

Discovery and Scripps seek to tie up in \$12 billion TV deal

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In this Tuesday, Oct. 14, 2014, file photo, Jonathan Scott, left, and Drew Scott, of HGTV's "Property Brothers" cable television show, mimic traders as they visit the post that handles Scripps Networks Interactive, on the floor of the New York Stock Exchange, after ringing the opening bell. Discovery Communications is buying media company Scripps Networks Interactive Inc. in a cash-and-stock deal worth \$14.6 billion that will help it reach more female viewers, announced Monday, July 31, 2017. (AP Photo/Richard Drew, File)

Discovery Communications will buy Scripps Networks for close to \$12 billion, tying together two powerful stables of TV shows ranging from Animal Planet to the Food Network.

The deal, announced Monday, puts the combined company in a strong position to draw more women viewers.

Other channels include Discovery's TLC and the Discovery Channel. Scripps owns HGTV and the Travel Channel, among others. The combined company will house five of the top pay TV networks for women and account for more than 20 percent share of women watching prime-time pay TV in the U.S.

The transaction is valued at \$90 per share, about a 4 percent premium to Scripps' Friday closing price of \$86.91. The per-share price includes \$63 per share in cash and \$27 per share in Discovery's Class C shares. The transaction also includes approximately \$2.7 billion in Scripps' debt.

The companies said Monday that they expect about \$350 million in cost savings.

The buyout, which still needs approval from the shareholders of both companies, is targeted to close by early next year.

Shares of Discovery Communications Inc. rose 2.6 percent before the market open, while shares of Scripps Networks Interactive Inc. edged up slightly.

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