

SINCLAIR BROADCAST GROUP, INC.
Reconciliation of Non-GAAP Measurements - Unaudited
All periods reclassified to conform with current year GAAP presentation

Free Cash Flow (in thousands)	Quarters Ended	
	3/31/18	6/30/18
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$43,123	\$28,041
Add: Inc (Loss) from Non Controlling Interests	62	61
Add: Loss (Income) from Equity Investments	12,477	17,483
Add: Cash Distributions from Equity Investments	10,129	5,620
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	(214)	(31)
Add: Tax Provision (Benefit)	(15,628)	(3,297)
Add: Amortization of Deferred Financing & Bond Discounts/Premiums	1,932	1,863
Add: Loss (Gain) on Sale of Assets	(21,109)	(4,741)
Add: Amortization of Intangible Assets & Other Assets	43,605	43,117
Add: Depreciation & Amortization of Property, Plant & Equipment	27,325	23,117
Add: Total Stock Based Compensation	8,545	7,233
Add: Amortization of Program Contract Costs	26,950	24,710
Less: Cash taxes Received (Paid)	(493)	(3,534)
Less: Cash Film Payments	(28,491)	(27,506)
Less: Capital Expenditures	(18,824)	(21,840)
Free Cash Flow	\$89,389	\$90,296
Adjustment for transaction, legal and other one-time expense	\$21,757	\$44,796
Adjusted Free Cash Flow	\$111,146	\$135,092
Weighted Average Common and Common Equivalent Shares Outstanding	102,917	102,986
EBITDA (in thousands)		
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$43,123	\$28,041
Add: Inc (Loss) from Non Controlling Interests	871	1,268
Add: Provision (Benefit) for Income Taxes	(15,628)	(3,297)
Add: Other Expenses (Income)	(431)	(593)
Add: Loss (Income) from Equity Investments	12,477	17,483
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	(214)	(31)
Add: Interest Expense	69,741	92,271
Less: Interest Income	(2,626)	(3,560)
Add: Loss (Gain) on Sale of Assets	(21,109)	(4,741)
Add: Amortization of Intangible Assets & Other Assets	43,605	43,117
Add: Depreciation & Amortization of Property, Plant & Equipment	27,325	23,117
Add: Total Stock Based Compensation	8,545	7,233
Add: Amortization of Program Contract Costs	26,950	24,710
Less: Cash Film Payments	(28,491)	(27,506)
EBITDA	\$164,138	\$197,512
Adjustment for transaction, legal and other one-time expense	\$4,757	\$5,536
Adjusted EBITDA	\$168,895	\$203,048
Television Broadcast Cash Flow (in thousands)		
EBITDA	\$164,138	\$197,512
Less: Non-Media Revenues	(21,701)	(34,281)
Add: Non-Media Expenses (including R&D)	21,223	30,953
Less: Corporate Stock Based Compensation Expense	(3,348)	(2,675)
Add: Corporate General & Administrative Expenses	24,596	29,685
TV Broadcast Cash Flow	\$184,908	\$221,194

