



## **TEGNA to Acquire the Leading Television Stations WTOL in Toledo, OH, and KWES in Odessa-Midland, TX**

August 20, 2018

MCLEAN, Va.--(BUSINESS WIRE)--Aug. 20, 2018-- TEGNA Inc. (NYSE: TGNA) today announced the company has entered into a definitive agreement with Gray Television, Inc. to acquire the leading local stations WTOL, the CBS affiliate in Toledo, OH, and KWES, the NBC affiliate in Odessa-Midland, TX, for \$105 million in cash.

In June, Gray and Raycom Media, Inc. jointly announced they entered into an agreement to combine their companies. As part of that agreement, Gray announced they would be divesting WTOL and KWES from their portfolio. TEGNA's agreement to acquire WTOL and KWES is contingent on the close of the Gray-Raycom merger, expected to take place in the fourth quarter of 2018. It is also subject to customary regulatory approvals and closing conditions.

The transaction, structured as an asset purchase, represents a compelling purchase price multiple of 5.0 times expected average 2017/2018 EBITDA, including run rate synergies and net present value tax savings in the high-teen millions (or 5.9 times, prior to tax savings). TEGNA expects the transaction to be accretive to EPS in less than a year after close and immediately accretive to free cash flow. TEGNA will finance the transaction through the use of available cash and borrowing under its existing credit facility. The transaction will have no material impact on TEGNA's leverage.

"WTOL and KWES are strong, leading local media brands, with deep roots in their community. They are an excellent strategic and financial fit with our portfolio," said Dave Lougee, president and CEO, TEGNA. "As we've seen with the results of our recent acquisition of KFMB in San Diego, TEGNA has a proven track record of acquiring highly attractive assets that create value for shareholders. We continue to invest in growth and remain well positioned to capitalize on consolidation opportunities that are both strategic and financially prudent."

News leader WTOL reaches nearly 380,000 TV households throughout Northwest Ohio and Southeast Michigan, two key battleground political states. The station will join TEGNA's WKYC, the NBC affiliate in Cleveland, in serving Ohio audiences and advertisers.

The acquisition of KWES, which covers West Texas, will further deepen TEGNA's presence in the high-growth state of Texas. With the addition of KWES, TEGNA will own 12 stations in Texas, covering 87 percent of the state.

TEGNA is the largest independent NBC affiliate group and the second largest CBS affiliate group. TEGNA currently owns 47 stations in 39 markets, covering one-third of U.S. television households, and is the largest owner of top 4 affiliates in the top 25 markets.

TEGNA's nationwide scale and resources will bring content, operational and sales synergies, driven by mechanical revenue and cost efficiencies, to WTOL and KWES. Under TEGNA ownership, the stations will be able to better serve customers and advertisers through innovative content and market-leading advertising solutions across platforms.

### **About TEGNA**

TEGNA Inc. (NYSE: TGNA) is an innovative media company that serves the greater good of our communities. With 47 television stations and two radio stations in 39 markets, TEGNA delivers relevant content and information to consumers across platforms. It is the largest owner of top 4 affiliates in the top 25 markets, reaching approximately one-third of all television households nationwide. Each month, TEGNA reaches 50 million adults on-air and approximately 30 million across its digital platforms. TEGNA has been consistently honored with the industry's top awards, including Edward R. Murrow, George Polk, Alfred I. DuPont and Emmy Awards. TEGNA delivers results for advertisers through unparalleled and innovative solutions including OTT local advertising network [Premion](#), centralized marketing resource Hatch, and [G/O Digital](#), a one-stop shop for local businesses to connect with consumers through digital marketing. Across platforms, TEGNA tells empowering stories, conducts impactful investigations and delivers innovative marketing solutions. For more information, visit [www.TEGNA.com](http://www.TEGNA.com).

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