitalize on the changing media landscapes, driven by new consumer behaviors
- Moving from direct response to more lucrative general-market advertising to drive revenue growth and profitability



<sup>1</sup> Pro forma for the acquisition of the Nexstar-Tribune stations

# We Have Been Laying The Groundwork For The Next Evolution Of The Company

## WE HAVE:

- Reorganized the company into National Media and Local Media divisions to capitalize on consumer habits
- Acquired more TV stations for scale and market depth
- Acquired Triton – global digital audio leader
- Reduced corporate and division costs
- Sold radio assets
- Improved short-term operating performance, beating guidance across the board in 2018 and doubling expected 2018 political ad revenue
- Initiated a quarterly dividend and an accelerated share repurchase program

## WE WILL:

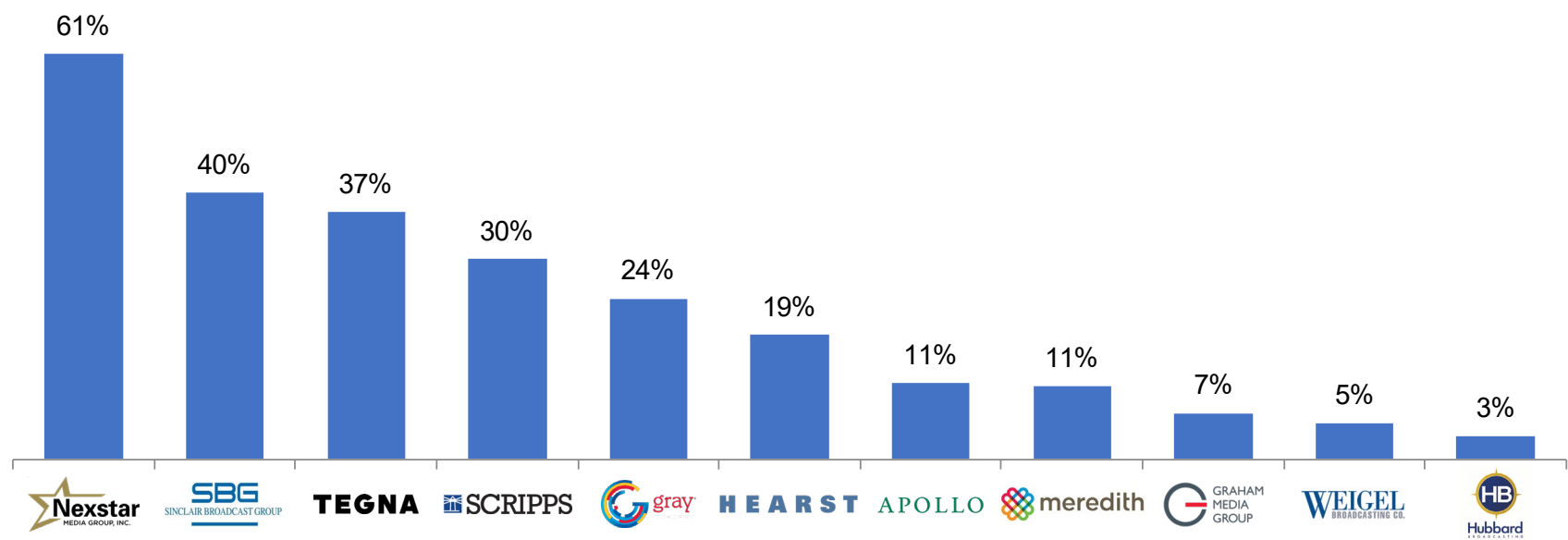
- Integrate our recent acquisitions and those we expect to acquire this fall, including a smooth employee transition and full realization of financial synergies
- Scale national businesses, maximizing audience, revenue growth potential and free cash flow contribution
- Use cash to pay down debt and reduce leverage
- Continue to prioritize near-term operating performance while maintaining our approach to long-term value creation

# The Acquisitions Enhance The Strength And Operating Performance Of Our Local Media Platform

- The acquisitions of Cordillera and the seven Nexstar-Tribune markets expands our reach to 30% of U.S. TV households with 60 stations serving 42 markets.
- Scripps will significantly increase the No. 1- or No. 2-rated TV stations it owns.
- These stations will provide further network diversity in the Scripps portfolio:
  - 18 ABC stations
  - 11 NBC stations
  - 9 CBS stations
  - 4 Fox stations
  - 13 CW affiliates
- Scripps will operate 10 markets with more than one station, efficiently enhancing depth and durability.
- The acquisitions deepen Scripps' presence in seven states and add its first stations in the states of Kentucky, Louisiana, Montana, Virginia and Utah.

