UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to .

Commission File Number: 000-50478

NEXSTAR MEDIA GROUP, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**23-3083125**
(State of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
545 E. John Carpenter Freeway, Suite 700, Irving, Texas	**75062**
(Address of Principal Executive Offices)	**(Zip Code)**

(972) 373-8800
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	NXST	NASDAQ Global Select Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that it was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 7, 2023, the registrant had 33,931,016 shares of Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

NEXSTAR MEDIA GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except for share and per share information, unaudited)

	September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 150	$ 204
Restricted cash and cash equivalents	14	16
Accounts receivable, net of allowance for credit losses of $18 and $18, respectively	891	1,080
Broadcast rights	133	194
Prepaid expenses and other current assets	152	121
Total current assets	1,340	1,615
Property and equipment, net	1,279	1,262
Goodwill	2,965	2,961
FCC licenses	2,929	2,910
Network affiliation agreements, net	1,730	1,871
Other intangible assets, net	482	563
Investments	946	1,119
Other noncurrent assets, net	376	378
Total assets[(1)]	$ 12,047	$ 12,679
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	$ 124	$ 124
Accounts payable	142	198
Broadcast rights payable	142	151
Accrued expenses	322	319
Operating lease liabilities	48	50
Other current liabilities	74	51
Total current liabilities	852	893
Debt	6,742	6,827
Deferred tax liabilities	1,569	1,606
Other noncurrent liabilities	538	584
Total liabilities[(1)]	9,701	9,910
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock - $0.01 par value, 200,000 shares authorized; none issued and outstanding at each of September 30, 2023 and December 31, 2022	-	-
Common stock - $0.01 par value, 100,000,000 shares authorized; 47,282,823 shares issued, 34,194,260 shares outstanding as of September 30, 2023 and 47,282,823 shares issued, 36,810,186 shares outstanding as of December 31, 2022	-	-
Additional paid-in capital	1,269	1,288
Accumulated other comprehensive income	27	27
Retained earnings	3,120	3,033
Treasury stock - at cost; 13,088,563 and 10,472,637 shares as of September 30, 2023 and December 31, 2022, respectively	(2,084)	(1,607)
Total Nexstar Media Group, Inc. stockholders' equity	2,332	2,741
Noncontrolling interests	14	28
Total stockholders' equity	2,346	2,769
Total liabilities and stockholders' equity	$ 12,047	$ 12,679

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

(1) The condensed consolidated total assets as of September 30, 2023 and December 31, 2022 include certain assets held by consolidated VIEs of $302 million and $304 million, respectively, which are not available to be used to settle the obligations of Nexstar. The condensed consolidated total liabilities as of September 30, 2023 and December 31, 2022 include certain liabilities of consolidated VIEs of $150 million and $148 million, respectively, for which the creditors of the VIEs have no recourse to the general credit of Nexstar. See Note 2 for additional information.

NEXSTAR MEDIA GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except for share and per share information, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Net revenue	$ 1,132	$ 1,269	$ 3,629	$ 3,724
Operating expenses (income):				
Direct operating expenses, excluding depreciation and amortization	537	511	1,613	1,503
Selling, general and administrative expenses, excluding depreciation and amortization	281	260	808	775
Depreciation and amortization expense	220	142	731	431
Other	-	-	-	(3)
Total operating expenses	1,038	913	3,152	2,706
Income from operations	94	356	477	1,018
Gain on bargain purchase	-	54	-	54
Income from equity method investments, net	24	37	82	110
Interest expense, net	(113)	(89)	(332)	(233)
Pension and other postretirement plans credit, net	9	11	27	33
Other income (expenses), net	-	1	-	(10)
Income before income taxes	14	370	254	972
Income tax expense	(6)	(82)	(83)	(206)
Net income	8	288	171	766
Net loss attributable to noncontrolling interests	17	1	61	2
Net income attributable to Nexstar Media Group, Inc.	$ 25	$ 289	$ 232	$ 768
Net income per common share attributable to Nexstar Media Group, Inc.:				
Basic	$ 0.71	$ 7.45	$ 6.47	$ 19.21
Diluted	$ 0.70	$ 7.30	$ 6.37	$ 18.81
Weighted average number of common shares outstanding:				
Basic (in thousands)	34,931	38,767	35,806	39,964
Diluted (in thousands)	35,367	39,560	36,370	40,816

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

NEXSTAR MEDIA GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Three Months Ended September 30, 2023 and 2022
(in millions, except for share and per share information, unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock		Noncontrolling interests	Total Stockholders' Equity
	Shares	Amount				Shares	Amount		
Balances as of June 30, 2023	47,282,823	$ -	$ 1,263	$ 3,142	$ 27	(11,901,423)	$ (1,889)	$ 20	$ 2,563
Purchase of treasury stock	-	-	-	-	-	(1,274,852)	(200)	-	(200)
Stock-based compensation expense	-	-	16	-	-	-	-	-	16
Vesting of restricted stock units and exercise of stock options	-	-	(10)	-	-	87,712	5	-	(5)
Dividends declared on common stock ($1.35 per share)	-	-	-	(47)	-	-	-	-	(47)
Contribution from noncontrolling interests	-	-	-	-	-	-	-	11	11
Net income (loss)	-	-	-	25	-	-	-	(17)	8
Balances as of September 30, 2023	47,282,823	$ -	$ 1,269	$ 3,120	$ 27	(13,088,563)	$ (2,084)	$ 14	$ 2,346
Balances as of June 30, 2022	47,291,463	$ -	$ 1,258	$ 2,610	$ 141	(7,867,571)	$ (1,140)	$ -	$ 2,869
Purchase of treasury stock	-	-	-	-	-	(1,197,138)	(215)	-	(215)
Stock-based compensation expense	-	-	17	-	-	-	-	-	17
Vesting of restricted stock units and exercise of stock options	-	-	(4)	-	-	51,516	5	-	1
Dividends declared on common stock ($0.90 per share)	-	-	-	(35)	-	-	-	-	(35)
Noncontrolling interests from a business combination (see Note 3)	-	-	-	-	-	-	-	24	24
Other	-	-	-	-	-	-	-	(1)	(1)
Net income (loss)	-	-	-	289	-	-	-	(1)	288
Balances as of September 30, 2022	47,291,463	$ -	$ 1,271	$ 2,864	$ 141	(9,013,193)	$ (1,350)	$ 22	$ 2,948

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

NEXSTAR MEDIA GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Nine Months Ended September 30, 2023 and 2022
(in millions, except for share and per share information, unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock		Noncontrolling interests	Total Stockholders' Equity
	Shares	Amount				Shares	Amount		
Balances as of December 31, 2022	47,282,823	$ -	$ 1,288	$ 3,033	$ 27	(10,472,637)	$ (1,607)	$ 28	$ 2,769
Purchase of treasury stock	-	-	-	-	-	(3,152,635)	(518)	-	(518)
Stock-based compensation expense	-	-	44	-	-	-	-	-	44
Vesting of restricted stock units and exercise of stock options	-	-	(63)	-	-	536,709	41	-	(22)
Dividends declared on common stock ($4.05 per share)	-	-	-	(145)	-	-	-	-	(145)
Contribution from noncontrolling interests	-	-	-	-		-	-	47	47
Net income (loss)	-	-	-	232	-	-	-	(61)	171
Balances as of September 30, 2023	47,282,823	$ -	$ 1,269	$ 3,120	$ 27	(13,088,563)	$ (2,084)	$ 14	$ 2,346
Balances as of December 31, 2021	47,291,463	$ -	$ 1,311	$ 2,204	$ 141	(6,534,034)	$ (807)	$ 7	$ 2,856
Purchase of treasury stock	-	-	-	-	-	(3,569,673)	(621)	-	(621)
Stock-based compensation expense	-	-	43	-	-	-	-	-	43
Vesting of restricted stock units and exercise of stock options	-	-	(83)	-	-	1,090,514	78	-	(5)
Dividends declared on common stock ($2.70 per share)	-	-	-	(108)	-	-	-	-	(108)
Noncontrolling interests from a business combination (see Note 3)	-	-	-	-	-	-	-	24	24
Distribution to a noncontrolling interest	-	-	-	-	-	-	-	(7)	(7)
Net income (loss)	-	-	-	768	-	-	-	(2)	766
Balances as of September 30, 2022	47,291,463	$ -	$ 1,271	$ 2,864	$ 141	(9,013,193)	$ (1,350)	$ 22	$ 2,948

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

NEXSTAR MEDIA GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions, unaudited)

	Nine Months Ended September 30, 2023	2022
Cash flows from operating activities:		
Net income	$ 171	$ 766
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	731	431
Stock-based compensation expense	44	43
Amortization of debt financing costs, debt discounts and premium	8	10
Deferred income taxes	(37)	(32)
Payments for broadcast rights	(322)	(97)
Gain on bargain purchase	-	(54)
Income from equity method investments, net	(82)	(110)
Distribution from equity method investments – return on capital	259	235
Changes in operating assets and liabilities, net of acquisitions and dispositions:		
Accounts receivable	191	80
Prepaid and other current assets	(6)	13
Other noncurrent assets	(21)	1
Accounts payable	(54)	(80)
Accrued expenses and other current liabilities	(3)	45
Income tax payable	(25)	(36)
Other noncurrent liabilities	(36)	(37)
Other	(1)	7
Net cash provided by operating activities	817	1,185
Cash flows from investing activities:		
Purchases of property and equipment	(113)	(100)
Payments for acquisitions	(38)	-
Deposits received associated with the sale of real estate assets	10	13
Proceeds from sale of real estate and other assets	-	45
Cash acquired on business acquisition	-	29
Other investing activities, net	4	2
Net cash used in investing activities	(137)	(11)
Cash flows from financing activities:		
Proceeds from debt issuance, net of debt discounts	-	2,480
Repayments of long-term debt	(93)	(2,730)
Purchase of treasury stock	(509)	(621)
Common stock dividends paid	(145)	(108)
Payments for capitalized software obligations	(14)	(11)
Contribution from noncontrolling interests	47	-
Cash paid for shares withheld for taxes	(24)	(13)
Payments for contingent consideration in connection with a past acquisition	-	(14)
Other financing activities, net	2	(1)
Net cash used in financing activities	(736)	(1,018)
Net increase (decrease) in cash, cash equivalents and restricted cash	(56)	156
Cash, cash equivalents and restricted cash at beginning of period	220	207
Cash, cash equivalents and restricted cash at end of period	$ 164	$ 363
Supplemental information:		
Interest paid	$ 335	$ 243
Income taxes paid, net of refunds	$ 142	$ 273
Non-cash investing and financing activities:		
Accrued and noncash purchases of property and equipment	$ 37	$ 10
Right-of-use assets obtained in exchange for operating lease obligations	$ 26	$ 29

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

NEXSTAR MEDIA GROUP, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Organization and Business Operations

As used in this Quarterly Report on Form 10-Q, “Nexstar” refers to Nexstar Media Group, Inc., a Delaware corporation, and its consolidated wholly-owned and majority-owned subsidiaries; the “Company” refers to Nexstar and the variable interest entities (“VIEs”) required to be consolidated in our financial statements under authoritative guidance related to the consolidation of VIEs; and all references to “we,” “our,” “ours,” and “us” refer to Nexstar.

Nexstar is a leading diversified media company with television broadcasting, television network and digital media assets operating in the United States. As of September 30, 2023, we owned, operated, programmed or provided sales and other services to 200 full power television stations and one AM radio station, including those television stations owned by VIEs, in 116 markets in 39 states and the District of Columbia. The stations are affiliates of CBS, FOX, NBC, ABC, The CW, MyNetworkTV, and other broadcast television networks. As of September 30, 2023, Nexstar’s stations reached approximately 39% of all U.S. television households (after applying the Federal Communications Commission’s (“FCC”) ultra-high frequency (“UHF”) discount). Through various local service agreements, we provided sales, programming, and other services to 35 television stations owned by consolidated VIEs and one television station owned by an unconsolidated VIE. Nexstar also owns a 75.0% interest in The CW Network, LLC, the fifth major broadcast network in the U.S. (“The CW”), NewsNation, a national cable news network, two digital multicast networks, Antenna TV and Rewind TV, multicast network services provided to third parties, and a 31.3% ownership stake in Television Food Network, G.P. (“TV Food Network”). Our digital assets include 142 local websites and 286 mobile applications, 25 connected television applications, six free ad-supported television channels representing products of our local television stations, The CW, NewsNation, The Hill and BestReviews, and a suite of advertiser solutions.

Note 2: Summary of Significant Accounting Policies

Principles of Consolidation

The Condensed Consolidated Financial Statements include the accounts of Nexstar, subsidiaries consolidated through voting interests and VIEs for which we are the primary beneficiary (see “Variable Interest Entities” section below). Noncontrolling interests represent the minority owners’ share in profit or loss and equity of The CW and the VIE owners’ share in profit or loss and equity in the consolidated VIEs. Noncontrolling interests are presented as a component separate from Nexstar’s stockholders’ equity in the accompanying Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Changes in Stockholders’ Equity. All intercompany account balances and transactions have been eliminated in consolidation. Nexstar management evaluates each arrangement that may include variable interests and determines the need to consolidate an entity where it determines Nexstar is the primary beneficiary of a VIE in accordance with related authoritative literature and interpretive guidance.

Interim Financial Statements

The Condensed Consolidated Financial Statements as of September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022 are unaudited. However, in the opinion of management, such financial statements include all adjustments (consisting solely of normal recurring adjustments) necessary for the fair statement of the financial information included herein in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). The preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the related disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Results of operations for interim periods are not necessarily indicative of results for the full year. Estimates are used for, but are not limited to, allowance for credit losses, valuation of assets acquired and liabilities assumed in business combinations, distribution revenue recognized, income taxes, the recoverability of goodwill, FCC licenses and long-lived assets, the recoverability of investments, the recoverability of broadcast rights and the useful lives of property and equipment and intangible assets. As of September 30, 2023, the Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or revision of the carrying value of its assets or liabilities. However, these estimates and judgments may change as new events occur and additional information is obtained, which may result in changes being recognized in the Company’s consolidated financial statements in future periods. Actual results could differ from those estimates and any such differences may have a material impact on the Company’s Condensed Consolidated Financial Statements.

These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and related Notes included in Nexstar's Annual Report on Form 10-K for the year ended December 31, 2022. The balance sheet as of December 31, 2022 has been derived from the audited financial statements as of that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

Variable Interest Entities

Nexstar may determine that an entity is a VIE as a result of local service agreements entered into with that entity. The term local service agreement generally refers to a contract whereby the owner-operator of a television station contracts with a third party (typically another television station owner-operator) to provide it with administrative, sales and other services required for the operation of its station. Nevertheless, the owner-operator of each station retains control of and responsibility for the operation of its station, including ultimate responsibility over all programming broadcast on its station. A local service agreement can be (i) a time brokerage agreement ("TBA") or a local marketing agreement ("LMA") which allows Nexstar to program most of a station's broadcast time, sell the station's advertising time and retain the advertising revenue generated in exchange for monthly payments, based on the station's monthly operating expenses, (ii) a shared services agreement ("SSA") which allows Nexstar to provide services to a station including news production, technical maintenance and security, in exchange for Nexstar's right to receive certain payments as described in the SSA, or (iii) a joint sales agreement ("JSA") which permits Nexstar to sell certain of a station's advertising time and retain a percentage of the related revenue, as described in the JSA.

Consolidated VIEs

Nexstar consolidates entities in which it is deemed under U.S. GAAP to have controlling financial interests for financial reporting purposes as a result of (i) local service agreements Nexstar has with the stations owned by these entities, (ii) Nexstar's (excluding The CW) guarantee of the obligations incurred under Mission Broadcasting, Inc.'s ("Mission") senior secured credit facility (see Note 8), (iii) Nexstar having power over significant activities affecting these VIEs' economic performance, including budgeting for advertising revenue, certain advertising sales and, in some cases, hiring and firing of sales force personnel and (iv) purchase options granted by each consolidated VIE which permit Nexstar to acquire the assets and assume the liabilities of these VIEs' stations, subject to FCC consent.

