

**Nexstar Media Group, Inc.**

# Investor Presentation

January 2022

Perry A. Sook, Founder, Chairman & CEO

Tom Carter, President & COO

Lee Ann Gliha, EVP & CFO





# Disclaimer

## Forward-Looking Statements

This presentation includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. Forward-looking statements include information preceded by, followed by, or that includes the words "guidance," "believes," "expects," "anticipates," "could," or similar expressions. For these statements, Nexstar claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The forward-looking statements contained in this presentation, concerning, among other things, future financial performance, including changes in net revenue, cash flow and operating expenses, involve risks and uncertainties, and are subject to change based on various important factors, including the impact of changes in national and regional economies, the ability to service and refinance our outstanding debt, successful integration of acquired television stations and digital businesses (including achievement of synergies and cost reductions), pricing fluctuations in local and national advertising, future regulatory actions and conditions in the television stations' operating areas, competition from others in the broadcast television markets, volatility in programming costs, the effects of governmental regulation of broadcasting, industry consolidation, technological developments and major world news events. Nexstar undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this presentation might not occur. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. For more details on factors that could affect these expectations, please see Nexstar's other filings with the Securities and Exchange Commission.

## Definitions and Disclosures Regarding non-GAAP Financial Information

Adjusted EBITDA is calculated as net income, plus interest expense (net), loss on extinguishment of debt, income tax expense (benefit), depreciation, amortization of intangible assets and broadcast rights, (gain) loss on asset disposal, goodwill and intangible assets impairment, loss (income) on equity investments, distribution from equity investments and other expense (income), minus reimbursement from the FCC related to station repack and broadcast rights payments. We consider Adjusted EBITDA to be an indicator of our assets' operating performance and a measure of our ability to service debt. It is also used by management to identify the cash available for strategic acquisitions and investments, maintain capital assets and fund ongoing operations and working capital needs. We also believe that Adjusted EBITDA is useful to investors and lenders as a measure of valuation and ability to service debt.

Given the Company's previous disclosure that effective November 1, 2020 it combined its broadcast and digital operations, commencing with the fourth quarter of 2020, Nexstar no longer reports broadcast cash flow but investors can calculate a comparable metric for the combined broadcast and digital operations by adding back corporate expense to Adjusted EBITDA.

Free cash flow is calculated as net income, plus interest expense (net), loss on extinguishment of debt, income tax expense (benefit), depreciation, amortization of intangible assets and broadcast rights, (gain) loss on asset disposal, stock-based compensation expense, goodwill and intangible assets impairment, loss (income) on equity investments, distribution from equity investments and other expense (income), minus payments for broadcast rights, cash interest expense, capital expenditures, proceeds from disposals of property and equipment, and net operating cash income taxes. We consider Free Cash Flow to be an indicator of our assets' operating performance. In addition, this measure is useful to investors because it is frequently used by industry analysts, investors and lenders as a measure of valuation for broadcast companies, although their definitions of Free Cash Flow may differ from our definition.

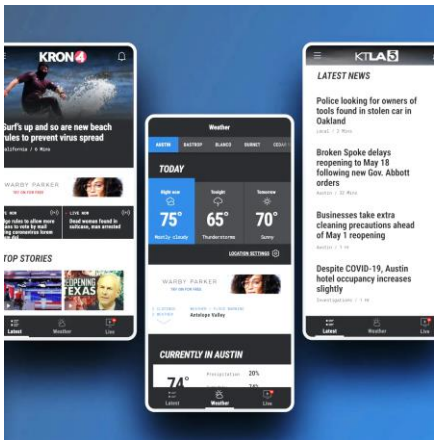
For a reconciliation of these non-GAAP financial measurements to the GAAP financial results cited in this presentation, please see the supplemental tables at the end of Nexstar's third quarter financial results press release dated November 2, 2021.

With respect to our forward-looking guidance, no reconciliation between a non-GAAP measure to the closest corresponding GAAP measure is included in this release because we are unable to quantify certain amounts that would be required to be included in the GAAP measure without unreasonable efforts and we believe such reconciliations would imply a degree of precision that would be confusing or misleading to investors. In particular, a reconciliation of forward-looking Free Cash Flow to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity and low visibility with respect to the charges excluded from these non-GAAP measures such as the measures and effects of stock-based compensation expense specific to equity compensation awards that are directly impacted by unpredictable fluctuations in our stock price and other non-recurring or unusual items such as impairment charges, transaction-related costs and gains or losses on sales of assets. We expect the variability of these items to have a significant, and potentially unpredictable, impact on our future GAAP financial results.



## Our Mission

- Producing and distributing popular news, sports and entertainment **content that engages** our audience



## Our Scale

- We generate approximately **\$5BN of annual revenue** and **\$1.5BN of free cash flow**, which puts us in a category of our own
- Our scale affords us the opportunity to **monetize our assets** in new ways that will be material to our bottom line



## Our Leadership

- We have a **successful track record** of growing and evolving our business
- Whatever we do, we do to create **shareholder value**
- We are a **best-in-class** management team



# We Are America's Largest Local Broadcasting Company



200 broadcast stations in 116 U.S. markets



Top 10 digital news & information property with 98MM monthly uniques



National news network in 75MM homes



Multicast TV networks reaching 50-90MM+ homes



31% ownership stake



Multi-platform political news



Consumer products recommendations

## Reach

Population:	212MM
% of TV Households:	68%
Monthly Unique Visitors:	98MM

## Financial Profile

9/30/21 LTM Revenue:	\$4,779MM
9/30/21 LTM Adj. EBITDA:	\$2,058MM
% Margin:	43%
LTM Free Cash Flow:	\$1,360MM
% of Adj. EBITDA:	66%

