



## **Nexstar to Acquire Tribune for \$4.1 Billion**

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Nexstar beat out private equity firm Apollo Global Management to acquire Tribune Media, its 42 TV stations, WGN cable network and 31 percent stake in Food Network for \$4.1 billion, the companies confirmed Monday. When Tribune's debt is factored in, the total merger is valued at \$6.4 billion.

"Nexstar has long viewed the acquisition of Tribune Media as a strategically, financially and operationally compelling opportunity that brings immediate value to shareholders of both companies," said Nexstar CEO Perry Sook in a statement announcing the deal.

"We have thoughtfully structured the transaction in a manner that positions the combined entity to better compete in today's rapidly transforming industry landscape and better serve the local communities, consumers and businesses where we operate. As with our past transactions, we have developed a comprehensive regulatory compliance plan and believe we have a clear path to closing."

Reuters first reported the deal on Sunday.

Nexstar's purchase of Tribune was not unexpected after Sinclair Broadcasting's \$3.9 billion attempt to buy the company collapsed in August due to Sinclair's

failure to clear regulatory hurdles. Nexstar had previously kicked the tires on Tribune when it was first put up for sale nearly two years ago.

On Monday, Nexstar CEO Perry Sook said the company plans to divest \$1 billion worth of stations in 13 markets in order to meet the FCC's TV station ownership requirements. Tribune and Nexstar overlap in 15 markets. According to TVNewscheck and a map provided by Nexstar, those are Portland, Ore; Salt Lake City, Des Moines, Iowa; Ft. Smith-Fayetteville, Ark.; Davenport, Iowa; Memphis; Grand Rapids, Mich.; Indianapolis; Huntsville, Ala.; Hartford, Conn.; Wilkes-Barre/Scranton, Pa.; Hagerstown, Md./Washington, D.C.; Richmond, Va.; and Norfolk, Va..

Tribune owns stations in top-three markets New York, Los Angeles and Chicago, making it a powerful station group. Overall, Nexstar owns 174 television stations covering almost 40 percent of the U.S.

The combined company will have 216 fully owned and managed stations in 118 markets. Even with that number of stations, the new Nexstar should remain under the FCC's national ownership cap of 39 percent of the U.S., when the FCC's 50 percent discount for stations operating on the UHF frequency band is accounted for.

New Fox - which is composed of TV stations, broadcast network and Fox News - is expected to at least attempt to buy some of Tribune's Fox-affiliated stations, although Sook said Monday that no such deal is currently in place. New Fox had a deal with Sinclair to acquire seven Tribune-owned Fox affiliates for \$910 million before the Tribune-Sinclair merger crumbled.

Nexstar's purchase of Tribune is the latest large media merger in a time where many media companies are consolidating in an attempt to stay competitive in a world of giant players, such as Amazon, Apple, Facebook and Netflix. In the past year, AT&T has acquired Time Warner and Disney is closing on its acquisition of Fox. Viacom and CBS also are expected to recombine.

On the TV station side, Cox has put its 14 stations on the block.