

Nexstar to buy Tribune Media for \$4.1 bn

December 3 2018



Nexstar's acquisition of Tribune Media will give it access to about 40 percent of US households, including most of the top media markets

Tribune Media agreed Monday to be acquired by Nexstar Media Group for \$4.1 billion in a deal that would create the largest operator local US television stations.

The [deal](#) combines two companies with limited geographic overlap in the United States that together will reach about 39 percent of US television households including many top markets, the companies said.

The combined entity will have representation in 37 of the top 50 markets, according to Briefing.com.

The combined entity will be positioned to "better compete in today's rapidly transforming industry landscape and better serve the [local communities](#), consumers and businesses where we operate," said Nexstar Chief Executive Perry Sook.

"The transaction offers synergies related to the enhanced scale of the combined broadcast and digital media operations, and increases our audience reach by approximately 50%."

Nexstar currently owns, operates or programs for 174 stations, while Tribune owns or operates 42 local stations and holds a number of other investments, including a 31 percent stake in Television Food Network. The [company](#) indicated it expects to have to sell off some stations due to the deal.

The nearly 40 percent share of US households reached will be followed by Tegna with 27 percent and Sinclair Broadcasting and Fox, each with 25 percent, according to the statement released by the companies.

Tribune previously had reached a deal to be acquired by Sinclair, but the transaction died in August after the Federal Communications Commission balked at Sinclair's proposal to address market concentration concerns.

A note from Briefing characterized regulatory approval as a "potential wrinkle" and said that "time will tell" if the transaction is consummated.

"Divestitures of some kind will likely be required before the transaction is permitted," Briefing said. "Nexstar believes it has a clear path to closing, but there will be uncertainty ahead. The FCC tends to be quite stringent on [media TV station](#) combinations."

Nexstar will pay \$46.50 a share for Tribune, or about \$4.1 billion, a premium of 15.5 percent from the closing price on Friday. With debt, the overall value is \$6.4 billion, the companies said.

Shares of Tribune rose 9.9 percent to \$44.24, while Nexstar advanced 2.7 percent to \$84.85 in early afternoon trading.

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Citation: Nexstar to buy Tribune Media for \$4.1 bn (2018, December 3) retrieved 31 January 2023 from <https://phys.org/news/2018-12-nexstar-tribune-media-bn.html>

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