



NXST: NASDAQ

**Nexstar Media Group, Inc.**  
**Bank of America 2017 Leveraged Finance Conference**



Tom Carter, EVP & CFO

NOVEMBER 2017

# Disclaimer

## Forward-Looking Statements

This communication 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 communication, 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 communication might not occur. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this release. For more details on factors that could affect these expectations, please see Nexstar's other filings with the SEC.

## Definitions and Disclosures Regarding non-GAAP Financial Information

Broadcast cash flow is calculated as net income, plus interest expense (net) loss on extinguishment of debt, income tax expense (benefit), other (expense) income, corporate expenses, depreciation, amortization of intangible assets and broadcast rights (excluding barter), (gain) loss on asset disposal, non-cash representation contract termination fee, change in the fair value of contingent consideration and goodwill impairment, minus broadcast rights payments. We consider broadcast cash flow to be an indicator of our assets' operating performance. We also believe that broadcast cash flow and multiples of broadcast cash flow are useful to investors because it is frequently used by industry analysts, investors and lenders as a measure of valuation for broadcast companies.

Adjusted EBITDA is calculated as broadcast cash flow less corporate expenses. We consider Adjusted EBITDA to be an indicator of our station assets' operating performance and a measure of our ability to service debt. It is also used by management 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.

Free cash flow is calculated as net income, plus interest expense, net, loss on extinguishment of debt, income tax expense (benefit), other (expense) income, depreciation, amortization of intangible assets and broadcast rights (excluding barter), (gain) loss on asset disposal, non-cash compensation expense, non-cash representation contract termination fee, change in the fair value of contingent consideration and goodwill impairment, less payments for broadcast rights, cash interest expense, capital expenditures, proceeds of disposals from 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 communication, please see the supplemental tables at the end of our third quarter 2017 financial results press release dated November 6, 2017. With respect to our forward-looking guidance for the 2017/2018 cycle, no reconciliation between a non-GAAP measure to the closest corresponding GAAP measure is included in this communication 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, 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 non-cash 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.

# Nexstar Media Group, Inc. (Nasdaq: NXST)

## One of the Largest North American Local Media Companies Positioned for the Ongoing Enhancement of Long-Term Shareholder Value

- **Pure-play broadcast television and digital media leader with broad geographic scale and reach**
  - #2 in broadcast group in terms of U.S. television household reach
  - Owns or provides services to more than one TV station in **over half** of its 100 total markets
- **Robust revenue, net income and free cash flow (“FCF”) generation**
  - Nine-months ended 2017 (9/30/17) net revenue of **\$1.8 bn**, net income of **\$95.5 mm** (including one-time transaction expenses of \$56.8 mm) and FCF of **\$313.6 mm** (before one-time transaction expenses)
- **Proven ability to extract value from acquisitions**
  - Completed transformative acquisition of Media General (NYSE: MEG) for **\$4.6bn** in 1Q17
    - Increased broadcast portfolio by approx. two thirds and more than doubled audience reach
    - More than doubled revenue and adjusted EBITDA
    - With higher net income, expected to generate FCF over **\$574 mm** in the 2017/2018 cycle
    - Represents FCF per share growth in excess of 55% relative to NXST’s legacy operations
  - Prior to MEG, acquired 66 television and four digital businesses since 2011
    - History of successful integration; net revenue more than tripled since 2011 for an implied CAGR of **30%**
- **Disciplined, market-tested management team with history of operational excellence**
  - Deep leadership bench, most of whom have at least 20 years of industry experience
- **Strong record of delivering shareholder value**
  - Accretive M&A
  - Ongoing focus on managing Company costs and capital structure
  - Growing dividend and opportunistic share repurchases
  - CEO and CFO placed first in 2018 Institutional Investor All America Executive Team survey for the Technology, Media and Telecommunications sectors

# 2017: Projected Record Financial Results For Sixth Consecutive Year

## NXST Expects to Generate Record Financial Results For Sixth Consecutive Year

- Expected to surpass \$2.0 bn in annual net revenues for the first time in the Company's history

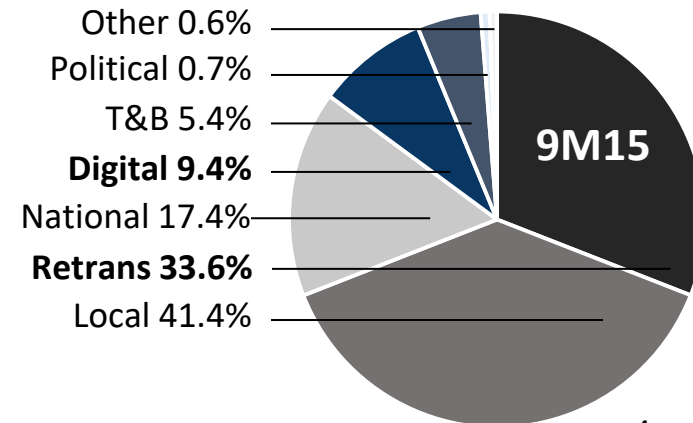
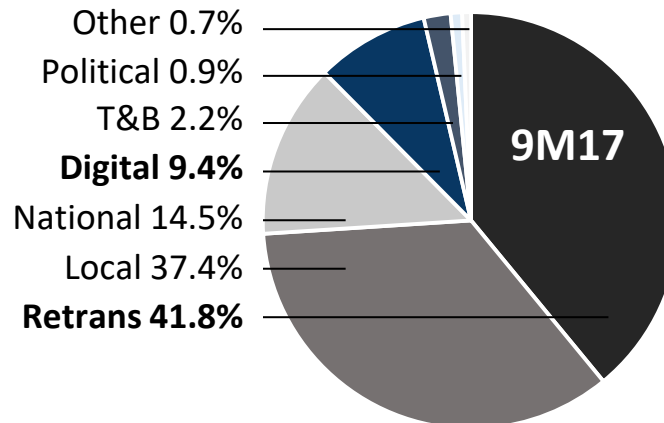
### NXST YTD 2017 Financial Results Y/Y and Non-Political Odd-Year Comparison

|  | 3M Ended Sept. 30<br>(in millions) |         |         | 9M Ended Sept. 30<br>(in millions) |         |         | 3M Change (%) |             | 9M Change (%) |             |
|--|------------------------------------|---------|---------|------------------------------------|---------|---------|---------------|-------------|---------------|-------------|
|  | 2017                               | 2016    | 2015    | 2017                               | 2016    | 2015    | '17 vs. '16   | '17 vs. '15 | '17 vs. '16   | '17 vs. '15 |
| Net Revenue  | \$611.9                            | \$275.7 | \$223.0 | \$1,778.3                          | \$793.3 | \$644.1 | +122.0%       | +174.3%     | +124.2%       | +176.1%     |
| Net Income   | \$42.1                             | \$25.6  | \$17.3  | \$95.5                             | \$72.7  | \$50.5  | +64.2%        | +143.4%     | +31.3%        | +89.0%      |
| Broadcast Cash Flow                                | \$211.5                            | \$109.9 | \$84.3  | \$626.7                            | \$311.3 | \$245.4 | +92.4%        | +151.0%     | +101.3%       | +155.4%     |
| Adjusted EBITDA (Before One-Time Transaction Exp.) | \$194.4                            | \$99.2  | \$73.2  | \$574.5                            | \$278.3 | \$212.1 | +96.1%        | +165.7%     | +106.5%       | +170.8%     |
| Adjusted EBITDA                                    | \$191.6                            | \$98.2  | \$73.2  | \$517.6                            | \$270.7 | \$212.1 | +95.1%        | +161.8%     | +91.2%        | +144.0%     |
| Free Cash Flow (Before One-Time Transaction Exp.)  | \$122.4                            | \$59.5  | \$46.2  | \$370.4                            | \$166.9 | \$139.3 | +105.9%       | +164.8%     | +121.9%       | +166.0%     |
| Free Cash Flow                                     | \$119.6                            | \$58.5  | \$46.2  | \$313.6                            | \$159.4 | \$139.3 | +104.4%       | +158.7%     | +96.8%        | +125.2%     |