Free Cash Flow (in thousands)	Quarters Ended				Full Year
	3/31/17	6/30/17	9/30/17	12/31/17	2017
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$57,202	\$44,643	\$30,640	\$443,528	\$576,013
Add: Inc (Loss) from Non Controlling Interests	12,188	(8)	(22)	(61)	12,097
Add: Loss (Income) from Equity Investments	1,321	(1,462)	4,362	9,698	13,919
Add: Cash Distributions from Equity Investments	5,367	7,566	3,012	4,104	20,049
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	1,152	(15)	0	0	1,137
Add: Tax Provision (Benefit)	28,579	24,879	17,118	(145,937)	(75,361)
Add: Amortization of Deferred Financing & Bond Discounts/Premiums	1,902	1,948	1,924	1,926	7,700
Add: Loss (Gain) on Sale of Assets	(53,347)	(150)	(34)	(225,341)	(278,872)
Add: Amortization of Intangible Assets & Other Assets	45,554	43,377	43,368	46,523	178,822
Add: Depreciation & Amortization of Property, Plant & Equipment	23,982	23,603	24,442	25,077	97,104
Add: Total Stock Based Compensation	8,048	4,396	3,475	4,671	20,590
Add: Amortization of Program Contract Costs	31,019	28,896	28,047	27,561	115,523
Less: Cash taxes Received (Paid)	(195)	(76,898)	(15,673)	(20,895)	(113,661)
Less: Cash Film Payments	(28,600)	(28,552)	(27,347)	(26,971)	(111,470)
Less: Capital Expenditures	(20,773)	(12,733)	(20,535)	(26,223)	(80,264)
Free Cash Flow	\$113,399	\$59,490	\$92,778	\$117,660	\$383,327
Adjustment for transaction, legal and other one-time expense (net of tax)	\$0	\$5,485	\$6,966	\$17,944	\$30,395
Adjusted Free Cash Flow	\$113,399	\$64,975	\$99,744	\$135,604	\$413,722
Weighted Average Common and Common Equivalent Shares Outstanding	93,693	103,665	103,055	102,615	102,615
EBITDA (in thousands)					
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$57,202	\$44,643	\$30,640	\$443,528	\$576,013
Add: Inc (Loss) from Non Controlling Interests	13,501	1,392	1,927	1,270	18,090
Add: Provision (Benefit) for Income Taxes	28,579	24,879	17,118	(145,937)	(75,361)
Add: Other Expenses (Income)	(722)	40	(466)	(1,723)	(2,871)
Add: Loss (Income) from Equity Investments	1,321	(1,462)	4,362	9,698	13,919
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	1,152	(15)	0	0	1,137
Add: Interest Expense	57,314	50,959	51,743	52,295	212,312
Less: Interest Income	(722)	(1,588)	(1,877)	(1,552)	(5,739)
Add: Loss (Gain) on Sale of Assets	(53,347)	(150)	(34)	(225,341)	(278,872)
Add: Amortization of Intangible Assets & Other Assets	45,554	43,377	43,368	46,523	178,822
Add: Depreciation & Amortization of Property, Plant & Equipment	23,982	23,603	24,442	25,077	97,104
Add: Total Stock Based Compensation	8,048	4,396	3,475	4,671	20,590
Add: Amortization of Program Contract Costs	31,019	28,896	28,047	27,561	115,523
Less: Cash Film Payments	(28,600)	(28,552)	(27,347)	(26,971)	(111,470)
EBITDA	\$184,281	\$190,418	\$175,398	\$209,099	\$759,197
Adjustment for transaction, legal and other one-time expense	\$0	\$6,085	\$8,769	\$23,409	\$38,263
Adjusted EBITDA	\$184,281	\$196,503	\$184,167	\$232,508	\$797,460
Television Broadcast Cash Flow (in thousands)					
EBITDA	\$184,281	\$190,418	\$175,398	\$209,099	\$759,197
Less: Other Non-Media Revenues	(19,880)	(15,007)	(14,935)	(19,456)	(69,278)
Add: Other Non-Media Expenses	17,248	14,731	14,945	18,279	65,202
Add: Research and Development	1,157	1,345	2,551	4,947	10,000
Less: Corporate Stock Based Compensation Expense	(5,708)	(2,109)	(1,339)	(2,525)	(11,681)
Add: Corporate General & Administrative Expenses	20,576	25,051	25,831	41,795	113,253
TV Broadcast Cash Flow	\$197,674	\$214,429	\$202,452	\$252,139	\$866,694