The following table summarizes the various local service agreements Nexstar had in effect as of September 30, 2023 with its consolidated VIEs:

Owner	Service Agreements	Full Power Stations
Mission	TBA	WFXP, KHMT and KFQX
	SSA & JSA	KJTL, KLRT, KASN, KOLR, KCIT, KAMC, KRBC, KSAN, WUTR, WAWV, WYOU, KODE, WTVO, KTVE, WTVW, WVNY, WXXA, WLAJ, KMSS, KPEJ, KLJB, KASY, KWBQ and KRWB
	LMA	WNAC and WPIX
White Knight Broadcasting ("White Knight")	SSA & JSA	WVLA and KFXK
Vaughan Media, LLC ("Vaughan")	SSA & JSA	WBDT, WYTV and KTKA
	LMA	KNVA

Nexstar's ability to receive cash from the consolidated VIEs is governed by the local service agreements. Under these agreements, Nexstar has received substantially all of the consolidated VIEs' available cash, after satisfaction of operating costs and debt obligations. Nexstar anticipates it will continue to receive substantially all of the consolidated VIEs' available cash, after satisfaction of operating costs and debt obligations. In compliance with FCC regulations for all the parties, each VIE maintains complete responsibility for and control over programming, finances, personnel and operations of its stations.

The carrying amounts and classification of the assets and liabilities, excluding intercompany amounts, of the VIEs which have been included in the Condensed Consolidated Balance Sheets were as follows (in millions):

	September 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	$ 5	$ 6
Accounts receivable, net	15	26
Prepaid expenses and other current assets	5	6
Total current assets	25	38
Property and equipment, net	60	59
Goodwill	151	151
FCC licenses	200	200
Network affiliation agreements, net	71	76
Other noncurrent assets, net	70	80
Total assets	$ 577	$ 604
Current liabilities:		
Current portion of debt	$ 3	$ 3
Other current liabilities	37	30
Total current liabilities	40	33
Debt	351	353
Deferred tax liabilities	35	35
Other noncurrent liabilities	80	85
Total liabilities	$ 506	$ 506

The following are assets of consolidated VIEs, excluding intercompany amounts, that are not available to settle the obligations of Nexstar and the liabilities of consolidated VIEs, excluding intercompany amounts, for which their creditors do not have recourse to the general credit of Nexstar (in millions):

	September 30, 2023	December 31, 2022
Current assets	$ 3	$ 4
Property and equipment, net	12	11
Goodwill	62	62
FCC licenses	200	200
Network affiliation agreements, net	23	26
Other noncurrent assets, net	2	1
Total assets	$ 302	$ 304
Current liabilities	$ 35	$ 28
Noncurrent liabilities	115	120
Total liabilities	$ 150	$ 148

Non-Consolidated VIE

Nexstar has an outsourcing agreement with Cunningham Broadcasting Corporation ("Cunningham") which continues through December 31, 2023. Under the outsourcing agreement, Nexstar provides certain engineering, production, sales and administrative services for WYZZ, the FOX affiliate in the Peoria, Illinois market, through WMBD, the Nexstar television station in that market. During the term of the outsourcing agreement, Nexstar retains the broadcasting revenue and related expenses of WYZZ and is obligated to pay a monthly fee to Cunningham based on the combined operating cash flow of WMBD and WYZZ, as defined in the agreement. Nexstar has determined that it has a variable interest in WYZZ. Nexstar has also evaluated its arrangement with Cunningham and has determined that it is not the primary beneficiary of the variable interest in this station because it does not have the ultimate power to direct the activities that most significantly impact the station's economic performance, including developing the annual operating budget, programming and oversight and control of sales management personnel. Therefore, Nexstar has not consolidated WYZZ under authoritative guidance related to the consolidation of VIEs. There were no significant transactions arising from Nexstar's outsourcing agreement with Cunningham. Cunningham does not guarantee Nexstar's debt.

Basis of Presentation

Certain prior year financial statement amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on net income or stockholders' equity as previously reported.

Income Per Share

Basic income per share is computed by dividing the net income attributable to Nexstar by the weighted-average number of common shares outstanding during the period. Diluted income per share is computed using the weighted-average number of common shares and potentially dilutive common shares outstanding during the period. Potentially dilutive common shares are calculated using the treasury stock method. They consist of stock options and restricted stock units outstanding during the period and reflect the potential dilution that could occur if common shares were issued upon exercise of stock options and vesting of restricted stock units. The following table shows the amounts used in computing Nexstar's diluted shares (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Weighted average shares outstanding – basic	34,931	38,767	35,806	39,964
Dilutive effect of equity incentive plan instruments	436	793	564	852
Weighted average shares outstanding – diluted	35,367	39,560	36,370	40,816

During the three and nine months ended September 30, 2023, weighted average restricted stock units of 103,000 and 68,000, respectively, were excluded from the calculation of diluted income per share because their effect would have been anti-dilutive.

During the three and nine months ended September 30, 2022, weighted average restricted stock units of 41,000 and 14,000, respectively, were excluded from the calculation of diluted income per share because their effect would have been anti-dilutive.

Recent Accounting Pronouncements

New Accounting Standards Adopted

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" ("ASU 2021-08"). The amendments in ASU 2021-08 require that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. The accounting update also provides certain practical expedients for acquirers when recognizing and measuring acquired contract assets and contract liabilities from revenue contracts in a business combination. ASU 2021-08 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Company adopted this accounting update for interim periods and fiscal years beginning on January 1, 2023 and the adoption did not impact its Condensed Consolidated Financial Statements.

Note 3: Acquisitions

2023 Acquisitions

On July 20, 2023, Nexstar acquired certain assets of WSNN-LD, a MyNetworkTV affiliated low power television station serving the Tampa, Florida market, from Citadel Communications, LLC. On August 31, 2023, Nexstar acquired certain assets of KUSI-TV, an independent full power television station serving the San Diego, CA market, from McKinnon Broadcasting Company and Channel 51 of San Diego, Inc. The total purchase price of these acquisitions was $38 million, including working capital adjustments. The acquired assets and assumed liabilities were recorded at fair value as of the closing dates of the transactions and consisted primarily of $13 million in property and equipment and $19 million in FCC licenses.

2022 Acquisition of The CW

On September 30, 2022, Nexstar acquired a 75.0% ownership interest in The CW from affiliates of Paramount Global and Warner Bros. Discovery (collectively the "Sellers") for no purchase consideration. Each of the Sellers retained a 12.5% ownership interest and produced 12 original, scripted series for The CW that primarily aired during the 2022/2023 broadcast season. The Sellers have granted Nexstar a call right and Nexstar has granted each of the Sellers a put right for such Seller's ownership interests beginning in August 2024 and June 2026, respectively. The acquisition solidifies Nexstar's revenue opportunities as the largest owner of The CW-affiliated stations, diversifies its content outside of news, improves its national advertising opportunities, establishes it as a participant in advertising video-on-demand services via The CW App and is expected to create value by improving The CW's ratings, revenue, and profitability.

The transaction was accounted for under the acquisition method of accounting. The fair values of the assets acquired, liabilities assumed, and noncontrolling interests are as follows (in millions):

		Purchase Price Allocation [(1)]
Assets acquired		
Cash and cash equivalents	$	29
Accounts receivable		56
Prepaid expenses and other current assets		3
Broadcast rights		124
Intangible assets		17
Other noncurrent assets		6
Total assets acquired		235
Liabilities assumed:		
Accounts payable and accrued expenses		(26)
Broadcast rights payable		(97)
Deferred tax liabilities		(19)
Other liabilities		(13)
Total liabilities assumed		(155)
Net assets acquired		80
Consideration paid		-
Noncontrolling interests		(24)
Gain on bargain purchase	$	56

(1)The purchase price allocation includes the effects of measurement period adjustments recorded in the fourth quarter of 2022.

Programming costs and accrued programming costs pertain to The CW's costs of acquiring programming from the Sellers and were valued using the replacement cost method as of Nexstar's acquisition due to their short-term nature.

As a result of the acquisition, Nexstar recognized a gain on bargain purchase of $56 million representing the excess of the fair value of the net assets acquired over the $0 purchase consideration paid and the fair value of the noncontrolling interests. This gain is presented as a separate line item in the accompanying Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2022. Nexstar believes it was able to acquire The CW for $0 purchase consideration due to the recurring losses of The CW and Nexstar's position as the largest owner of The CW-affiliated television stations which it believes limited the number of interested acquirers, Nexstar's agreement to commit The CW to acquire additional programming from the Sellers for the 2022/2023 broadcast season, and Nexstar's agreement to allow the Sellers to distribute certain short and long-term accounts receivable related to previously-aired programming to the Sellers prior to closing.

The intangible assets are amortized over an estimated useful life of 4.5 years. During the three and nine months ended September 30, 2022, transaction costs related to this acquisition were not material.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information has been presented for the periods indicated as if Nexstar's acquisition of a 75.0% ownership stake in The CW had occurred on January 1, 2021 (in millions):

	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2022
Net revenue	$ 1,371	$ 4,027
Income before income taxes	248	643
Net income	179	488
Net income attributable to Nexstar	198	563

The unaudited pro forma financial information combines the historical results of operations, adjusted for business combination accounting effects including transaction costs, the gain on bargain purchase, the amortization charges from acquired intangible assets and the related tax effects.

The unaudited pro forma financial information is for informational purposes only and is not indicative of the results of operations that would have been achieved if the acquisition of The CW had taken place on January 1, 2021, because the pro forma results do not reflect expected synergies.

Future Acquisition

On May 10, 2023, Mission entered into a definitive agreement to acquire the assets of WADL-TV serving the Detroit, Michigan market from Adell Broadcasting Corporation for $75 million in cash, subject to customary working capital adjustments. The proposed acquisition is subject to regulatory and other customary approvals, is expected to close once Mission receives regulatory approval, and would be Mission's second entry into the state of Michigan.

Note 4: Intangible Assets and Goodwill

The Company's definite-lived intangible assets consisted of the following (dollars in millions):

	Estimated useful life, in years	September 30, 2023 Gross	September 30, 2023 Accumulated Amortization	September 30, 2023 Net	December 31, 2022 Gross	December 31, 2022 Accumulated Amortization	December 31, 2022 Net
Network affiliation agreements	15	$ 3,125	$ (1,395)	$ 1,730	$ 3,125	$ (1,254)	$ 1,871
Other definite-lived intangible assets	1-20	1,088	(606)	482	1,077	(514)	563
Definite-lived intangible assets		$ 4,213	$ (2,001)	$ 2,212	$ 4,202	$ (1,768)	$ 2,434

The following table presents the Company's estimate of amortization expense for the remainder of 2023, each of the five succeeding years ended December 31 and thereafter for definite-lived intangible assets as of September 30, 2023 (in millions):

Remainder of 2023	$ 76
2024	295
2025	289
2026	265
2027	253
2028	238
Thereafter	796
	$ 2,212

The amounts recorded to goodwill and FCC licenses were as follows (in millions):

	Goodwill			FCC Licenses		
	Gross	Accumulated Impairment	Net	Gross	Accumulated Impairment	Net
Balances as of December 31, 2022	$ 3,141	$ (180)	$ 2,961	$ 2,958	$ (48)	$ 2,910
Current year acquisitions (See Note 3)	4	-	4	19	-	19
Balances as of September 30, 2023	$ 3,145	$ (180)	$ 2,965	$ 2,977	$ (48)	$ 2,929

Indefinite-lived intangible assets are not subject to amortization but are tested for impairment annually or whenever events or changes in circumstances indicate that such assets might be impaired.

Note 5: Investments

Investments in the Company's Condensed Consolidated Balance Sheets consisted of the following (in millions):

	September 30, 2023	December 31, 2022
Equity method investments	$ 942	$ 1,115
Other equity investments	4	4
Total investments	$ 946	$ 1,119

Equity Method Investments

During the three and nine months ended September 30, 2023 and 2022, the Company received cash distributions from its equity method investments, primarily from its investment in TV Food Network, as discussed below.

During the three and nine months ended September 30, 2023 and 2022, the income from equity method investments, net reported in the Company's unaudited Condensed Consolidated Statements of Operations consisted of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Income from equity method investments, net, before amortization of basis difference	$ 42	$ 54	$ 135	$ 163
Amortization of basis difference	(18)	(17)	(53)	(53)
Income from equity method investments, net	$ 24	$ 37	$ 82	$ 110

At acquisition date, the Company measured its estimated share of the differences between the estimated fair values and carrying values (the "basis difference") of the investees' tangible assets and amortizable intangible assets had the fair value of the investments been allocated to the identifiable assets of the investees in accordance with ASC Topic 805, "Business Combinations." Additionally, the Company measured its estimated share of the basis difference attributable to investees' goodwill. The Company amortizes its share of the basis differences attributable to tangible assets and intangible long-lived assets of investees, including TV Food Network, and records the amortization (the "amortization of basis difference") as a reduction of income from equity method investments, net in the accompanying Condensed Consolidated Statements of Operations. The Company's share in these basis differences and related amortization is primarily attributable to its investment in TV Food Network (discussed in more detail below).

Investment in TV Food Network

Nexstar acquired its 31.3% equity investment in TV Food Network through its acquisition of Tribune Media Company ("Tribune") on September 19, 2019. Nexstar's partner in TV Food Network is Warner Bros. Discovery, Inc. ("WBD"), which owns a 68.7% interest in TV Food Network and operates the network on behalf of the partnership.

TV Food Network operates two 24-hour television networks, Food Network and Cooking Channel, offering quality television, video, internet and mobile entertainment and information focusing on food and entertaining.

The partnership agreement governing TV Food Network provides that the partnership shall, unless certain actions are taken by the partners, dissolve and commence winding up and liquidating TV Food Network upon the first to occur of certain enumerated liquidating events, one of which is a specified date of December 31, 2023. Nexstar intends to renew its partnership agreement with WBD for TV Food Network before expiration. In the event of a liquidation, Nexstar would be entitled to its proportionate share of distributions to partners, which the partnership agreement provides would occur as promptly as is consistent with obtaining fair market value for the assets of TV Food Network. The partnership agreement also provides that the partnership may be continued or reconstituted in certain circumstances.

As of September 30, 2023, Nexstar's investment in TV Food Network had a book value of $924 million, compared to $1,099 million as of December 31, 2022.

As of September 30, 2023 and December 31, 2022, Nexstar had a remaining share in amortizable basis difference of $414 million and $467 million, respectively, related to its investment in TV Food Network. The remaining amortizable basis difference as of September 30, 2023 had a remaining useful life of approximately 6 years. As of September 30, 2023, Nexstar's share in the basis difference related to the TV Food Network's goodwill was $500 million (no change in 2023).

Nexstar had the following transactions related to its investment in TV Food Network during the three and nine months ended September 30, 2023 and 2022, respectively (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Cash distributions received	$ 8	$ 11	$ 259	$ 235
Recognized share in TV Food Network's net income	43	55	136	165
Recorded amortization of basis difference (expense)	(17)	(17)	(52)	(52)

Summarized financial information for TV Food Network is as follows (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net revenue	$ 272	$ 310	$ 853	$ 976
Costs and expenses	137	131	427	449
Income from operations	135	179	426	528
Net income	136	176	434	527
Net income attributable to Nexstar Media Group, Inc.	43	55	136	165

Note 6: Accrued Expenses

Accrued expenses consisted of the following (in millions):

	September 30, 2023	December 31, 2022
Compensation and related taxes	$ 94	$ 113
Interest payable	45	56
Network affiliation fees	76	50
Other	107	100
	$ 322	$ 319

Note 7: Retirement and Postretirement Plans

Nexstar has various funded, qualified non-contributory defined benefit retirement plans which cover certain employees and former employees. All of these retirement plans are frozen in terms of pay and service, except for a plan with immaterial pension benefit obligations.

The following tables provide the components of net periodic benefit cost (credit) for Nexstar's pension benefit plans (in millions):

	Pension Benefit Plans			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Service cost	$ -	$ -	$ 1	$ 1
Interest cost	21	12	62	35
Expected return on plan assets	(28)	(23)	(84)	(68)
Amortization of net gain	(2)	-	(6)	-
Net periodic benefit credit	$ (9)	$ (11)	$ (27)	$ (32)

During the three and nine months ended September 30, 2023, Nexstar did not make contributions to its qualified pension benefit plans. Nexstar does not anticipate it will be required to make contributions to such pension benefit plans in 2023.