## Retransmission and Digital Revenue is Materially Diversifying Revenue Mix

- Non-TV Spot revenue (ex-Political) comprised ~51% of 9M17 net revenue of \$1.8bn compared to ~43% of 1H15 net revenue of \$644.1mm (the last non-election cycle)

**NXST Revenue Mix  
(% of Total Net Revenue)  
Nine-Months Ended  
2017 and 2015**



# Key YTD 2017 Events: MEG Integration and NXST Operating

- **Completed transformative acquisition of MEG for \$4.6 bn creating Nexstar Media Group, Inc, and simultaneously completed 13 station required station divestitures for \$548 mm**
- **Realized virtually all of the \$81 mm projected year one synergies from the Media General Transaction by 3Q17**
  - Immediate synergy realization related to corporate overhead and overlay of certain NXST retrans contracts at MEG stations
  - Sold former MEG headquarters in Richmond, VA resulting in a \$13 mm gain in 2Q17
  - Completed wind-down of unprofitable MEG digital businesses in 2Q17
- **Promoted Tim Busch to serve as President of the Nexstar Broadcasting, Inc., announced three newly-created regional managers and filled 25 open general manager positions**
  - Hired Washington D.C. News Bureau Chief, CBS News veteran Bill Mondora / expanded resources of D.C. News Bureau
  - Added sales resources to the former Media General markets and continued integration process
- **Appointed technology veteran and former Rubicon Project president and board member, Greg Raifman, to President of Nexstar Digital LLC**
  - Continued integration of digital products under the Nexstar Digital brand
  - Appointed former Sonobi President and Maxifier CEO, Anthony Katsur, to SVP of Platforms
  - Appointed IAC Veteran and former Investment Banker, Michael Kestenbaum, to SVP of Strategy & Corporate Development
- **Entered into a memorandum of understanding with SBGI to establish a consortium to promote spectrum aggregation, innovation and monetization and enhance broadcasters' ability to compete in the wireless data transmission sector**
  - Consortium will promote innovation and develop and explore products and services associated with ATSC 3.0
  - Univision Local Media, Inc. joined the consortium on 6/1; Northwest Broadcasting joined as first affiliate member on 6/14
  - Together, NXST, SBGI, Univision and Northwest reach ~90% of U.S.
- **Extended network affiliation agreements / reached OTT master agreements for all ABC stations through 2022 and all FOX stations through 2019; Reached OTT master agreement with CBS**
  - New agreements mutually recognize the value of NXST's and ABC's / FOX's respective content offerings
  - OTT agreements cover new internet-delivered programming services that carry ABC, CBS and FOX programming

# Key YTD 2017 Events: Financial and Capital Allocation / Structure

## Financial Results for 3Q17

- **Record 3Q and 9M net revenue led to record broadcast cash flow, adjusted EBITDA and free cash flow growth**
- **Despite a \$17.1 mm Y/Y decline in political, television advertising revenue growth (core + political) grew +105.2% Y/Y to \$322 mm, reflecting the second full quarter's contribution from MEG and continued strength of NXST's legacy operations**
  - Core ad revenue (local + national) grew +138.7% Y/Y to \$313.6 mm
  - Increase of +0.5% in PF same-station core ad revenue, ex-2016 Olympics at a 50% ad inventory displacement rate
  - Political ad revenue declined 67% Y/Y to \$8.4 mm and increased ~229% over the comparable 2015 odd-year period
- **Retransmission fee and Digital revenue comprised 51.3% of 3Q17 net revenue compared to 46.0% of 3Q16 net revenue**
  - Retransmission fee revenue grew +162.1% Y/Y to \$257.5 mm and digital revenue of \$56.2 mm grew +96.3% Y/Y
  - Same-station retransmission fee revenue grew +25% Y/Y and same-station digital revenue from station websites grew 12%, while the combined company digital services business is contributing profitable revenue and positive EBITDA

## Capital Allocation

- **2016 cash dividend increase of 25% to \$1.20 annually, marking fourth annual consecutive rise of cash dividend**
  - 26% compound annual growth in payout level since initiation of cash dividend in 2013
- **NXST repurchased ~1.7 mm shares at an average purchase price of ~\$58.59 per share in 9M17**
  - On 6/12/17, NXST repurchased 839,000 shares at an average price of \$58.10 per share for a total cost of \$48.7 mm, which depleted the balance of its prior \$100 mm share repurchase authorization
  - The Board approved expanded authorization to repurchase up to an additional \$100 mm of NXST class A common stock (only class of shares outstanding) of which ~\$52.4 mm remained at 9/30/17, as NXST repurchased 687,000 shares in 3Q17

## Capital Structure

- **NXST made voluntary prepayments on its Term Loan A and Term Loan B amounting to an excess of \$240 million in 9M17, with additional prepayments made in 4Q17 to-date and called the entire \$525 million issue of 6 7/8% unsecured notes**
- **Refinanced Senior Secured Term Loans and Revolving Credit Facility**
  - Refinancing reduces annual interest expense by ~\$15mm, resulting in higher net income and an ~\$9mm increase in FCF on an annualized basis

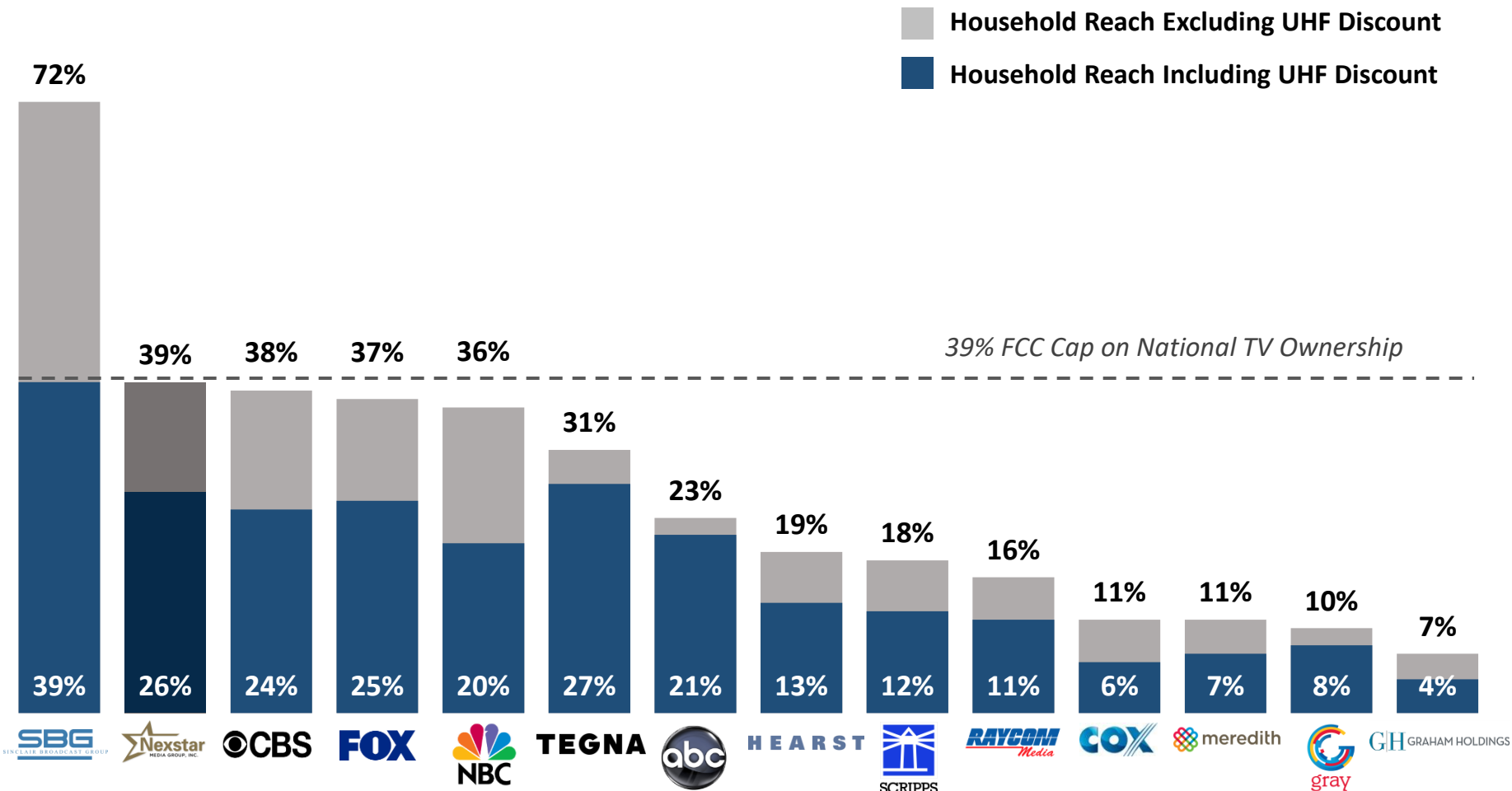
# One of the Largest North American Local Media Companies



