Risk Factors Comparison 2024-02-23 to 2023-02-24 Form: 10-K

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For an enterprise as large and complex as ours, a wide range of factors could materially affect future developments and performance. The most significant factors affecting our operations include the following: Risks Related to Our Businesses We expect to derive the majority of our revenues from advertising spending, which is affected by numerous factors. Declines in advertising revenues will adversely affect the profitability of our business. The demand for advertising is sensitive to a number of factors, both locally and nationally, including the following: • The advertising and marketing spending by customers can be subject to seasonal and cyclical variations and is likely to be adversely affected during economic downturns. • Programming and content offered by our businesses may not achieve desired ratings or may decline in popularity with its audience. • Linear TV viewing levels have declined in recent years due to cord- cutting and a migration of viewing to streaming platforms. ~~A continuation of these trends could~~ **Any continued detrimental shifts in viewer preferences** adversely impact the size and demographic profile of our audiences and put pressure on advertising rates. The largest Subscription Video on Demand services have introduced advertising- supported versions that could take advertising dollars from linear TV. • Television advertising revenues in even- numbered years **generally** benefit from political advertising ~~, which is affected by campaign finance laws, as well~~ **. The amount of political advertising generated in these even- numbered years can be unpredictable** as the competitiveness of specific political races **and issues** in the markets where our television stations operate **determines the extent of the benefit we may realize** . • Continued consolidation and contraction of local advertisers in our local markets could adversely impact our operating results, given that we expect the majority of our advertising to be sold to local businesses in our markets. • **Local** ~~Television~~ **television** stations have significant exposure to advertising in the automotive, retail and services industries. Our national networks have significant exposure to advertising in the consumer- packaged goods, pharmaceutical and insurance industries. **A disruption in** ~~Advertising~~ **advertising spend** within these industries ~~may decline~~ **could adversely impact our revenue** and we may not be able to secure **adequate** replacement advertisers. • ~~Several national advertising agencies are employing an automated process known as " programmatic buying " to gain efficiencies and reduce costs related to buying advertising.~~ Growth in advertising revenues will rely in part on the ability to maintain and expand relationships with existing and future advertisers. The implementation **and evolution** of **technological** ~~a programmatic model~~ **models** ~~or other similar solution~~ , where automation replaces existing pricing and allocation methods, could turn advertising inventory into **more of** a price- driven commodity. These automated solutions could reduce the value of relationships with advertisers as well as result in downward pricing pressure. • The TV industry is on the verge of adopting new measurement currencies, and Nielsen is also making methodological changes to the way it measures viewing by incorporating set top box and smart TV data. The emerging currencies generally undercount over- the- air (" OTA") viewing, and Nielsen has not prioritized OTA enhancements. If measurement evolves in a direction that ~~is unfavorable to~~ **does not appropriately capture** OTA **viewership trends** it could reduce the attractiveness of our audiences to advertisers. • Catastrophic events or geopolitical conditions that disrupt domestic or international economies. If we are unable to respond to any or all of these factors, our advertising revenues could decline and affect our profitability. The growth of direct content- to- consumer delivery channels ~~may~~ **and resulting proliferation of programming alternatives have** ~~fragment~~ **fragmented** our television audiences. ~~This~~ **Any** fragmentation **of our audiences** could adversely impact advertising rates as well as cause a reduction in the revenues we receive from retransmission consent agreements, resulting in a loss of revenue that could materially adversely affect our broadcast operations. We deliver our television programming to our audiences primarily over- the- air and through cable and satellite service providers. Our television audience is being fragmented by the digital delivery of content directly to the consumer audience. Content providers, such as the ~~"~~ Big 4 ~~"~~ broadcast networks, cable networks and other content developers, distributors and syndicators can deliver their programming directly to consumers via the internet concurrently with our distribution via over- the- air and cable and satellite. The delivery of content directly to consumers allows such distributors to compete with the programming we deliver, which may impact our audience size. **Any continued** ~~Fragmentation~~ **fragmentation** of our audiences could impact the rates we receive from our advertisers, as well as shift advertisers away from traditional linear advertising to digital advertising. In addition, reduction in the number of subscribers to cable and satellite service providers could impact the revenue we receive under retransmission consent agreements. The reduction of our advertising and distribution revenues from these factors would affect our profitability. The loss of affiliation and carriage agreements or the costs of renewals could adversely affect our operating results. Eighteen of our stations have affiliations with the ABC television network, eleven with the NBC television network, nine with the CBS television network and four with the FOX television network. Additionally, we have affiliations with the CW television network. These television networks produce and distribute programming which our stations commit to air at specified times. Networks sell commercial advertising time during their programming, and