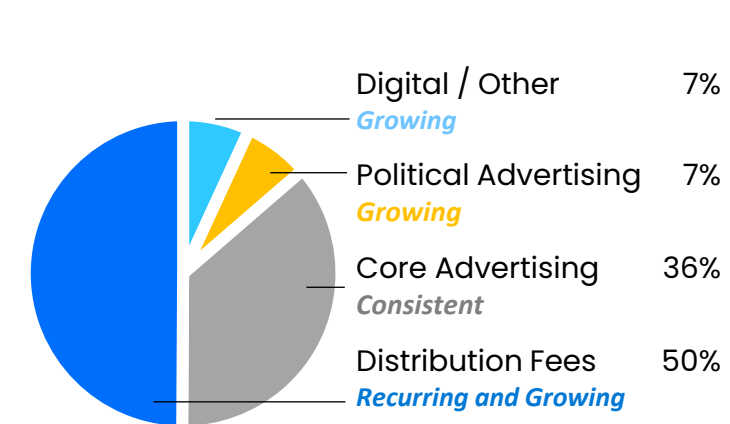
## Capital Structure

Net Debt / EBITDA:	3.4x
Corporate Credit Rating:	Ba3 / BB

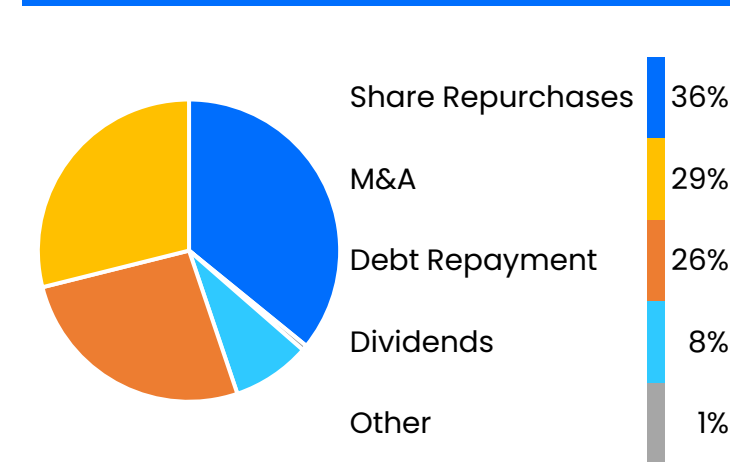
## 9/30/21 LTM Return of Capital

Dividend:	\$2.79 / share
Share Repurchases:	\$11.92 / share
<b>Total:</b>	<b>\$14.71 / share</b>

## 9/30/21 LTM Revenue Composition



## 9/30/21 LTM FCF Allocation

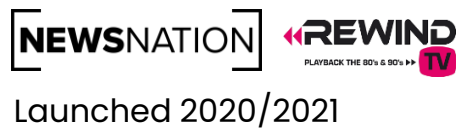
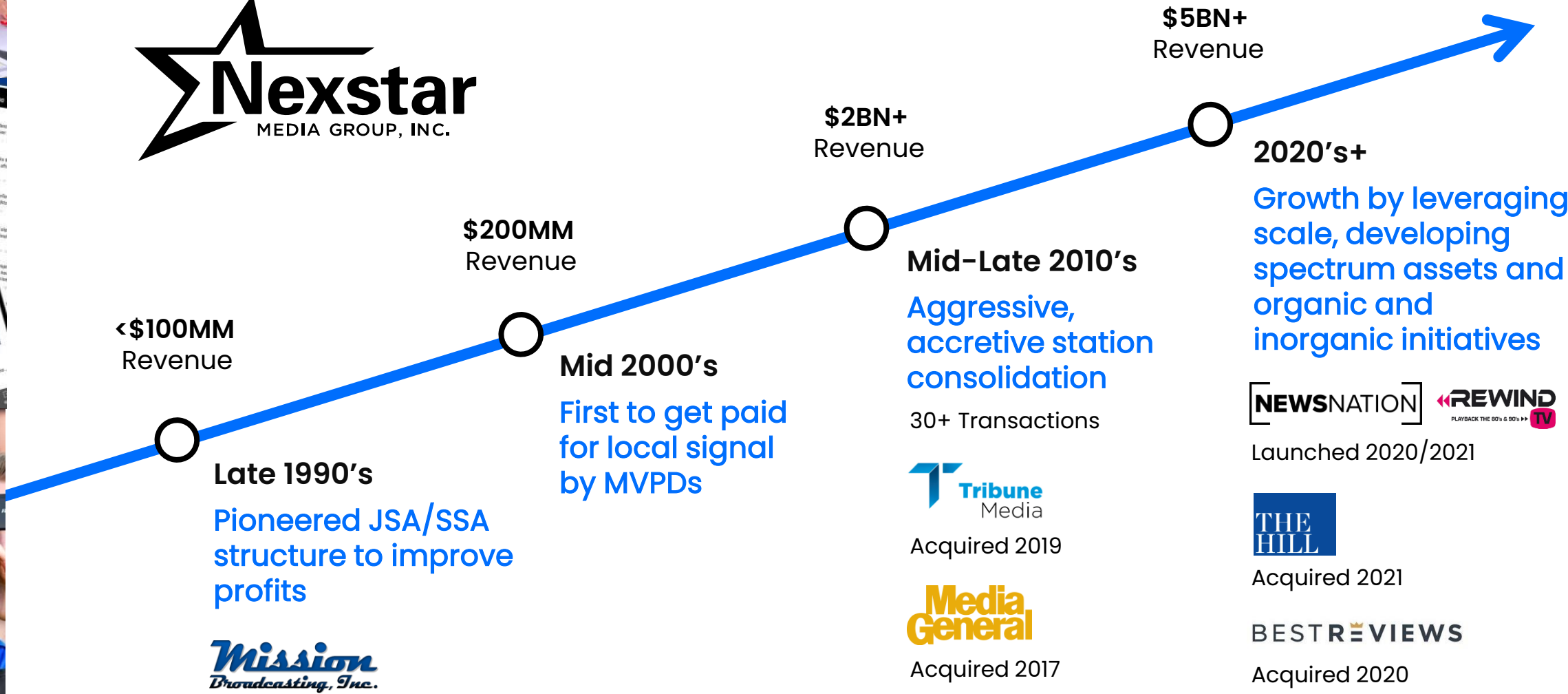


Sources: Comscore, Nielsen, Company filings.

Note: Based on shares outstanding as of Q3 2021 10-Q.

# Track Record of Innovation and Growth

Nexstar has led the industry in every major innovation in the business of local media.





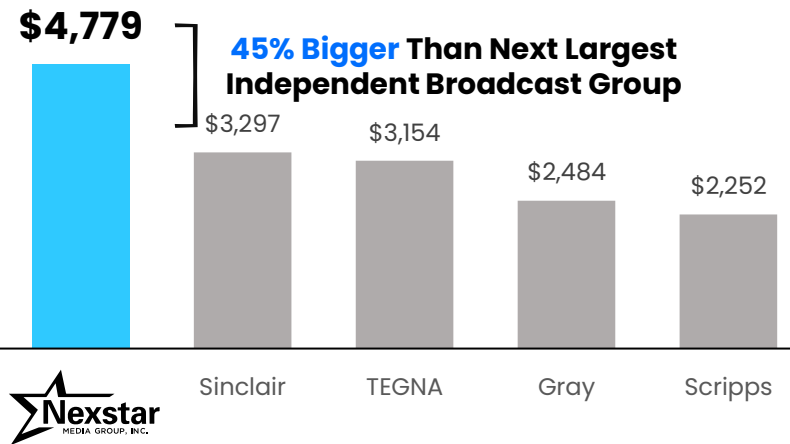
# Scale Matters

**Our scale enables us to monetize our assets in new ways that will be material to our bottom line.**

- Important content distribution partner to networks and MVPDs
- Provide advertisers with both nationwide reach and local engagement
- Access to all forms of television and digital advertising dollars
- Ability to clear content across the U.S.
- Diversity of local markets reduces risk and maximizes opportunity
- Ability to build and retain homegrown talent
- Operating and scale synergies
- Platform for inorganic and organic growth opportunities
- Access to capital

## Largest Independent Broadcast Group

9/30/21 LTM Broadcast Revenue  
(\$ in millions)



## Important Partner to Networks and MVPDs

Rank of Affiliate Groups by TVHH



## Top 10 Digital News & Information Property

Sept. 2021 Unique Visitors per Comscore  
(in '000s)