# Leading Pure-Play Broadcast Operator

## Financial Strength and Flexibility to Pursue Additional Select Accretive Acquisitions

### % of U.S. Television Households Reached



Source: Company Filings, Wells Fargo, SNL Kagan  
 Note: Pro forma for all transactions announced to date





# Nexstar Broadcasting, Inc.

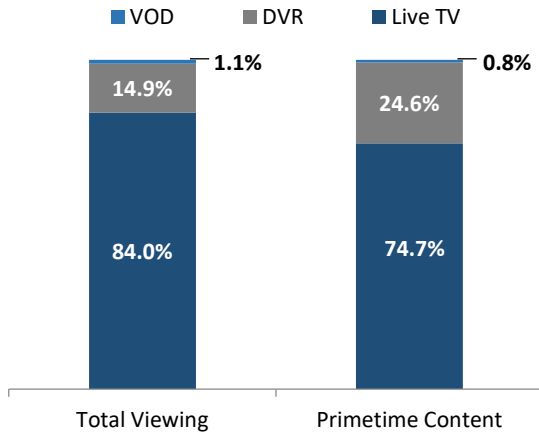
## Superior Locally Produced Content and Network Programming for Viewers; Unrivalled Consumer Reach / Influence for Local Businesses and Advertisers

- **Leading local broadcast television operator**
  - #2 broadcast group in terms of U.S. television household reach of 26%\*
    - Financial strength and flexibility to pursue additional select accretive acquisitions
  - Owns or provides services to more than one TV station in over half of markets
  - Operations in six Top 25 markets and twenty Top 50 markets
- **Diverse portfolio of local television stations with long-term “Big 4” network contracts**
  - ~82% of station portfolio comprise of “Big 4” network affiliates
  - #1 CBS affiliate group; #2 NBC affiliate group; #3 ABC, FOX and CW affiliate group
  - Affiliate contracts give NXST exclusive rights to live primetime network content in its markets
- **One of the nation’s largest providers of local news, lifestyle, sports and network programming**
  - NXST produces and delivers +3,550 hours per week of wholly-owned local news and content
  - #1 or #2 revenue share ranking in 70% of markets
- **Stable core advertising revenue and growing political advertising revenue**
  - Stable core revenue trends; projected annual growth (ex-pol.) of between +0.0% and +3.0% (local + national)
  - Emphasis on local sales driving strong levels of quarterly new-to-television business
  - Continued political revenue growth due to significant spending by PACs and non-candidate entities
- **Growing non-traditional revenue streams**
  - Retransmission consent revenue growth
  - Digital media revenue (community portal websites, mobile apps, etc.)

# Strong Broadcast Industry Fundamentals

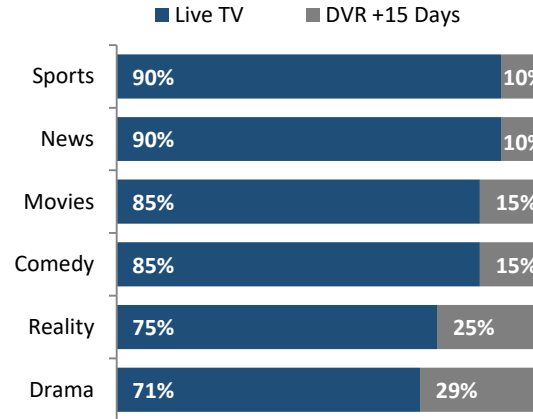
## Premium, Professionally-Produced Content With Unmatched Reach And Viewership Share

Share of Total TV Viewing Time



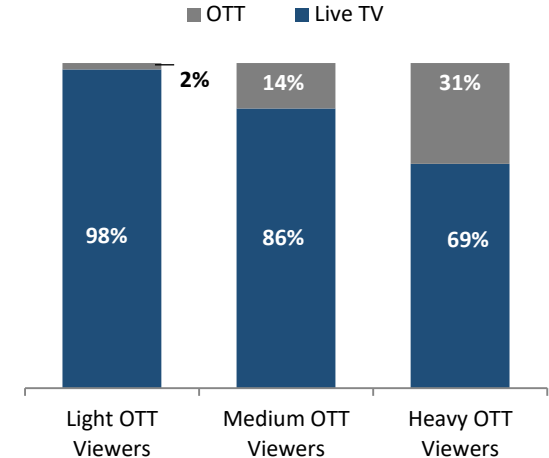
Source: comScore TV Essentials, U.S., FY 2016, Live +15 Day DVR; comScore State of VOD Trend Report

Live TV and DVR Time Split by Genre



Source: comScore TV Essentials, U.S., FY 2016, Live +15 Day DVR

Live TV and OTT Time Split Among HHs with Both Services





Source: Source: comScore Single-Source (TV + OTT) Custom Reporting, U.S., December 2016

- Despite rapid changes in video distribution technology, traditional TV continues to dominate viewing and access to consumers, with American adults 18+ spending 16% more time with TV than all media combined<sup>1</sup>
- With over 34 hours of traditional TV weekly viewing, inclusive of time-shifted viewing, adults 18+ are consuming more than 2x as much TV each week compared to the second most used medium, smartphone app/web usage<sup>2</sup>
- Live TV represents 84% of total TV viewing time, with news / sports capturing the largest share of Live TV viewing<sup>3</sup>
  - Over half of NXST's core ad revenue is generated by its locally-produced new programming and content
- More than two-thirds of OTT households use it as a supplement to their cable or satellite service package<sup>3</sup>
  - For every hour that is viewed on streaming services, people watch more than five hours of live television<sup>3</sup>
- Horizon Media backed study reveals that over a seven-year period (2010 to 2016), TV advertising consistently outperformed digital, print and radio among key ROI business measures, delivering up to 7x the key performance indicator lift of paid search, and 5x that of display advertising

# Strong Broadcast Industry Fundamentals

## Premium, Professionally-Produced Content With Unmatched Reach And Viewership Share

### Top 10 “Must Keep” TV Brands in US Among 18-34 Year Olds

|    |   |     |   |
|----|---|-----|---|
| 1. |  | 6.  |  |
| 2. |  | 7.  |  |
| 3. |  | 8.  |  |
| 4. |  | 9.  |  |
| 5. |  | 10. |  |

Source: Solutions Research Group (srg) “Must Keep TV Report, 10th Edition” (2017)