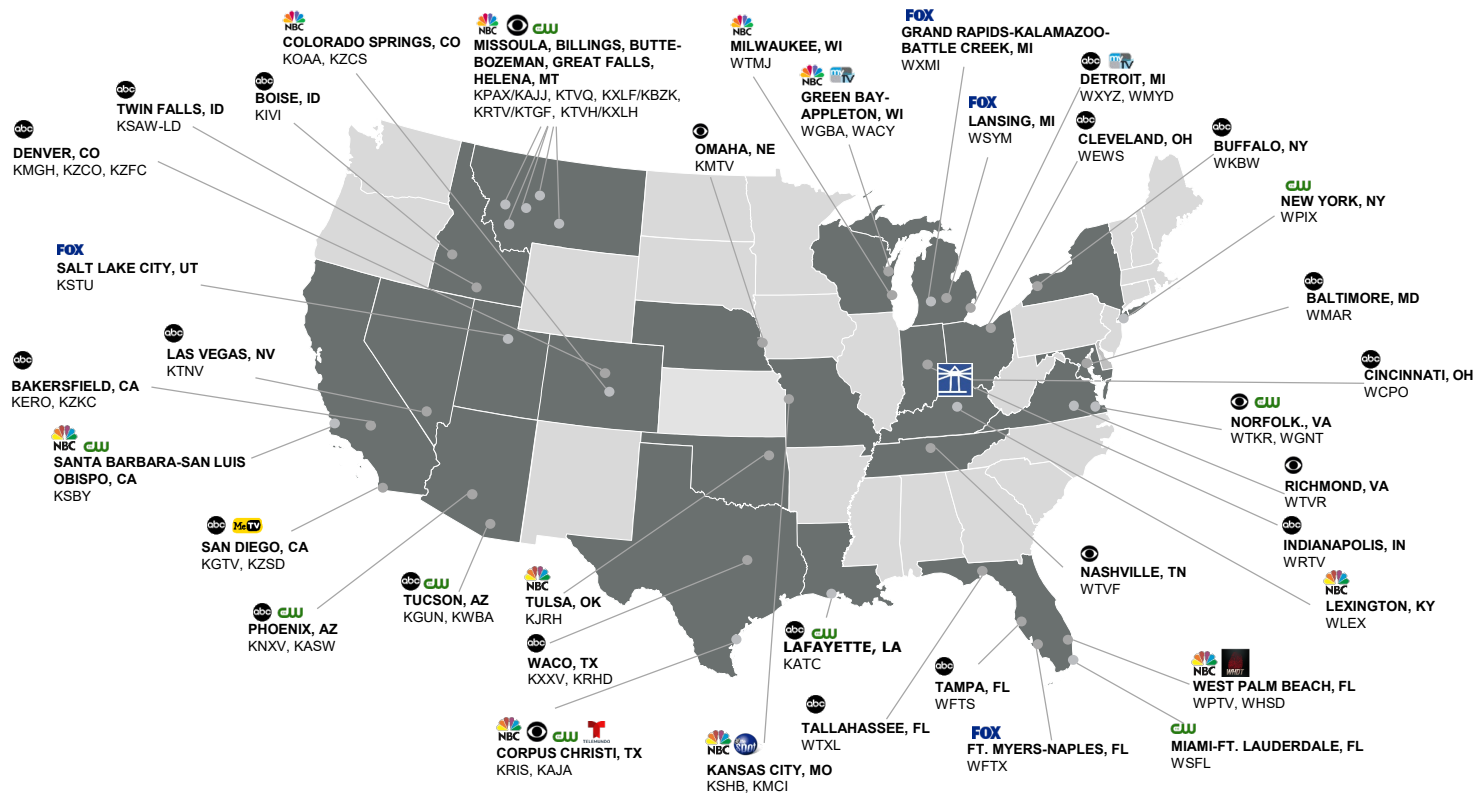
# Upon Closing Of These Transactions, Scripps Will Be The Fourth-Largest Independent Broadcaster