1.	Yahoo-BuzzFeed	203,957
2.	Microsoft News	172,162
3.	Weather Co.	157,985
4.	NBC News	153,808
5.	CNN	149,160
6.	USA TODAY	146,649
7.	Fox News	100,885
8.	Nexstar	<b>98,394</b>
9.	Insider	97,443
10.	ABC News	85,524



# Well Positioned Assets

## Local and National

News, Sports, Weather and Entertainment

**5,500** Journalists in 116 markets

**283,000** Hours of TV Content Produced Annually

## Network

Sports, Entertainment and News Content



## Entertainment



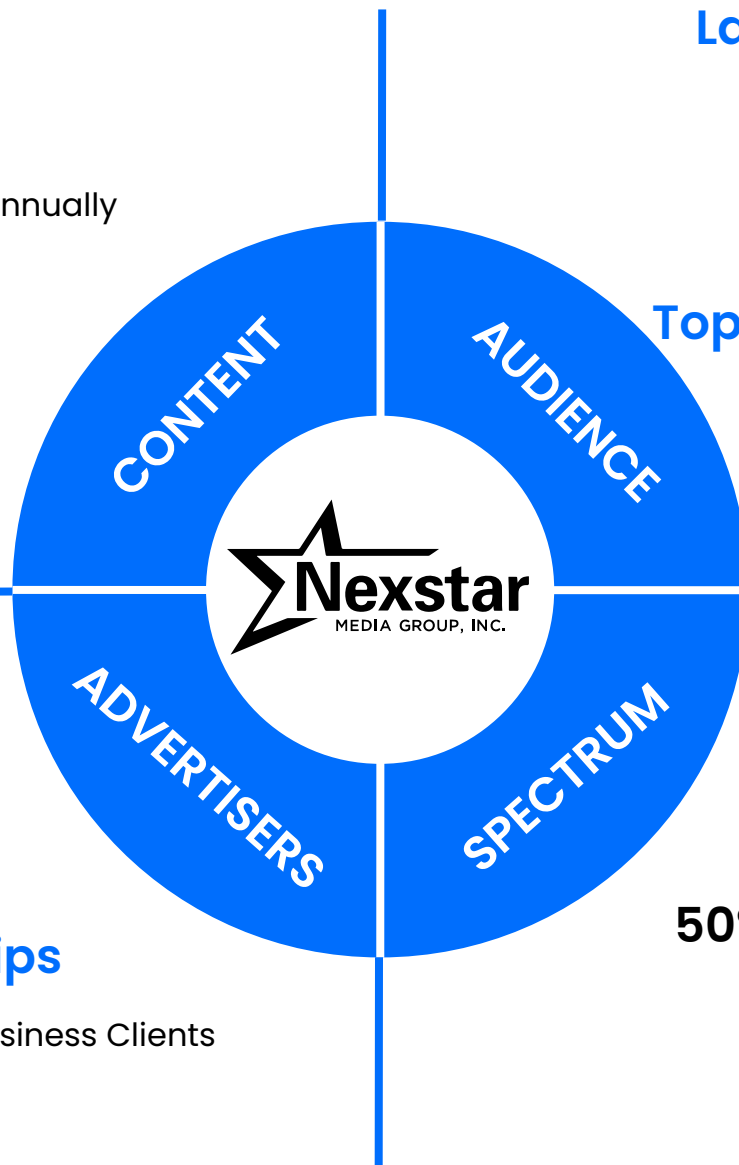
## Largest Local Broadcast Audience

**68%** of US Television Households

**212MM** People

## Top 10 News & Info. Digital Audience

**98MM** Monthly Uniques



## Leading Local Salesforce

**1,400+** Sales Personnel

## Strong Advertiser Relationships

**40,000+** of Small, Medium and Large Business Clients

## Substantial Future Revenue Opportunities

**1,125+Mhz** of Spectrum

**50%** of the US population expected to have access to a Nexstar ATSC 3.0 station by end of 2022

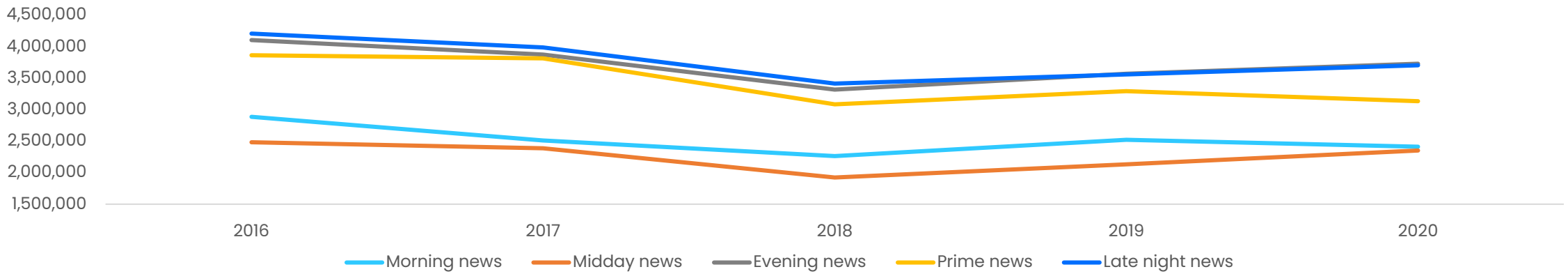




# Local News Content is Valuable

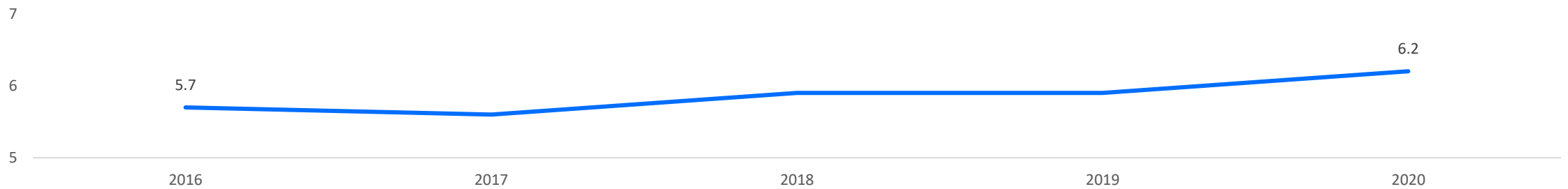
Viewership of Local News per Hour Has Been Stable...

Average Number of TVs Tuning to News Programming During Each Time Slot for ABC, CBS, NBC & Fox Affiliates



...Even as the Number of Hours per Day of Local News Increased

Average Number of Local TV News Hours per Weekday



Source: Pew Research Center



# Nexstar's Fact-Based, Unbiased National News Network **NEWSNATION**

Leveraging our core competency in news, we are building a profitable and differentiated national news network.