### Total TV News Consumption by Demographic Weekly Time Spent In Local PMM

| Share of Viewing (%) (Total Min. Watching News Divided by Total Min. Watching TV) |              |      |      |      |
|---|--------------|------|------|------|
| Age   | Source       | 2015 | 2016 | 1Q17 |
| P 18+   | Local BTV    | 7.3% | 7.2% | 7.4% |
|   | National BTV | 3.1% | 3.2% | 3.3% |
|   | Cable        | 4.3% | 6.3% | 7.5% |
| 18-34   | Local BTV    | 3.5% | 3.4% | 3.7% |
|   | National BTV | 1.2% | 1.4% | 1.5% |
|   | Cable        | 1.3% | 2.2% | 2.4% |
| 35-49   | Local BTV    | 6.2% | 6.0% | 6.3% |
|   | National BTV | 2.3% | 2.5% | 2.5% |
|   | Cable        | 2.4% | 3.9% | 4.7% |
| P50+  | Local BTV    | 8.9% | 8.6% | 8.8% |
|   | National BTV | 3.9% | 3.9% | 4.0% |
|   | Cable        | 6.1% | 8.3% | 9.8% |

Source: Nielsen Local TV View, Time Spent based on population across Local People Meter markets.

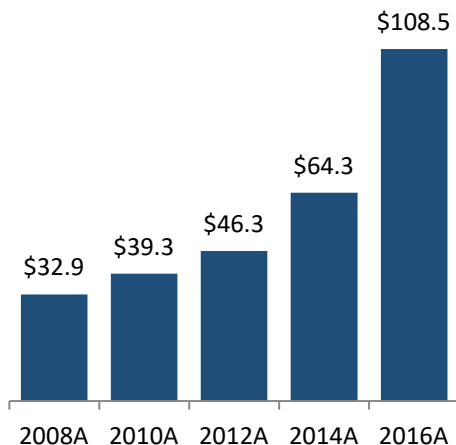
- Broadcast network affiliate stations were “must-keep” TV brands in the U.S. among eighteen to thirty-four-year-old adults<sup>1</sup>
- According to a recent GfK study, 46% of American consumers cited traditional TV as having the strongest influence on their decision to purchase a product or service versus 3% for social media<sup>2</sup>
  - For all age demographics, including millennials, television continues to be the most important influencer across all stages of the Purchase Funnel, from consumer awareness through actual purchase<sup>2</sup>
- Local broadcast TV news is the most trusted news source for American adults (81%) while social media was the least trusted news source (40%)<sup>2</sup>
- According to Nielsen, adults spent two hours and 22 minutes a week, on average, watching local news in the first quarter of 2017, which is more than double the time spent with national broadcast news.<sup>3</sup>
  - Adults reached by local news on TV surpassed the reach of people consuming news on smartphones and PCs four-to-one during the same time period<sup>3</sup>
  - Local broadcast TV news commands the greatest share of average weekly television news viewership among millennials<sup>3</sup>

# Growth in NXST Political and Issue Advertising

## NXST Political Ad Revenue Growth (\$ millions)

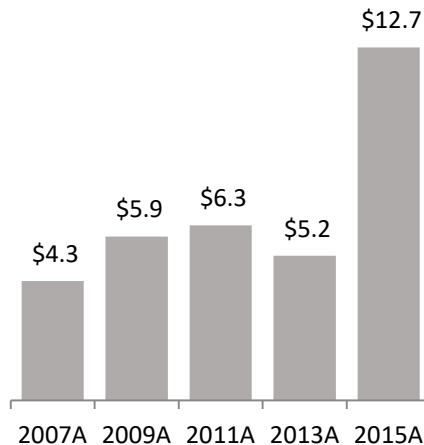
### Even Year

CAGR: 35% 2008-2016



### Odd Year

CAGR: 31% 2009-2015



## NXST 2018 Political Senate and Gubernatorial Elections

### 2018 Senate Races (28)

| NXST Market   | Incumbent          | Party |
|---------------|--------------------|-------|
| Arizona       | Jeff Flake         | R     |
| California    | Bianne Feinstein   | D     |
| Connecticut   | Chris Murphy       | D     |
| Florida       | Bill Nelson        | D     |
| Hawaii        | Mazie Hirono       | D     |
| Indiana       | Joe Donnelly       | D     |
| Maryland      | Ben Cardin         | D     |
| Massachusetts | Elizabeth Warren   | D     |
| Michigan      | Debbie Stabenow    | D     |
| Mississippi   | Roger Wicker       | R     |
| Missouri      | Claire McCaskill   | D     |
| Montana       | John Tester        | D     |
| Nebraska      | Deb Fischer        | R     |
| Nevada        | Dean Heller        | R     |
| New Jersey    | Bob Menendez       | D     |
| New Mexico    | Martin Heinrich    | D     |
| New York      | Kirsten Gillibrand | D     |
| North Dakota  | Heidi Heitkamp     | D     |
| Ohio          | Sherrod Brown      | D     |
| Pennsylvania  | Bob Casey          | D     |
| Rhode Island  | Sheldon Whitehouse | D     |
| Tennessee     | Bob Corker         | R     |
| Texas         | Ted Cruz           | R     |
| Utah          | Orrin Hatch        | R     |
| Vermont       | Bernie Sanders     | I     |
| Virginia      | Tim Kaine          | D     |
| West Virginia | Joe Manchin        | D     |
| Wisconsin     | Tammy Baldwin      | D     |

### 2018 Gubernatorial Races (31)

| NXST Market    | Incumbent         | Party |
|----------------|-------------------|-------|
| Alabama        | Robert Bentley    | R     |
| Arizona        | Doug Ducey        | R     |
| Arkansas       | Asa Hutchinson    | R     |
| California     | Jerry Brown       | D     |
| Colorado       | John Hickenlooper | D     |
| Connecticut    | Dan Malloy        | D     |
| Florida        | Rick Scott        | R     |
| Georgia        | Nathan Deal       | R     |
| Hawaii         | David Ige         | D     |
| Illinois       | Bruce Rauner      | R     |
| Iowa           | Terry Branstad    | R     |
| Kansas         | Sam Brownback     | R     |
| Maryland       | Larry Hogan       | R     |
| Massachusetts  | Charlie Baker     | R     |
| Michigan       | Rick Snyder       | R     |
| Nebraska       | Pete Ricketts     | R     |
| Nevada         | Brian Sandoval    | R     |
| New Hampshire  | Chris Sununu      | D     |
| New Mexico     | Suzana Martinez   | R     |
| New York       | Andrew Cuomo      | D     |
| Ohio           | John Kasich       | R     |
| Oregon         | Kate Brown*       | D     |
| Pennsylvania   | Tom Wolf          | D     |
| Rhode Island   | Gina Raimondo     | D     |
| South Carolina | Nikki Haley       | R     |
| South Dakota   | Dennis Daugaard   | R     |
| Tennessee      | Bill Haslam       | R     |
| Texas          | Greg Abbott       | R     |
| Vermont        | Phil Scott        | R     |
| Wisconsin      | Scott Walker      | R     |
| Virginia       | Terry McAuliffe   | D     |

Source: Cook Political Report

- With rampant political partisanship and a 2016 presidential election without an incumbent, NXST recorded primary dollars late in 2015 given its presence in key political markets
- Nexstar has exceeded political revenue guidance of ~\$100mm in FY16 by 8.5%
- Long-term political spending expected to continue to grow due to significant spending increases by PACs, non-candidate entities and issue advertising
- CMAG estimates \$2.4 billion will be spent on local broadcast television during the 2018 mid-term election cycle<sup>1</sup>