Nexstar also has various other postretirement benefit plans ("OPEB"), including retiree medical savings account plans which reimburse eligible retired employees for certain medical expenses and unfunded plans that provide certain health and life insurance benefits to certain retired employees. The periodic benefit cost (credit) related to OPEB is not significant.

Note 8: Debt

Long-term debt consisted of the following (dollars in millions):

	September 30, 2023	December 31, 2022
Nexstar		
Term Loan A, due June 2027	$ 2,273	$ 2,364
Term Loan B, due September 2026	1,561	1,561
5.625% Notes, due July 2027	1,714	1,714
4.75% Notes, due November 2028	1,000	1,000
Mission		
Term Loan B, due June 2028	294	296
Revolving loans, due June 2027	62	62
Total outstanding principal	6,904	6,997
Less: unamortized financing costs and discount – Nexstar Term Loan A, due June 2027	(7)	(8)
Less: unamortized financing costs and discount – Nexstar Term Loan B, due September 2026	(26)	(33)
Add: unamortized premium, net of financing costs – Nexstar 5.625% Notes, due July 2027	3	4
Less: unamortized financing costs and discount – Nexstar 4.75% Notes, due November 2028	(6)	(7)
Less: unamortized financing costs and discount – Mission Term Loan B, due June 2028	(2)	(2)
Total outstanding debt	6,866	6,951
Less: current portion	(124)	(124)
Long-term debt, net of current portion	$ 6,742	$ 6,827

Nexstar's outstanding term loans are governed by Nexstar's credit agreement and Mission's outstanding term loans and revolving loans are governed by Mission's credit agreement. Each credit agreement is also herein referred to as a senior secured credit facility. Nexstar's senior unsecured notes are governed by the indentures.

2023 Activities

On June 6, 2023, Nexstar and Mission, an independently owned VIE consolidated by Nexstar, amended their respective credit agreements. The amendments to the respective credit agreements pertain to replacement of the London Interbank Offered Rate ("LIBOR")-based interest rate applicable to the Term Loan B, due September 2026 of Nexstar and Term Loan B, due June 2028 of Mission with the term Secured Overnight Financing Rate ("SOFR")-based interest rate. Under each amendment, the term SOFR is defined to mean the sum of the term SOFR screen rate published by the CME Group Benchmark Administration Limited term SOFR administrator and a spread adjustment of 0.11448% for an interest period of one month's duration, 0.26161% for an interest period of three months' duration and 0.42826% for an interest period of six months' duration. The term SOFR is subject to a floor of 0%.

In addition, during the nine months ended September 30, 2023, the Company repaid scheduled principal maturities of $93 million of its term loans.

Unused Commitments and Borrowing Availability

The Company had $531 million (net of outstanding standby letters of credit of $19 million) and $14 million of unused revolving loan commitments under the respective Nexstar and Mission senior secured credit facilities, all of which were available for borrowing, based on the covenant calculations as of September 30, 2023. The Company's ability to access funds under its senior secured credit facilities depends, in part, on its compliance with certain financial covenants. As of September 30, 2023, the Company was in compliance with its financial covenants.

Collateralization and Guarantees of Debt

The Company's senior secured credit facilities described above are collateralized by a security interest in substantially all the combined assets, excluding FCC licenses, the other assets of consolidated VIEs unavailable to creditors of Nexstar (see Note 2) and the assets of The CW. Nexstar (excluding The CW) guarantees full payment of all obligations incurred under the Mission senior secured credit facility in the event of Mission's default. Mission is a guarantor of Nexstar's senior secured credit facility, Nexstar's 5.625% Notes, due July 2027 and Nexstar's 4.75% Notes, due November 2028.

In consideration of Nexstar's guarantee of the Mission senior secured credit facility, Mission has among other things granted Nexstar purchase options to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. These option agreements, which expire on various dates between 2023 and 2033, are freely exercisable or assignable by Nexstar without consent or approval by Mission. The Company expects these option agreements to be renewed upon expiration.

Debt Covenants

The Nexstar credit agreement (senior secured credit facility) contains a covenant which requires Nexstar to comply with a maximum consolidated first lien net leverage ratio of 4.25 to 1.00. The financial covenant, which is formally calculated on a quarterly basis, is based on the combined results of the Company, excluding the operating results of The CW, which Nexstar designated as an unrestricted subsidiary under its credit agreements and indentures. The Mission amended credit agreement does not contain financial covenant ratio requirements but does provide for default in the event Nexstar does not comply with all covenants contained in its credit agreement. As of September 30, 2023, Nexstar was in compliance with its financial covenants.

Note 9: Leases

The Company as a Lessee

The Company has operating leases for office spaces, tower facilities, antenna sites, studios and other real estate properties and equipment. The operating leases have remaining lease terms of one to 91 years, some of which may include options to extend the leases from one to 99 years, and some of which may include options to terminate the leases within one year. Lease contracts that the Company has executed but which have not yet commenced as of September 30, 2023 were not material.

Supplemental balance sheet information related to operating leases was as follows (in millions, except lease term and discount rate):

	Balance Sheet Classification	September 30, 2023	December 31, 2022
Operating lease right-of-use assets, net	Other noncurrent assets, net	$ 275	$ 288
Current operating lease liabilities	Operating lease liabilities	$ 48	$ 50
Noncurrent operating lease liabilities	Other noncurrent liabilities	$ 229	$ 238
Weighted Average Remaining Lease Term of Operating leases		8 years	8 years
Weighted Average Discount Rate of Operating leases		5.0%	5.1%

Operating lease expense for the three months ended September 30, 2023 was $16 million, of which $7 million and $9 million were included in Direct operating and Selling, general and administrative expenses, respectively, excluding depreciation and amortization, in the accompanying Condensed Consolidated Statements of Operations. Operating lease expense for the three months ended September 30, 2022 was $15 million, of which $7 million and $8 million were included in Direct operating and Selling, general and administrative expenses, respectively, excluding depreciation and amortization, in the accompanying Condensed Consolidated Statements of Operations.

Operating lease expense for the nine months ended September 30, 2023 was $49 million, of which $21 million and $28 million were included in Direct operating and Selling, general and administrative expenses, respectively, excluding depreciation and amortization, in the accompanying Condensed Consolidated Statements of Operations. Operating lease expense for the nine months ended September 30, 2022 was $45 million, of which $21 million and $24 million were included in Direct operating and Selling, general and administrative expenses, respectively, excluding depreciation and amortization, in the accompanying Condensed Consolidated Statements of Operations.

Cash paid for operating leases included in the operating cash flows was $48 million and $43 million for the nine months ended September 30, 2023 and 2022, respectively.

Future minimum lease payments under non-cancellable leases as of September 30, 2023 were as follows (in millions):

	Operating Leases
Remainder of 2023	$ 14
2024	62
2025	47
2026	37
2027	31
2028	27
Thereafter	130
Total future minimum lease payments	348
Less: imputed interest	(71)
Total	$ 277

Note 10: Fair Value Measurements

The Company measures and records in its Condensed Consolidated Financial Statements certain assets and liabilities at fair value. ASC Topic 820, “Fair Value Measurement and Disclosures,” establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company’s own assumptions (unobservable inputs). This hierarchy consists of the following three levels:

- Level 1 – Assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market.
- Level 2 – Assets and liabilities whose values are based on inputs other than those included in Level 1, including quoted market prices in markets that are not active; quoted prices of assets or liabilities with similar attributes in active markets; and valuation models whose inputs are observable or unobservable but corroborated by market data.
- Level 3 – Assets and liabilities whose values are based on valuation models or pricing techniques that utilize unobservable inputs that are significant to the overall fair value measurement.

The carrying values of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payable, broadcast rights payable and accrued expenses approximate fair value due to their short-term nature. Estimated fair values and carrying amounts of the Company’s long-term debt that are not measured at fair value on a recurring basis were as follows (dollars in millions):

	September 30, 2023		December 31, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Nexstar				
Term Loan A, due June 2027[(1)]	$ 2,266	$ 2,244	$ 2,356	$ 2,275
Term Loan B, due September 2026[(1)]	1,535	1,560	1,528	1,555
5.625% Notes, due July 2027[(2)]	1,717	1,517	1,718	1,620
4.75% Notes, due November 2028[(2)]	994	824	993	880
Mission				
Term Loan B, due June 2028[(1)]	292	292	294	291
Revolving loans due June 2027[(1)]	62	61	62	60

(1) The fair value of senior secured and revolving credit facilities is computed based on borrowing rates currently available to the Company for bank loans with similar terms and average maturities. These fair value measurements are considered Level 3, as significant inputs to the fair value calculation are unobservable in the market.

(2) The fair value of the Company's fixed rate debt is estimated based on bid prices obtained from an investment banking firm that regularly makes a market for these financial instruments. These fair value measurements are considered Level 2, as quoted market prices are available for low volume trading of these securities.

During the three and nine months ended September 30, 2023, there were no events or changes in circumstance that triggered an impairment to the Company's significant assets, including equity method investments, indefinite-lived intangible assets, long-lived assets and goodwill, other than those disclosed. See Notes 4 and 5 for additional information.

Note 11: Common Stock

On July 27, 2022, Nexstar's board of directors approved a new share repurchase program authorizing Nexstar to repurchase up to an additional $1.5 billion of its common stock, of which $1.258 billion of capacity remained available as of December 31, 2022. During the nine months ended September 30, 2023, Nexstar repurchased a total of 3,152,635 shares of its common stock for $514 million, funded by cash on hand, which was accounted for as treasury cost. As of September 30, 2023, the remaining available amount under the share repurchase authorization was $744 million.

Share repurchases may be made from time to time in open market transactions, block trades or private transactions. There is no minimum number of shares that Nexstar is required to repurchase and the repurchase program may be suspended or discontinued at any time without prior notice.

On January 27, 2023, Nexstar's board of directors approved a 50% increase in its quarterly cash dividend to $1.35 per share of outstanding common stock beginning with the first quarter of 2023.

Note 12: Income Taxes

Income tax expense was $6 million for the three months ended September 30, 2023 compared to $82 million for the same period in 2022. The effective tax rates were 43.2% and 22.2% for each of the respective periods.

Nexstar reported permanent differences, including an adjustment for losses related to the minority interest in The CW, resulting in a 34.2% increase to the effective rate for the three months ended September 30, 2023. State taxes were impacted by increased permanent differences resulting in a 4.4% increase to the effective rate. The gain on bargain purchase arising from the acquisition of The CW resulted in a 3.1% decrease to the effective tax rate in the prior year third quarter. The increases are partially offset by changes in the valuation allowance which resulted in a 10.2% decrease to the effective rate. Differences in excess benefit on stock options and restricted stock units exercised in 2023 compared to 2022 resulted in a 3.3% decrease in the effective rate. Prior year provision to return adjustments resulted in an 8.7% decrease to the effective rate.

Income tax expense was $83 million for the nine months ended September 30, 2023 compared to $206 million for the same period in 2022. The effective tax rates were 32.9% and 21.2% for each of the respective periods.

Nexstar reported a decrease in income tax benefit for the nine months ended September 30, 2023 of $26.5 million attributable to excess benefit on stock options and restricted stock units exercised in 2022. This resulted in a 1.3% increase to the effective tax rate in 2023 compared to 2022. Changes in the valuation allowance resulted in an incremental income tax expense of $13.3 million, or a 3.9% increase to the effective tax rate in 2023. Other permanent differences, including an adjustment for losses related to the minority interest in The CW, resulted in a 4.9% increase to the effective rate. The gain on bargain purchase arising from the acquisition of The CW resulted in a 1.2% decrease to the effective tax rate in the prior year third quarter.

The Company calculates its year-to-date provision for income taxes by applying the estimated annual effective tax rate to year-to-date pre-tax income or loss and adjusts the provision for discrete tax items recorded in the period. Future changes in the forecasted annual income projections could result in significant adjustments to quarterly income tax expense in future periods.

Note 13: FCC Regulatory Matters

Television broadcasting is subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the “Communications Act”). The Communications Act prohibits the operation of television broadcasting stations except under a license issued by the FCC and empowers the FCC, among other things, to issue, revoke and modify broadcasting licenses, determine the location of television stations, regulate the equipment used by television stations, adopt regulations to carry out the provisions of the Communications Act and impose penalties for the violation of such regulations. The FCC’s ongoing rule making proceedings could have a significant future impact on the television industry and on the operation of the Company’s stations and the stations to which it provides services. In addition, the U.S. Congress may act to amend the Communications Act or adopt other legislation in a manner that could impact the Company’s stations, the stations to which it provides services and the television broadcast industry in general.

Media Ownership

FCC rules limit the Company’s ownership of television stations in local markets and nationally and govern certain local service agreements between Nexstar and third parties. In general, FCC rules prohibit Nexstar from owning two of the top four stations in a market in terms of audience share (unless a case-by-case exception is granted) and from owning stations that reach more than 39% of U.S. television households (as calculated using a prescribed FCC methodology). Nexstar is also prohibited from providing more than 15 percent of the programming of a non-owned television station through a TBA or LMA if Nexstar also owns a station in the same market, unless the applicable TBA or LMA was entered into prior to November 5, 1996.

The FCC is required to review its media ownership rules every four years and to eliminate those rules it finds no longer “necessary in the public interest as a result of competition.” The FCC’s two most recent quadrennial reviews—those for 2010 and 2014—were eventually consolidated into a single proceeding that involved extensive litigation, an agency reconsideration and multiple court appeals, culminating in an April 1, 2021 decision by the U.S. Supreme Court which upheld the FCC’s elimination or relaxation of several rules. The 2018 quadrennial review, which the FCC commenced in December 2018, remains pending, and a federal court of appeals recently ordered the FCC to complete that review by December 27, 2023 or show cause why a pending writ of mandamus should not be granted. Notwithstanding the pendency of the 2018 review, in December 2022 the FCC commenced its 2022 quadrennial review proceeding. Public comments in that proceeding were filed in March 2023. Additionally, the FCC has an open proceeding to review the national television station ownership limit. Thus, the media ownership rules are subject to change as a result of current and future quadrennial reviews and in other proceedings.

Retransmission Consent

Broadcasters may obtain carriage of their stations’ signals on cable, satellite and other multichannel video programming distributors (“MVPDs”) through either mandatory carriage or through “retransmission consent.” Every three years, all stations must formally elect either mandatory carriage or retransmission consent. The Company has timely opted to continue its election of retransmission consent for all of its stations for the next three-year period from January 1, 2024 through December 31, 2026. Must-carry elections require that the MVPD carry one station programming stream and related data in the station’s local market. However, MVPDs may decline a must-carry election in certain circumstances. MVPDs do not pay a fee to stations that elect mandatory carriage.

A broadcaster that elects retransmission consent waives its mandatory carriage rights, and the broadcaster and the MVPD must negotiate for carriage of the station’s signal. Negotiated terms may include channel position, service tier carriage, carriage of multiple program streams, compensation and other consideration. If a broadcaster elects to negotiate retransmission terms, it is possible that the broadcaster and the MVPD will not reach agreement and that the MVPD will not carry the station’s signal.

FCC rules and federal statutory law require retransmission consent negotiations to be conducted in “good faith.” It is a *per se* violation of the duty to negotiate in good faith for a television broadcast station to negotiate retransmission consent jointly with another station in the same market if the stations are not commonly owned. Accordingly, the VIEs with which we have sharing agreements must separately negotiate their retransmission consent agreements with MVPDs for stations in markets where we also own a station.

MVPD operators have actively sought to change the regulations under which retransmission consent is negotiated before both the U.S. Congress and the FCC in order to increase their bargaining leverage with television stations. There are still-open FCC proceedings to review the “totality of the circumstances” test for good faith retransmission consent negotiations, and to eliminate or modify the FCC’s non-duplication and syndicated exclusivity rules (which could permit MVPDs to import out-of-market television stations in certain circumstances).

Certain online video distributors (“OVDs”) have successfully or unsuccessfully sought to stream broadcast programming over the internet. In 2014, the U.S. Supreme Court held that an OVD’s retransmissions of broadcast television signals without the consent of the broadcast station violate federal copyright law. In December 2014, the FCC issued a Notice of Proposed Rulemaking proposing to interpret the term “MVPD” to encompass OVDs that make available for purchase multiple streams of video programming distributed at a prescheduled time and seeking comment on the effects of applying MVPD rules to such OVDs. The proceeding remains open. Although the FCC has not classified OVDs as MVPDs to date, various OVDs have signed agreements for retransmission of local stations within their markets, and others are actively seeking to negotiate such agreements.