the ~~"~~ Big 4 ~~"~~ networks, ABC, NBC, CBS and FOX, also require stations to pay fees for the right to carry their programming. These fees may be a percentage of retransmission revenues that the stations receive (see below) or may be fixed amounts based on the number of households or subscribers in a market. These fees have been increasing from renewal to renewal over the past several years. ION' s broadcast stations are carried by cable and satellite operators in their local television markets pursuant to the FCC' s " must carry " rules. Additionally, in certain of our markets, our national networks are carried by local television broadcasters and cable and satellite operators pursuant to negotiated carriage agreements. These contracts typically require us to make fixed fee payments and generally have three to five- year terms. There is no assurance that we will be able to reach network affiliation or carriage agreements in the future. The non- renewal or termination of our network affiliation agreements would prevent us from being able to carry programming of the respective network. Loss of a network affiliation would require us to obtain replacement programming, which may not be as attractive to target audiences and could result in lower advertising revenues. In addition, loss of any of the ~~"~~ Big 4 ~~"~~ network affiliations would result in materially lower retransmission revenue. The loss of carriage agreements for our national networks would reduce our advertising revenues and affect our profitability. Our retransmission consent revenue may be adversely affected by renewals of retransmission consent agreements, by declines in the number of subscribers to multichannel video programming distributor (" MVPD") services, by new technologies for the distribution of video programming, ~~or~~ by revised government regulations **, or by MVPDs altering their strategies for delivering paid video services** . As our retransmission consent agreements expire, there can be no assurance that we will be able to renew them at comparable or better rates. As a result, retransmission revenues could decrease and retransmission revenue growth could decline over time. In recent years, the number of subscribers to MVPD services has declined, as the growth of direct internet streaming of video programming to televisions and mobile devices has incentivized consumers to discontinue their cable or satellite service subscriptions. Decreases in the number of MVPD subscribers reduces the revenue we earn under our retransmission agreements. The use of new technologies to redistribute broadcast programming, such as those that rely upon the Internet to deliver video programming or those that receive and record broadcast signals over the air via an antenna and then retransmit that information digitally to customers' television sets, specialty set- top boxes, or computer or mobile devices, could adversely affect our retransmission revenue if such technologies are not found to be subject to copyright or other legal restrictions or to regulations that apply to MVPDs such as cable operators or satellite carriers. Changes in the Communications Act of 1934, as amended (the " Communications Act ") or the FCC' s rules with respect to the negotiation of retransmission consent agreements between broadcasters and MVPDs could also adversely impact our ability to negotiate acceptable retransmission consent agreements. In addition, continued consolidation among cable television operators could adversely impact our ability to negotiate acceptable retransmission consent agreements **. A few MVPDs have announced that they are gradually exiting the paid video services side of their business and transitioning their subscribers to YouTube TV. If other MVPDs follow suit and transition subscribers to virtual services, profitability of our business could be adversely affected** . We make investments in television programming (" content") in advance of knowing whether that particular content will be popular enough for us to recoup our costs. Additionally, if costs to acquire this content increase or this content becomes more difficult to obtain, our operating results may be adversely affected. We incur significant costs for the purchase of television ~~programming~~ **content** . We may have to purchase content several years in advance or enter into multi- year agreements, resulting in the commitment of significant costs in advance of knowing whether the content will be popular with ~~its audience~~ **audiences** . If this acquired content is not sufficiently popular among audiences in relation to the cost we invest in the content, or if we need to replace content that is performing poorly, we may not be able to produce enough revenue to recover our costs. Additionally, increased competition for content from entrants into the market and the exclusive use of content on streaming services owned by content creators could reduce content availability or increase our content costs. **A shortfall in the expected popularity of content we distribute, including sports programming for which we have acquired rights, could have a significant adverse effect on our business.** Any of these factors could reduce our revenues, result in the incurrence of impairment charges or otherwise cause our costs to escalate relative to revenues. Our television stations will continue to be subject to government regulations which, if revised, could adversely affect our operating results. • Pursuant to FCC rules, local television stations must elect every three years to either (1) require cable operators and / or direct broadcast satellite carriers to carry the stations' over- the- air signals or (2) enter into retransmission consent negotiations for carriage. If our retransmission consent agreements are terminated or not renewed, or if our broadcast signals are distributed on less- favorable terms, our ability to compete effectively may be adversely affected. • If we cannot renew our FCC broadcast licenses, our broadcast operations will be impaired. Our business depends upon maintaining our broadcast licenses from the FCC, which has the authority to revoke licenses, not renew them, or renew them only with significant qualifications, including renewals for less than a full term. We cannot assure that future renewal applications will be approved, or that the renewals will not include conditions or qualifications that could adversely affect operations. If the FCC fails to renew any of these licenses, it could prevent us from operating the affected stations. If the FCC renews a license with substantial conditions or modifications (including renewing the license for a term of fewer than eight years), it could have a material adverse effect on the affected station' s revenue potential. • As also discussed under Federal Regulation of Broadcasting, the FCC has adopted broadcasters' proposal to permit the voluntary use of a new digital television transmission standard, ATSC 3. 