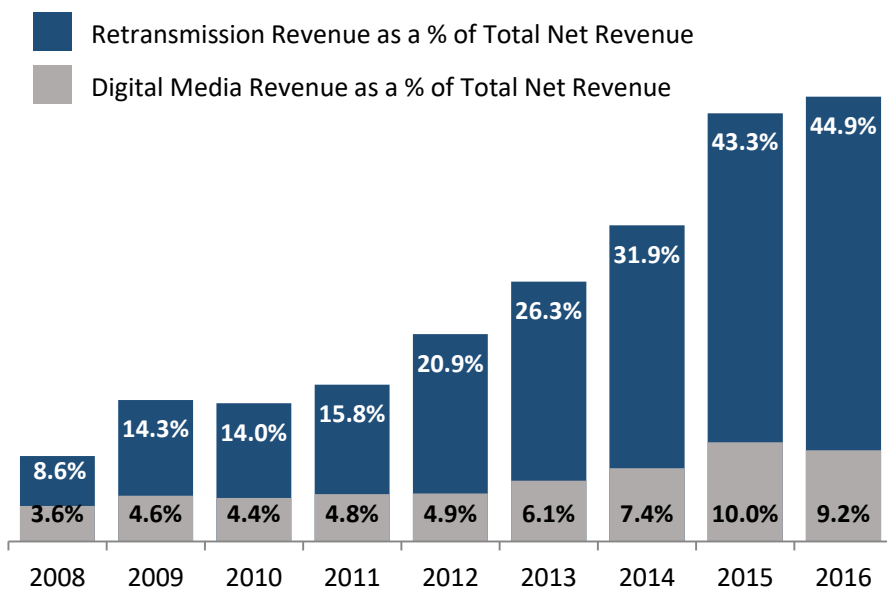
Source: Company filings and Nexstar management. Note: Dollars in millions.

<sup>1</sup>Cook Political Report, "2018 Campaign Ad Spend Will be in the Billions" (Sept. 22, 2017)

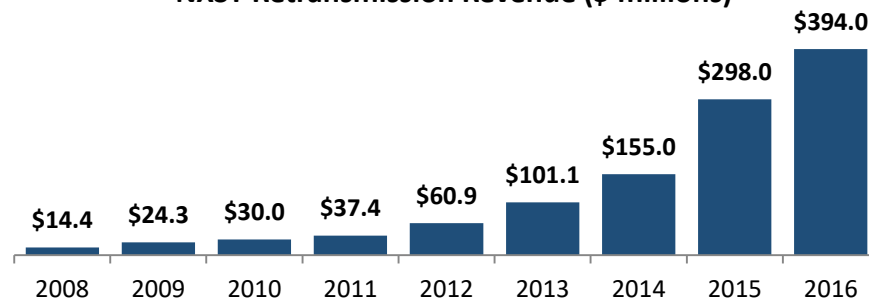
# Growth in NXST Retransmission and Digital Media Revenue

Retransmission and Digital Media revenue is materially diversifying NXST's total net revenue

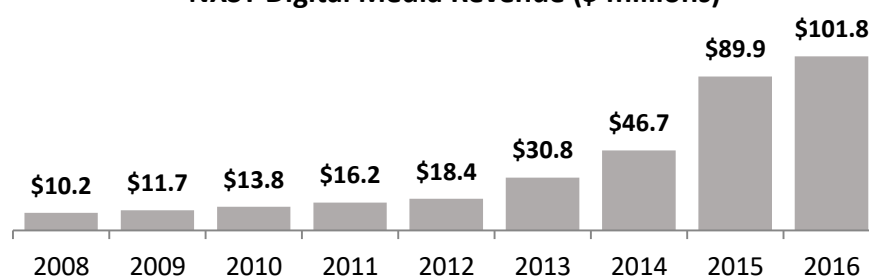
**NXST Retransmission & Digital Media Revenue**  
(% of Total Net Revenue)



**NXST Retransmission Revenue (\$ millions)**



**NXST Digital Media Revenue (\$ millions)**



- **NXST led industry in securing retransmission consideration beginning in 2005**
- **Acceleration in retransmission revenue post-contract renewal cycle highlights ability to negotiate favorable rates which also leads to competitive advantages in deriving value from station acquisitions**
  - Retransmission revenues: FY16 \$394.0 mm (+32.2% Y/Y); CAGR of 51.2% (2008-2016)
  - ~45% of sub base repriced in 2015, ~40% of sub base repriced in 2016, ~10% of sub base repriced in 2017
- **Digital revenue growth was driven by organic growth at Nexstar Broadcasting and contributions from Nexstar Digital**
  - Digital revenues: FY16 \$101.8 mm (+13.2% Y/Y); CAGR of 33.2% (2008-2016)

# Nexstar Digital LLC

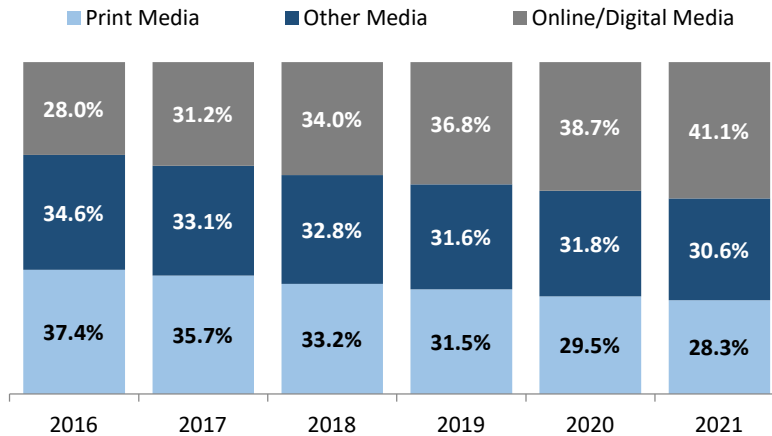
## Comprehensive Suite of Cross-platform Digital Marketing Products and Services for Local and National Media Companies, Advertisers, Agencies and Brands

- **Leading local digital advertising and content monetization solutions and services**
  - Profitable / growing business segment with very little competition due to focus on local
- **Recent addition of complementary capabilities through MEG acquisition**
  - Creates more comprehensive and competitive offering of digital media products and services across all markets
  - Opportunity to leverage cross-selling strategies from digital properties
- **Merging products into one Company under the Nexstar Digital brand with a unified market strategy**
  - Current product offerings include enterprise-class publishing platforms, mobile video monetization technology and digital agency services
  - Consolidating branding into HYFN, Mass<sup>2</sup> and Lakana
- **Expanding portfolio of digital products allows NXST to drive increased value through scale**
  - NXST will continue making accretive investments in digital products that complement its core competencies and have high growth potential
- **Objective is to double annual revenues within the next five years (2021)**
  - On a consolidated basis, NXST's digital business continues to have positive revenue growth and EBITDA
  - NXST completed shuttering of unprofitable MEG digital businesses at end of 1H17, resulting in improved bottom-line performance for the consolidated digital segment
    - As a result of discontinued MEG digital operations, expect lower same-store top-line revenue growth to continue in 4Q17 and improve over time

# High-Growth Digital Industry Trends

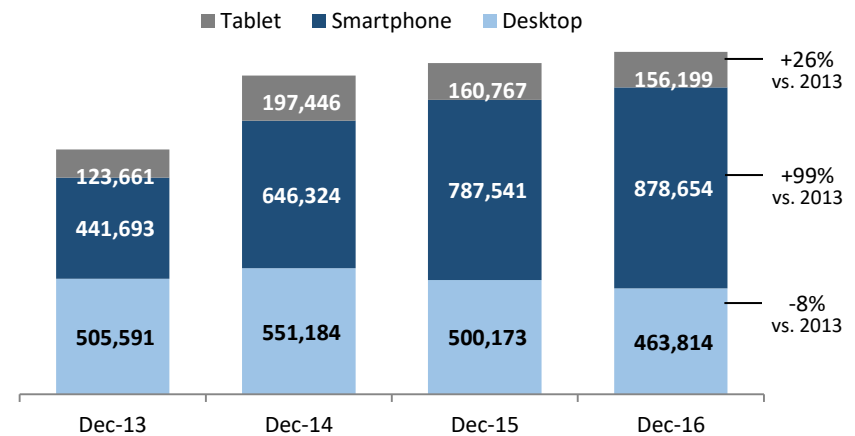
## Creating New Revenue Opportunities Through Digital Innovations, Products and Services

Local Advertising Share by Type: 2016-2021



Source: BIA Kelsey  
 Note: Numbers are rounded. Print media includes local newspapers, local magazines, direct mail and print Yellow Pages. Other media includes local over-the-air television, local cable systems, out-of-home and local radio. Online/digital includes all forms of online desktop and mobile ad spending.