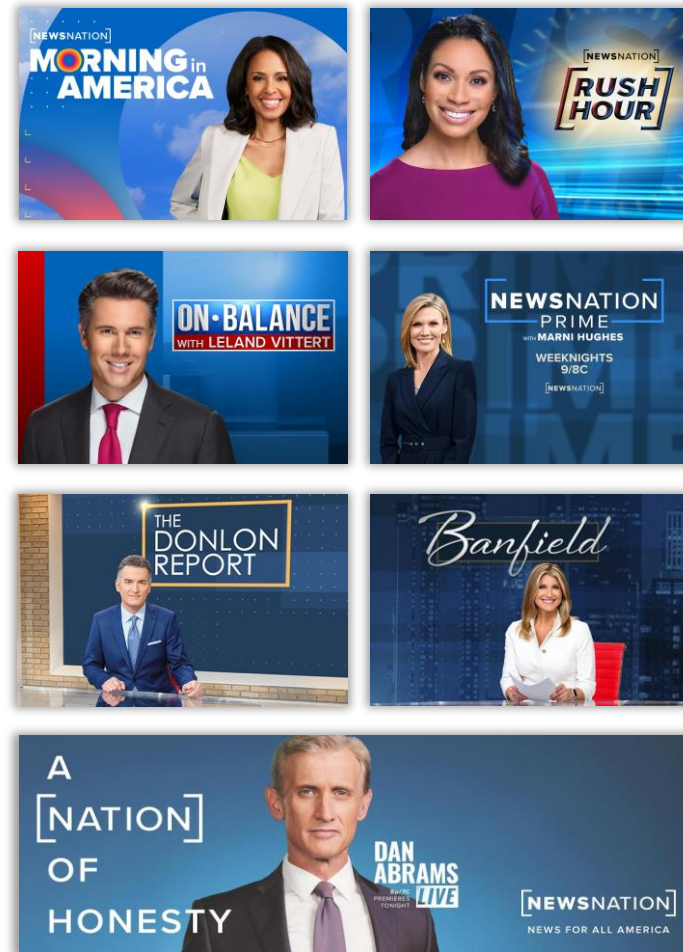
## The Opportunity:

- News networks are the most watched cable networks
  - Top 5 cable networks in September 2021: **#1 Fox News**, **#2 ESPN**, **#3 MSNBC**, **#4 HGTV**, and **#5 CNN** (Source: Nielsen)
- Audiences want unbiased news content
  - According to Pew Research and Reuters Institute studies
- NewsNation fills a hole in the cable news market for unbiased news

## The NewsNation Business Case:

- Distribution is similar to other cable news network peers
  - NewsNation is available in 75MM homes versus 85MM for Fox News, 85MM for MSNBC and 88MM for CNN per Kagan
- NewsNation CPMs are equivalent to other cable news network peers
- News synergy with Nexstar's local newsrooms
- Multi-platform strategy – vMVPDs, app, web
- Only national news network to launch profitably and is the fastest growing cable news network**

## First Class Programming



## Multi-Platform Strategy

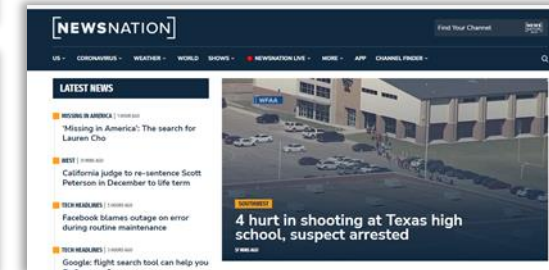
### vMVPD Distribution



### NewsNation App



### Mobile and Desktop Websites

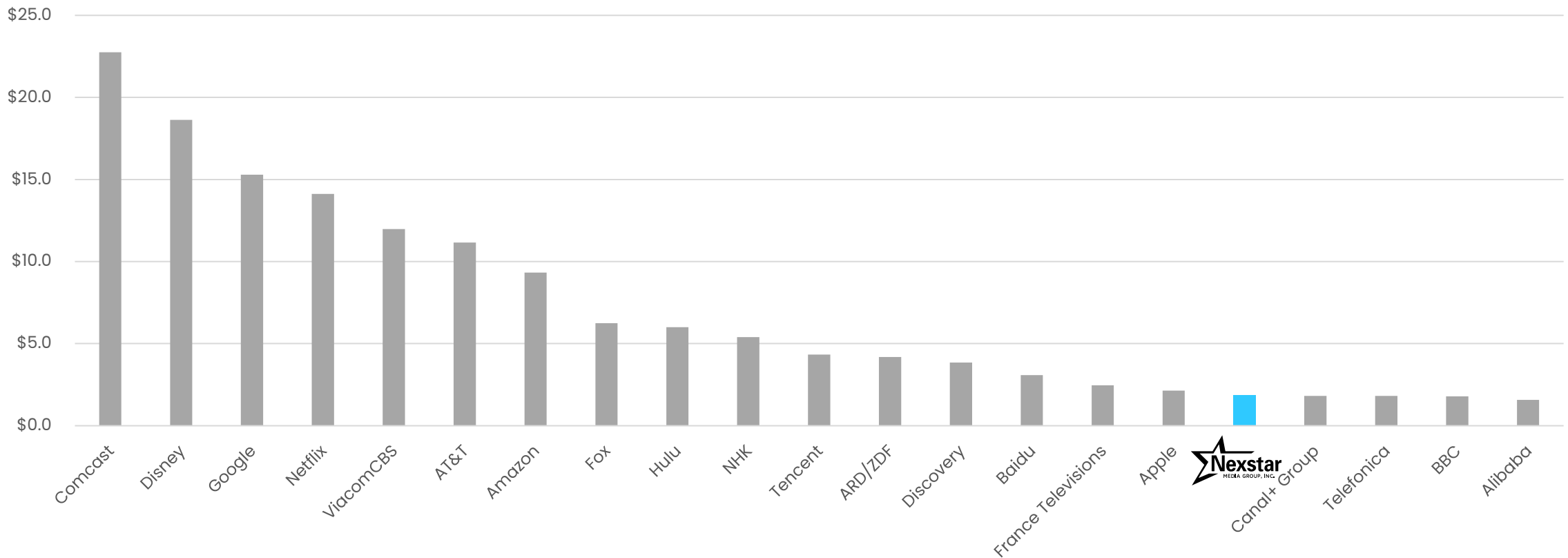


# Superior Return on Significant Annual Content Spend

Nexstar spends almost \$2BN per year on content (of which ~\$0.5BN is on News), while generating a 40%+ Adjusted EBITDA Margin and Converting Over 60% of Adjusted EBITDA to Free Cash Flow.

## 2021E Content Spending

(\$ in billions)



Source: Company estimates and Ampere Analysis. Ampere's analysis is based on P&L only and excludes theatrical production and exploitation costs; Includes original content only for Disney+, Apple+, HBO Max, Peacock and Paramount+.