Free Cash Flow (in thousands)	Quarters Ended				Full Year
	3/31/16	6/30/16	9/30/16	12/31/16	2016
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$24,137	\$49,419	\$50,844	\$120,897	\$245,297
Add: Inc (Loss) from Non Controlling Interests	(61)	(58)	(59)	(41)	(219)
Add: Loss (Income) from Equity Investments	(423)	(943)	(1,423)	1,054	(1,735)
Add: Cash Distributions from Equity Investments	2,609	1,604	4,424	2,652	11,289
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	(28)	(397)	23,630	(49)	23,156
Add: Tax Provision (Benefit)	12,180	26,605	26,986	56,357	122,128
Add: Amortization of Deferred Financing & Bond Discounts/Premiums	2,403	2,523	2,334	2,333	9,593
Add: Loss (Gain) on Sale of Assets	(2,660)	(11)	(3,311)	(47)	(6,029)
Add: Amortization of Intangible Assets & Other Assets	43,765	45,626	47,807	46,598	183,796
Add: Depreciation & Amortization of Property, Plant & Equipment	24,036	24,410	25,886	24,199	98,531
Add: Total Stock Based Compensation	6,593	3,871	3,779	3,711	17,954
Add: Amortization of Program Contract Costs	33,460	30,821	32,441	31,158	127,880
Less: Cash taxes Received (Paid)	(3,173)	(28,585)	(36,600)	(27,796)	(96,154)
Less: Cash Film Payments	(28,615)	(28,626)	(27,383)	(26,880)	(111,504)
Less: Capital Expenditures	(25,850)	(23,936)	(18,815)	(25,865)	(94,466)
Free Cash Flow	\$88,373	\$102,323	\$130,540	\$208,281	\$529,517
Weighted Average Common and Common Equivalent Shares Outstanding	95,614	95,934	94,766	91,357	91,357
EBITDA (in thousands)					
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$24,137	\$49,419	\$50,844	\$120,897	\$245,297
Add: Inc (Loss) from Non Controlling Interests	1,490	1,182	1,188	1,604	5,464
Add: Provision (Benefit) for Income Taxes	12,180	26,605	26,986	56,357	122,128
Add: Other Expenses (Income)	(129)	(411)	(425)	(330)	(1,295)
Add: Loss (Income) from Equity Investments	(423)	(943)	(1,423)	1,054	(1,735)
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	(28)	(397)	23,630	(49)	23,156
Add: Interest Expense	49,415	53,916	53,488	54,324	211,143
Less: Interest Income	(305)	(296)	(295)	(410)	(1,306)
Add: Loss (Gain) on Sale of Assets	(2,660)	(11)	(3,311)	(47)	(6,029)
Add: Amortization of Intangible Assets & Other Assets	43,765	45,626	47,807	46,598	183,796
Add: Depreciation & Amortization of Property, Plant & Equipment	24,036	24,410	25,886	24,199	98,531
Add: Total Stock Based Compensation	6,593	3,871	3,779	3,711	17,954
Add: Amortization of Program Contract Costs	33,460	30,821	32,441	31,158	127,880
Less: Cash Film Payments	(28,615)	(28,626)	(27,383)	(26,880)	(111,504)
EBITDA	\$162,916	\$205,166	\$233,212	\$312,186	\$913,480
Television Broadcast Cash Flow (in thousands)					
EBITDA	\$162,916	\$205,166	\$233,212	\$312,186	\$913,480
Less: Other Non-Media Revenues	(21,056)	(26,262)	(26,504)	(28,011)	(101,833)
Add: Other Non-Media Expenses	17,696	19,758	20,488	22,703	80,645
Add: Research and Development	1,101	1,209	745	1,030	4,085
Less: Corporate Stock Based Compensation Expense	(4,482)	(1,809)	(1,732)	(1,688)	(9,711)
Add: Corporate General & Administrative Expenses	21,341	14,279	19,052	18,884	73,556
TV Broadcast Cash Flow	\$177,516	\$212,341	\$245,261	\$325,104	\$960,222

Free Cash Flow (in thousands)	Quarters Ended				Full Year
	3/31/15	6/30/15	9/30/15	12/31/15	2015
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$24,282	\$45,787	\$43,255	\$58,206	\$171,529
Add: Inc (Loss) from Non Controlling Interests	(67)	190	57	57	237
Add: Loss (Income) from Equity Investments	(3,146)	(2,007)	(251)	4,441	(963)
Add: Cash Distributions from Equity Investments	4,689	5,605	3,148	13,215	26,657
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	0	(169)	23	(17)	(163)
Add: Loss (Gain) on Derivative Instrument	22	10	4	1	37
Add: Tax Provision (Benefit)	16,427	23,334	7,210	10,722	57,693
Add: Amortization of Deferred Financing & Bond Discounts/Premiums	2,166	2,340	2,645	2,500	9,651
Add: Loss (Gain) on Sale of Assets	0	0	306	(28)	278
Add: Amortization of Intangible Assets & Other Assets	39,980	39,445	40,014	42,014	161,453
Add: Depreciation & Amortization of Property, Plant & Equipment	25,189	25,273	25,475	27,496	103,433
Add: Total Stock Based Compensation	7,058	4,519	3,203	3,532	18,312
Add: Amortization of Program Contract Costs	30,391	29,782	29,843	34,604	124,620
Less: Cash taxes Received (Paid)	(14,478)	(38,253)	(30,633)	(23,420)	(106,784)
Less: Cash Film Payments	(27,624)	(28,052)	(26,917)	(26,464)	(109,057)
Less: Capital Expenditures	(23,647)	(23,415)	(25,421)	(18,939)	(91,422)
Free Cash Flow	\$81,242	\$84,389	\$71,961	\$127,920	\$365,511