PERCENTAGE OF U.S. TELEVISION HOUSEHOLDS REACHED



Note: Pro forma for all announced transactions as of March 20, including Nexstar’s announced divestitures, plus Scripps’ acquisition of Nexstar-Tribune stations; % of U.S. TV households reached exclusive of the UHF discount

## These Acquisitions Expand Our Local Media Reach To 30% Of U.S. TV Households



Note: Scripps had existing stations in Phoenix, AZ and Colorado Springs, CO





# We Take A Balanced Approach To Allocating Capital With Priority Today On Reducing Debt Ahead Of New M&A

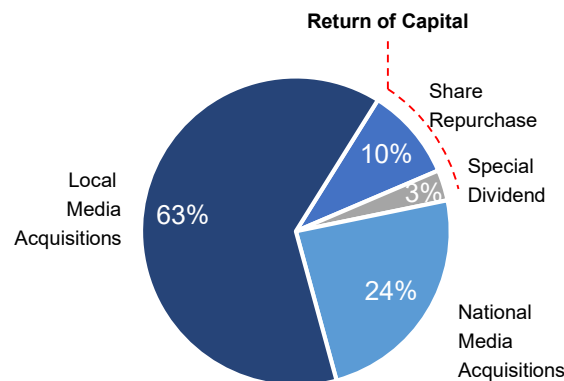
## Local Media acquisitions

- Nexstar-Tribune divestitures: scheduled to close fall 2019
- Cordillera Communications: six NBCs, five CBSs and one ABC, plus three new duopolies
- Raycom: two ABCs, one independent
- Journal: four ABCs, two FOXs, two CBSs, two NBCs, one CW, one MyTV
- Granite: one ABC, one MyNetwork to form Detroit duopoly
- McGraw-Hill: four ABCs, five Aztecas

## National Media acquisitions

- Triton: digital audio measurement and infrastructure
- Katz: five national multicast networks
- Newsy: national news network
- Stitcher/Midroll: podcast industry leader
- Other select acquisitions

## 2012 – 2018 uses of capital



## Share repurchases

- In August 2018, the company implemented a \$25 million accelerated share repurchase program.

## Dividends

- In February 2018, we introduced a regular quarterly dividend of 5 cents per share.
- We paid a \$60 million special dividend at the closing of the Journal transaction in 2015.

Local Media acquisitions figure includes Cordillera and Raycom, which will or did close in 2019; National Media includes \$150 million for Triton, which closed in 2018





## Local Media

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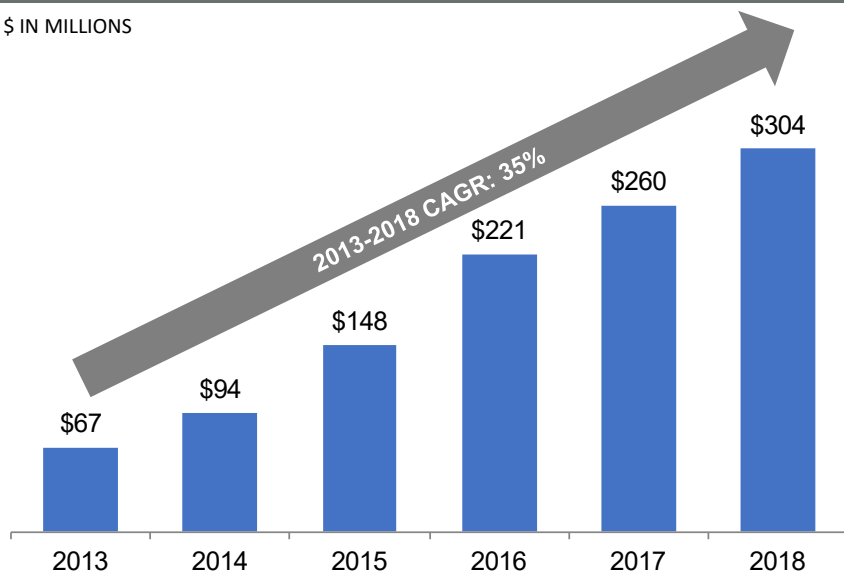
Our audiences engage with us across every platform, so we must serve them consistently well across all of them.