0, that is incompatible with the existing standard. Much uncertainty exists concerning the costs, benefits, and public acceptance of the services expected to become possible under this new standard, and television stations could be adversely affected by moving either too quickly or too slowly towards its adoption. • The FCC and other government agencies are continually considering proposals intended to promote consumer interests. New government regulations affecting the television industry could raise programming costs, restrict broadcasters' operating flexibility, reduce advertising revenues, raise the costs of delivering broadcast signals, or otherwise affect operating results. We cannot predict the nature or scope of future government regulation or its impact on our operations. The loss of skilled employees or an inability to attract and retain skilled employees could adversely affect our business. To execute our strategic plan and maintain business continuity, we must attract and retain personnel with appropriate talent and skills. If we are unable to hire and retain employees capable of performing key functions in our business, or if measures we take to respond to a decrease in labor availability prove ineffective or have unintended negative consequences, our business could be adversely affected. ~~We are experiencing an increasingly competitive labor market, and have had higher turnover rates and more open positions since the COVID- 19 pandemic than during pre- pandemic years.~~ Sustained labor shortages or increased turnover rates, whether caused by ~~the pandemic,~~ general macroeconomic factors or dynamics within our industry (including a shrinking pool of new talent interested in the media business), could lead to increased costs, such as increased wage rates to attract and retain employees, could negatively affect our revenue and profits and could have an impact on our operations and business continuity. Acquisitions, joint ventures and strategic alliances involve risks and, if said risks are not managed effectively, our operating results could be negatively affected. We expect to continue making acquisitions and entering into joint ventures and strategic alliances as part of our long- term business strategy. Acquisitions and other strategic transactions involve inherent risks, such as increasing leverage and debt service requirements and combining company cultures, facilities and systems, which could have a material adverse effect on our results of operations. Additionally, our revenues and profitability could be adversely affected if we are unable to implement effective cost controls, achieve expected synergies, or increase revenues as a result of these transactions. Such transactions can also result in unexpected liabilities and potentially divert management' s attention from the operation of our business. We may evaluate strategic acquisitions and investments in the future, and there are various risks associated with an investment strategy. We have pursued and may selectively continue to pursue strategic transactions, subject to market conditions, our liquidity, and the availability of attractive investment candidates, with the goal of improving our business. We may not be able to identify other attractive acquisition and investment targets or some of our competitors may have greater financial or managerial resources with which to pursue strategic targets we may pursue. Therefore, even if we are successful in identifying attractive investment targets, we may face considerable competition and be unsuccessful in acquiring such targets. Acquisitions of television stations are subject to the approval of the FCC and the Antitrust Division of the Department of Justice. Current or future policies of these regulatory authorities could restrict our ability to pursue or consummate future transactions and could require us to divest certain television stations if an acquisition under contract would result in excessive concentration in a market or fail to comply with FCC ownership limitations. There can be no assurance that an acquisition will be approved by these regulatory authorities, or that a requirement to divest existing stations will not have an adverse effect on the transaction or our business. We will continue to face cybersecurity and similar risks, which could result in the disclosure of confidential information, disruption of operations, damage to our brands and reputation, legal exposure and financial losses. Security breaches, malware or other " cyber attacks " could harm our business by disrupting delivery of services, jeopardizing our confidential information and that of our vendors and clients, and damaging our reputation. Our operations are routinely involved in receiving, storing, processing and transmitting sensitive information. Although we monitor security measures regularly, any unauthorized intrusion, malicious software infiltration, theft of data, network disruption, denial of service, or similar act by any party could disrupt the integrity, continuity, and security of our systems or the systems of our clients or vendors. These events, or our failure to employ new technologies, revise processes and invest in people to sustain our ability to defend against cyber threats, could create financial liability, regulatory sanction, or a loss of confidence in our ability to protect information, and adversely affect our revenue by causing the loss of current or potential clients. We have issued $ 600 million in preferred shares, the terms of which restrict us from undertaking certain actions while such preferred shares