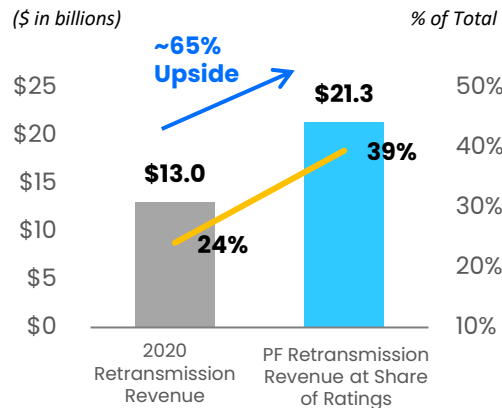
# Near and Long-Term Organic Growth Drivers

1

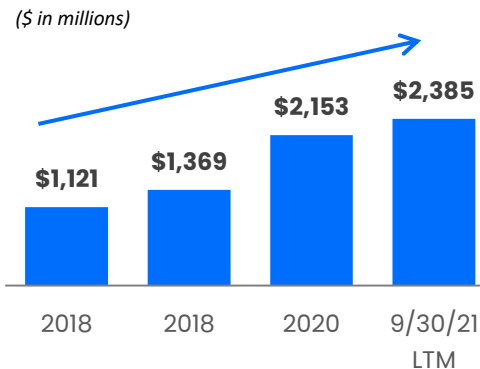
## Continue to Increase Retransmission Revenue

- Broadcast share of retransmission revenue (24%) is still well below its equivalent ratings share (39%)
- Nexstar has been able to:
  - grow its retransmission revenue well in excess of the rate of subscriber attrition, and
  - participate in growing vMVPD platform retransmission payments
- **Nexstar intends to renegotiate contracts for approximately 55% of its subscribers in 2022, expected to positively impact 2023**

### TV Share of Retransmission Revenue



### Nexstar Distribution Revenue

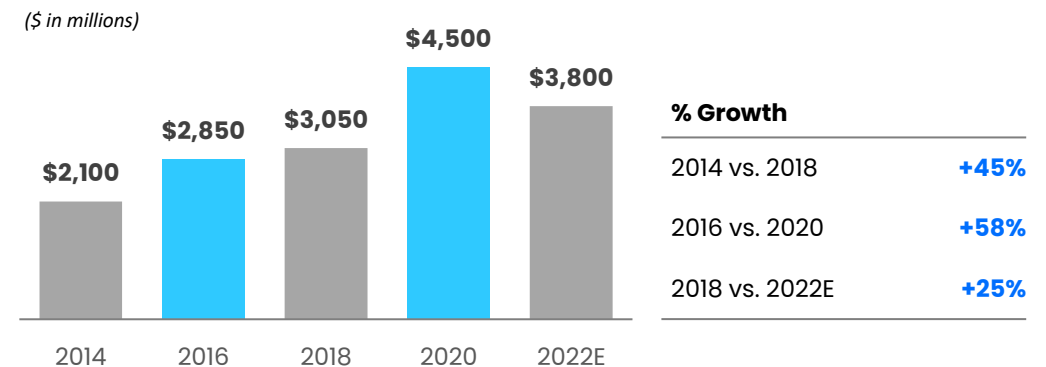


2

## Capitalize on Increased Political Advertising Spending Due to Polarized Political Environment

- Political advertising historically has grown at a 40-60% comparable political YoY rate
- Nexstar has exposure to **more than 80%** of markets with competitive political races
- Local television advertising has proven to be the most effective for candidates and with limited dollars to spend, focus for campaigns is on “tried and true” methods
- **Nexstar typically takes home 12-15% of gross U.S. broadcast political dollars**

### Gross Television Broadcast Political Revenue



Source: SNL Kagan (2020 retransmission and affiliate revenue); Comscore (Large Broadcast Network Affiliate Ratings Share)

Source: BIA Kelsey, Smart Media, CMAG and Kagan.

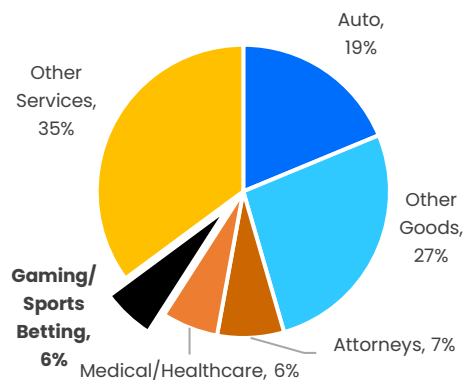


# Near and Long-Term Organic Growth Drivers (cont'd)

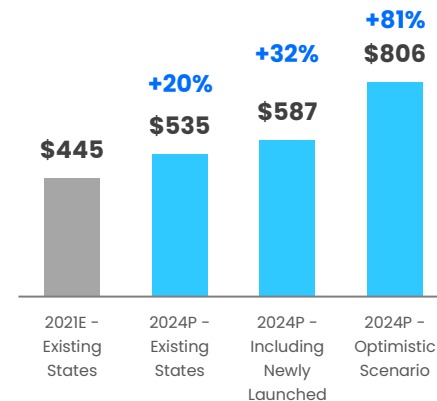
## 3 Develop New Advertising Categories (e.g. Sports Betting)

- Sportsbooks have spent heavily on local TV, the medium that has worked best for them, in markets as they have rolled out
- Nexstar has a presence in ~80% of states where legalized sports betting is or will be launched
- In addition to network sports, Nexstar programs ~160 hours of local sports news and programming per week
- Nexstar employs 230+ sports reporters, anchors and producers who generate proprietary content attractive to advertisers
- **Sports betting has become a Top 5 category for Nexstar**

Nexstar 9/30/21 LTM Core Ad Revenue Composition



Projected Local OTA Online Gambling Spot Revenue

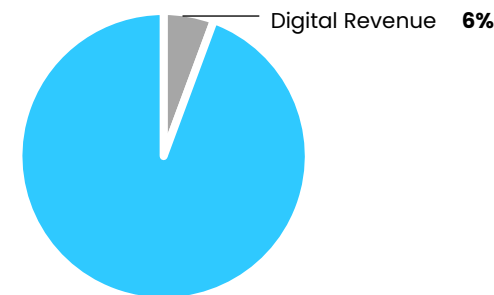


Source: BIA Kelsey (April 2021).

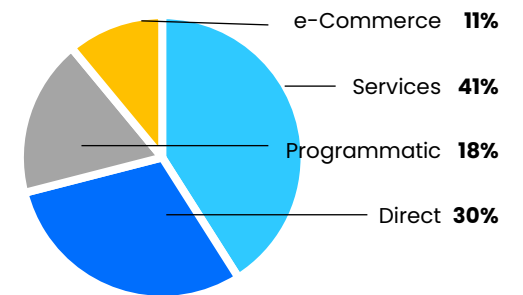
## 4 Drive Digital Revenues

- According to an October 2021 e-Marketer report, digital ad spending accounts for 63% of all media ad spending, predicted to grow at a 12% CAGR over the next 4 years
- Nexstar has a large digital presence with over 98MM monthly uniques, yet generated only \$286MM for the 9/30/21 LTM period, or 6% of its revenue from digital sources
- Recent acquisitions of BestReviews and The Hill are aimed at increasing our presence in Digital
- **Nexstar is focused on growing digital advertising revenue as well as its digital solutions for local advertisers**