Weighted Average Common and Common Equivalent Shares Outstanding

	95,771	96,050	95,692	95,405	95,728
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EBITDA (in thousands)

Net Income (Loss) Attributable to Sinclair Broadcast Group	\$24,282	\$45,787	\$43,255	\$58,206	\$171,529
Add: Inc (Loss) from Non Controlling Interests	554	613	780	2,628	4,575
Add: Provision (Benefit) for Income Taxes	16,427	23,334	7,210	10,722	57,693
Add: Other Expenses (Income)	(228)	(795)	76	(248)	(1,195)
Add: Loss (Income) from Equity Investments	(3,146)	(2,007)	(251)	4,441	(963)
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	0	(169)	23	(17)	(163)
Add: Loss (Gain) on Derivative Instrument	22	10	4	1	37
Add: Interest Expense	46,648	47,663	48,564	48,569	191,445
Less: Interest Income	(12)	(96)	(54)	(58)	(220)
Add: Loss (Gain) on Sale of Assets	0	0	306	(28)	278
Add: Amortization of Intangible Assets & Other Assets	39,980	39,445	40,014	42,014	161,453
Add: Depreciation & Amortization of Property, Plant & Equipment	25,189	25,273	25,475	27,496	103,433
Add: Total Stock Based Compensation	7,058	4,519	3,203	3,532	18,312
Add: Amortization of Program Contract Costs	30,391	29,782	29,843	34,604	124,620
Less: Cash Film Payments	(27,624)	(28,052)	(26,917)	(26,464)	(109,057)
EBITDA	\$159,541	\$185,307	\$171,531	\$205,398	\$721,777

Television Broadcast Cash Flow (in thousands)

EBITDA	\$159,541	\$185,307	\$171,531	\$205,398	\$721,777
Less: Other Non-Media Revenues	(19,066)	(20,624)	(21,620)	(34,545)	(95,855)
Add: Other Non-Media Expenses	14,912	15,521	16,551	24,818	71,802
Add: Research and Development	2,515	4,237	4,803	881	12,436
Less: Corporate Stock Based Compensation Expense	(5,346)	(2,791)	(1,612)	(1,896)	(11,645)
Add: Corporate General & Administrative Expenses	16,016	14,154	15,903	18,173	64,246
TV Broadcast Cash Flow	\$168,572	\$195,804	\$185,556	\$212,829	\$762,761

Free Cash Flow (in thousands)	Quarters Ended				Full Year
	3/31/14	6/30/14	9/30/14	12/31/14	2014
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$27,159	\$41,335	\$48,340	\$95,444	\$212,279
Add: Inc (Loss) from Non Controlling Interests	(64)	(50)	(55)	(56)	(225)
Add: Loss (Income) from Equity Investments	(98)	(742)	(1,928)	455	(2,313)
Add: Cash Distributions from Equity Investments	2,223	1,713	2,747	1,955	8,638
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	(35)	(421)	(14)	14,218	13,748
Add: Loss (Gain) on Derivative Instrument	0	4	(39)	20	(15)
Add: Deferred Tax Provision (Benefit)	14,820	23,074	7,524	52,014	97,432
Add: Amortization of Deferred Financing & Bond Discounts/Premiums	1,968	2,286	2,583	2,462	9,299
Add: Loss (Gain) on Sale of Assets	1	0	611	(37,771)	(37,159)
Add: Amortization of Intangible Assets & Other Assets	24,728	24,989	34,477	41,301	125,495
Add: Depreciation & Amortization of Property, Plant & Equipment	24,378	25,252	25,342	28,321	103,293
Add: Total Stock Based Compensation	4,780	3,651	3,004	2,809	14,244
Add: Amortization of Program Contract Costs	23,940	23,574	28,623	30,490	106,627
Less: Cash taxes Received (Paid)	(3,947)	(25,682)	(26,154)	(43,795)	(99,578)
Less: Cash Film Payments	(23,966)	(23,414)	(22,124)	(24,177)	(93,681)
Less: Capital Expenditures	(11,908)	(14,681)	(31,564)	(23,306)	(81,459)
Free Cash Flow	\$83,979	\$80,888	\$71,373	\$140,384	\$376,625