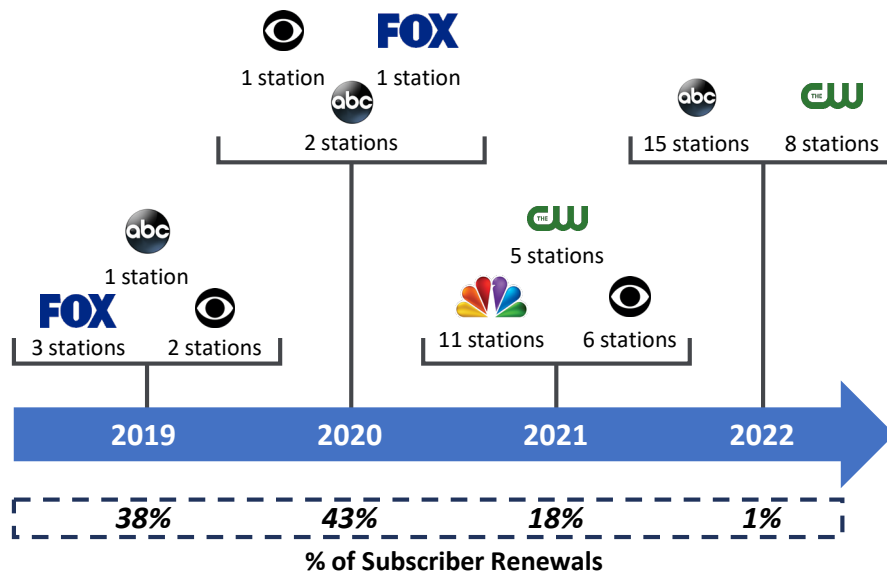
# We Expect Significant Retransmission Revenue Growth Over The Next Two Years