Nexstar 9/30/21 LTM Digital Revenue as a % of Total



Nexstar Digital Revenue Composition







# Near and Long-Term Organic Growth Drivers (cont'd)

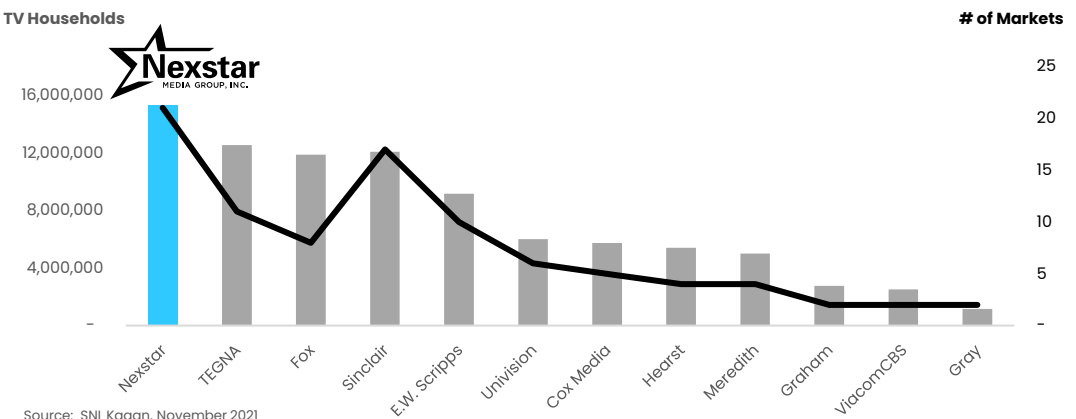
## 5

### Monetize Underlying Spectrum

- Nexstar is nearing full-utilization of its existing spectrum capacity and conversion to NEXTGEN TV (e.g. ATSC 3.0) will increase revenue growth opportunities
  - Nexstar currently generates 8 figures of Adjusted EBITDA from its multicast channels
- By the end of 2022, Nexstar expects to have converted stations to ATSC 3.0 reaching 50% of the population with consumer adoption of new standard TV sets to follow
- A recent BIA Advisory Services study estimated that broadcaster expansion into high-speed broadband data transmission markets could generate up to \$15.0 billion of revenue for the industry by 2030 comparable to current industry retransmission revenues of \$13.0 billion



### Nexstar Leads the Way in NEXTGEN TV Deployment



### NEXTGEN TV Revenue Opportunities

#### Medium-Term Television Applications:

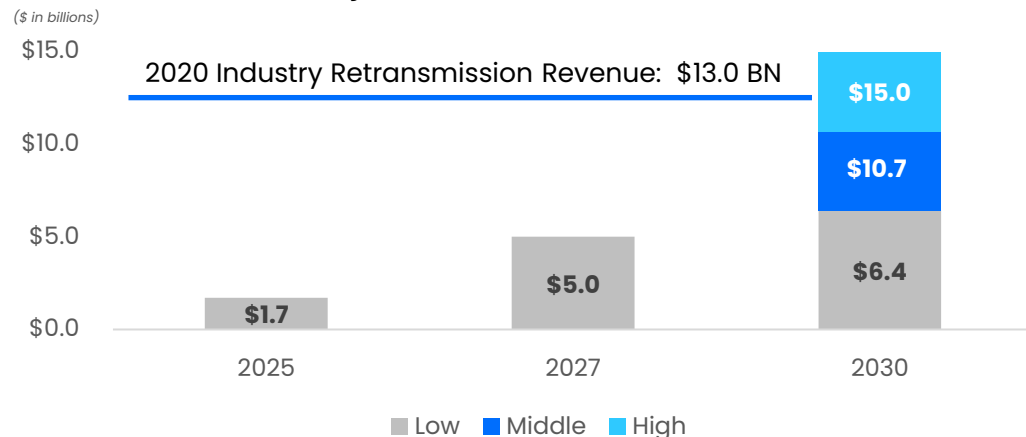
- Additional multicast channels
- Interactive television, including:
  - Targeted advertising
  - Sports betting
- Signal encryption
- Other

#### Long-Term Datacasting Service Applications:

- Agriculture
- Connected car
- Digital signage
- Education and distance learning
- GPS
- IoT
- Public safety for emergency alerts and other features
- Telecom for hybrid NextGen TV/5G network applications
- Telemedicine

### High-Speed Data Transmission Revenue Could Rival Retransmission Revenue Levels

#### NEXTGEN TV Revenue Projection










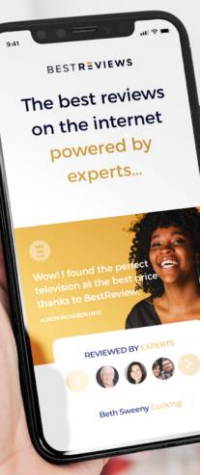


# Accretive M&A Strategy

**Nexstar has a track record of creating shareholder value through M&A.**

**Nexstar will continue to use its platform to make accretive acquisitions in its core business or new, complementary businesses where it can drive/protect revenue and generate synergies given its scale and strategic alignment.**

Asset Type	Description	Representative Transactions
<b>STATION</b>	Local broadcast stations in markets where permitted	 
<b>DIGITAL</b>	News, sports, weather or entertainment content-based digital media assets complementary to or expand Nexstar's audience	
<b>CONTENT</b>	News, sports, weather or entertainment television content attractive to Nexstar's audience	   
<b>OTHER</b>	Other new or complementary assets Continue to divest non-core/real estate assets	



# Recent M&A Case Study



<b>Acquisition Date:</b>	September 2021
<b>Purchase Price:</b>	\$130 million
<b>Business Description:</b>	Independent, political digital media platform that generates revenue from direct and programmatic advertising primarily via TheHill.com with 48 million monthly unique visitors
<b>Transaction Rationale:</b>	Expands Nexstar's digital content portfolio with complementary fact-based, unbiased political journalism and news audience
<b>Synergies:</b>	<ul style="list-style-type: none"><li>• Overhead reduction</li><li>• Ability to drive incremental direct ad sales</li><li>• Reciprocal content sharing with NewsNation, Nexstar Local and The Hill</li></ul>
<b>Financial Profile:</b>	Teens topline growth and strong margins
<b>Accretion:</b>	Immediately accretive to operating results
<b>Comparable:</b>	Politico, with only 26 million monthly uniques and a similar political news focus, sold to Axel Springer in August 2021 for more than \$1BN

# Large Scale M&A Has Historically Created Significant Value

## Tribune Media Acquisition Case Study



### Key Terms:

Acquisition Date	September 20, 2019
Transaction Value	\$7.2 billion
Synergies	\$185 million

### Combined Financial Summary (\$ in millions):

'18/'19 Net Revenue	\$4,200
'18/'19 Adj. EBITDA	1,650
'18/'19 FCF	900

- Accretive acquisition
- Stock price almost doubled from \$78.20 prior to announcement to today
- Increased FCF by more than +50% from status quo
- Significant pro forma FCF reduced leverage to pre-transaction levels in less than a year post-transaction
- Created long term synergy potential from increase in scale