Growth in Digital Media Time Spent in Minutes (MM)



Source: comScore Media Metrix Multi-Platform & Mobile Metrix, U.S., Dec 2013 -Dec 2016

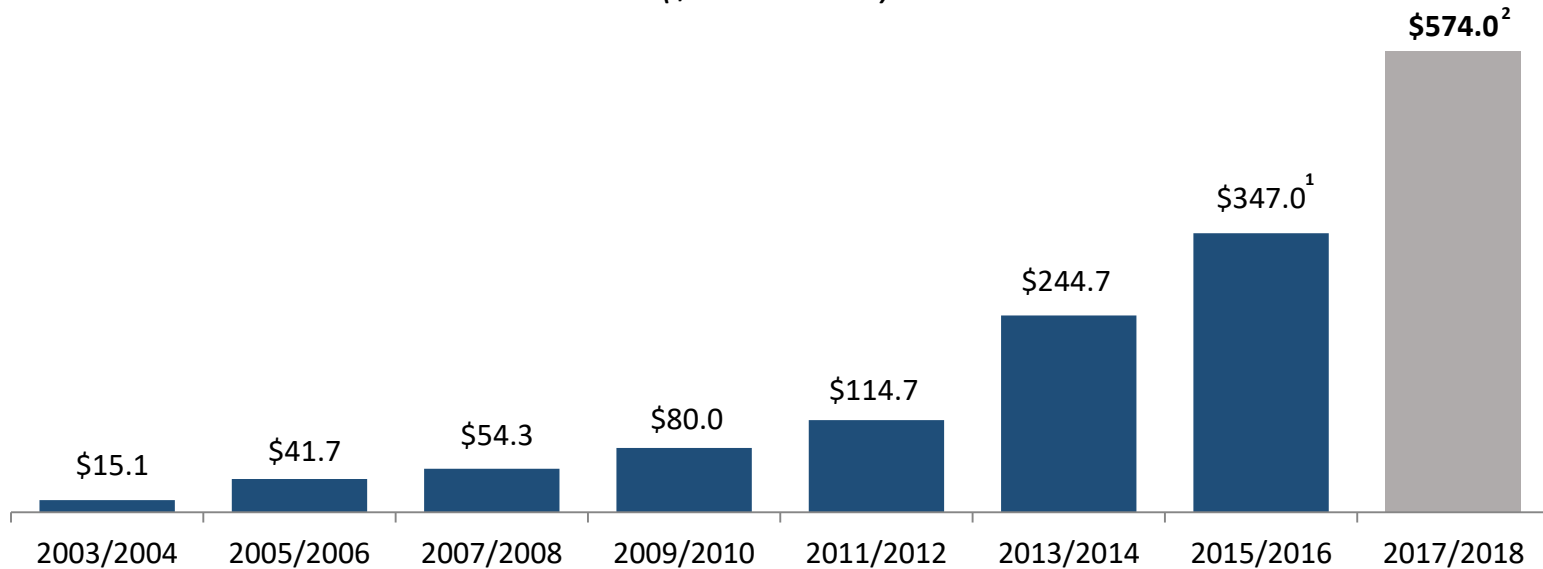
- Total digital media usage is up 40% since 2013, with mobile –particularly smartphones –driving those gains<sup>1</sup>
- Mobile now represents almost 7 in 10 digital media minutes, and smartphone apps alone account for half of all digital time spent<sup>1</sup>
- According to 2016 IAB Internet Advertising Revenue Report, total digital ad spending reached \$72.5 bn in 2016, up 22% year-over-year<sup>2</sup>
  - Mobile ad revenue increased 77% to \$36.6 billion versus 2015 and accounted for more than half (51%) of total digital ad spending
  - Digital video generated record revenues of \$9.1 bn<sup>2</sup>
- At the local level, online/ digital media continues to take advertising revenue share from traditional media, mainly at the expense of print<sup>3</sup>
- Local media publishers are positioning themselves as their clients' ad agencies as they harness the power of their multi-screen capabilities and cross-platform ad technologies to further enhance message delivery reach, targeting, engagement and ultimately effectiveness

1. ComScore Cross-Platform Future in Focus Report U.S. 2017  
 2. 2016 IAB Internet Advertising Revenue Report  
 3. BIA Kelsey U.S. Local Advertising Forecast 2017



# Significant FCF Growth Since IPO

NXST Free Cash Flow Growth (FY) Based on Two-Year Cycles  
(\$ in millions)



<sup>1</sup> NXST reported stand-alone

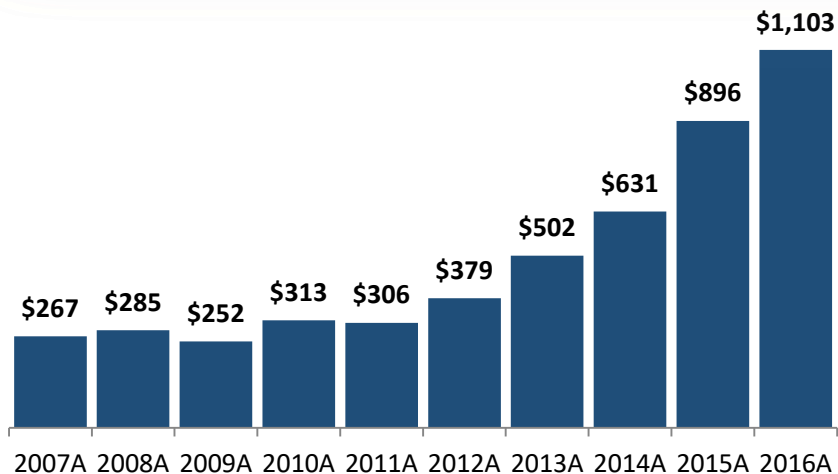
<sup>2</sup> Pro-forma NXST-MEG combined company before one-time transaction expenses

**Higher net revenues and net income from organic growth and recently completed transactions is expected to drive average annual pro-forma FCF to ~\$574 mm during the 24 month period 2017/2018<sup>2</sup>**

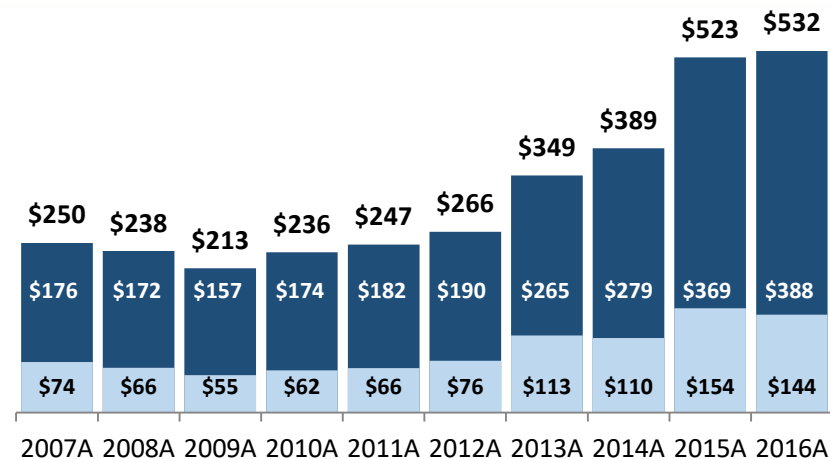
- Estimate inclusive of synergies, interest expense savings related to July 2017 refinancing of Senior Secured Credit and Term Loan facilities and a substantial rise in 2018 cash taxes
- Reflecting recent share repurchase activity, NXST has ~45.6 mm shares outstanding
- Debt retirement/leverage reduction priorities and additional accretive M&A