Weighted Average Common and Common Equivalent Shares Outstanding	99,502	97,864	97,896	97,133	97,819
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EBITDA (in thousands)					
Net Income (Loss) Attributable to Sinclair Broadcast Group	\$27,159	\$41,335	\$48,340	\$95,444	\$212,279
Add: Inc (Loss) from Non Controlling Interests	498	266	427	1,646	2,837
Add: Provision (Benefit) for Income Taxes	14,820	23,074	7,524	52,014	97,432
Add: Other Expenses (Income)	(870)	(532)	(543)	(2,084)	(4,029)
Add: Loss (Income) from Equity Investments	(98)	(742)	(1,928)	455	(2,313)
Add: Loss (Gain) from Extinguishment of Debt/Insurance Proceeds	(35)	(421)	(14)	14,218	13,748
Add: Loss (Gain) on Derivative Instrument	0	4	(39)	20	(15)
Add: Interest Expense	39,538	40,121	47,951	47,253	174,862
Less: Interest Income	(12)	(66)	(55)	(16)	(149)
Add: Loss (Gain) on Sale of Assets	1	0	611	(37,771)	(37,159)
Add: Amortization of Intangible Assets & Other Assets	24,728	24,989	34,477	41,301	125,495
Add: Depreciation & Amortization of Property, Plant & Equipment	24,378	25,252	25,342	28,321	103,293
Add: Total Stock Based Compensation	4,780	3,651	3,004	2,809	14,244
Add: Amortization of Program Contract Costs	23,940	23,574	28,623	30,490	106,627
Less: Cash Film Payments	(23,966)	(23,414)	(22,124)	(24,177)	(93,681)
EBITDA	\$134,861	\$157,091	\$171,596	\$249,923	\$713,471

Television Broadcast Cash Flow (in thousands)					
EBITDA	\$134,861	\$157,091	\$171,596	\$249,923	\$713,471
Less: Other Non-Media Revenues	(14,388)	(17,043)	(17,907)	(20,317)	(69,655)
Add: Other Non-Media Expenses	11,690	13,534	14,035	16,354	55,613
Add: Research and Development	0	1,583	2,383	2,951	6,917
Less: Corporate Stock Based Compensation Expense	(3,358)	(2,237)	(1,382)	(1,424)	(8,401)
Add: Corporate General & Administrative Expenses	15,835	15,820	14,608	16,233	62,496
TV Broadcast Cash Flow	\$144,640	\$168,748	\$183,333	\$263,720	\$760,441

Total Indebtedness Ratio Calculation: (in thousands)

Indebtedness (in thousands)	As of June, 2018
Debt on the Balance Sheet	\$3,908,239
Less: Qualified Copco Cash on the Balance Sheet	(500,000)
Plus: Opco capital leases recorded in liabilities held for sale	2,649
Add: Other Misc. / Guarantees/ Letters of Credit	55,091
Less: SBG Indebtedness	<u>(23,415)</u>
Total OpCo Indebtedness as Defined by Bank Credit Agreement	\$3,442,564
Less: Subordinated Indebtedness, net of premium	<u>(\$2,376,582)</u>
OpCo First Lien Indebtedness as Defined by Bank Credit Agreement	\$1,065,982

**Avg Trailing 8
Quarters Ended**

Adjusted EBITDA (in thousands)	June, 2018
EBITDA as calculated above	\$833,123
Add: Adjusted Pro Forma EBITDA of Acquisitions	31,137
Add: Non-Cash Expenses (Income)	(1,666)
Add: Expenses (Income) from Other Non-Media	11,072
Add: Corporate Overhead & Misc. Adj. Per Bank Credit Agreement	<u>24,952</u>
Adjusted EBITDA as Defined by Bank Credit Agreement - STG	\$898,618

First Lien Indebtedness Ratio (Senior Leverage) - STG	1.19
Covenant Requirement (Senior Indebtedness Ratio must be below):	4.25

First Lien Indebtedness Ratio is First Lien Senior Indebtedness divided by Adjusted EBITDA for the average trailing eight quarters. Definitions for Adjusted EBITDA and First Lien Indebtedness are set forth in the Company's Bank Credit Agreement, as Amended and Restated most recently on January 3, 2017, and filed with the SEC.