Note 14: Commitments and Contingencies

Guarantee of Mission Debt

Nexstar (excluding The CW) guarantees full payment of all obligations incurred under the Mission senior secured credit facility. In the event that Mission is unable to repay amounts due, Nexstar will be obligated to repay such amounts. The maximum potential amount of future payments that Nexstar would be required to make under this guarantee would be generally limited to the outstanding principal amounts. As of September 30, 2023, Mission had a maximum commitment of $369 million under its amended credit agreement, of which $356 million principal balance of debt was outstanding.

Indemnification Obligations

In connection with certain agreements that the Company enters into in the normal course of its business, including local service agreements, business acquisitions and borrowing arrangements, the Company enters into contractual arrangements under which the Company agrees to indemnify the third party to such arrangement from losses, claims and damages incurred by the indemnified party for certain events as defined within the particular contract. Such indemnification obligations may not be subject to maximum loss clauses and the maximum potential amount of future payments the Company could be required to make under these indemnification arrangements may be unlimited. Historically, payments made related to these indemnifications have been insignificant and the Company has not incurred significant costs to defend lawsuits or settle claims related to these indemnification agreements.

Litigation

From time to time, the Company is involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these proceedings, the Company believes the resulting liabilities would not have a material adverse effect on its financial condition or results of operations.

Local TV Advertising Antitrust Litigation—On March 16, 2018, a group of companies including Nexstar and Tribune (the “Defendants”) received a Civil Investigative Demand from the Antitrust Division of the Department of Justice (“DOJ”) regarding an investigation into the exchange of certain information related to the pacing of sales related to the same period in the prior year among broadcast stations in some DMAs in alleged violation of federal antitrust law. Without admitting any wrongdoing, some Defendants, including Tribune, entered into a proposed consent decree (referred to herein as the “consent decree”) with the DOJ on November 6, 2018. Without admitting any wrongdoing, Nexstar agreed to settle the matter with the DOJ on December 5, 2018. The consent decree was entered in final form by the U.S. District Court for the District of Columbia on May 22, 2019. The consent decree, which settles claims by the government of alleged violations of federal antitrust laws in connection with the alleged information sharing, does not include any financial penalty. Pursuant to the consent decree, Nexstar and Tribune agreed not to exchange certain non-public information with other stations operating in the same DMA except in certain cases, and to implement certain antitrust compliance measures and monitor and report on compliance with the consent decree.

Starting in July 2018, a series of plaintiffs filed putative class action lawsuits against the Defendants and others alleging that they coordinated their pricing of television advertising, thereby harming a proposed class of all buyers of television advertising time from one or more of the Defendants since at least January 1, 2014. The plaintiff in each lawsuit seeks injunctive relief and money damages caused by the alleged antitrust violations. On October 9, 2018, these cases were consolidated in a multi-district litigation in the District Court for the Northern District of Illinois captioned *In Re: Local TV Advertising Antitrust Litigation*, No. 1:18-cv-06785 (“MDL Litigation”). On January 23, 2019, the Court in the MDL Litigation appointed plaintiffs’ lead and liaison counsel.

The MDL Litigation is ongoing. The Plaintiffs’ Consolidated Complaint was filed on April 3, 2019; Defendants filed a Motion to Dismiss on September 5, 2019. Before the Court ruled on that motion, the Plaintiffs filed their Second Amended Consolidated Complaint on September 9, 2019. This complaint added additional defendants and allegations. The Defendants filed a Motion to Dismiss and Strike on October 8, 2019. The Court denied that motion on November 6, 2020. On March 16, 2022, the Plaintiffs filed their Third Amended Complaint. The Third Amended Complaint adds two additional plaintiffs and an additional defendant, but does not make material changes to the allegations.

The parties are in the discovery phase of litigation. The Court has not yet set a trial date. Nexstar and Tribune deny the allegations against them and will defend their advertising practices.

In connection with Nexstar's acquisition of Tribune on September 19, 2019, Nexstar assumed contingencies from certain legal proceedings, as follows:

Tribune Chapter 11 Reorganization and Confirmation Order Appeals—On December 8, 2008, Tribune and 110 of its direct and indirect wholly-owned subsidiaries (collectively, the "Debtors") filed voluntary petitions for relief under chapter 11 ("Chapter 11") of title 11 of the United States Code in the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On July 23, 2012, the Bankruptcy Court issued an order confirming the Fourth Amended Joint Plan of Reorganization for Tribune and its Subsidiaries (as such plan was subsequently modified by its proponents, the "Plan"). The Plan became effective and the Debtors emerged from Chapter 11 on December 31, 2012 (the "Effective Date").

On July 11, 2023, the Bankruptcy Court entered final decrees closing the last of the Debtors' Chapter 11 cases. Tribune is in the process of making final distributions in connection with the Chapter 11 cases as well as the final distribution of reserve amounts and payment of fees in accordance with the Plan and applicable orders of the Bankruptcy Court, none of which are expected to be significant.

Chicago Cubs Transactions—On August 21, 2009, Tribune and Chicago Entertainment Ventures, LLC (formerly Chicago Baseball Holdings, LLC) ("CEV LLC"), and its subsidiaries (collectively, "New Cubs LLC"), among other parties, entered into an agreement (the "Cubs Formation Agreement") governing the contribution of certain assets and liabilities related to the businesses of the Chicago Cubs Major League Baseball franchise then owned by Tribune and its subsidiaries to New Cubs LLC. The transactions contemplated by the Cubs Formation Agreement and the related agreements thereto (the "Chicago Cubs Transactions") closed on October 27, 2009. As a result of these transactions, Northside Entertainment Holdings LLC (f/k/a Ricketts Acquisition LLC) ("NEH") owned 95% and Tribune owned 5% of the membership interests in CEV LLC. The fair market value of the contributed assets exceeded the tax basis and did not result in an immediate taxable gain as the transaction was structured to comply with the partnership provisions of the Internal Revenue Code ("IRC") and related regulations.

On June 28, 2016, the Internal Revenue Service ("IRS") issued Tribune a Notice of Deficiency which presented the IRS's position that the gain with respect to the Chicago Cubs Transactions should have been included in Tribune's 2009 taxable income. Accordingly, the IRS proposed a $182 million tax and a $73 million gross valuation misstatement penalty. During the third quarter of 2016, Tribune filed a petition in the U.S. Tax Court to contest the IRS's determination. After-tax interest on the aforementioned proposed tax and penalty through September 30, 2023 would be approximately $182 million. In addition, if the IRS prevails in its position, under the tax rules for determining tax basis upon emergence from bankruptcy, the Company would be required to reduce its tax basis in certain assets. The reduction in tax basis would be required to reflect the reduction in the amount of the Company's guarantee of the New Cubs partnership debt which was included in the reported tax basis previously determined upon emergence from bankruptcy and subject to Tribune's 2014 and 2015 federal income tax audits (described below).

On September 19, 2019, Tribune became a wholly owned subsidiary of Nexstar following Nexstar's merger with Tribune. Nexstar disagrees with the IRS's position that the Chicago Cubs Transactions generated taxable gain in 2009, the proposed penalty and the IRS's calculation of the gain. If the IRS prevails in its position, the gain on the Chicago Cubs Transactions would be deemed to be taxable in 2009. Nexstar estimates that the federal and state income taxes would be approximately $225 million before interest and penalties. Any tax, interest and penalty due will be offset by tax payments made relating to this transaction subsequent to 2009. Tribune made approximately $154 million of tax payments prior to its merger with Nexstar.

A bench trial in the U.S. Tax Court took place between October 28, 2019 and November 8, 2019, and closing arguments took place on December 11, 2019. The Tax Court issued a separate opinion on January 6, 2020 holding that the IRS satisfied the procedural requirements for the imposition of the gross valuation misstatement penalty. The judge deferred any litigation of the penalty until a final determination was reached by the Tax Court or Court of Appeals.

On October 26, 2021, the Tax Court issued an opinion related to the Chicago Cubs Transactions, which held that Tribune's structure was, in substantial part, in compliance with partnership provisions of the Code and, as a result, did not trigger the entire 2009 taxable gain proposed by the IRS. On October 19, 2022, the Tax Court entered the decision that there is no tax deficiency or penalty due in the 2009 tax year. On January 13, 2023, the IRS filed a notice of appeal to the U.S. Court of Appeals for the Seventh Circuit. On February 3, 2023, the Company filed a notice of cross-appeal.

As of September 30, 2023, Nexstar believes the tax impact of applying the Tax Court opinion to 2009 and its impact on subsequent years is not material to the Company's accounting for uncertain tax positions or to its Condensed Consolidated Financial Statements. Although management believes its estimates and judgments are reasonable, the timing and ultimate resolution are unpredictable and could materially change.

Revenue Agent's Report on Tribune's 2014 to 2015 Federal Income Tax Audits— Prior to Nexstar's merger with Tribune in September 2019, Tribune was undergoing federal income tax audits for taxable years 2014 and 2015. In the third quarter of 2020, the

IRS completed its audits of Tribune and issued a Revenue Agent's Report which disallows the reporting of certain assets and liabilities related to Tribune's emergence from Chapter 11 bankruptcy on December 31, 2012. Nexstar disagrees with the IRS's proposed adjustments to the tax basis of certain assets and the related taxable income impact, and Nexstar is contesting the adjustments through the IRS administrative appeal procedures. If the IRS prevails in its position and after taking into account the impact of the Tax Court opinion, Nexstar would be required to reduce its tax basis in certain assets resulting in a $16 million increase in its federal and state taxes payable and a $70 million increase in deferred income tax liability as of September 30, 2023. In accordance with ASC Topic 740, the Company has reflected $11 million for certain contested issues in its liability for uncertain tax positions at September 30, 2023 and December 31, 2022.

Note 15: Segment Data

The Company's reportable broadcast segment includes (i) television stations and related local websites that Nexstar owns, operates, programs or provides sales and other services to in various markets across the United States, (ii) NewsNation, a national cable news network, (iii) two owned and operated digital multicast networks and other multicast network services, and (iv) WGN-AM, a Chicago radio station. The other activities of the Company include (i) The CW, (ii) digital businesses focused on the national marketplace, (iii) the management of certain real estate assets, including revenues from leasing certain owned office and production facilities, (iv) corporate functions, and (v) eliminations.

The Company evaluates the performance of its operating segments based on net revenue and segment profit. Segment profit (loss) excludes depreciation and amortization (but includes payments for broadcast rights), impairment charges, gain on disposal of assets and certain other items that are included in income from continuing operations determined in accordance with U.S. GAAP.

Segment financial information is included in the following tables for the periods presented (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Net revenue	**2023**	**2022**	**2023**	**2022**
Broadcast	$ 1,056	$ 1,241	$ 3,379	$ 3,640
Other	80	26	257	78
Corporate (unallocated)	(4)	2	(7)	6
Total net revenue	$ 1,132	$ 1,269	$ 3,629	$ 3,724

	Three Months Ended September 30,		Nine Months Ended September 30,	
Operating income (loss)	**2023**	**2022**	**2023**	**2022**
Broadcast segment profit	$ 326	$ 514	$ 1,187	$ 1,487
Other segments (loss) profit	(44)	3	(164)	6
Corporate (unallocated)	(50)	(50)	(141)	(143)
Depreciation and amortization expense[(1)]	(140)	(142)	(424)	(431)
Payments for broadcast rights[(2)]	20	31	70	97
Loss attributable to noncontrolling owners of a segment	(15)	-	(55)	-
Miscellaneous, net	(3)	-	4	2
Income from operations	$ 94	$ 356	$ 477	$ 1,018

Assets	**September 30, 2023**	**December 31, 2022**
Broadcast[(3)]	$ 11,062	$ 11,635
Other	455	497
Corporate (unallocated)	530	547
	$ 12,047	$ 12,679

Goodwill	**September 30, 2023**	**December 31, 2022**
Broadcast	$ 2,877	$ 2,873
Other	88	88
	$ 2,965	$ 2,961

(1) Excludes amortization of The CW's programming costs of $80 million and $307 million for the three and nine months ended September 30, 2023, respectively, which is included in "Other segments (loss) profit".

(2)Excludes payments for The CW's broadcast rights of $84 million and $252 million for the three and nine months ended September 30, 2023, respectively, which are not included in "Other segments (loss) or profit".

(3)While the Company's investment in TV Food Network ($924 million at September 30, 2023 and $1,099 million at December 31, 2022) has not been allocated to a Company reporting unit or operating segment, such asset has been included in the Company's disclosure of Broadcast segment assets given the similar nature of the investment to that segment. For additional information on equity investments, see Note 5.

The following tables present the disaggregation of the Company's revenue under ASC 606 for the periods presented (in millions):

Three Months Ended September 30, 2023	**Broadcast**	**Other**	**Corporate (unallocated)**	**Consolidated**
Core advertising	$ 374	$ 17	$ -	$ 391
Political advertising	19	-	-	19
Distribution	586	17	(5)	598
Digital	66	33	-	99
Other	11	13	1	25
Total net revenue	$ 1,056	$ 80	$ (4)	$ 1,132

Nine Months Ended September 30, 2023	**Broadcast**	**Other**	**Corporate (unallocated)**	**Consolidated**
Core advertising	$ 1,143	$ 68	$ -	$ 1,211
Political advertising	36	-	-	36
Distribution	1,984	48	(9)	2,023
Digital	184	104	-	288
Other	32	37	2	71
Total net revenue	$ 3,379	$ 257	$ (7)	$ 3,629

Three Months Ended September 30, 2022	**Broadcast**	**Other**	**Corporate (unallocated)**	**Consolidated**
Core advertising	$ 400	$ -	$ -	$ 400
Political advertising	129	-	-	129
Distribution	641	-	-	641
Digital	60	26	-	86
Other	11	-	2	13
Total net revenue	$ 1,241	$ 26	$ 2	$ 1,269

Nine Months Ended September 30, 2022	**Broadcast**	**Other**	**Corporate (unallocated)**	**Consolidated**
Core advertising	$ 1,241	$ -	$ -	$ 1,241
Political advertising	240	-	-	240
Distribution	1,955	-	1	1,956
Digital	175	78	-	253
Other	29	-	5	34
Total net revenue	$ 3,640	$ 78	$ 6	$ 3,724

The Company primarily derives its revenues from television and digital advertising and from distribution of its stations' signals and networks. During the three and nine months ended September 30, 2023, revenues from these sources for two of the Company's customers exceeded 10%. Each of these customers represented approximately 13% and 15% of the Company's consolidated net revenues during the three months ended September 30, 2023 and 13% and 14% of the Company's consolidated net revenues during the nine months ended September 30, 2023, respectively. During the three and nine months ended September 30, 2022, revenues from these sources for two of the Company's customers exceeded 10%. Each of these customers represented approximately 11% and 12% of the Company's consolidated net revenues during the three and nine months ended September 30, 2022, respectively.

Advertising revenue (core, political and digital) is positively affected by national and local political campaigns and certain events such as the Olympic Games or the Super Bowl. Company stations' advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years when congressional and/or presidential elections occur and advertising is aired during the Olympic Games.

The Company receives compensation from MVPDs and OVDs in return for the consent to the retransmission of the signals of its television stations and the carriage of NewsNation. Distribution revenue is recognized at the point in time the broadcast signal is delivered to the distributors and is based on a price per subscriber.

Note 16: Subsequent Events

On October 27, 2023, Nexstar's Board of Directors declared a quarterly cash dividend of $1.35 per share of its common stock. The dividend is payable on November 27, 2023 to stockholders of record on November 10, 2023.

From October 1, 2023 to November 7, 2023, we repurchased 267,321 shares of our common stock for $38 million, funded by cash on hand. In October 2023, we also paid $5 million for certain of our common stock that we repurchased in September 2023. As of the date of filing this Quarterly Report on Form 10-Q, the remaining available amount under the share repurchase authorization was $706 million.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and related Notes included elsewhere in this Quarterly Report on Form 10-Q and the Consolidated Financial Statements and related Notes contained in our Annual Report on Form 10-K for the year ended December 31, 2022.