# Superior Financial Profile



### Revenue

- 50% of revenue is recurring and fixed
- High growth retransmission and digital revenue streams
- Stable core advertising growth
- Overall strong growth

### Strong Margins

- >40% EBITDA margin
- Operational excellence driven by a decentralized management approach
- Scale benefits

### High Free Cash Flow Conversion

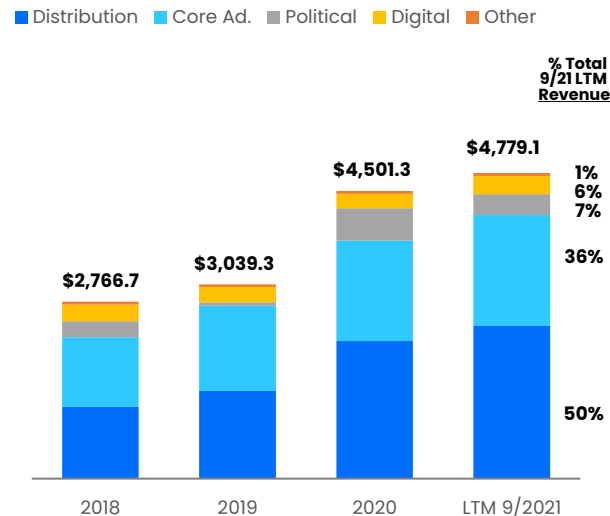
- 2022 Consensus FCF for Nexstar is \$1.6BN which is greater than the estimate for ViacomCBS
- Low capital expenditures
- Low leverage and low cost of borrowing

### Low Leverage

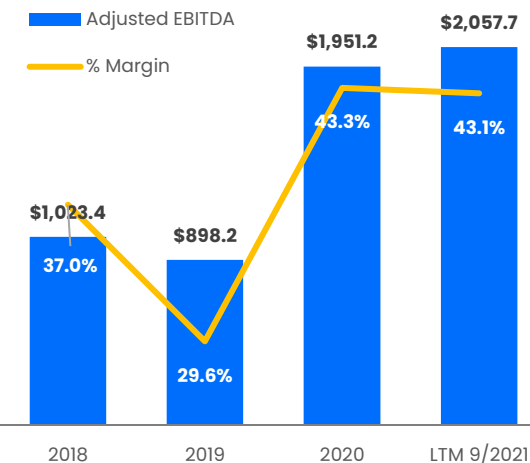
- Current net leverage of 3.4x
- Target net leverage of 3.5x+/-, subject to organic and inorganic growth initiatives
- Excess free cash flow available for further debt repayment or return to shareholders

(\$ in millions)

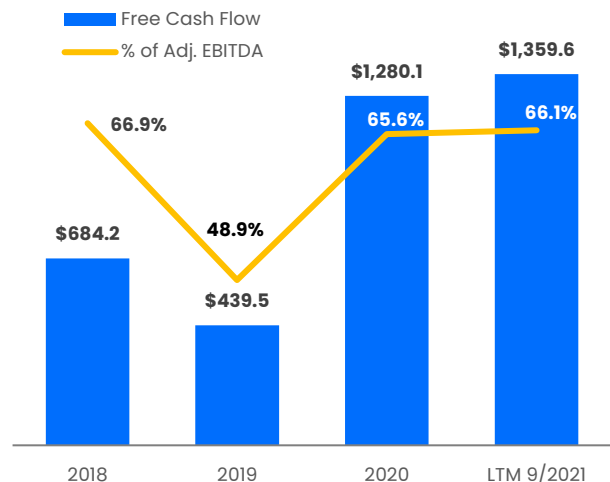
### Net Revenue



### Adjusted EBITDA



### Free Cash Flow



### Capitalization (as of Sept. 30, 2021)

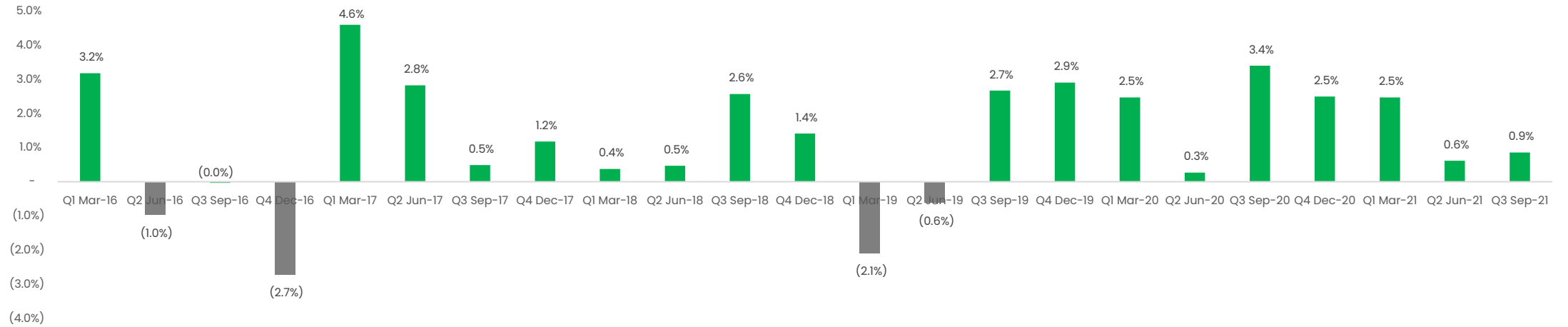
<b>Cash on Hand</b>	<b>\$193.8</b>
Revolving Credit Facilities	\$61.5
First Lien Term Loans	4,702.8
5.625% Senior Unsecured Notes due 2027	1,790.4
4.75% Senior Unsecured Notes due 2028	991.6
<b>Total Debt</b>	<b>\$7,546.3</b>
<b>Compliance EBITDA</b>	<b>\$2,172.5</b>
<b>Total Leverage</b>	<b>3.42x</b>
<b>First Lien Leverage</b>	<b>2.14x</b>

# Consistent Financial Outperformance

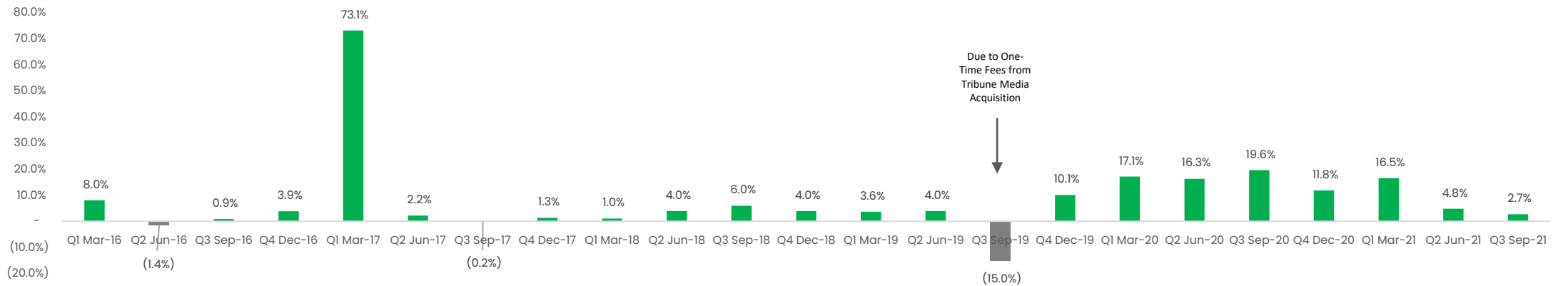
## Nexstar Has a Track Record of Beating Consensus

% **Beat** or Missed Consensus

### Beat Revenue Consensus in 18 of Last 23 Quarters



### Beat EBITDA Consensus in 20 of Last 23 Quarters



Source: Refinitiv Eikon.

