

# News Release

Contact: Lucy Rutishauser, EVP Chief Financial Officer  
(410) 568-1500

## **SINCLAIR PROVIDES ADDITIONAL GUIDANCE FOR 2020**

BALTIMORE (March 2, 2020) - Sinclair Broadcast Group, Inc. (Nasdaq: SBGI), the "Company" or "Sinclair," is providing additional guidance in response to investor inquiries following the February 26, 2020 release of the Company's financial results for the three and twelve months ended December 31, 2019. The outlook below supersedes the outlook provided in the February 26 release and provides certain first quarter and full year estimates for the Sports segment. In addition, the Company has provided additional 2019 quarterly segment financial disclosures, which may be accessed at [www.sbgi.net](http://www.sbgi.net) under "Investors/ Non GAAP Measures."

The Company uses certain non-GAAP financial measures, specifically Adjusted EBITDA, in addition to GAAP financial measures as supplemental financial data to assist management and the public in their analysis and valuation of our company. Adjusted EBITDA is not formulated in accordance with GAAP, is not meant to replace GAAP financial measures and may differ from other companies' uses or formulations. Further discussions and reconciliations of Adjusted EBITDA to its most comparable GAAP financial measure, net income, may be accessed at [www.sbgi.net](http://www.sbgi.net) under "Investors/ Non GAAP Measures." The Company does not provide reconciliations on a forward-looking basis.

**Outlook:**

The Company currently expects to achieve the following results for the three months ending March 31, 2020 and twelve months ending December 31, 2020. The outlook includes the acquisition of the Fox RSNs (August 23, 2019), the 20% ownership investment in the YES Network (August 29, 2019), an increased investment in Stadium which is now consolidated (December 2, 2019), the launch of the Marquee RSN (February 22, 2020), and the divestiture of the non-license assets in Harlingen, TX (January 27, 2020).

For the three months ending March 31, 2020 (\$ in millions)	Local News and Marketing Services	Sports	Corporate and Other and Elimination	Consolidated
<b>Revenue Highlights:</b>				
Core advertising revenue				\$391 to 401
Political revenue				34 to 46
Advertising revenue	\$314 to 333	\$74 to 77	\$37	\$425 to 447
Distribution revenue	350 to 354	760 to 762	50	1,160 to 1,166
Other media revenue	40 <sup>(a)</sup>	4	(24) <sup>(a)</sup>	20
Media revenues	704 to 727	838 to 843	63	1,605 to 1,633
Non-media revenue	—	—	42	42
Total revenues	\$704 to 727	\$838 to 843	\$105	\$1,647 to \$1,675
<b>Expense Highlights:</b>				
Media programming & production expenses and media selling, general and administrative expenses	\$466 to 472	\$651 to 653 <sup>(a)</sup>	\$52 to 54 <sup>(a)</sup>	\$1,169 to 1,179
Sports rights amortization included in media production expenses	—	487	—	487
Non-media expenses	—	—	37	37
Corporate overhead				38
Stock-based compensation and non- recurring costs for transaction, legal, litigation and regulatory fees included in corporate and media expenses above				19
Depreciation, intangible & programming amortization				195
<b>Other Highlights:</b>				
Sports rights payments	—	\$644	—	\$644
Program contract payments	24	—	—	24
Interest expense (net) <sup>(b)</sup>				162
Income tax provision				Approximately 14% effective tax rate
Net cash tax payment				N.M.
Payments to noncontrolling interest holders, including preferred dividend				27
Total capital expenditures, including repack				49 to 54
Repack capital expenditures				24
<b>Adjusted EBITDA<sup>(c)</sup></b>		\$30 to 33		\$241 to 259

(a) In the outlook for the quarter ending March 31, 2020, the Local News and Marketing Services and the Sports segments include \$27 million of revenue and selling, general, and administrative expenses, respectively, for services provided by the Local News and Marketing Services segment to the Sports segment. Such amounts are eliminated in the Consolidated column.

(b) Interest expense is net of deferred finance costs, original issue discount amortization, other non-cash interest expense, and interest income.

(c) "Adjusted EBITDA" is defined as earnings before interest, tax, depreciation and amortization, adjusted for non-recurring transaction, legal, litigation and regulatory costs, as well as certain non-cash items such as stock-based compensation expense.

