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Local Broadcasters on the Block: Why TV Station Owners Are Exploring Sales

Allen Media Group is the latest to put up a "for sale" sign as the value has changed for these once-lucrative media assets

By Lucas Manfredi | June 9, 2025

After spending more than $1 billion in the last six years to amass a total of 28 television stations in 21 markets, Allen Media Group founder Byron Allen is putting up a for-sale sign, tapping veteran M&A advisor Ken Moelis to explore strategic alternatives as it looks to reduce an estimated debt load of about $1.5 billion.

Byron Allen and Brendan Carr
(Photo Illustration courtesy of The Wrap/Chris Smith/Getty Images)

"We have received numerous inquiries and written offers for most of our television stations and now is the time to explore getting a return on this phenomenal investment," Allen said in a statement last week.

How much Allen Media is able to receive for those stations will be telling for how the value of local TV stations, once cash cows for networks and the separate holding companies owning the stations, has changed in an era of cord-cutting and streaming.

"Nobody wants to be the last man standing when it comes to TV stations and linear TV. Between cord-cutting and declining advertising revenues, it's hard to see the value actually appreciate versus depreciate over time here," said Lloyd Greif, CEO of the investment banking firm Greif & Co. "Unless you have a clear plan to

FCC Chairman Brendan Carr(Credit: Tom Williams/Getty Collection)

continue to consolidate operations and try and pool resources, one would think that cost saving synergies have already been captured. The longer you hold them, the lower your return becomes."

Allen Media Group, which is privately held, is hoping to get $1.3 billion to $1.5 billion for its station portfolio to clear out its debt, an individual familiar with the matter told TheWrap. The person said that prior to the hiring of Moelis, the company received multiple inbound queries, primarily from strategic buyers looking to consolidate control of TV stations in their markets. The stations make up about 35% to 40% of Allen's revenue.

Under CEO Allen, a 64-year-old media mogul, film and television producer and comedian, Allen Media is far from the first station owner to consider scaling back their exposure in the declining linear TV business. Sinclair Broadcasting Group and Cox Media Group owner Apollo Global Management are both reportedly exploring potential station sales. Allen Media declined to comment on the record for this story, while representatives for Apollo, Sinclair and Moelis did not return TheWrap's request for comment.

Since the reelection of Donald Trump, station owners have expressed optimism his administration would usher in deregulation and open the door for more M&A to help consolidate the industry, bring down costs and strengthen their ability to compete with streaming services and social media. But thus far, that hasn't come to pass.

Experts tell TheWrap that dealmaking in the sector faces a variety of hurdles, ranging from declining station values from cord-cutting, higher production costs and the "triple whammy of high cost of debt, declining retransmission value and weak ad market" to strict rules around station ownership and increased M&A scrutiny by Trump and his handpicked FCC chair Brendan Carr.

A Regulatory Roadblock

In recent months, the National Association of Broadcasters, conservative groups and members of Congress have all lobbied the Federal Communications Commission, asking for the agency to modernize broadcast ownership rules, which currently limit a single entity's ability to own TV stations that collectively reach more than 39% of U.S. TV households. There's also the "Top 4" rule, which restricts the number of big four broadcast TV network afflilates a company can own in a single market.

These groups argue that the ownership rules are preventing broadcasters from competing for audiences and vital ad revenue with Big Tech, streamers and social media. During a panel discussion hosted by the Milken Institute last month, FCC chairman Brendan Carr signaled support of TV station ownership reform being one way to empower local broadcasters, calling the current rules "arcane" and "artificial."

But Greif pointed out that broadcast ownership reform doesn't change the dynamics of the industry itself. And Carr hasn't exactly made getting M&A deals done easy these days. New Street Research analyst and former FCC chief of staff Blair Levin said the agency appears to be imposing what he referred to as a "Trump transaction tax" on M&A, such as requiring the elimination of DEI initiatives or revising news coverage to get deals done.

"The current administration is going to want, in my opinion, to steer stations towards conservative and Trump-supporting owners," said Qualia Legacy Advisors Managing Director Aaron Meyerson.

Declining Station Values

Even if station owners get the deregulation they're clamoring for, there's also a question of just how valuable TV stations are moving forward given the downward trends for the linear business.

In the early 2000s, TV station values hit a peak cash flow multiple range of 12 to 14 times, boosted by deregulatory moves under George W. Bush and a low-interest rate environment, S&P Global analyst Justin Nielson said.

The multiple, in this case, is comparing a company's value, such as enterprise value or equity, to its cash flow, helping to assess its relative value, growth potential, and profitability. These multiples are a key tool in business valuation, especially when determining the value of a company.

Following the Great Recession in 2008-2009, the multiples for stations dropped to 7 to 8 times cash flow on lower deal volume with mostly distressed sales and debt-for-equity swaps. Consolidation in the mid-2010s lifted multiples to 8 to 9 times cash flow and has remained mostly the same post-COVID, he said, though he noted some top TV stations in major markets could fetch up to 10 times.

Based on those comparisons and the firm's $100 million estimate for forward cash flow, Nielson said the value for Allen Media's portfolio could be in the ballpark of $800 million to $900 million.

But he did say a bidding war could prop up those numbers.

