

WILL COX TV BUYER BE ANNOUNCED THIS WEEK?

CNBC NAMES APOLLO GLOBAL AS BUYER

CNBC is reporting that **Apollo Global Management LLC** is nearing an agreement to spend around \$3 billion to Acquire **Cox Media Group's** TV stations. They say its the "biggest in a series of deals the private equity firm is lining up to become a force in U.S. broadcasting," according to sources familiar with the matter.

Neither Cox or Apollo has verified the information.

Cox announced in July of last year that it was 'exploring options' for its 14-station portfolio, which includes stations in two top-ten markets, **WFXT** (FOX) in Boston and **WSB** (ABC) in Atlanta.

The report also introduced the idea that Cox and Apollo are discussing some joint venture agreements for the Atlanta market, where Cox is headquartered and owns five radio stations, the sources said. There may be other cities where the companies decide to have joint ventures, the sources added.

Apollo is also a bidder for a portfolio of stations that **Nexstar Media Group** plans to shed following its \$4.1 billion takeover of Tribune Media Co. That process is expected to wrap up later this year. Should Apollo prevail in that auction, it would combine the assets with the Cox TV stations, the people said.

Apollo tried unsuccessfully last year to acquire Nexstar Media Group, which then outbid Apollo to buy Tribune Media's 42 television stations.

Apollo also has an agreement to acquire the assets of **Northwest Broadcasting**, which owns more than a dozen TV stations in mostly rural markets in the Pacific Northwest, and combine them with the Cox assets, the sources said.

CNBC notes that private equity firms find broadcast TV stations appealing because of the cash-rich fees the stations generate from being carried by cable operators. Apollo would seek to use some of Northwest Broadcasting's contracts, which have higher fees than Cox's, to hike up fees from the cable operators, some of the sources said.

Apollo might also be able to cut costs at Cox's TV stations, which have been family-controlled for many years.

Apollo Global Management, LLC is a public company, founded in 1990 by former Drexel Burnham Lambert banker **Leon Black**. It specializes in leveraged buyout transactions and purchases of distressed securities involving corporate restructuring, special situations, and industry consolidations.

In the past decade, Apollo has invested in consumer products like **Norwegian Cruise Lines**, **Regent Seven Seas Cruises**, **Great Wolf Resorts**, the education division of **McGraw-Hill**, **Chuck E. Cheese's**, and **Philips Lumileds**, formerly known as Philips Lighting.

ADVERTISER NEWS

A federal bankruptcy judge has granted approval to **Eddie Lampert's ESL Investments** firm to buy the remaining assets of **Sears**, which currently operates 425 stores and employs about 45,000 workers, **USA Today** reports. Sears over the last 15 years, for much of the time under Lampert's leadership, has closed about 3,500 stores and sent about 250,000 workers packing. Although Sears will continue to operate, experts say only about 200 of its locations are viable, and so further closures and layoffs almost inevitable... **Taco Bell** announced on a call with investors last week that the chain will soon offer delivery nationwide via **Grubhub**, **CNBC** reports. Meanwhile, **Dunkin'** is using Grubhub as well in a test to see if the relationship works for them. The choice of outsourcing delivery to third-party providers instead of building the capability in-house is a tough decision for restaurant chains. While it's tempting to forgo the hassles, forking over a piece of

every transaction can seriously erode profits in an already tight-margin business... **Coca-Cola** is introducing the first new flavor in more than a decade for its namesake cola, **The Wall Street Journal** reports. **Orange Vanilla Coke** and **Orange Vanilla Coke Zero Sugar** will go on sale across the U.S. on Feb. 25, the beverage giant said late last week. The move follows a revamp last year of **Diet Coke** with several new flavors, including **Ginger Lime** and **Zesty Blood Orange**...**Amazon** is said to be reconsidering its plans to open up a new campus in New York City's Long Island City neighborhood after facing backlash from local residents, according to a **Washington Post** report last week. The report, which cited unnamed sources, said Amazon executives have had discussions recently to rethink the company's plans for New York and consider alternatives. Amazon selected New York City and Northern Virginia in November to split duty as its second headquarters (nicknamed HQ2) after a year-long search. Each city was expected to have more than 25,000 workers over time... **Walgreens** is giving its freezer and refrigerator doors a digital makeover in a move that could bring in more ad revenue, **Ad Age** reports. The Internet-of-Things doors showcase what's inside, but also offer an opportunity for advertisers to display real-time ads in front of consumers. Nearly a dozen coolers — including water, soda, beer and ice cream — now have digital screens as a result of the program run by **Cooler Screens**, a two-year-old Chicago startup... **Target** is on a path to consolidate its suite of mobile apps into one, combining mobile shopping, the loyalty program and payments in a single place after experimenting with a litany of separate apps, **Digiday** reports. As of now, three consumer-facing app platforms are active: **Target**, **Target Connected** and **Registry** — fusing as much of the shopping experience into the main app...