are outstanding. Berkshire Hathaway Inc. (" Berkshire Hathaway ") provided $ 600 million of financing for the ION acquisition in exchange for Series A Preferred Shares of the Company. The preferred shares are redeemable at the option of Scripps beginning on January 7, 2026, and redeemable at the option of the holders in the event of a Change of Control (as defined in the terms of the preferred shares), in each case at a redemption price of 105 % of the face value, plus accrued and unpaid dividends (whether or not declared). As long as Scripps pays quarterly dividends in cash on the preferred shares, the dividend rate will be 8 % per annum. If dividends on the preferred shares, which compound quarterly, are not paid in full in cash, the rate will increase to 9 % per annum for the rest of time that the preferred shares are outstanding. Under the terms of the preferred shares, Scripps is subject to certain restrictions, including being prohibited from paying dividends on and purchasing its common shares until all preferred shares are redeemed. While the preferred shares are outstanding, we may also not issue any additional preferred shares or any shares of any other series of preferred without the consent of Berkshire Hathaway. These restrictions may limit our flexibility to pursue other strategic opportunities. Risks Related to the Ownership of Scripps Class A Common Shares Certain descendants of Edward W. Scripps own approximately 93 % of Scripps' Common Voting shares and are signatories to the Scripps Family Agreement, which governs the transfer and voting of Common Voting shares held by them. As a result of the foregoing, these descendants have the ability to elect two- thirds of the Board of Directors and to direct the outcome of any matter on which the Ohio Revised Code (" ORC ") does not require a vote of our Class A Common shares. Under our articles of incorporation, holders of Class A Common shares vote only for the election of one- third of the Board of Directors and are not entitled to vote on any matter other than a limited number of matters expressly set forth in the ORC as requiring a separate vote of both classes of stock. Because this concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction, the market price of our Class A Common shares could be adversely affected. We have the ability to issue preferred stock, which could affect the rights of holders of our Class A Common shares. Our articles of incorporation allow the Board of Directors to issue and set the terms of 25 million shares of preferred stock. The terms of any such preferred stock, if issued, may adversely affect the dividend, liquidation and other rights of holders of our Class A Common shares. The public price and trading volume of our Class A Common shares may be volatile. The price and trading volume of our Class A Common shares may be volatile and subject to fluctuation. Some of the factors that could cause fluctuation in the stock price or trading volume of Class A Common shares include: • major world events and geopolitical conditions; • general market and economic conditions and market trends, including in the television broadcast industry, the national media marketplace and the financial markets generally; • the political, economic and social situation in the United States; • variations in quarterly operating results; • inability to meet revenue forecasts; • announcements by us or competitors of significant acquisitions, strategic partnerships, joint ventures, capital commitments or other business developments; • adoption of new accounting standards affecting the media industry; • operations of competitors and the performance of competitors' common stock; • litigation and governmental action involving or affecting us or our subsidiaries; • changes in financial estimates and recommendations by securities analysts; • loss of key personnel; • purchases or sales of blocks of our Class A Common shares; • operating and stock performance of companies that investors may consider to be comparable to us; and • changes in the regulatory environment, including rulemaking or other actions by the FCC or the SEC. There can be no assurance that the price of our Class A Common shares will not fluctuate or decline significantly. The stock market may experience considerable price and volume fluctuations that could be unrelated or disproportionate to the operating performance of individual companies and that could adversely affect the price of our Class A Common shares, regardless of the Company' s operating performance. Stock price volatility might be higher if the trading volume of our Class A Common shares is low. Furthermore, shareholders may initiate securities class action lawsuits if the market price of our Class A Common shares declines significantly, which may cause us to incur substantial costs and divert the time and attention of our management. Risks Related to Our Indebtedness We have substantial debt ~~and have the ability to incur significant additional debt~~ . The principal and interest payment obligations on such debt may restrict our future operations and impair our ability to meet our long- term obligations. As of December 31, ~~2022~~ **2023** , we had approximately $ ~~2~~ **3** . ~~9~~ **0** billion in aggregate principal amount of outstanding indebtedness, approximately $ 818 million of which constituted senior unsecured debt, $ 523 million of which constituted senior secured debt and $ 1. ~~6~~ **3** billion of which constituted the aggregate principal amount of term loans under our Credit Agreement. We have the ability to incur up to $ ~~400~~ **585** million of indebtedness under our Credit Agreement, all of which is secured indebtedness, effectively ranking senior to unsecured indebtedness to the extent of the value of the assets securing such indebtedness. Our outstanding debt could have the following consequences: • require us to dedicate a substantial portion of any cash flow from operations to the payment of interest and principal due under our debt, which would reduce funds available for other business purposes, including capital expenditures and acquisitions; • place us at a competitive disadvantage compared to some of our competitors that may have less debt and better access to capital resources; • make us more