# Historical Financial Summary (in millions)

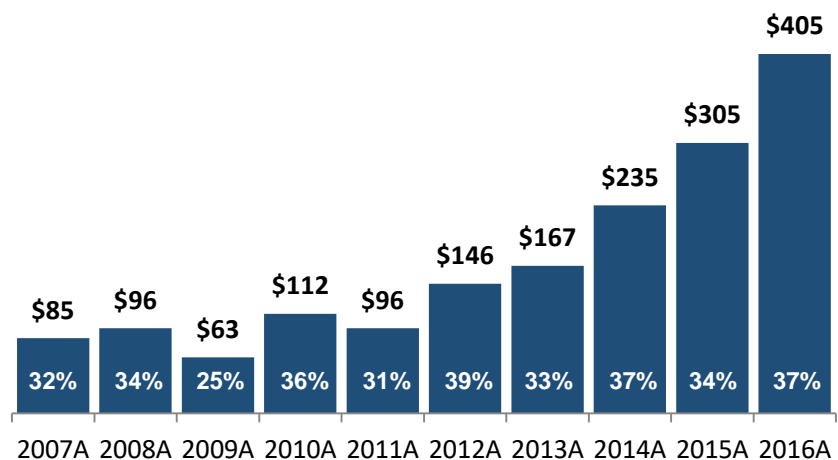
## FY Net Revenue



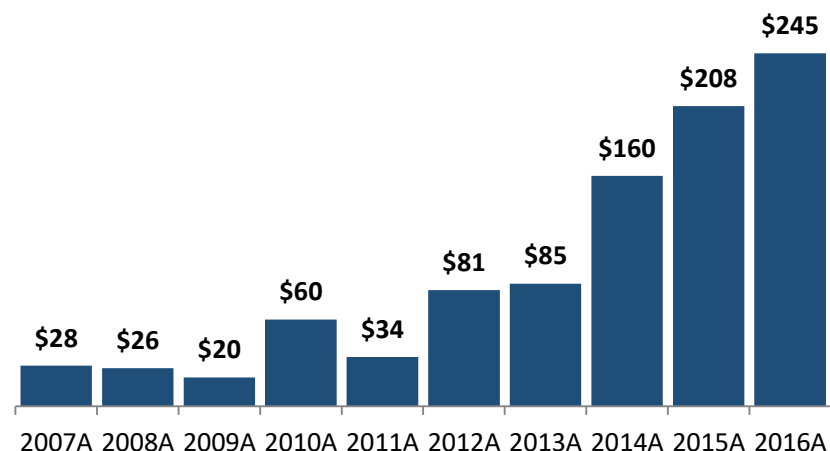
## FY Core Revenues



## FY Adjusted EBITDA<sup>(1)</sup>



## FY Free Cash Flow<sup>(2)</sup>



1) Adjusted EBITDA is calculated as BCF less corporate expenses

2) Free cash flow is EBITDA less cash interest expense, capital expenditures and net cash income taxes

Definitions and disclosures regarding non-GAAP financial information can be located in the Company's Fourth Quarter 2016 Financial Results press release dated February 28, 2017

# 3Q17 and 9M17 Financial Summary

| (\$ in thousands)   | Three Months Ended Sept. 30, 2017 |            |         | Nine Months Ended Sept. 30, 2017 |            |         |
|---|-----------------------------------|------------|---------|----------------------------------|------------|---------|
|   | 2017                              | 2016       | Change  | 2017                             | 2016       | Change  |
| Local Revenue   | \$ 224,026                        | \$ 94,878  | +136.1% | \$ 664,436                       | \$ 286,253 | +132.1% |
| National Revenue  | \$ 89,568                         | \$ 36,522  | +145.2% | \$ 258,342                       | \$ 107,849 | +139.5% |
| Core Advertising Revenue  | \$ 313,594                        | \$ 131,400 | +138.7% | \$ 922,778                       | \$ 394,102 | +134.1% |
| Political Revenue   | \$ 8,425                          | \$ 25,500  | (67.0)% | \$ 16,876                        | \$ 48,511  | (65.2)% |
| Retransmission Fee Revenue  | \$ 257,517                        | \$ 98,267  | +162.1% | \$ 742,511                       | \$ 293,717 | +152.8% |
| Digital Revenue   | \$ 56,180                         | \$ 28,621  | +96.3%  | \$ 166,868                       | \$ 76,011  | +119.5% |
| Other   | \$ 4,334                          | \$ 1,480   | +192.8% | \$ 13,067                        | \$ 4,540   | +187.8% |
| Trade and Barter Revenue  | \$ 13,901                         | \$ 11,595  | +19.8%  | \$ 39,704                        | \$ 34,756  | +14.2%  |
| Gross Revenue   | \$ 653,951                        | \$ 296,863 | +120.3% | \$ 1,901,804                     | \$ 851,637 | +123.3% |
| Less: Agency Commission   | \$ 42,081                         | \$ 21,204  | +98.5%  | \$ 123,502                       | \$ 58,326  | +111.7% |
| Net Revenue   | \$ 611,870                        | \$ 275,659 | +122.0% | \$ 1,778,302                     | \$ 793,311 | +124.2% |
| Gross Revenue Excluding Political                                   | \$ 645,526                        | \$ 271,363 | +137.9% | \$ 1,884,928                     | \$ 803,126 | +134.7% |
| Income from Operations  | \$ 129,072                        | \$ 72,897  | +77.1%  | \$ 377,908                       | \$ 194,833 | +94.0%  |
| Net Income  | \$ 42,072                         | \$ 25,616  | +64.2%  | \$ 95,471                        | \$ 72,689  | +31.3%  |
| Broadcast Cash Flow <sup>(1)</sup>                                  | \$ 211,532                        | \$ 109,949 | +92.4%  | \$ 626,681                       | \$ 311,259 | +101.3% |
| Broadcast Cash Flow Margin <sup>(2)</sup>                           | 34.6%                             | 39.9%      |         | 35.2%                            | 39.2%      |         |
| Adjusted EBITDA Before One-Time Transaction Expenses <sup>(1)</sup> | \$ 194,431                        | \$ 99,167  | +96.1%  | \$ 574,461                       | \$ 278,254 | +106.5% |
| Adjusted EBITDA <sup>(1)</sup>                                      | \$ 191,623                        | \$ 98,236  | +95.1%  | \$ 517,615                       | \$ 270,708 | +91.2%  |
| Adjusted EBITDA Margin <sup>(2)</sup>                               | 31.3%                             | 35.6%      |         | 29.1%                            | 34.1%      |         |
| Free Cash Flow Before One-Time Transaction Expenses <sup>(1)</sup>  | \$ 122,448                        | \$ 59,470  | +105.9% | \$ 370,442                       | \$ 166,933 | +121.9% |
| Free Cash Flow <sup>(1)</sup>                                       | \$ 119,640                        | \$ 58,539  | +104.4% | \$ 313,596                       | \$ 159,387 | +96.8%  |

Note: On January 17, 2017, Nexstar completed its acquisition of Media General, Inc. and also closed on the divestitures of 13 television stations. All actual results presented herein reflect the impact of previously disclosed one-time merger and acquisition expenses of \$2.8 million and \$56.8 million incurred in the three and nine months ended September 30, 2017, respectively. The actual results presented herein for the three months ended September 30, 2017 reflect the Company's legacy Nexstar broadcasting and digital operations (net of the six Nexstar station divestitures) and results from the Media General stations (net of the seven Media General station divestitures) and digital assets. The comparable three month period ended September 30, 2016 reflects the Company's legacy Nexstar broadcasting and digital operations inclusive of the six Nexstar stations which were divested simultaneous with the closing of the Media General transaction.