NETWORK NEWS

ABC has ordered two additional pilots, bringing the network total to nine dramas and six comedies, so far. One is an untitled legal and family drama about a prisoner who becomes a lawyer, litigating cases for other inmates while fighting to overturn his own life sentence for a crime he didn't commit. The other, **United We Fall**, a multicamera multicultural family comedy, is billed as a profoundly realistic sitcom that shows how, when two people with young children and overzealous extended families truly love each other, barely anything is possible... **Malin Akerman** (*Billions*) is set as the lead of **NBC's** legal drama pilot **Prism**. Written by **Daniel Barnz**, who also directs, *Prism* is inspired by **Rashomon**, the 1950 Japanese period psychological thriller directed by **Akira Kurosawa**. *Prism* is described as a provocative exploration of a murder trial in which every episode is told through the perspective of a different key person involved... **Julian McMahon** (*Marvel's Runaways*) is set as the lead in **FBI: Most Wanted**, the planned spinoff of **Dick Wolf's** freshman **CBS** drama series **FBI**. McMahon will star in the backdoor pilot for **FBI: Most Wanted**, which will air as an episode of **FBI** in the spring. The spinoff has a series commitment, making an episodic pickup for next season likely. McMahon will play **Jess LaCroix**, an "agent's agent" who's at the top of his game and oversees the team from the **FBI's** Most Wanted Unit, which is assigned the most extreme and egregious cases... **CBS** posted lower traditional TV viewing for **Super Bowl LIII** versus 2018's game but says out-of-home viewing was even with the event of a year ago. **Nielsen** says out-of-home viewing — in locations such as other people's homes, bars, restaurants and hotels — earned 12 million viewers, the same number that **NBC** pulled in with the airing of the Super Bowl a year ago. **CBS** says viewing from all platforms, including out-of-home and digital, totaled 112.7 million viewers.

THIS AND THAT

Makers of household staples from diapers to toilet paper are set to raise prices again this year after already hiking prices in 2018, hoping to offset higher commodity costs and boost profits. **The Wall Street Journal** reports that **Church & Dwight Co.**, which makes **Arm & Hammer** cat litter and baking soda, recently raised prices for about a third of its products... Many technology companies are working on the next trend in smartphones: foldable handsets that can convert to tablets, **Digital Trends** reports. So far, **Samsung**, **Huawei**, **LG**, **Oppe** and more are reportedly working on handsets that use flexible screens and batteries to offer foldable tablet/smartphone hybrids... **Hasbro** is missing **Toys R Us** even more than it imagined: The company's fourth quarter was worse than it anticipated, with its signature brands — **Nerf**, **Monopoly** and **My Little Pony** — taking an 8 percent hit... The **U.S. Food and Drug Administration** says **Walgreens** is the top violator among pharmacies when it comes to illegally selling cigarettes to minors. More than a fifth of **Walgreens** stores inspected were found to be selling tobacco products to people under 18, the agency disclosed in a news release.

AVAILS

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BEST BUY TOPS SUSTAINABILITY LIST

Barron's has ranked **Best Buy** — dubbed the last man standing in consumer-electronics retailing — No. 1 for sustainability among publicly traded U.S. companies, **MarketWatch** reports.

Said Barron's of Best Buy's bona fides: "It helps customers recycle old appliances and electronics, to recover rare earths, gold, copper, and plastic. Its Geek Squad helps extend the lives of old devices and appliances. Geek Squad members now drive to clients in a **Prius**, cutting the firm's emissions footprint. The retailer scored 100 on the **Human Rights Campaign Foundation's** corporate equality index. It's on [climate change] A List of the **CDP**, formerly known as the Carbon Disclosure Project, and made it onto the **Dow Jones Sustainability Index** for the eighth year in a row."

Barron's writes that it found while researching this year's sustainability roundup that "quite a lot" of companies' performances on associated metrics is linked to their chief executives' personal preferences. **Hubert Joly**, for example, developed an early concern for the environment while growing up in France. A year ago, Barron's handed **Cisco Systems** its sustainability crown. Best Buy ranked No. 3. Cisco moved down a notch to second place this year.

ACCOUNT ACTION

Kansas City-based independent full-service shop **Barkley** has been tapped as the lead agency for **Planet Fitness**, **Adweek** reports. The agency said in a statement that it will be tasked with helping the franchisor and operator of 1,600 fitness centers build and strengthen its brand across creative, strategy, experience, design and media planning and buying. **Planet Fitness** has 12.2 million members worldwide.



STUDY: LINEAR TV STILL OWNS THE NFL

A study by the **Video Advertising Bureau** finds that **Amazon**, which streamed **Thursday Night Football** this season, delivered an average 500,000 people during the 2018 season.

But it was still no match for the power of traditional television, which delivered, on average, an audience of more than 14 million.