For the twelve months ending December 31, 2020 (\$ in millions)	Local News and Marketing Services	Sports	Corporate and Other and Elimination	Consolidated
<b>Revenue Highlights:</b>				
Media revenues	Not provided <sup>(a)</sup>	\$3,515 to 3,555	Not provided <sup>(a)</sup>	Not provided <sup>(a)</sup>
<b>Expense Highlights:</b>				
Media programming & production expenses and media selling, general and administrative expenses	\$1,880 to 1,910	\$2,732 to 2,737 <sup>(b)</sup>	\$228 to 233 <sup>(b)</sup>	\$4,840 to 4,880
Sports rights amortization included in media production expenses	—	2,054	—	2,054
Non-media expenses	—	—	110	110
Corporate overhead				131
Stock-based compensation and non-recurring costs for transaction, legal, litigation and regulatory fees included in corporate and media expenses above				63
Depreciation, intangible & programming amortization				780
<b>Other Highlights: <sup>(c)</sup></b>				
Sports rights payments	—	1,900	—	1,900
Program contract payments	90	—	—	90
Interest expense (net) <sup>(d)</sup>				643
Income tax provision				Approximately 12% effective tax rate
Net cash tax refund				N.M.
Payments to noncontrolling interest holders, including preferred dividend				114
Total capital expenditures, including repack				220 to 240
Repack capital expenditures				90
<b>Adjusted EBITDA<sup>(e)</sup></b>	Not provided <sup>(a)</sup>	\$939 to 974	Not provided <sup>(a)</sup>	Not provided <sup>(a)</sup>

(a) Consistent with past practices, the Company does not provide a full year outlook for revenues due to the limited visibility on a meaningful amount of the media revenues.

(b) The February 26, 2020 press release inadvertently excluded \$107 million of selling, general, and administrative expenses for services provided by the Local News and Marketing Services segment to the Sports segment and did not include its elimination in the Corporate and Other and Elimination column. In the outlook provided above, for the year ending December 31, 2020, the Sports segment correctly includes \$107 million of selling, general, and administrative expenses for services provided by the Local News and Marketing Services segment to the Sports segment. The offset would be included in the Local News and Marketing Services segment revenues. Such amounts are eliminated in the Consolidated column. There is no impact on the Consolidated outlook.

(c) In addition to the Other Highlights in the table above, the Company expects 2020 growth in net distribution, which is defined as distribution revenue less reverse retrans payments to the networks, for the combined Local News and Marketing Services segment and Corporate and Other segment to be in the mid to high single digit percentages.

(d) Interest expense is net of deferred finance costs, original issue discount amortization, other non-cash interest expense, and interest income.

(e) “Adjusted EBITDA” is defined as earnings before interest, tax, depreciation and amortization, adjusted for non-recurring transaction, legal, litigation and regulatory costs, as well as certain non-cash items such as stock-based compensation expense.

## About Sinclair:

Sinclair is a diversified media company and leading provider of local sports and news. The Company owns and/or operates 23 regional sports network brands; owns, operates and/or provides services to 191 television stations in 89 markets; is a leading local news provider in the country; owns multiple national networks; and has TV stations affiliated with all the major broadcast networks. Sinclair's content is delivered via multiple-platforms, including over-the-air, multi-channel video program distributors, and digital platforms. The Company regularly uses its website as a key source of Company information which can be accessed at [www.sbgi.net](http://www.sbgi.net).

## Forward-Looking Statements:

The matters discussed in this news release, particularly those in the section labeled "Outlook," include forward-looking statements regarding, among other things, future operating results. When used in this news release, the words "outlook," "intends to," "believes," "anticipates," "expects," "achieves," "estimates," and similar expressions are intended to identify forward-looking statements. Such statements are subject to a number of risks and uncertainties. Actual results in the future could differ materially and adversely from those described in the forward-looking statements as a result of various important factors, including and in addition to the assumptions set forth therein, but not limited to, the impact of changes in national and regional economies, our ability to generate cash to service our substantial indebtedness, the completion of the FCC spectrum repack, successful execution of outsourcing agreements, pricing and demand fluctuations in local and national advertising, volatility in programming costs, the market acceptance of new programming, the successful execution of retransmission consent agreements, the successful execution of network and MVPD affiliation agreements, the successful execution of media rights agreements with professional sports teams, the impact of OTT and other emerging technologies and their potential impact on cord-cutting, the impact of MVPDs, vMVPDs, and OTT distributors offering "skinny" programming bundles that may not include all programming of our networks, our ability to identify and consummate acquisitions and investments and to achieve anticipated returns on those investments once consummated, the impact of pending and future litigation claims against the Company, the impact of FCC and other regulatory proceedings against the Company, uncertainties associated with potential changes in the regulatory environment affecting our business and growth strategy, and any risk factors set forth in the Company's recent reports on Form 10-Q and/or Form 10-K, as filed with the Securities and Exchange Commission. There can be no assurances that the assumptions and other factors referred to in this release will occur. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements except as required by law.

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Investor Contact: Lucy Rutishauser, EVP Chief Financial Officer, (410) 568-1500

Media Contact: Michael Padavano, 5W, [mpadovano@5wpr.com](mailto:mpadovano@5wpr.com)