

The E.W. Scripps Company: Evaluating an Unsolicited Proposal

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Topic: Operations Strategy, Mergers & Acquisitions, Pricing Strategy

Industry: Broadcasting

Source: Strategy & Finance

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Case overview

- **Audience:** MBA and executive strategy / corporate finance discussion
- **Company / industry:** The E.W. Scripps Company (NASDAQ: SSP); broadcast television, networks and related media
- **Decision date:** November 24, 2025
- **Information cutoff:** November 24, 2025, end of day ET; written sources only
- **Decision scope:** A hypothetical adviser recommendation to the Scripps Board on how to evaluate and respond to Sinclair's unsolicited proposal before Sinclair's requested December 5 response date
- **Case version:** Final, 3 October 2026

The situation

On November 24, 2025, Scripps publicly confirmed that it had received an unsolicited acquisition proposal from Sinclair. Scripps said its Board, in consultation with legal and financial advisers, would review the proposal and decide what course it believed best served the company, shareholders, employees and communities. The company said shareholders did not need to act at that time and would not comment further until the review was complete. [P4, lines 30-38]

Sinclair's proposal was not a signed merger agreement or a cash-only offer. Sinclair proposed \$7 per Scripps share: \$2.72 in cash and \$4.28 in common stock of a proposed combined company. Shareholders could elect all cash or all stock, subject to proration. Sinclair requested a response by December 5, while stating that its proposal was nonbinding and subject to definitive documentation and conditions. [P3, Schedule 13D/A, Item 4, lines 85-96; Exhibit A, lines 29-40]

Your role is hypothetical. Assume you advise Scripps's Board on November 24, after its public statement. Recommend an initial process for evaluating the proposal. The public record does not disclose an actual Board vote, private disagreement, special committee, or final decision. Do not treat the bidder's requested date as a deadline the Board has accepted.

Company and financial context

Scripps reports two principal segments. Local Media includes more than 60 local television stations and related digital operations; its revenue comes primarily from advertising and retransmission fees. Scripps Networks includes national news and entertainment brands, with revenue primarily from advertising. [P1, lines 1370-1373, 1410-1412]

For the nine months ended September 30, 2025, Scripps reported \$1.590 billion in operating revenue, compared with \$1.781 billion in the prior-year period. Management attributed much of the decline in Local Media revenue to lower political advertising in a non-election year. These results describe the business through September; they do not estimate what a combined company would earn. [P1, lines 1333-1348, 1395]

The latest reported balance sheet was dated September 30, 2025. It showed \$54.7 million in cash and \$2.701 billion of total debt principal. After debt issuance costs and the current portion, the balance sheet reported \$2.637 billion of long-term debt carrying value. [P1, lines 209-264, 760-789]

Scripps also reported \$269 million of additional borrowing capacity across its revolving-credit and accounts-receivable securitization facilities. The company had no borrowings outstanding under the revolving credit facilities; separately, \$360 million was outstanding under the securitization facility, whose availability depends on eligible receivables. Management said its current plan supported sufficient liquidity for operating needs over the next 12 months. The \$269 million is capacity, not cash; the liquidity statement is management's assessment based on its plan. [P1, lines 1447-1451]

Scripps's Series A preferred stock had \$600 million aggregate face value and \$101 million of unpaid cumulative dividends at September 30; its reported redemption value was \$733.753 million. The 10-Q describes holder redemption rights following a defined change of control and restrictions on common dividends and repurchases until the preferred stock is redeemed. The legal effect of Sinclair's proposed structure requires instrument-specific analysis. [P1, lines 1137-1143]

What Sinclair proposed

Sinclair described its proposal as a combination that would separate its ventures business and some corporate infrastructure from its broadcast business, then combine the broadcast business with Scripps. The proposed parent would retain Sinclair's dual-class structure. Sinclair said the Scripps family would retain voting control of the issuer of existing Scripps debt and preferred stock during integration. These are proposed terms and bidder explanations, not independently verified legal conclusions. [P3, Schedule 13D/A, Item 4, lines 90-96; Exhibit A, lines 37-40]

Sinclair presented the \$7 package as a 200% premium to a \$2.34 30-day volume-weighted average price through November 6, a reference point Sinclair selected as the last trading day before its significant buying activity. It described the cash component as a 16% premium to the unadjusted share price. Sinclair also based its NewCo valuation on approximately \$325 million in estimated synergies and a 7.0x enterprise-value-to-EBITDA multiple. Those figures and comparisons are Sinclair's claims; they are not an independent Scripps valuation or a verified forecast. [P3, Exhibit A, lines 29-40, 46-50]

Sinclair said Sinclair Television Group had adequate cash on hand to finance the \$233 million cash consideration. Its filing also said the cash portion would be funded from the bidder's balance sheet and available liquidity, including a recently enhanced accounts-receivable

facility. The public packet contains no financing commitment letter or independent proof of funds. [P3, Exhibit A, lines 29-31; Schedule 13D/A, Item 4, lines 95-96]

Your assignment

Prepare a one-page recommendation for the hypothetical Scripps Board adviser. Choose one initial path:

1. Engage Sinclair bilaterally and request complete terms and supporting information.
2. Use a controlled market check to test whether other parties would engage.
3. Decline further engagement for now and continue operating independently.

Explain the strongest argument against your choice. Specify the information and protections the Board should require before deciding whether to continue, broaden, or end the process. Give a proposed timetable, while explaining whether and why the Board should respond by Sinclair's requested December 5 date. Do not assume another bidder exists, that a public auction is required, or that any option is automatically superior.

The source record does not provide an independent Scripps valuation, standalone forecast, NewCo share-count and exchange mechanics sufficient to value the \$4.28 stock component, detailed synergy support, a transaction funds flow, financing commitments, or instrument-by-instrument debt and preferred rights analysis. Identify which gaps matter most to your first recommendation. Do not calculate a point estimate of "fair value" from Sinclair's premium or synergy claim.

Public source list

- **P1.** The E.W. Scripps Company, Form 10-Q for the quarter ended September 30, 2025, filed November 7, 2025. [SEC filing](#)
- **P2.** The E.W. Scripps Company, definitive proxy statement, filed March 20, 2025. [SEC filing](#)
- **P3.** Sinclair, Inc., Schedule 13D Amendment No. 2 concerning The E.W. Scripps Company, filed November 24, 2025, including Exhibit A. [SEC filing](#) · [Proposal Exhibit A](#)
- **P4.** The E.W. Scripps Company, "Scripps confirms receipt of unsolicited proposal from Sinclair, Inc.," November 24, 2025. [Company release](#)

Information boundary: This case uses cited written material available by November 24, 2025, end of day ET. It excludes oral remarks and all later events, including Scripps's November 25 rights plan and December 16 rejection.