## Gross Retransmission Revenue Trajectory<sup>1</sup>

\$ IN MILLIONS



## Network and MVPD Renewals<sup>2</sup>

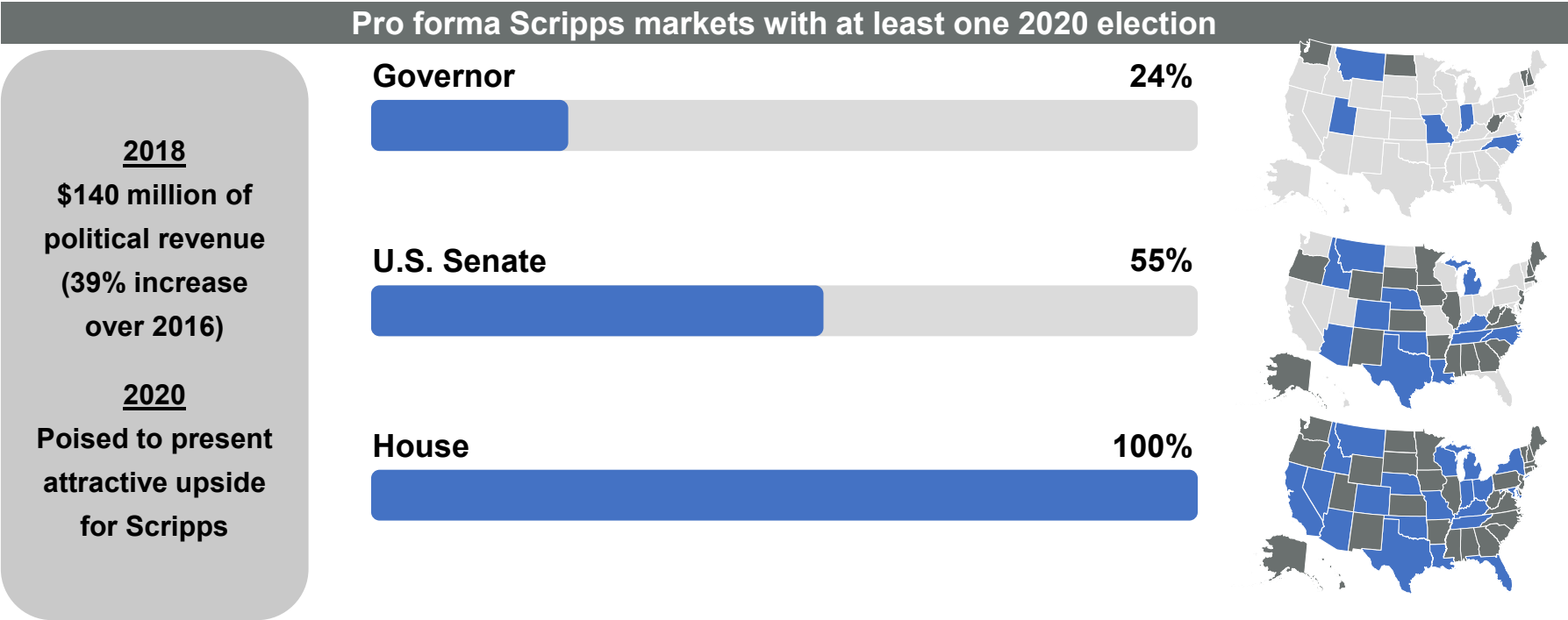


Note: 2013, 2014 and 2015 figures are based on adjusted combined historical results, which do not necessarily reflect historical results and are not necessarily indicative of future results

<sup>1</sup> Excludes incremental retransmission revenue from Cordillera, Nexstar, Waco and Tallahassee stations and Comcast retransmission revenues, net of additional network affiliation fees

<sup>2</sup> Includes Cordillera and Nexstar-Tribune station renewals

# Scripps Television Stations Will Play A Leading Role In The 2020 U.S. Elections



Scripps' markets in projected presidential swing states in the 2020 election will include:  
five each in Florida and in Montana; four in Michigan; three in California;  
and two each in Colorado, New York, Texas and Virginia.

Source: Company filings  
Note: Percentages calculated based on 10/42 markets with Gubernatorial races, 23/42 markets with Senate races and 42/42 markets with House races; Includes Cordillera and Nexstar-Tribune stations

We just  
relaunched  
the iconic  
Court TV as  
part of the  
Katz  
networks.



**BOUNCE**

**GRIT**

**ESCAPE**

**Laff**



**National Media**

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# National Media Provides Entrance Into Fast-Growing Marketplaces With Diversified Revenue Streams

## OUR NATIONAL MEDIA GROWTH PLAN

### For Newsy, Katz and Stitcher:

- Create content that draws key target demographic groups
- Grow nationwide scale and audience reach
- Convert significant inventory from direct response advertising to more lucrative general market advertising

### For Triton:

- Continue to grow market-leading role in digital audio audience measurement
- Provide cutting-edge digital audio infrastructure technology

## THE PROGRESS ON OUR PLAN

**90%+** U.S. household reach for the four legacy Katz networks

**30-40%** margins for Triton

**40 million** Newsy cable subscribers

**90 million** monthly podcast listeners expected in 2020

As a result of this plan, we expect our National Media segment to generate more than \$500 million in revenue in 2021 and to expand its margin.