vulnerable to economic downturns and adverse industry conditions and limit our flexibility to plan for, or react to, changes in our business or industry; • limit our ability to obtain additional financing required to fund acquisitions, working capital and capital expenditures and for other general corporate purposes; and • make it more difficult for us to satisfy our financial obligations. Our ability to service our significant financial obligations depends on our ability to generate significant cash flow. This is partially subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. We cannot assure you that our business will generate cash flow from operations, that future borrowings will be available to us under our Credit Agreement or any other credit facilities, or that we will be able to complete any necessary financings, in amounts sufficient to enable us to fund our operations or pay our debts and other obligations, or to fund other liquidity needs. If we are not able to generate sufficient cash flow to service our obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital. Additional debt or equity financing may not be available in sufficient amounts, at times or on terms acceptable to us, or at all. Specifically, volatility in the capital markets may also impact our ability to obtain additional financing, or to refinance our existing debt, on terms or at times favorable to us. If we are unable to implement one or more of these alternatives, we may not be able to service our debt or other obligations, which could result in us being in default thereon, in which circumstances our lenders could cease making loans to us, and lenders or other holders of our debt could accelerate and declare due all outstanding obligations under the respective agreements, which would likely have a material adverse effect on us. The agreements governing our various debt obligations impose restrictions on our operations and limit our ability to undertake certain corporate actions. The agreements governing our various debt obligations, including the indenture that governs senior indebtedness and the agreements governing our Credit Agreement, include covenants imposing significant restrictions on our operations. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities as they arise. These covenants place restrictions, subject to certain limitations, on our ability to, among other things: • incur additional debt; • declare or pay dividends, redeem stock or make other distributions to shareholders; • make investments or acquisitions; • create liens or use assets as security in other transactions; • issue guarantees; • merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets; • engage in transactions with affiliates; and • purchase, sell or transfer certain assets. Any of these restrictions and limitations could make it more difficult for us to execute our business strategy. **The** ~~Our Credit Agreement~~ **agreements governing the Company' s debt** ~~requires~~ - **require** us to comply with certain financial ratios and covenants; our failure to do so will result in a default thereunder, which would have a material adverse effect on us. We are required to comply with certain financial covenants under our Credit Agreement. Our ability to comply with these requirements may be affected by events affecting our business, but beyond our control, including prevailing general economic, financial and industry conditions. These covenants could have an adverse effect on us by limiting our ability to take advantage of financing, merger and acquisition or other corporate opportunities. The breach of any ~~of these~~ covenants or restrictions **under any of our debt arrangements** could result in a default ~~under the applicable senior credit facility. Upon a default under any of our debt agreements~~ , ~~the~~ **and could give** lenders or debt holders ~~thereunder could have~~ the right to declare all amounts outstanding, together with accrued and unpaid interest, to be immediately due and payable, which could, in turn, trigger defaults under other debt obligations and could result in the termination of commitments of the lenders to make further extensions of credit under ~~such senior~~ **our revolving** credit facility. ~~If~~ **Similarly, if** we were unable to repay our secured debt to our lenders, or were otherwise in default under any provision governing our outstanding secured debt obligations, our secured lenders could proceed against us and subsidiary guarantors and against the collateral securing that debt. Any default resulting in an acceleration of outstanding indebtedness, a termination of commitments under our financing arrangements or lenders proceeding against the collateral securing such indebtedness would likely result in a material adverse effect on our business, financial condition and results of operations. Our variable rate indebtedness subjects us to interest rate risk, which could cause our annual debt service obligations to increase significantly. Borrowings under our Credit Agreement are at variable rates of interest and expose us to interest rate risk. Interest rates may increase in the future. If rates were to increase, debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash available to service our obligations would decrease. Additionally, upon the incurrence of ~~certain indebtedness under our Credit Agreement~~ **new higher- yield term loans** , the interest rates on our existing term loans would increase. ~~The phase- out of LIBOR could affect interest rates under our Senior Secured Credit Facilities. The United~~

~~Kingdom' s Financial Conduct Authority announced the intent to phase out LIBOR. LIBOR was no longer used to price new loans starting in 2022, and the index will formally be phased out in the United States by June 30, 2023. The United States has identified the Secured Overnight Financing Rate (" SOFR ") as the replacement for LIBOR. Our Credit Agreement has replacement rate language in place that will provide for transition to the new SOFR benchmark, but an amendment will be required. The utilization of SOFR may produce higher rates than those that would have been in effect prior to any LIBOR phase- out, which could negatively impact our interest expense, results of operations and cash flow.~~