As used in this Quarterly Report on Form 10-Q and unless the context indicates otherwise, "Nexstar" refers to Nexstar Media Group, Inc., a Delaware corporation, and its consolidated wholly owned and majority owned subsidiaries, the "Company" refers to Nexstar and the variable interest entities ("VIEs") required to be consolidated in our financial statements; and all references to "we," "our," "ours," and "us" refer to Nexstar.

As a result of our deemed controlling financial interests in the consolidated VIEs in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), we consolidate the financial position, results of operations and cash flows of these VIEs as if they were wholly-owned entities. We believe this presentation is meaningful for understanding our financial performance. Refer to Note 2 to our Condensed Consolidated Financial Statements for a discussion of our determinations of VIE consolidation under the related authoritative guidance. The following discussion of our financial position and results of operations includes the consolidated VIEs' financial position and results of operations.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including: the risks and uncertainties of current economic factors that are beyond our control, such as inflation, rising interest rates and supply chain disruptions; any projections or expectations of earnings, revenue, financial performance, liquidity and capital resources or other financial items; any assumptions or projections about the television broadcasting industry; any statements of our plans, strategies and objectives for our future operations, performance, liquidity and capital resources or other financial items; any statements concerning proposed new products, services or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and other similar words.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ from a projection or assumption in any of our forward-looking statements. Our future financial position and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties, including those described in our Annual Report on Form 10-K for the year ended December 31, 2022 and in our other filings with the United States Securities and Exchange Commission ("SEC"). The forward-looking statements made in this Quarterly Report on Form 10-Q are made only as of the date hereof, and we do not have or undertake any obligation to update any forward-looking statements to reflect subsequent events or circumstances.

Executive Summary

Nine Months Ended September 2023 Highlights

- Net revenue was $1.13 billion and $1.27 billion during the three months ended September 30, 2023 and 2022, respectively.
- During the three and nine months ended September 30, 2023, we returned approximately $246 million and $659 million, respectively, of capital to stockholders through repurchases of common stock and dividends, funded by cash on hand.
- During the nine months ended September 30, 2023, the Company repaid scheduled principal maturities of $93 million under its term loans.
- On September 18, 2023, our retransmission consent agreement with DirecTV was renewed after the previous contract expired on July 2, 2023.
- In September 2023, Nexstar, Mission and White Knight renewed and extended each of their multi-year affiliation agreement with Fox Corporation for their respective Fox-affiliated stations. Nexstar also launched The CW affiliations for three of its stations in the top-15 television markets, including WPHL-TV in Philadelphia (DMA #4), KRON-TV in San Francisco (DMA #10), and WTTA-TV in Tampa (DMA #13).

- In August 2023, The CW expanded and extended its network affiliation agreements with Hearst Television, Sinclair Broadcast Group, LLC, and Gray Television, Inc. Nexstar also renewed its affiliation agreement with MyNetworkTV for its affiliated stations.
- On July 20, 2023, Nexstar acquired certain assets of WSNN-LD, a MyNetworkTV affiliated low power television station serving the Tampa, Florida market, from Citadel Communications, LLC. On August 31, 2023, Nexstar acquired certain assets of KUSI-TV, an independent full power television station serving the San Diego, CA market, from McKinnon Broadcasting Company and Channel 51 of San Diego, Inc. The total purchase price of these acquisitions was $38 million, including working capital adjustments.
- In July 2023, The CW acquired exclusive broadcast rights to the NASCAR Xfinity Series beginning in 2025 through the 2031 racing season. The CW also acquired exclusive broadcast rights to 50 Atlantic Coast Conference (ACC) college football and basketball games beginning in 2023 through the 2027 season.
- In June 2023, Nexstar filed an amendment to its certificate of incorporation, approved by its shareholders at the 2023 annual meeting, to declassify its Board of Directors beginning at the 2024 annual meeting.
- On May 10, 2023, Mission entered into a definitive agreement to acquire the assets of WADL-TV serving the Detroit, Michigan market from Adell Broadcasting Corporation for $75 million in cash, subject to customary working capital adjustments. The proposed acquisition is subject to regulatory and other customary approvals, is expected to close once Mission receives regulatory approval, and would be Mission's second entry into the state of Michigan.
- In April 2023, NewsNation, America's fastest growing cable news network, expanded its news programming to 24 hours per weekday of national news, analysis and talk.
- During the first quarter of 2023, Nexstar created a new advertising sales structure and hired a new leadership team led by Chief Revenue Officer Michael Strober to implement Nexstar's new data and technology-driven, multi-platform strategy and accelerate the monetization of the Company's platforms.

Overview of Operations

As of September 30, 2023, we owned, operated, programmed or provided sales and other services to 200 full power television stations and one AM radio station, including those owned by VIEs, in 116 markets in 39 states and the District of Columbia. The stations are affiliates of ABC, NBC, FOX, CBS, The CW, MyNetworkTV and other broadcast television networks. Through various local service agreements, we provided sales, programming and other services to 36 full power television stations owned by independent third parties, of which 35 full power television stations are VIEs that are consolidated into our financial statements. We also own a 75.0% interest in The CW, the fifth major broadcast network in the U.S., NewsNation, a national cable news network, two digital multicast networks, Antenna TV and Rewind TV, multicast network services provided to third parties, and a 31.3% ownership stake in TV Food Network. Our digital assets include 142 local websites, 286 mobile applications, 25 connected television applications, and six free ad-supported television channels representing products of our local television stations, The CW, NewsNation, The Hill, and BestReviews, and a suite of advertising solutions.

We (excluding The CW) guarantee full payment of all obligations incurred under Mission Broadcasting, Inc.'s ("Mission") senior secured credit facility in the event of its default. Mission is a guarantor of our senior secured credit facility, our 5.625% Notes, due July 2027 and our 4.75% Notes, due November 2028. In consideration of our guarantee of Mission's senior secured credit facility, Mission has among other things granted us purchase options to acquire the assets and assume the liabilities of each Mission station, subject to FCC consent. These option agreements (which expire on various dates between 2023 and 2033) are freely exercisable or assignable by us without consent or approval by Mission or its shareholders. We expect these option agreements to be renewed upon expiration.

We do not own the consolidated VIEs or their television stations. However, we are deemed under U.S. GAAP to have controlling financial interests for financial reporting purposes in these entities because of (i) the local service agreements we have with their stations, (ii) our (excluding The CW) guarantee of the obligations incurred under Mission's senior secured credit facility, (iii) our power over significant activities affecting the VIEs' economic performance, including budgeting for advertising revenue, certain advertising sales and, in some cases, hiring and firing of sales force personnel and (iv) purchase options granted by each consolidated VIE which permit us to acquire the assets and assume the liabilities of each of these VIEs' stations at any time, subject to FCC consent. In compliance with FCC regulations for all the parties, each of the consolidated VIEs maintains complete responsibility for and control over programming, finances and personnel for its stations.

See Note 2, "Variable Interest Entities" to our unaudited Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q for additional information on VIEs, including a discussion of the local service agreements we have with these independent third parties.

Regulatory Developments

As a television broadcaster, the Company is highly regulated, and its operations require that it retain or renew a variety of government approvals and comply with changing federal regulations. On April 1, 2021, the U.S. Supreme Court issued a decision that reversed a lower court of appeals ruling and upheld the FCC's elimination or modification of certain of its media ownership rules in the agency's 2010/2014 quadrennial review of those rules. Among the regulations eliminated in 2021 as a result of the Supreme Court ruling was a rule providing that a television station licensee which sells more than 15 percent of the weekly advertising inventory of another television station in the same market under a JSA is deemed to have an attributable ownership interest in that station, as well as a requirement that at least eight independently owned television stations remain in a local television market for a party to acquire a second station in that market. While these restrictions are no longer in effect, the FCC's 2018 quadrennial media ownership review is currently pending and a federal court of appeals recently ordered the FCC to complete that review by December 27, 2023 or show cause why a pending writ of mandamus should not be granted. Notwithstanding the pendency of the 2018 review, in December 2022 the FCC commenced its 2022 quadrennial review proceeding. An FCC proceeding is also pending to review the current national limit on television station ownership. The FCC could reinstitute its earlier restrictions or impose other limitations in these or any future reviews.

Seasonality

Advertising revenue is positively affected by national and regional political election campaigns and certain events such as the Olympic Games or the Super Bowl. Advertising revenue is generally highest in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and retail advertising in the period leading up to, and including, the holiday season. In addition, advertising revenue is generally higher during even-numbered years, when congressional and/or presidential elections occur and from advertising aired during the Olympic Games. As 2023 is not an election year, we expect a decrease in political advertising revenue to be reported in 2023 compared to 2022.

Historical Performance

Revenue

The following table sets forth the amounts of the Company's principal types of revenue (dollars in millions) and each type of revenue as a percentage of total net revenue:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Core advertising	$ 391	34.5	$ 400	31.5	$ 1,211	33.4	$ 1,241	33.3
Political advertising	19	1.7	129	10.2	36	1.0	240	6.4
Distribution	598	52.8	641	50.5	2,023	55.7	1,956	52.5
Digital	99	8.7	86	6.8	288	7.9	253	6.8
Other	25	2.3	13	1.0	71	2.0	34	1.0
Total net revenue	$ 1,132	100.0	$ 1,269	100.0	$ 3,629	100.0	$ 3,724	100.0

Results of Operations

The following table sets forth a summary of the Company's operations (dollars in millions) and each component of operating expense as a percentage of net revenue:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Net revenue	$ 1,132	100.0	$ 1,269	100.0	$ 3,629	100.0	$ 3,724	100.0
Operating expenses (income):								
Direct operating expenses	537	47.5	511	40.3	1,613	44.4	1,503	40.4
Selling, general and administrative expenses, excluding corporate	229	20.2	208	16.4	659	18.2	626	16.8
Corporate expenses	52	4.6	52	4.1	149	4.1	149	4.0
Depreciation and amortization expense	220	19.4	142	11.1	731	20.2	431	11.6
Other	-	-	-	-	-	-	(3)	(0.1)
Total operating expenses	1,038		913		3,152		2,706	
Income from operations	$ 94		$ 356		$ 477		$ 1,018	

Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022

The period-to-period comparability of our consolidated operating results is affected by acquisitions. For each quarter we present, our legacy business units include those business units that we owned or provided services to for the complete quarter in the current and prior years. For our annual and year to date presentations, we combine the legacy business unit amounts presented in each quarter.

Revenue

Core advertising revenue was $391 million for the three months ended September 30, 2023, compared to $400 million for the same period in 2022, a decrease of $9 million, or 2.3%, primarily due to a weaker advertising market, partially offset by incremental revenue from our acquisition of The CW (acquired on September 30, 2022). Excluding the impact of The CW, key advertising categories driving the decrease were radio/tv/cable/newspaper, gaming/sports betting, banks/savings/investments, drug stores/medication, and paid programming, among others, partially offset by increases primarily in automotive and home repair/manufacturing. Automotive, our largest advertiser category, represented approximately 20% and 16% of our core advertising revenue for the three months ended September 30, 2023 and 2022, respectively. Excluding The CW, automotive advertising revenues increased by approximately 13% during this quarter compared to the same period in 2022, primarily due to an increase in advertising spending as automobile inventory available to be sold to consumers has increased.

Political advertising revenue was $19 million for the three months ended September 30, 2023, compared to $129 million for the same period in 2022, a decrease of $110 million, as 2023 is not an election year.

Distribution revenue was $598 million for the three months ended September 30, 2023, compared to $641 million for the same period in 2022, a decrease of $43 million, or 6.7%. The decrease was primarily due to the temporary disruption of our distribution agreement with DirecTV from its expiration on July 2, 2023 to its renewal on September 18, 2023, continued MVPD subscriber attrition and the impact of the removal of partner stations from certain MVPDs related to continued negotiation, partially offset by renewals of contracts in 2022 providing for higher rates per subscriber, scheduled annual escalation of rates per subscriber, and the acquisition of The CW (acquired on September 30, 2022). We anticipate continued increase of retransmission fees until there is a more balanced relationship between viewers delivered and fees paid for delivery of such viewers.

Digital revenue, representing advertising revenue on our stations' web and mobile sites and other internet-based revenue, was $99 million for the three months ended September 30, 2023, compared to $86 million for the same period in 2022, an increase of $13 million, or 15.1%, primarily due to incremental revenue from our acquisition of The CW (acquired on September 30, 2022).

Operating Expenses

Direct operating expenses, consisting primarily of programming, news and technical expenses, and selling, general and administrative expenses were $766 million for the three months ended September 30, 2023, compared to $719 million for the same period in 2022, an increase of $47 million, or 6.5%. This was primarily due to incremental operating expenses from our acquisition of The CW (acquired on September 30, 2022) and increased administrative expenses due to increased headcount, compensation and healthcare costs, increased digital sales expenses, and increased news programming at NewsNation.

Corporate expenses, related to costs associated with the centralized management of our stations, were flat at $52 million during each of the three months ended September 30, 2023 and 2022.

Depreciation and amortization expense was $220 million for the three months ended September 30, 2023 compared to $142 million for the same period in 2022, an increase of $78 million, or 54.9%. Depreciation and amortization expense consisted of the following:

- Amortization of broadcast rights was $98 million for the three months ended September 30, 2023, compared to $25 million for the same period in 2022, an increase of $73 million, primarily due to incremental programming expenses from our acquisition of The CW (acquired on September 30, 2022) of $80 million.
- Depreciation of property and equipment was $44 million for the three months ended September 30, 2023, compared to $40 million for the same period in 2022, an increase of $4 million (no significant change).
- Amortization of intangible assets was $78 million for the three months ended September 30, 2023, compared to $77 million for the same period in 2022 (no significant change).

Income from Equity Method Investments, net

Income from equity method investments, net was $24 million for the three months ended September 30, 2023, compared to $37 million for the same period in 2022, a decrease of $13 million, primarily due to a lower net income of TV Food Network.

Interest Expense, net

Interest expense, net was $113 million for the three months ended September 30, 2023, compared to $89 million for the same period in 2022, an increase of $24 million, primarily due to increases in interest rates in the Company's outstanding loans under its senior secured credit facilities, partially offset by decreases in interest expense from debt repayments. Interest rates on outstanding loans under the Company's senior secured credit facilities ranged from 6.82% to 7.82% as of September 30, 2023, compared to interest rates ranging from 4.54% to 5.64% as of September 30, 2022. These interest rates were a mixture of SOFR plus CSA, or credit spread adjustment used to account for the difference between SOFR and LIBOR, plus applicable margin for the third quarter of 2023 compared to a mixture of SOFR plus CSA plus applicable margin and U.S. LIBOR plus applicable margin for the same period in 2022.

Pension and Other Postretirement Plans Credit, net

Pension and other postretirement plans credit, net was $9 million for the three months ended September 30, 2023, compared to $11 million for the same period in 2022, a decrease of $2 million (no significant change).

Income Taxes

Income tax expense was $6 million for the three months ended September 30, 2023 compared to $82 million for the same period in 2022. The effective tax rates were 43.2% and 22.2% for each of the respective periods.

Nexstar reported permanent differences, including an adjustment for losses related to the minority interest in The CW, resulting in a 34.2% increase to the effective rate for the three months ended September 30, 2023. State taxes were impacted by increased permanent differences resulting in a 4.4% increase to the effective rate. The gain on bargain purchase arising from the acquisition of The CW resulted in a 3.1% decrease to the effective tax rate in the prior year third quarter. The increases are partially offset by changes in the valuation allowance which resulted in a 10.2% decrease to the effective rate. Differences in excess benefit on stock options and restricted stock units exercised in 2023 compared to 2022 resulted in a 3.3% decrease in the effective rate. Prior year provision to return adjustments resulted in an 8.7% decrease to the effective rate.

The Company calculates its year-to-date provision for income taxes by applying the estimated annual effective tax rate to year-to-date pre-tax income or loss and adjusts the provision for discrete tax items recorded in the period. Future changes in the forecasted annual income projections could result in significant adjustments to quarterly income tax expense in future periods.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

The period-to-period comparability of our consolidated operating results is affected by acquisitions. For each quarter we present, our legacy business units include those business units that we owned or provided services to for the complete quarter in the current and prior years. For our annual and year to date presentations, we combine the legacy business unit amounts presented in each quarter.