U.S. television's average minute audience across the 11 comparable Amazon-streamed games, the VAB study found, was 29 times larger than Amazon's global audience, which includes more than 200 countries and territories.

Linear TV also delivered a much larger, more engaged audience across every comparable game. On average, linear TV's unique reach was 37.8 million people (P2+) per game, while Amazon's reach was only 2 million. Linear TV viewers also watched for 40 percent longer than streamers who watched on Amazon digital properties.

After first streaming games in 2017, Amazon signed a two-year deal with the league to live-stream 11 Thursday Night Football games during the 2018 and 2019 seasons. According to sources cited by **Reuters**, that deal carried a \$130 million pricetag.

MEDIA JOB LOSSES ARE PILING UP IN 2019

Business Insider says the media industry seemed to be in freefall last week after the announcement that **Vice Media** would cut 10 percent of its staff, **McClatchy** offered buyouts to 450 employees, and **Machinima** was closing down, bringing the total number of media jobs cut in 2019 to over 2,200.

The massive cuts so far this year represent a recent trend of cuts at digital-media companies that sprung up as newspapers around the country were shrinking and disappearing.

GateHouse Media, one of the largest local newspaper publishers in the U.S., has been quietly laying off journalists across the U.S. since the end of January. **Business Insider** has confirmed at least 60 layoffs.

The Hollywood Reporter first reported layoffs at Vice Media last week. According to the report, the Brooklyn-based media company will cut approximately 250 jobs across the company, with the aim of trimming down and helping the organization become profitable. "Having finalized the 2019 budget, our focus shifts to executing our goals and hitting our marks," CEO **Nancy Dubuc** wrote in an email to staff.

In late January, it was reported that **Verizon** would cut 7 percent of its staff at its media companies (an estimated 800 people), which include **Yahoo**, **AOL** and **The Huffington Post**. It's estimated that 20 employees were laid off at HuffPost last week, including opinion writers, political reporters and others. Nearly 100 corporate Verizon employees were reportedly laid off in San Francisco.

Gannett has been quiet about its layoffs, but **Poynter** reported on cuts that affected editors and senior journalists at local papers across the U.S. The **New York Post** reports that cuts affected as many as 400 people. In total, Gannett owns more than 100 news entities.

THERE'S A BIG DECLINE IN PILOT ORDERS

Variety reports that this year's broadcast pilot season is shaping up to be one of the leanest in recent memory, at least as far as sheer numbers are concerned.

Among **ABC**, **CBS**, the **CW**, **Fox** and **NBC**, 59 pilots have been ordered so far for the 2019-20 season. That number also includes two straight-to-series orders at Fox and one at NBC. According to multiple sources, each of the networks is nearly done with its pilot orders for the season. Should the current pace of orders continue, that would put the total number of projects ordered this year in the low- to mid-60s.

Compared with the 76 pilots ordered in 2018, this year will more than likely be down 10 to 20 percent from last; that would mark the fewest number of pilot orders going back at least 7 years.

According to several agency sources, the decrease in volume is partly due to a shift in strategy by the broadcast networks, which are looking to be more targeted in deploying their resources to counter the deep pockets of cable and streaming platforms like **Netflix**.

Cable and streaming are also affecting broadcast networks' ability to build out writers' rooms for new projects, given that development is year-round for the broadcast rivals rather than during a single specific season. According to one agency source, by the time the Big Four come to the agency looking for writers to staff their shows, many of their best clients are already working on projects at other platforms.

Another major factor is executive turnover: Each of the broadcast networks has seen at least one major executive change in the past few months.

GRAY BUYS THREE UNITED STATIONS FOR \$45M

Gray Television says it's buying **United Communications'** television stations for \$45 million. The acquisition will add two new markets to Gray's growing portfolio: **WWNY** (CBS) and **WNYF-CD** (Fox) in Watertown, N.Y.; and **KEYC** (CBS-Fox) in Mankato, Minn.

Gray said WWNY and KEYC "each consistently achieves No. 1 ratings in all major dayparts in their respective local markets, and each station has very deep roots in its local community. These stations represent Gray's first television stations located in New York State and Minnesota. The stations, however, complement Gray's existing exposure to and coverage of these states from legacy Gray stations located in other markets that spill into other areas of Upstate New York and Minnesota."

SATURDAY NIELSEN RATINGS - LIVE + SAME DAY

Time	Net	Program	Adults 18-49 Rating/share	Viewers in Millions
8:00	CBS	AAF Pregame	0.8/4	3.18M
	NBC	America's Got Talent	0.7/3	3.56M
	ABC	NBA Countdown	0.5/3	2.03M
	FOX	911	0.3/1	1.39M
8:30	ABC	NBA Basketball	0.7/3	2.38M
9:00	CBS	AAF Football	0.9/4	2.91M
	FOX	The Passage	0.2/1	0.79M
10:00	NBC	Saturday Night Live	0.6/3	2.89M