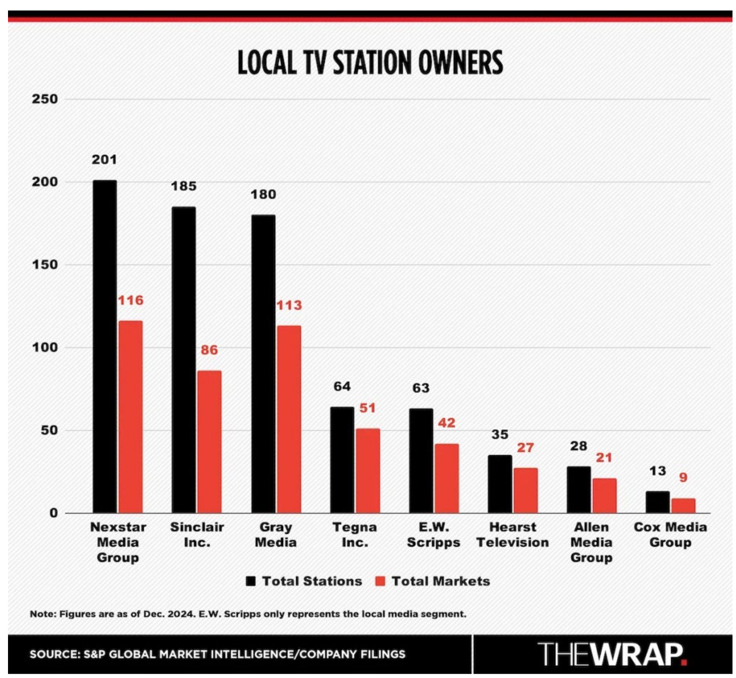
Finding a Buyer

Another hurdle is finding a buyer, which can be difficult for assets whose value is declining. Meyerson said Nexstar, Tegna, Hearst, Gray TV and E.W. Scripps would all be clear choices for strategic buyers of Allen's stations, though he warned they're currently limited in what they could acquire given the current access to and cost of capital, as well as the FCC's current duopoly rules and 39% ownership cap.

"Nexstar is pretty much at that cap, Gray TV is close to the cap and Scripps is pretty much at that cap as well. So they really don't have a lot of headroom in terms of acquiring stations," Nielson added.

Meyerson also floated Mission Broadcasting and White Knight Broadcasting, which have been used in duopoly structures by Nexstar and others, and TelevisaUnivision, which would have a specific focus on stations that serve its Spanish language audience. Private equity players such as Standard General, Providence Equity Partners, Blackstone, Bain Capital, Platinum Equity or Carlyle Group could also be bidders. Private equity loves declining assets that throw off lots of cash.

But Marc DeBevoise, a veteran media and technology executive who previously worked at CBS/Paramount and NBCUniversal, argued there hasn't been a ton of



success in private equity buying station assets and producing value.

"There's just not a wide set of obvious buyers. There are maybe slightly more than a handful of parties that might look at it and sniff around," he said. "Deals for assets like these typically work better when there are meaningful synergies with a potential buyer."

"This is not a robust market for properties like this and it's not a robust M&A market right now because of the uncertainty and not knowing what to expect coming out of Washington, D.C. on a day-to-day basis," investment banker Greif added. "Buyers don't like instability and it's caused some buyers to go to the sidelines."

Debt Hurdles

Despite the bleak outlook for the linear TV business, some experts argue that TV stations have been "fairly resilient," seeing an advertising boost in 2024 from political spending, as well as the Olympics and the Super Bowl.

At the end of last year, the firm forecast that total TV station revenue will reach $37.6 billion in 2025, down 6.9% from $40.4 billion in 2024, but $517 million higher than 2023. By 2029, that number is expected to reach $39.76 billion, including $18.70 billion in spot ad revenue, $17.38 billion in gross retrans and $3.69 billion in digital/online revenue.

In a separate forecast in March, S&P said its credit rating outlook for station owners are largely stable. But they warned the industry could see a modest decline in retransmission and core ad revenues, excluding political, over the next few years, resulting in a gradual decline of earnings before interest, taxes, depreciation, and amortization (EBITDA) and weaker cash flow. It also said that there's "limited ability to pursue leveraging transactions" given higher leverage among many local TV broadcasters.

The firm previously warned that Allen Media Group, which extended its debt maturities to 2027, faces a junk status credit rating and "elevated refinancing risk" in 2027 and 2028. In January, S&P had put Allen Media Group on a negative credit watch, noting it had an outstanding balance of $99.9 million on its $100 million revolving credit facility and had $60.1 million in cash as of Sept. 30, 2024. Additionally, Bloomberg previously reported that the company has an $840 million term loan maturing in 2027.

Similarly, Sinclair struck an agreement with its creditors in January to recapitalize its debt in order to boost its financial liquidity and strategic flexibility and push its closest meaningful debt maturity to December 2029. As of December 31, 2024, the company had total debt of $4.129 billion on its balance sheet.

S&P emphasized that broadcasters that are best positioned will be those with the greatest household reach, the highest ranked stations and the most duopolies. Gray Media is the largest owner of CBS affiliates, while Tegna owns the largest number of NBC affiliates, Nexstar owns the largest Fox and CW affiliates and Sinclair owns the most ABC affiliates. Gray and Nexstar also have the highest number of duopolies, while TEGNA and Gray have the highest percentage of No. 1 and No. 2 ranked stations.

Despite what the valuations are showing, some still are bullish on the local TV station business.

"I truly believe broadcast stations will hold value for a very long time. Broadcasters are relatively protected in their distribution model and they have a strong business delivering local content and information, aggregating local audiences, and providing local advertising. They're especially important in how election money is spent and local sports are highlighted and monetized," DeBevoise said. "Do we need six or seven stations in every market? Maybe not. But I believe two to four broadcast stations will remain very important in each market for a very long time."