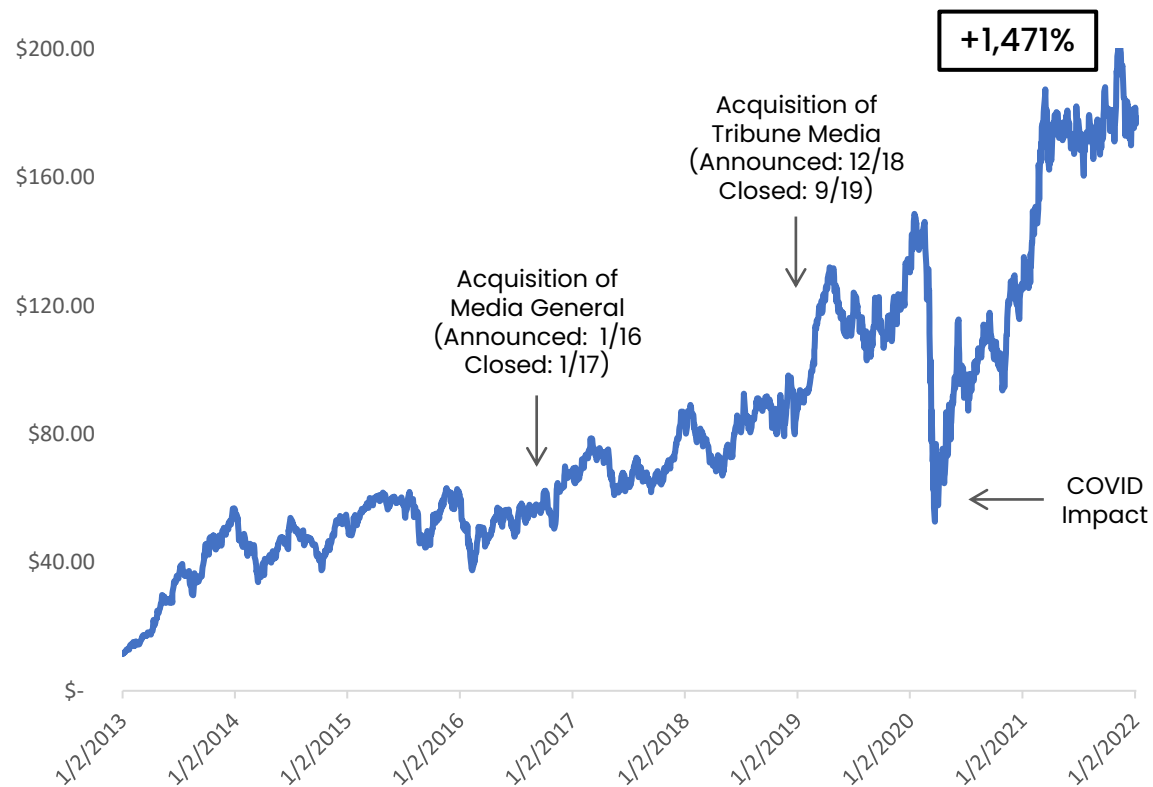
# Focus on Shareholder Returns

## Nexstar Balances Current Shareholder Returns with Long-Term Value Enhancing Investment Opportunities

- Founder, Chairman and CEO, Perry Sook, is a top five holder of NSXT shares
- Announced over \$570MM returned to shareholders YTD via dividends and repurchases
  - Annual 25% growth in shareholder dividend since 2013
  - \$1.4BN share repurchase program
- Track record of debt reduction
  - Announced ~\$160MM repaid YTD
- Reinvestment in organic growth opportunities and acquisitions

### NXST Total Return Since 1/1/2013

Ranked as one of “The Top 10 Stocks of the Past Decade”  
– Kiplinger, 2020



Note: Through January 7, 2022; Assumes all dividends are reinvested



# ESG Initiatives

**Nexstar is committed to being a good steward of capital and resources and is focused on a variety of ESG initiatives**

## Environmental

- Reduced energy consumption by:
  - Installing lighting that registers a person’s presence in the room and ensuring our facilities are committed to recycling
  - Replacing expensive, power consuming incandescent and fluorescent studio lighting with LED lighting fixtures (will be fully converted in the next three years)
  - Installing new, energy efficient transmission equipment at over half of our stations (with more to come with the ATSC 3.0 conversion), saving 15MM KW hours per year in energy costs

## Social

- Stations are tasked with serving their local communities through service on non-profit boards, sponsorship of community organizations and promotion of giving
- Ongoing events and local giving include Nexstar’s Founder’s Day of Caring, the Nexstar Charitable Foundation, local station partnerships with the Red Cross and “Remarkable Women” programming
- In January 2021, entered into a 3-year partnership with Feeding America, the nation’s largest domestic hunger relief organization, to donate \$2MM in TV air-time and financial support as well as volunteer support
- Produces *Border Patrol*, a serial program about the border crisis and immigration, hosts televised townhalls and debates
- In 2020, established our Diversity & Inclusion Council and Nexstar Mentorship Program to build on our commitment to create a diverse, innovative and creative workforce

## Governance

- Single class of stock
- Nine of ten directors are independent
- Two of nine independent directors are women/diverse
- Conducts annual shareholder outreach to get direct input on important issues including ESG





## Invest in Nexstar



- Nexstar is the **largest local broadcasting company** in America with a \$6BN+ market capitalization and ~\$14BN total enterprise value
- We are the **largest company with top tier operational performance in the sector** but trade at a greater than 20% 2021/2022 FCF Yield and less than 7x Consensus 2021/2022 EBITDA
- Annualized for Q3 we **returned half of our FCF to shareholders** in the form of dividends and stock repurchases equating to an 11% return of capital yield while **maintaining low leverage of < 3.5x**
- **Q3 2021 was a record quarter** despite auto advertising headwinds and supply chain concerns; overall **trends for core advertising are positive**
- **Excellent three-year visibility:**
  1. 2022 will benefit from very strong political spending (Nexstar historically gets 12 – 15% of the gross U.S. broadcast television political spend) plus additional upside when auto advertising returns
  2. 2023 will benefit from new retransmission consent deals for approximately 55% of our subscriber base expected to generate distribution revenue growth
  3. 2024 is a presidential political year, plus the impact of significant retransmission resets in 2023
- **Additional opportunity from realization of scale synergies** from organic and inorganic initiatives