1) Definitions and disclosures regarding non-GAAP financial information can be located in the Company's Third Quarter 2017 Financial Results press release dated November 6, 2017

2) Broadcast cash flow margin is broadcast cash flow as a percentage of net revenue. Adjusted EBITDA margin is Adjusted EBITDA as a percentage of net revenue

# Debt/Leverage Analysis

| (in millions)                 | TTM ENDED       |                 |                   |                   |                   |                   | MEG Closing       | 3Q17              |
|-------------------------------|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                               | 12/31/11        | 12/31/12        | 12/31/13          | 12/31/14          | 12/31/15          | 12/31/16          | 01/17/17          | 09/30/17          |
| Revolver                      | \$ 24.3         | \$ -            | \$ -              | \$ 5.5            | \$ 2.0            | \$ 2.0            | \$ 3.0            | \$ 3.0            |
| First Lien Term Loans         | 148.1           | 288.3           | 545.4             | 705.1             | 682.2             | 662.2             | 3,120.0           | 2,819.5           |
| 8.875% Sr. Sec 2nd Lien Notes | 318.4           | 319.4           | -                 | -                 | -                 | -                 | -                 | -                 |
| 6.875% Sr. Sub Notes          | -               | 250.0           | 525.7             | 525.6             | 519.8             | 520.7             | 525.0             | -                 |
| 6.125% Sr. Sub Notes          | -               | -               | -                 | -                 | 272.2             | 272.6             | 275.0             | 272.9             |
| 5.875% Sr. Sub Notes          | -               | -               | -                 | -                 | -                 | -                 | 400.0             | 408.6             |
| 5.625% Sr. Sub Notes          | -               | -               | -                 | -                 | -                 | 884.9             | 900.0             | 886.1             |
| 7% Sr. Sub Notes              | 149.6           | -               | -                 | -                 | -                 | -                 | -                 | -                 |
| 11.375% Sr. Discount Notes    | -               | -               | -                 | -                 | -                 | -                 | -                 | -                 |
| <b>Total Debt</b>             | <b>\$ 640.4</b> | <b>\$ 857.8</b> | <b>\$ 1,071.1</b> | <b>\$ 1,241.6</b> | <b>\$ 1,476.2</b> | <b>\$ 2,342.4</b> | <b>\$ 5,223.0</b> | <b>\$ 4,390.1</b> |
| Cash on Hand                  | \$ 7.5          | \$ 69.0         | \$ 40.0           | \$ 131.9          | \$ 43.4           | \$ 87.7           | -                 | \$ 135.8          |
| Reported EBITDA               | \$ 96.2         | \$ 146.3        | \$ 166.7          | \$ 234.7          | \$ 305.1          | \$ 405.5          | -                 | \$ 194.4*         |
| Compliance EBITDA             | \$ 103.3        | \$ 189.5        | \$ 176.7          | \$ 211.2          | \$ 322.9          | \$ 429.0          | -                 | \$ 915.6          |
| <b>Compliance Leverage:</b>   | <b>6.20x</b>    | <b>4.16x</b>    | <b>5.84x</b>      | <b>4.40x</b>      | <b>4.32x</b>      | <b>3.20x</b>      | -                 | <b>4.66x</b>      |
| FCF                           | \$ 34.2         | \$ 80.5         | \$ 84.9           | \$ 159.7          | \$ 208.2          | \$ 244.8          | -                 | \$ 122.4*         |

\*Before one-time transaction expenses

# Combined Company Guidance

## On January 17, 2017 Nexstar Completed the Acquisition of Media General and Expects to Generate its Sixth Consecutive Year of Record Financial Results

- **The transaction is projected to more than double NXST's revenue and adjusted EBITDA**
- **Readily achievable year one synergies of \$81mm with virtually all of the synergies already realized by 9/30/17**
- **With higher net income, NXST expects to generate average annual FCF of ~\$574 mm in the 2017/2018 cycle**
  - Represents FCF per share growth in excess of 55% relative to the record 2016 FCF of NXST's legacy operations
  - Includes annual interest expense savings related to the recent refinancing completed in July 2017, which raised NXST's average annual net income and FCF expectations for the 2017/2018 cycle
  - Inclusive of synergies and a rise in 2018 cash taxes
- **Cash transaction expenses in 9M17 were \$56.8 mm; 4Q cash transaction expenses are expected to be ~\$1.0 mm as these expenses begin to moderate in the 2H17**
- **Absent any additional strategic activity, net leverage is projected to be in the high 4x-range at YE17; declining to the mid 3x-range by YE18**
- **CapEx is expected to be a net \$55 mm in FY17, inclusive of the sale of the Media General building in Richmond, VA during the year and excluding any spectrum related activity**
  - CapEx in 9M17 was \$49.8 mm, with CapEx for 4Q17 expected to be ~\$15 mm to \$17 mm
- **NXST has identified additional cost reductions in 2018 and 2019 of ~\$5 mm to \$8 mm per year**

# Transformational M&A and Operating Strategies Driving Record FCF

- **Continued growth of non-core revenue channels**
  - **Political:** Even-year CAGR of 35% (2008-2016), odd-year CAGR of 31% (2007-2015)
    - NXST Political revenue exceeded ~\$100 mm guidance in 2016 by 8.5%
  - **Retransmission:** Contract renewals for >200 agreements in last two years
    - Repriced ~45% of sub base in 2015 and ~40% in 2016, ~10% to be repriced in 2017
    - Recently signed OTT agreements with ABC / FOX / CBS include attractive economics for OTT platforms that are equal to or better than NXST's current net retrans position
  - **Digital:** Station-level and Nexstar Digital platform rapidly expanding
    - New revenue applications / monetization of mobile leading to growth organically and via accretive M&A
- **Strong operating fundamentals, accretive M&A, share repurchases and balance sheet driving record FCF**
- **Completed the transformative MEG acquisition on January 17, 2017**
  - Strategically / financially compelling growth opportunity for the company
  - Creates second-largest broadcast television group with leading digital media platform
  - Pro forma operating base of 170 full power TV stations in 100 markets reaching 39% of U.S. TV HHs
  - Expected to double annual revenue and Adjusted EBITDA; \$81 mm of readily achievable year one synergies
  - With higher net income, expected to generate FCF of ~\$574 mm
- **Financial capacity / flexibility to pursue additional accretive M&A opportunities while reducing leverage while returning capital to shareholders**
  - NXST made voluntary prepayments on its Term Loan A and Term Loan B amounting to an excess of \$215 million mm and called the entire \$525 mm issue of 6 7/8% unsecured notes in 1Q17
  - NXST repurchased ~1.7 mm shares at an average purchased price of ~\$58.59 per share in 9M17
  - Refinancing of Senior Secured Term Loans and Revolving Credit Facility reduces annual interest expense by ~\$15 mm, resulting in higher net income and an ~\$9 mm increase in FCF on an annualized basis
- **FCC's proposed rulemaking to modernize ownership rules and facilitate the voluntary adoption of new ATSC 3.0 standards for innovative Next Gen TV services would result in stronger competitive positioning for broadcast TV industry**
  - Potential new long-term revenue opportunities through the development of ATSC 3.0 related products/services



NXST: NASDAQ

**Nexstar Media Group, Inc.**  
**Bank of America 2017 Leveraged Finance Conference**



Tom Carter, EVP & CFO

NOVEMBER 2017