newsy

BOUNCE

ESCAPE

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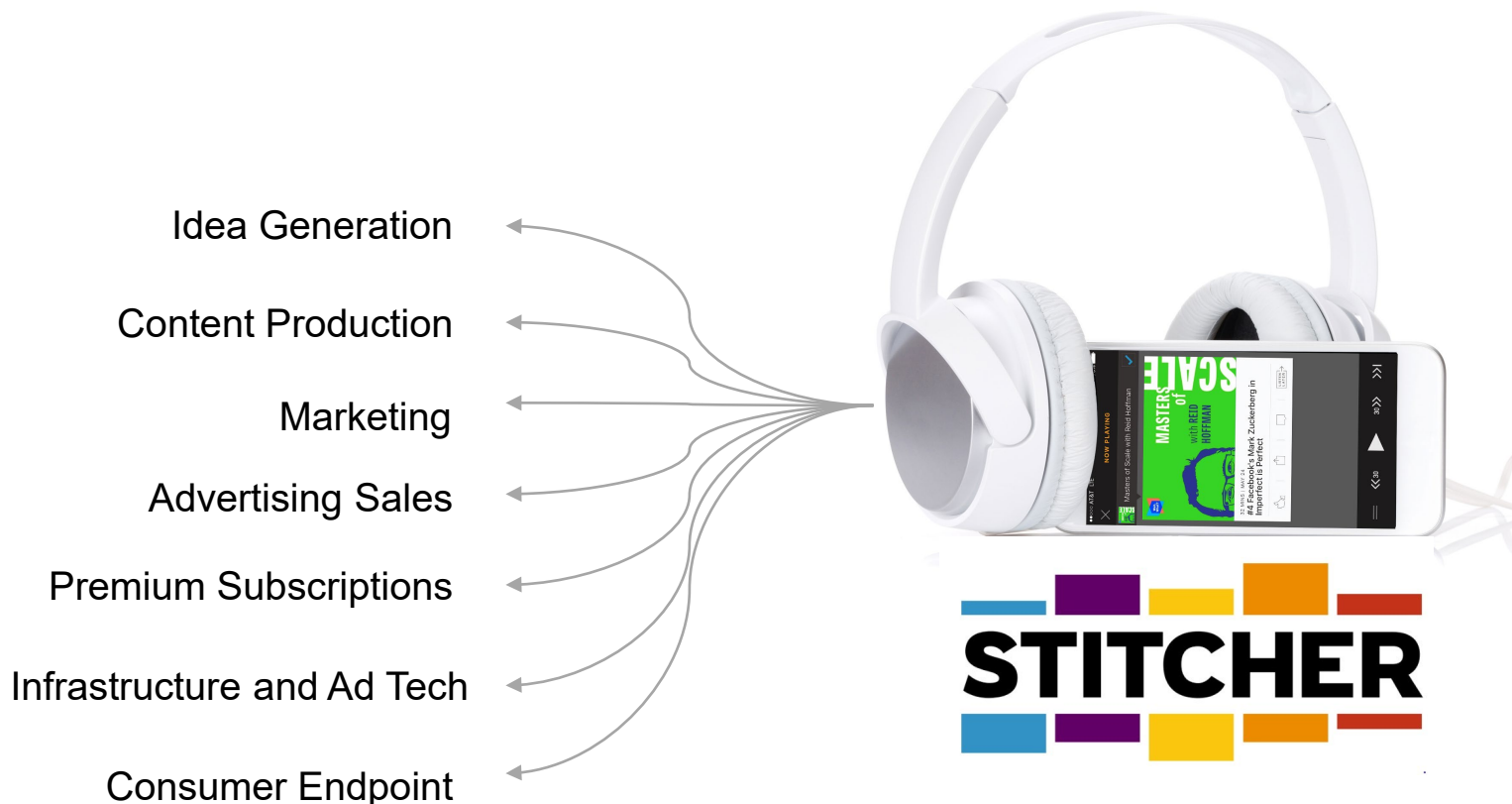


# The Acquisition Of Triton Extends Our Position In The Burgeoning Global Digital Audio Marketplace

- Triton is a leading software-as-a-service (SaaS) company in the digital audio industry.
- Triton operates a business-to-business revenue model and charges audio publishers fees to:
  - Convert content into digital streams
  - Insert digital ads into those streams
  - Measure the listener base to help them sell advertising
- Triton measurement services are the currency by which digital audio advertising is transacted



# Stitcher Serves Partners Across All Parts Of The Podcast Ecosystem



# Newsy Is The Next-Generation News Network, Providing Depth, Context And Objectivity

- Newsy began as a digital news product and has evolved into a national network.
- Newsy reaches viewers through distribution on over-the-top, cable and mobile platforms.
- Newsy creates opinion-free, non-partisan journalism hinging on the slogan “Be informed, not influenced.”

