

Nexstar Media Group CEO: “Feeling good about the overall business environment” after record revenue for a non-election year

Record revenue for the company demonstrates recovery of the ad market in the 4th quarter. Nexstar Media Group, Inc. posted record 4th quarter earnings for a non-election year, bolstered by expanded original programming on national cable news networks and growing momentum across broadcast, digital, and network platforms.

The Irving-based company is the largest local television and media corporation in America. Nexstar said net income was \$262.3 million, or \$6.19 per diluted share, down \$100.6 million, or 27.7%, from the year-earlier quarter. Revenue dropped 9.5% from the prior-year quarter to \$1.3 billion.

However, the net revenue increased 13.8% in the year over year average when excluding political advertising revenue. Analysts polled by Yahoo! Finance projected earnings of \$4.87 per share on revenue of \$1.2 billion.

The company’s earnings call on Feb. 21 described immense overall growth from the year before average across digital, core advertising, and distribution channels. Digital revenue rose 56%, core advertising revenue increased 4.2%, and distribution revenue rose 16.6%. Overall, advertising revenue was down 13% compared with the prior year.

The increase in revenue in the digital, core advertising, and distribution sectors demonstrates the recovery of the advertising market from the COVID-19 pandemic. However, advertising in sectors like the automotive industry has yet to return to pre-pandemic levels.

During election years, Nexstar historically sees a rise in advertising revenues. Perry Sook, CEO of Nexstar Media Group since 2017, said that the company “anticipates [generating]

a record level of midterm political revenue, ” eclipsing the \$383 million spent in anticipation of the 2018 midterm elections. Sook also credited the Super Bowl and the Olympics with boosting advertising revenues in the 1st quarter of 2022.

In the 4th quarter, Nexstar completed the acquisition of The Hill, a digital news platform, adding to its portfolio of political stations, including News Nation, which launched in 2020. News Nation reported a record thirteen hours of news programming per weekday.

“We are the fastest growing cable news network,” said Sook.

The Hill, in conjunction with News Nation, will position the company positively for high advertising revenues in upcoming political cycles. Nexstar also launched Rewind TV, which is the company’s second owned and operated multicast. These acquisitions align with a 4th quarter focus on leveraging their industry-leading content platforms to drive growth.

In 2022, Nexstar will work to renew contracts representing more than half of their subscribers, but it will not be reflected in financial statements until 2023.

Shareholders enjoyed a 29% increase in the quarterly cash dividend in January at 90 cents per share per quarter, in an industry-leading return to investors.

Nexstar shares climbed slightly after the company announced the news, rising from a close of \$175.17 to \$176.70.

The company predicts an increase in revenue in the next quarter from the sports betting sector, which continues to grow. Four states, including New York, Connecticut, Louisiana, and Illinois, are in the process of passing legislation to more broadly legalize sports betting.