Revenue

Core advertising revenue was $1.21 billion for the nine months ended September 30, 2023, compared to $1.24 billion for the same period in 2022, a decrease of $30 million, or 2.4%, primarily due to a weaker advertising market and the absence of first quarter advertising revenue from the Olympics on our NBC affiliate stations. These decreases were partially offset by incremental revenue from our acquisition of The CW (acquired on September 30, 2022) and an increase in advertising revenue during the first quarter from the Super Bowl aired on FOX, where we have more FOX-affiliated stations versus NBC in the prior year. Excluding the impact of The CW, key advertising categories driving the decrease were radio/tv/cable/newspaper, gaming/sports betting, medical/healthcare, insurance, and banks/savings/investments, among others, partially offset by increases primarily in automotive and home repair/manufacturing. Automotive, our largest advertiser category, represented approximately 18% and 15% of our core advertising revenue for the nine months ended September 30, 2023 and 2022, respectively. Excluding The CW, automotive advertising revenues increased by approximately 12% during the current period compared to the same period in 2022, primarily due to an increase in advertising spending as automobile inventory available to be sold to consumers has increased.

Political advertising revenue was $36 million for the nine months ended September 30, 2023, compared to $240 million for the same period in 2022, a decrease of $204 million, as 2023 is not an election year.

Distribution revenue was $2.02 billion for the nine months ended September 30, 2023, compared to $1.96 billion for the same period in 2022, an increase of $67 million, or 3.4%. The increase was primarily due to renewals of contracts in 2022 providing for higher rates per subscriber, scheduled annual escalation of rates per subscriber, and the acquisition of The CW (acquired on September 30, 2022), partially offset by the combined effects of the temporary disruption of our distribution agreement with DirecTV from its expiration on July 2, 2023 to its renewal on September 18, 2023, the continued impact of the removal of partner stations from certain MVPDs related to continued negotiation and continued MVPD subscriber attrition. We anticipate continued increase of retransmission fees until there is a more balanced relationship between viewers delivered and fees paid for delivery of such viewers.

Digital revenue, representing advertising revenue on our stations' web and mobile sites and other internet-based revenue, was $288 million for the nine months ended September 30, 2023, compared to $253 million for the same period in 2022, an increase of $35 million, or 13.8%, primarily due to incremental revenue from our acquisition of The CW (acquired on September 30, 2022).

Operating Expenses

Direct operating expenses, consisting primarily of programming, news, and technical expenses, and selling, general and administrative expenses were $2.27 billion for the nine months ended September 30, 2023, compared to $2.13 billion for the same period in 2022, an increase of $143 million, or 6.7%. This was primarily due to incremental operating expenses from our acquisition of The CW (acquired on September 30, 2022), an increase in station programming costs due to network affiliation renewals and annual increases in network affiliation costs, increased news programming at NewsNation and our local stations as well as increased digital sales and administrative expenses.

Corporate expenses, related to costs associated with the centralized management of our stations, were flat at $149 million for each of the nine months ended September 30, 2023 and 2022.

Depreciation and amortization expense was $731 million for the nine months ended September 30, 2023 compared to $431 million for the same period in 2022, an increase of $300 million, or 69.6%. Depreciation and amortization expense consisted of the following:

- Amortization of broadcast rights was $367 million for the nine months ended September 30, 2023, compared to $80 million for the same period in 2022, an increase of $287 million, primarily due to incremental programming expenses from our acquisition of The CW (acquired on September 30, 2022) of $307 million, partially offset by a reduction in the television stations' broadcast rights costs of $20 million.
- Depreciation of property and equipment was $131 million for the nine months ended September 30, 2023, compared to $119 million for the same period in 2022, an increase of $12 million. The increase was primarily due to newly capitalized assets.

- Amortization of intangible assets was $233 million for the nine months ended September 30, 2023, compared to $232 million for the same period in 2022 (no significant change).

Income from Equity Method Investments, net

Income from equity method investments, net was $82 million for the nine months ended September 30, 2023, compared to $110 million for the same period in 2022, a decrease of $28 million, primarily due to lower net income of TV Food Network.

Interest Expense, net

Interest expense, net was $332 million for the nine months ended September 30, 2023, compared to $233 million for the same period in 2022, an increase of $99 million, primarily due to increases in interest rates in the Company’s outstanding loans under its senior secured credit facilities, partially offset by decreases in interest expense from debt repayments and lower interest rates obtained in connection with the refinancing of certain of our term loans in June 2022. Interest rates on outstanding loans under the Company’s senior secured credit facilities ranged from 6.82% to 7.82% as of September 30, 2023, compared to interest rates ranging from 4.54% to 5.64% as of September 30, 2022. These interest rates were a mixture of SOFR plus CSA, or credit spread adjustment used to account for the difference between SOFR and LIBOR, plus applicable margin for the third quarter of 2023 compared to a mixture of SOFR plus CSA plus applicable margin and U.S. LIBOR plus applicable margin in 2022.

Pension and Other Postretirement Plans Credit, net

Pension and other postretirement plans credit, net was $27 million for the nine months ended September 30, 2023, compared to $33 million for the same period in 2022, a decrease of $6 million (no significant change).

Income Taxes

Income tax expense was $83 million for the nine months ended September 30, 2023 compared to $206 million for the same period in 2022. The effective tax rates were 32.9% and 21.2% for each of the respective periods.

Nexstar reported a decrease in income tax benefit for the nine months ended September 30, 2023 of $26.5 million attributable to excess benefit on stock options and restricted stock units exercised in 2022. This resulted in a 1.3% increase to the effective tax rate in 2023 compared to 2022. Changes in the valuation allowance resulted in an incremental income tax expense of $13.3 million, or a 3.9% increase to the effective tax rate in 2023. Other permanent differences, including an adjustment for losses related to the minority interest in The CW, resulted in a 4.9% increase to the effective rate. The gain on bargain purchase arising from the acquisition of The CW resulted in a 1.2% decrease to the effective tax rate in the prior year third quarter.

The Company calculates its year-to-date provision for income taxes by applying the estimated annual effective tax rate to year-to-date pre-tax income or loss and adjusts the provision for discrete tax items recorded in the period. Future changes in the forecasted annual income projections could result in significant adjustments to quarterly income tax expense in future periods.

Liquidity and Capital Resources

The Company is leveraged, which makes it vulnerable to changes in general economic conditions. The Company's ability to repay or refinance its debt will depend on, among other things, financial, business, market, competitive and other conditions, many of which are beyond the Company's control. The Company believes it has sufficient unrestricted cash on hand, positive working capital, and availability to access additional cash under its revolving credit facilities (with a maturity date of June 2027) to meet its business operating requirements and capital expenditures and to continue to service its debt for at least the next 12 months as of the filing date of this Quarterly Report on Form 10-Q. As of September 30, 2023, the Company was in compliance with the financial covenants contained in the amended credit agreements governing its senior secured credit facilities.

Any future adverse economic conditions, including those resulting from the COVID-19 pandemic, heightened and sustained inflation and higher interest rates, could adversely affect the Company's future operating results, cash flows and financial condition.

Cash Flow Summary

The following tables present summarized financial information management believes is helpful in evaluating the Company's liquidity and capital resources (in millions):

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net cash provided by operating activities	$ 817	$ 1,185
Net cash used in investing activities	(137)	(11)
Net cash used in financing activities	(736)	(1,018)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (56)	$ 156
Cash paid for interest	$ 335	$ 243
Income taxes paid, net of refunds	$ 142	$ 273

	As of September 30, 2023	As of December 31, 2022
Cash, cash equivalents and restricted cash	$ 164	$ 220

Cash Flows – Operating Activities

Net cash flows provided by operating activities decreased by $368 million during the nine months ended September 30, 2023, compared to the same period in 2022. This was primarily due to a decrease in operating income (excluding non-cash transactions) of $249 million, an increase in payments for broadcast rights of $225 million, higher interest payments of $92 million and timing of payments to our vendors of $50 million. These decreases were partially offset by sources of cash resulting from timing of accounts receivable collections of $89 million, lower income tax payments of $131 million and an increase in distribution from our equity investment in TV Food Network of $24 million. The increase in payments for broadcast rights was due to incremental payments from our acquisition of The CW (acquired on September 30, 2022) of $252 million, partially offset by a decrease in payments for our syndicated programming of $27 million. The increase in interest payments was primarily due to higher interest rates, partially offset by decreases in interest expense from debt repayments and lower interest rates obtained in connection with the refinancing of certain of our term loans in June 2022.

Cash Flows – Investing Activities

Net cash flows used in investing activities were $137 million and $11 million during the nine months ended September 30, 2023 and 2022, respectively. During the nine months ended September 30, 2023, we spent a total of $113 million in capital expenditures and $38 million in the acquisitions of KUSI-TV and WSNN-LD, partially offset by a deposit received associated with a sale of real estate asset of $10 million.

For the nine months ended September 30, 2022, we spent a total of $100 million in capital expenditures, partially offset by the proceeds from a sale of real estate of $45 million, cash acquired from The CW acquisition in September 2022 of $29 million and deposits received associated with the sale of real estate assets of $13 million.

Cash Flows – Financing Activities

Net cash flows used in financing activities were $736 million and $1,018 million during the nine months ended September 30, 2023 and 2022, respectively.

In 2023, we repaid scheduled principal maturities of $93 million of our term loans, paid dividends to our common stockholders of $145 million ($1.35 per share per quarter), repurchased common shares of $509 million, paid cash for taxes in exchange for shares of common stock withheld of $24 million resulting from net share settlements of certain stock-based compensation and payment for capitalized software of $14 million. These outflows were partially offset by a contribution from noncontrolling interests amounting to $47 million.

In 2022, we received $2,420 million of proceeds (net of capitalized lenders' fees of $5 million) from the issuance of a Term Loan A due 2027 and used $2,414 million to repay our then outstanding Term Loan A due 2023, Term Loan A due 2024, Term Loan B due 2024 and a portion of Term Loan B due 2026. We prepaid a portion of the outstanding principal balance of our Term Loan B due 2024 of $175 million and made scheduled principal payments on term loans of $53 million, repurchased and cancelled $29 million of our senior unsecured notes all funded by cash on hand, paid dividends to our common stockholders of $108 million ($0.90 per share per quarter), repurchased common shares of $621 million, paid cash for taxes in exchange for shares of common stock withheld of $13 million resulting from net share settlements of certain stock-based compensation, paid contingent consideration in connection with a past acquisition of $14 million and paid for software obligations of $11 million. Mission also drew $62 million under its 2022 Mission Revolving Credit Facility and utilized the proceeds to repay all of its $62 million of outstanding borrowings under its then outstanding 2018 revolving loan.

Subsequent Investing and Financing Activities

On May 10, 2023, Mission entered into a definitive agreement to acquire the assets of WADL-TV serving the Detroit, Michigan market from Adell Broadcasting Corporation for $75 million in cash, subject to customary working capital adjustments. The proposed acquisition is subject to regulatory and other customary approvals, is expected to close once Mission receives regulatory approval, and would be Mission's second entry into the state of Michigan.

From October 1, 2023 to November 7, 2023, we repurchased 267,321 shares of our common stock for $38 million, funded by cash on hand. In October 2023, we also paid $5 million for certain of our common stock that we repurchased in September 2023. As of the date of filing this Quarterly Report on Form 10-Q, the remaining available amount under the share repurchase authorization was $706 million.

On October 27, 2023, Nexstar's Board of Directors declared a quarterly cash dividend of $1.35 per share of its common stock. The dividend is payable on November 27, 2023 to stockholders of record on November 10, 2023.

Our senior secured credit facility may limit the amount of dividends we may pay to stockholders over the term of the agreement.

Long-term debt

As of September 30, 2023, the Company had total outstanding debt of $6.866 billion, net of unamortized financing costs, discounts and premium, which represented 74.6% of the Company's combined capitalization. The Company's high level of debt requires that a substantial portion of cash flow be dedicated to pay principal and interest on debt, which reduces the funds available for working capital, capital expenditures, acquisitions and other general corporate purposes.

	As of September 30, 2023	As of December 31, 2022
Nexstar senior secured credit facility	$ 3,834	$ 3,925
Mission senior secured credit facility	356	358
5.625% Notes, due July 2027	1,714	1,714
4.75% Notes, due November 2028	1,000	1,000
	6,904	6,997
Less: Unamortized financing costs, discounts and premium, net	(38)	(46)
Total outstanding debt	$ 6,866	$ 6,951
Unused revolving loan commitments under senior secured credit facilities [(1)]	$ 544	$ 543

(1)Based on covenant calculations as of September 30, 2023, all of the $531 million and $14 million in unused revolving loan commitments under the respective Nexstar and Mission senior secured credit facilities were available for borrowing.

The following table summarizes the principal indebtedness scheduled to mature for the periods referenced as of September 30, 2023 (in millions):

	Payments Due by Period					
	Total	Remainder of 2023	2024	2025-2026	2027-2028	Thereafter
Nexstar senior secured credit facility	$ 3,834	$ 30	$ 121	$ 1,804	$ 1,879	$ -
Mission senior secured credit facility	356	1	3	6	346	-
5.625% Notes, due July 2027	1,714	-	-	-	1,714	-
4.75% Notes, due November 2028	1,000	-	-	-	1,000	-
	$ 6,904	$ 31	$ 124	$ 1,810	$ 4,939	$ -

We (excluding The CW) guarantee full payment of all obligations incurred under Mission's senior secured credit facility in the event of its default. Mission is a guarantor of our senior secured credit facility, our 5.625% Notes, due July 2027 and our 4.75% Notes, due November 2028.

We make semiannual interest payments on the 5.625% Notes, due July 2027 on January 15 and July 15 of each year. We make semiannual interest payments on our 4.75% Notes, due November 2028 on May 1 and November 1 of each year. Interest payments on our and Mission's senior secured credit facilities are generally paid every one to three months and are payable based on the type of interest rate selected.

The terms of our and Mission's senior secured credit facilities, as well as the indentures governing our 5.625% Notes, due July 2027 and 4.75% Notes, due November 2028, limit, but do not prohibit us or Mission, from incurring substantial amounts of additional debt in the future.

The Company does not have any rating downgrade triggers that would accelerate the maturity dates of its debt. However, a downgrade in the Company's credit rating could adversely affect its ability to renew the existing credit facilities, obtain access to new credit facilities or otherwise issue debt in the future and could increase the cost of such debt.

The Company's ability to access funds under its senior secured credit facilities depends, in part, on its compliance with certain financial covenants. Any additional drawings under the senior secured credit facilities will reduce the Company's future borrowing capacity and the amount of total unused revolving loan commitments. Any economic conditions, including those resulting from the COVID-19 pandemic, heightened and sustained inflation and higher interest rates, could adversely affect our future operating results and cash flows and may cause us to seek alternative sources of funding, including accessing capital markets, subject to market conditions. Such alternative sources of funding may not be available on commercially reasonable terms or at all.

Our credit agreement contains a covenant which requires us to comply with a maximum consolidated first lien net leverage ratio of 4.25 to 1.00. The financial covenant, which is formally calculated on a quarterly basis, is based on the Company's combined results, excluding the operating results of The CW, which Nexstar designated as an unrestricted subsidiary under its credit agreements and indentures. The Mission amended credit agreement does not contain financial covenant ratio requirements but does provide for default in the event we do not comply with all covenants contained in our credit agreement. As of September 30, 2023, we were in compliance with our financial covenant. We believe the Company will be able to maintain compliance with all covenants contained in the credit agreements governing its senior secured facilities and the indentures governing Nexstar's 5.625% Notes, due July 2027 and 4.75% Notes, due November 2028 for a period of at least the next 12 months from September 30, 2023.

Off-Balance Sheet Arrangements

As of September 30, 2023, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or VIEs, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. All of our arrangements with our VIEs in which we are the primary beneficiary are on-balance sheet arrangements. Our variable interests in other entities are obtained through local service agreements, which have valid business purposes and transfer certain station activities from the station owners to us. We are, therefore, not materially exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

As of September 30, 2023, we had outstanding standby letters of credit with various financial institutions amounting to $20 million, of which $16 million was in support of the worker's compensation insurance programs. The outstanding balance of standby letters of credit is deducted against our unused revolving loan commitment under our senior secured credit facility and would not be available for withdrawal.

Issuer and Guarantor Summarized Financial Information

Nexstar Media Inc. (the "Issuer") is the issuer of 5.625% Notes, due July 2027 and 4.75% Notes, due November 2028. These notes are fully and unconditionally guaranteed, jointly and severally, by Nexstar Media Group, Inc. ("Parent"), Mission (a consolidated VIE) and the Subsidiary Guarantors (as defined below). The Issuer, Subsidiary Guarantors, Parent and Mission are collectively referred to as the "Obligor Group" for the 5.625% Notes, due July 2027 and 4.75% Notes, due November 2028. "Subsidiary Guarantors" refers to certain of the Issuer's restricted subsidiaries (excluding The CW) that guarantee these notes. The guarantees of the notes are subject to release in limited circumstances upon the occurrence of certain customary conditions set forth in the indentures governing the 5.625% Notes, due July 2027 and the 4.75% Notes, due November 2028. The 5.625% Notes, due July 2027 and 4.75% Notes, due November 2028 are not registered with the SEC.

The following combined summarized financial information is presented for the Obligor Group after elimination of intercompany transactions between Parent, Issuer, Subsidiary Guarantors and Mission in the Obligor Group and amounts related to investments in any subsidiary that is a non-guarantor. This information is not intended to present the financial position or results of operations of the consolidated group of companies in accordance with U.S. GAAP.

Summarized Balance Sheet Information for the Obligor Group (in millions):

	September 30, 2023		December 31, 2022	
Current assets – external[1]	$	1,123	$	1,358
Current assets – due from consolidated entities outside of Obligor Group		7		39
Total current assets	$	1,130	$	1,397
Noncurrent assets – external[1][2]		9,546		9,748
Noncurrent assets – due from consolidated entities outside of Obligor Group		75		74
Total noncurrent assets	$	9,621	$	9,822
Total current liabilities[1]	$	702	$	742
Total noncurrent liabilities[1]	$	8,830	$	8,994
Noncontrolling interests	$	-	$	-

(1) Excludes the assets and liabilities of The CW as it is not a guarantor of the 4.75% Notes, due November 2028 and 5.625% Notes, due July 2027. On September 30, 2022, Nexstar acquired a 75.0% ownership interest in The CW.

(2) Excludes Issuer's equity investments of $946 million and $1,119 million as of September 30, 2023 and December 31, 2022, respectively, in unconsolidated investees. These unconsolidated investees do not guarantee the 4.75% Notes, due November 2028 and 5.625% Notes, due July 2027. For additional information on equity investments, refer to Note 5 to our Condensed Consolidated Financial Statements.

Summarized Statements of Operations Information for the Obligor Group (in millions):

	Nine Months Ended September 30, 2023	
Net revenue – external	$	3,436
Net revenue – from consolidated entities outside of Obligor Group		15
Total net revenue		3,451
Costs and expenses – external		2,720
Costs and expenses – to consolidated entities outside of Obligor Group		23
Total costs and expenses		2,743
Income from operations	$	708
Net income	$	316
Net income attributable to Obligor Group	$	316
Income from equity method investments, net	$	82

Critical Accounting Estimates

Our Condensed Consolidated Financial Statements have been prepared in accordance with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the Condensed Consolidated Financial Statements and reported amounts of revenue and expenses during the period. On an ongoing basis, we evaluate our estimates, including those related to business acquisitions, goodwill, indefinite-lived intangible assets, definite-lived intangible assets and other long-lived assets, equity investments, distribution revenue, pension and postretirement benefit plans and income taxes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

Information with respect to the Company's critical accounting estimates which it believes could have the most significant effect on the Company's reported results and require subjective or complex judgments by management is contained in our Annual Report on Form 10-K for the year ended December 31, 2022. Management believes that as of September 30, 2023, there has been no material change to this information.

Recent Accounting Pronouncements

Refer to Note 2 of our Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a discussion of recently issued accounting pronouncements, including our expected date of adoption and effects on results of operations and financial position.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations.

The term loan borrowings under the Company's senior secured credit facilities bear interest at rates ranging from 6.82% to 7.82% as of September 30, 2023, which represent (i) the base rate, the SOFR plus (ii) a credit spread adjustment, and (iii) the applicable margin, as defined. Interest is payable in accordance with the credit agreements.

Based on the outstanding balances of the Company's senior secured credit facilities (term loans and revolving loans) as of September 30, 2023, an increase in each of SOFR by 100 basis points would increase our annual interest expense and decrease our cash flow from operations by $42 million (excluding tax effects). A decrease in each of SOFR by 100 basis points would decrease our annual interest expense and increase our cash flow from operations by $42 million (excluding tax effects). Our 5.625% Notes, due July 2027 and 4.75% Notes, due November 2028 are fixed rate debt obligations and therefore are not exposed to market interest rate changes. As of September 30, 2023, the Company has no financial instruments in place to hedge against changes in the benchmark interest rates on its senior secured credit facilities.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Nexstar's management, with the participation of its Chairman and Chief Executive Officer along with its Chief Financial Officer, conducted an evaluation as of the end of the period covered by this report of the effectiveness of the design and operation of Nexstar's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act.

Based upon that evaluation, Nexstar's Chairman and Chief Executive Officer and its Chief Financial Officer concluded that as of the end of the period covered by this report, Nexstar's disclosure controls and procedures were effective in providing reasonable assurance that information required to be disclosed in the reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to Nexstar's management, including its Chairman and Chief Executive Officer and its Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

As of the quarter ended September 30, 2023, there have been no changes in Nexstar's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

From time to time, the Company is involved in litigation that arises from the ordinary operations of business, such as contractual or employment disputes or other general actions. In the event of an adverse outcome of these proceedings, the Company believes the resulting liabilities would not have a material adverse effect on its financial condition or results of operations. See Part I, Item 1, Note 14, “Commitments and Contingencies” for detailed discussion of ongoing litigation.

ITEM 1A. Risk Factors

There have been no material changes to the risk factors that were previously disclosed in Item 1A in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on February 28, 2023.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

On July 27, 2022, Nexstar’s board of directors approved a new share repurchase program authorizing Nexstar to repurchase up to $1.5 billion of its common stock, of which $1.258 billion of capacity remained available as of December 31, 2022. During the nine months ended September 30, 2023, Nexstar repurchased a total of 3,152,635 shares of its common stock for $514 million, funded by cash on hand, which was accounted for as treasury cost. As of September 30, 2023, the remaining available amount under the share repurchase authorization was $744 million.

The following is a summary of Nexstar’s repurchases of its common stock by month during the quarter ended September 30, 2023 (in millions, except for share and per share information):

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
July 6 to 31, 2023	267,861	$ 176.58	267,861	$ 895
August 1 to 31, 2023	313,701	$ 164.75	313,701	843
September 1 to 30, 2023	693,290	$ 143.68	693,290	744
	1,274,852	$ 155.78	1,274,852	

From October 1, 2023 to November 7, 2023, we repurchased 267,321 shares of our common stock for $38 million, funded by cash on hand. As of the date of filing this Quarterly Report on Form 10-Q, the remaining available amount under the share repurchase authorization was $706 million.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

None.

ITEM 5. Other Information

(a)None.

(b)None.

(c)Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

None of the Company’s directors or officers adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company’s fiscal quarter ended September 30, 2023.

ITEM 6. Exhibits

Exhibit No.	Description
10.1	Amendment to Executive Employment Agreement, effective as of September 19, 2023, between Sean Compton and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478/231092012) filed by Nexstar Media Group, Inc. on July 17, 2023.
10.2	Amendment to Executive Employment Agreement, effective as of September 19, 2023, between Dana Zimmer and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.2 to Current Report on Form 8-K (File No. 000-50478/231092012) filed by Nexstar Media Group, Inc. on July 17, 2023.
10.3	Amended and Restated Executive Employment Agreement, dated September 19, 2023 between Sean Compton and Nexstar Media Group, Inc.*
10.4	Executive Employment Agreement, dated as of August 21, 2023, between Michael Biard and Nexstar Media Group, Inc. (Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K (File No. 000-50478/231119544) filed by Nexstar Media Group, Inc. on July 28, 2023.
31.1	Certification of Perry A. Sook pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Lee Ann Gliha pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Perry A. Sook pursuant to 18 U.S.C. ss. 1350.*
32.2	Certification of Lee Ann Gliha pursuant to 18 U.S.C. ss. 1350.*
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEXSTAR MEDIA GROUP, INC.

	/S/ PERRY A. SOOK
By:	**Perry A. Sook**
Its:	**Chairman and Chief Executive Officer (Principal Executive Officer)**
	/S/ LEE ANN GLIHA
By:	**Lee Ann Gliha**
Its:	**Chief Financial Officer (Principal Accounting and Financial Officer)**

Dated: November 8, 2023

EXHIBIT 10.3

AMENDED AND RESTATED
EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the “Agreement”) is made to be effective as of September 19, 2023 (the “Effective Date”) by and between Sean Compton, an individual resident of Pennsylvania (“Executive”), and Nexstar Media Group, Inc., a Delaware corporation (the “Company”).

WHEREAS, Executive and the Company are parties to that certain Executive Employment Agreement dated August 26, 2019, which expires on September 18, 2023, (the “Original Agreement”); and,

WHEREAS, the Company desires to continue to retain the services of Executive as President - Networks upon the expiration of the Original Agreement, and Executive desires to be employed by the Company under the terms and conditions of this Agreement; now,

THEREFORE, in consideration of the mutual promises set forth herein and the mutual benefits to be derived from this Agreement, the parties hereto, intending to be legally bound, hereby agree as follows:

1.Position and Duties. Subject to the terms and conditions of this Agreement, during the term of this Agreement, the Company will continue to employ Executive as the Company’s President - Networks. In such position, Executive will perform such duties as shall be reasonably assigned to him from time to time by his supervisor or other executive leaders, including but not limited to the Company’s Chief Executive Officer (the “CEO”) and/or its Board of Directors (the “Board”), which are commensurate and consistent with the duties of a President - Networks. Executive will devote his best efforts to his employment with the Company and will devote substantially all of his business time and attention to the performance of his duties under this Agreement; provided that the foregoing will not preclude Executive from devoting reasonable time to the supervision of his personal investments, civic and charitable affairs and serving on other boards, provided, that such activities do not materially interfere with the performance of Executive’s duties hereunder and, with respect to service on any board, the CEO has consented in writing thereto.

2.Term of Employment. Unless terminated earlier as provided below, the Company’s employment of Executive under this Agreement will continue from the Effective Date until September 18, 2027 (the “Term”), provided, however, that the Term will be automatically renewed and extended for successive one-year period(s) unless, at least ninety (90) days prior to the end of the Term or any subsequent renewal term, Executive or the Company gives written notice to the other party of the notifying party’s intent not to extend the Term or any renewal term.

3.Termination. The Company’s employment of Executive under this Agreement shall terminate prior to the end of the Term, or any subsequent renewal term, specified in Paragraph 2 hereof only under the following circumstances:

(a)Death. Executive’s death, in which case Executive’s employment will terminate on the date of death.

(b)Disability. If, as a result of Executive's illness, physical or mental disability or other incapacity, Executive is unable to substantially perform, with or without reasonable accommodation (as defined under the Americans with Disabilities Act), Executive's material job duties under this Agreement for any period of six (6) consecutive months, and after receiving thirty (30) days written notice of termination by the Company to Executive (which may occur after the end of such six-month period), Executive shall not have returned to the performance of Executive's job duties hereunder on a full-time basis, then the Company may terminate Executive's employment hereunder.

(c)Consolidation, Merger or Comparable Transaction. In the event that the Company consolidates with or merges with and into any other Person effects a share exchange, enters into a comparable capital transaction or has any or all of its equity securities sold to one or more third parties, in each case such that a Person becomes the beneficial owner of a majority of the voting power represented by the securities of the Company (treating any such Person and the affiliates of such Person as being one and the same Person), or if the Company sells all or substantially all of its consolidated assets, then subject to the provisions of Paragraph 6 of this Agreement, Executive's employment may be terminated by the Company or Executive simultaneously with the consummation of such consolidation, merger, share exchange, asset sale, stock sale or comparable transaction. "Person" for the purposes of this Agreement means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or any governmental entity.

(d)Termination by the Company for Cause. The Company may terminate Executive's employment at any time for Cause, such termination to be effective as of the date stated in a written notice of termination delivered by the CEO to Executive. Any termination under this Paragraph 3(d) shall not also be deemed to be a termination under Paragraph 3(e) hereof. For the purposes of this Agreement, "Cause" is defined to mean any of the following activities by Executive: (i) the conviction of Executive for a felony or a crime involving moral turpitude or the commission of any act involving dishonesty, disloyalty or fraud with respect to the Company or any of its subsidiaries or affiliates; (ii) failure to adequately perform material job duties which are consistent with the terms of this Agreement and the position specified in Paragraph 1, which is not cured within thirty (30) days after written notice thereof to Executive; (iii) willful violation of Company policy (including, but not limited to, the Company's attendance policy); (iv) gross negligence or willful misconduct with respect to the Company or any of its subsidiaries or affiliates, in each instance which has caused or is reasonably likely to cause material harm to the Company; (v) insubordination; or (vi) any other material breach of a material provision of this Agreement, which is not cured within thirty (30) days after written notice thereof to Executive.

(e)Termination by the Company Other Than for Cause. The Company may terminate Executive's employment for any reason or for no reason upon thirty (30) days prior written notice to Executive, subject to payment of the termination payments specified in Paragraph 6 hereof. Such termination will be effective as of the date stated in a written notice of termination delivered by the CEO to Executive.

(f)Termination by Executive for Good Reason. Executive may terminate his employment hereunder at any time for Good Reason, such termination to be effective as of the date stated in a written notice of termination delivered by Executive to the Company (or such earlier date after the delivery of such notice as the Company may elect). For purposes of this Agreement, "Good Reason" shall mean any of the following (i) a material reduction in the job duties, responsibilities, authority, or position of Executive provided, however, that following notice under Paragraph 2 by either party of their intent not to extend the Term or any renewal term, Company may, at its sole discretion, reduce Executive's job duties, responsibilities, and/or authority and any such reduction shall not constitute "Good Reason," (ii) a material breach by the Company of a material provision of this Agreement, or (iii) any requirement that Executive relocate or maintain an office more than one hundred (100) miles from the Chicago, Illinois metropolitan area. Executive must provide the Company with written notice of the existence of the change constituting Good Reason within ninety (90) days of any such event having occurred, and allow the Company thirty (30) days to cure the same. If Company fails to cure, Executive must terminate his employment in writing within ten (10) days following expiration of the Company's cure period for the termination to be on account of Good Reason or such right shall be waived. A termination of Executive's employment for Good Reason in accordance with this Paragraph 3(f) is intended to be treated as an involuntary separation from service for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A").

(g)Voluntary Termination by Executive Without Good Reason. Executive may voluntarily terminate his employment hereunder without Good Reason - for any other reason or for no reason - upon thirty (30) days prior written notice to the Company. Such termination shall be effective as of the date stated in a written notice of termination delivered by Executive to the Company (or such earlier date after the delivery of such notice as the Company may elect).

In no event will the termination of Executive's employment affect the rights and obligations of the parties set forth in this Agreement, except as expressly set forth herein. Any termination of Executive's employment pursuant to this Paragraph 3 will be deemed to include a resignation by Executive of all positions with the Company and each of its subsidiaries and affiliates.

4.Compensation.

(a)Base Salary. During the Term, and any subsequent renewal term, Executive will be entitled to receive an annual base salary ("Base Salary") of $1,000,000.00. This Base Salary will be reviewed annually and may be adjusted.

(b)Bonus. After the end of each Company fiscal year during the term of this Agreement, Executive will be eligible to receive an annual bonus (the "Bonus"), in an amount, if any, up to one hundred percent (100%) of Executive's annual base salary in effect at the end of that fiscal year (or in excess of such amount, as the CEO, with the approval of the Compensation Committee of the Company's board of directors (the "Compensation Committee"), may determine is appropriate), pro-rated for any partial fiscal year during which Executive is employed by the Company pursuant to this Agreement, to be determined by the CEO, with the approval of the Compensation Committee, based on the following criteria:

- Thirty-five percent (35%) earned if the Networks Division of Nexstar Media Inc. exceeds ninety percent (90%) of budgeted Net Revenue for the fiscal year;
- Thirty-five percent (35%) earned if the Networks Division of Nexstar Media Inc. exceeds ninety percent (90%) of budgeted EBITDA for the fiscal year; and

•Thirty percent (30%) earned at the discretion of the CEO and/or Compensation Committee.

Notwithstanding the foregoing, for fiscal year 2023, Executive's Bonus calculation will be made on a prorated basis taking into account Executive's Base Salary change on September 19, 2023.

(c)Payment. Executive's Base Salary will be paid in equal installments in accordance with the Company's normal payroll practice for its senior executives (but no less frequently than bi-monthly). The Bonus provided in Paragraph 4(b), will be paid in a single payment within thirty (30) days after the independent certified public accountants regularly employed by the Company have made available to the Company the audited financial statements for the appropriate fiscal year but in no event later than December 31 of the year immediately following the year in which the Bonus is earned. All payments under this Agreement will be subject to withholding or deduction by reason of the Federal Insurance Contribution Act, federal income tax, state income tax and all other applicable laws and regulations.

5.Fringe Benefits. During the Term and any subsequent renewal term,

(a)Executive will continue to be eligible to participate in Company employee benefits plans and programs generally offered to Company executives of the same level as Executive under the terms and conditions of each such plan or program and subject to the eligibility and cost sharing provisions thereof afforded to similarly situated executives.

(b)Executive shall also be entitled to paid leave per the Company's paid leave programs; provided however, that any paid leave not taken as of the end of any calendar year will be forfeited.

(c)Executive will continue to receive $750.00 per month for automobile allowance and a $100 cell phone allowance, subject to applicable tax withholdings.

(d)Executive will be reimbursed by the Company for all approved business expenses (which approval shall not be unreasonably withheld) incurred by him on behalf of the Company upon presentation of appropriate documentation.

6.Termination Payments. Executive (or Executive's estate pursuant to Paragraph 6(a) hereof) will be entitled to receive the following payments upon termination of Executive's employment hereunder:

(a)In the event of the termination of Executive's employment pursuant to the expiration of the term of the Agreement without renewal or pursuant to any of the following provisions:

Paragraph 3(a)	[Death]
Paragraph 3(b)	[Disability]
Paragraph 3(d)	[By the Company for Cause]
Paragraph 3(g)	[By Executive Without Good Reason]

The Company will pay to Executive (or Executive's estate, as the case may be) as soon as practicable following such termination (but in no event later than thirty (30) days after the date of such termination except as provided in clause (iii)) (i) all accrued and unpaid Base Salary as of the date of termination as provided in Paragraph 4, (ii) an amount (calculated at the rate of the Base Salary in effect on such date) for all accrued but unused vacation time as of such date, (iii) the amount of all earned and unpaid Bonus amounts for years preceding the year of termination payable as provided in Paragraph 4(c).

(b)In addition to the amounts described in Paragraph 6(a), in the event of termination of Executive's employment pursuant to any of the following provisions and contingent upon Executive executing and not revoking a separation agreement containing a general release (the "Release"):

Paragraph 3(c)	[Consolidation, Merger or Comparable Transaction]
Paragraph 3(e)	[By the Company Other Than for Cause]
Paragraph 3(f)	[By Executive with Good Reason]

The Company will pay to Executive as soon as practicable following the effective date of the Release (but in no event later than thirty (30) days after the Release effective date) an amount equal to twelve (12) months of Executive's then current salary plus an additional $29,000.00.

(c)Without limiting the remedies available to the Company for breach by Executive of Paragraph 7 hereof, in the event that Executive violates the provisions of Paragraph 7 hereof after the termination of Executive's employment with the Company in a manner reasonably determined by the CEO to be injurious to the Company, any termination payments provided in this Paragraph 6 remaining unpaid at the time such violation occurs will be automatically forfeited.

7.Covenant Not to Compete and Non-Disclosure.

(a)During the term of Executive's employment pursuant to this Agreement and for a period of one (1) year thereafter, Executive covenants and agrees that Executive will not, whether directly or indirectly, with or without compensation, become employed by, act as a consultant to, act as a director of, or own beneficially five percent (5%) or more of any class of equity or debt securities of any corporation or other commercial enterprise in the business of television broadcasting (e.g. Sinclair Broadcast Group, Gray Television, etc.) or a diversified media company competitive with the Covered Entities (e.g. Netflix, Turner Broadcasting, Disney, Paramount Global, FOX, Comcast, Warner Bros. Discovery, Google, Apple TV) without written approval by the Company. During the one (1) year after Executive's employment with the Company terminates, neither Executive nor any of Executive's affiliates or representatives will hire, solicit, employ, or contract with respect to employment any officer or employee of the Covered Entities. For purposes of this Paragraph 7, the term "Company" will include the Company and each of its subsidiaries or other affiliates, and each such entity is an express third-party beneficiary of this Agreement.

(b)Executive agrees to disclose promptly to the Company and does assign and agree to assign to the Company, free from any obligation to Executive, all Executive's right, title and interest in and to any and all ideas, concepts, processes, improvements and inventions made, conceived, written, acquired, disclosed or developed by Executive, solely or in concert with others, during the term of Executive's employment by the Company, which relate to the business, activities or facilities of the Company, or resulting from or suggested by any work Executive may do for the Company or at its request. Executive further agrees to deliver to the Company any and all drawings, notes, photographs, copies, outlines, specifications, memoranda and data relating to such ideas, concepts, processes, improvements and inventions, to cooperate fully during Executive's employment and thereafter in the securing of copyright, trademark or patent protection or other similar rights in the United States and foreign countries, and to give evidence and testimony and to execute and deliver to the Company all documents requested by it in connection therewith.

(c)Except as expressly set forth below, Executive agrees, whether during Executive's employment pursuant to this Agreement or thereafter, except as authorized or directed by the Company in writing or pursuant to the normal exercise of Executive's responsibilities hereunder, not to disclose to others, use for Executive's or any other Person's (as defined herein) benefit, copy or make notes of any confidential information or trade secrets or relating to the business, activities or facilities of the Company which may come to Executive's knowledge prior to or during Executive's employment pursuant to this Agreement or thereafter. Executive will not be bound to this obligation of confidentiality and nondisclosure if:

(i)the information in question has become part of the public domain by publication or otherwise through no fault of Executive;

(ii)the information in question is disclosed to the recipient by a third party and Executive reasonably believes such third party is in lawful possession of the information and has the lawful right to make disclosure thereof; or

(iii)Executive is required to disclose the information in question pursuant to applicable law or by a court of competent jurisdiction.

(d)Upon termination of employment pursuant to this Agreement, Executive will deliver to the Company all records, notes, data, memoranda, photographs, models and equipment of any nature which are in Executive's possession or control, and which are the property of the Company.

(e)The parties understand and agree that the remedies at law for breach of the covenants in this Paragraph 7 would be inadequate and that the Company will be entitled to seek injunctive or such other equitable relief as a court may deem appropriate for any breach of these covenants. If any of these covenants will at any time be adjudged invalid to any extent by any court of competent jurisdiction, such covenant will be deemed modified to the extent necessary to render it enforceable.

8.<u>Entire Agreement</u>. This Agreement, together with any Company long-term incentive plans and/or restricted stock award or option agreements between Executive and the Company, embodies the entire agreement between the parties hereto with respect to Executive's employment with the Company, and there have been and are no agreements, representations, or warranties between the parties other than those set forth or provided for therein. If any of the terms of this Agreement conflict with terms of any Company long-term incentive plans or restricted stock award or option agreements between Executive and the Company, then the terms of this Agreement shall control, govern and be given full force and effect.

9.No Assignment. This Agreement shall not be assigned by Executive without the prior written consent of the Company and any attempted assignment without such prior written consent shall be null and void and without legal effect; provided, however, that in the case of Executive's death or disability this Agreement may be enforced by Executive's executors, personal representatives, or guardians, to the extent applicable. This Agreement shall not be assigned by the Company without the prior written consent of Executive except to any successor to the business of the Company.

10.Notices. All notices, requests, demands and other communications which may or are required to be given hereunder shall be in writing and shall be (i) delivered by hand; (ii)by certified or registered mail, with postage prepaid; (iii) sent overnight mail or overnight courier; or (iv) by electronic mail, and shall be deemed to have been given or made when personally delivered, the next business day after delivery to such overnight delivery service or after sending via electronic mail, or three (3) days after deposited certified mail postage prepaid, as the case may be, addressed as follows:

(a)If to Executive, then to his address on file with the Company's Payroll Department (or as Executive may otherwise specify by prior written notice to the Company) or to Executive's verified email address (e.g. the address in Company's HRIS system or that Executive has previously used to communicate with Company); and

(b)If to the Company, then to Nexstar Media Group, Inc., 545 E. John Carpenter Freeway, Suite 700, Irving, TX 75062, Attention: CEO with a copy to the Company's Human Resources Department at the same address or to the then current CEO's email address with copy to contractnotices@nexstar.tv.

11.Amendment; Modification. This Agreement may not be amended, modified, or supplemented other than in a writing signed by both parties hereto.

12.Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

13.Headings. The headings in the sections of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement.

14.Severability. The parties agree that if any provision of this Agreement shall under any circumstances be deemed invalid or inoperative, the Agreement shall be construed with the invalid or inoperative provision deleted, and the rights and obligations of the parties shall be construed and enforced accordingly.

15.Governing Law. This Agreement shall be governed by and construed in accordance with the internal law of the State of Delaware without giving effect to any choice of law or conflict provision or rule that would cause the laws of any jurisdiction other than the State of Delaware to be applied.

16.Legal Fees. In the event of any litigated dispute between or among any of the parties to this Agreement, the reasonable legal fees and expenses of the party successful in such dispute (whether by way of a decision by a court or other tribunal) shall be paid promptly by the unsuccessful party upon presentation by the successful party of an invoice therefor.

17.Representations. Executive represents and warrants to the Company that Executive is not a party to or bound by any employment agreement, noncompete agreement or confidentiality agreement with any other person or entity.

18.Strict Construction. The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

19.Binding Arbitration.

(a)Generally. The arbitration procedures described in this Paragraph 19 will be the sole and exclusive method of resolving and remedying any claim under this Agreement as well as all claims, disputes, issues, or controversies between Executive and the Company or other employees of the Company arising out of or relating to Executive's employment with the Company or the termination of such employment (each such claim, a "Dispute"); provided that nothing in this Paragraph 19 will prohibit a Person from instituting litigation to enforce any Final Arbitration Award (as defined herein). Except as otherwise provided in the Employment Arbitration Rules of the American Arbitration Association as in effect from time to time (the "AAA Rules"), the arbitration procedures described in this Paragraph 19 and any Final Arbitration Award (as defined herein) will be governed by, and will be enforceable pursuant to, the Uniform Arbitration Act as in effect in the State of Texas from time to time. Questions of arbitrability (that is whether an issue is subject to arbitration under this agreement) shall be decided by the arbitrator. Likewise, procedural questions which arise out of the dispute and bear on its final disposition are matters for the arbitrator to decide.

(b)Notice of Arbitration. If a Person asserts that there exists a Dispute, then such Person (the "Disputing Person") will give each other Person involved in such Dispute a written notice setting forth the nature of the asserted Dispute. If all such Persons do not resolve any such asserted Dispute prior to the 10th business day after such notice is given, then any of them may commence arbitration pursuant to this Paragraph 19 by giving each other Person involved in such Dispute a written notice to that effect (an "Arbitration Notice"), setting forth any matters which are required to be set forth therein in accordance with the AAA Rules.

(c)Selection of Arbitrator. An arbitrator will be selected in accordance with the AAA Rules.

(d)Conduct of Arbitration. The arbitration will be conducted in the Dallas, Texas, metropolitan area under the AAA Rules, as modified by any written agreement among the Persons involved in the Dispute in question. The arbitrator will conduct the arbitration in a manner so that the final result, determination, finding, judgment or award determined by the arbitrator (the "Final Arbitration Award") is made or rendered as soon as practicable, and the Persons involved will use all reasonable efforts to cause a Final Arbitration Award to occur within ninety (90) days after the arbitrator is selected. Any Final Arbitration Award will be final and binding upon all Persons and there will be no appeal from or reexamination of any Final Arbitration Award, except in the case of fraud, perjury or evident partiality or misconduct by the arbitrator prejudicing the rights of such Persons or to correct manifest clerical errors.

(e)Enforcement. A Final Arbitration Award may be enforced in any state or federal court having jurisdiction over the subject matter of the related Dispute.

(f)Attorneys' Fees and Expenses. Each prevailing Person in any arbitration proceeding described in this Paragraph 19 will be entitled to recover from any non-prevailing Person(s) its reasonable costs and attorneys' fees in addition to any damages or other remedies awarded to such prevailing Person. As part of any Final Arbitration Award, the arbitrator may designate the prevailing Person(s) for purposes of this Paragraph 19.

20.Termination of Previous Agreements. This Agreement replaces and terminates any previous employment agreements (including, without limitation, any supplements, addendums, or amendments thereto) entered into between Executive and the Company and/or any of its affiliates and predecessors.

21.Section 409A of the Code.

(a)Compliance. The intent of the parties is that payments and benefits under this Agreement are either exempt from or comply with Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to that end.

(b)Six-Month Delay for Specified Employees. If any payment, compensation or other benefit provided to Executive in connection with his employment termination is determined, in whole or in part, to constitute "*nonqualified deferred compensation*" within the meaning of Section 409A and Executive is a "*specified employee*" as defined in Section 409A, no part of such payments shall be paid before the day that is six months plus one day after Executive's date of termination or, if earlier, Executive's death (the "*New Payment Date*"). The aggregate of any payments that otherwise would have been paid to Executive during the period between the date of termination and the New Payment Date shall be paid to Executive in a lump sum on such New Payment Date. Thereafter, any payments that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement.

(c)Termination as a Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment until such termination is also a "*separation from service*" within the meaning of

Section 409A and for purposes of any such provision of this Agreement, references to a "*resignation*," "*termination*," "*terminate*," "*termination of employment*" or like terms shall mean separation from service.

(d) Payments for Reimbursements and In-Kind Benefits. All reimbursements for costs and expenses under this Agreement shall be paid in no event later than the end of the calendar year following the calendar year in which Executive incurs such expense. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (ii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(e) Payments within Specified Number of Days. Whenever a payment under this Agreement specifies a payment period with reference to a specific number of days (e.g., "payment shall be made within 30 days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

(f) Installments as Separate Payment. If under this Agreement, an amount is paid in two or more installments, for purposes of Section 409A, each installment shall be treated as a separate payment.

22. Code Section 280G. If Executive receives any payments or distributions pursuant to this Agreement or otherwise ("Payments") that constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and, but for this Paragraph 22, would be subject to the excise tax imposed by Code Section 4999 ("Excise Tax"), then the Payments shall be reduced to the Reduced Amount only if reducing the Payments would provide Executive with a greater net after-tax amount than if no such reduction took place. The "Reduced Amount" shall be a present value amount that maximizes the aggregate present value of the Payments without causing any portion of the Payments to be subject to the Excise Tax, determined in accordance with Code Section 280G(d)(4).

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and made effective as of the day and year first above written.

/s/ Sean Compton
Sean Compton
Executive

ACCEPTED AND AGREED:
NEXSTAR MEDIA GROUP, INC.

/s/ Perry A. Sook
Perry A. Sook
Chairman/CEO

Exhibit 31.1

CERTIFICATION

I, Perry A. Sook, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nexstar Media Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2023

By: /s/ PERRY A. SOOK
Perry A. Sook
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Lee Ann Gliha, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nexstar Media Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2023

By: /s/ LEE ANN GLIHA
Lee Ann Gliha
Chief Financial Officer

Exhibit 32.1

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Nexstar Media Group, Inc. (the “Company”), hereby certifies that the Company’s Quarterly Report on Form 10-Q for the three months ended September 30, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 8, 2023	/S/ PERRY A. SOOK
	Perry A. Sook Chairman and Chief Executive Officer (Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section. The foregoing certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Exhibit 32.2

CERTIFICATION

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Nexstar Media Group, Inc. (the "Company"), hereby certifies that the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 8, 2023	/s/ Lee Ann Gliha
	Lee Ann Gliha
	Chief Financial Officer
	(Principal Financial and Accounting Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liability of that section. The foregoing certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.