

NEXSTAR BROADCASTING GROUP INC
Form 10-Q
November 08, 2013

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, 2013

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 BROADCASTING 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.)

5215 N. O'Connor Blvd., Suite 1400, Irving,
Texas 75039
(Address of Principal Executive Offices) (Zip Code)

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

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer Accelerated filer

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Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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 4, 2013, the registrant had 30,406,495 shares of Class A Common Stock and no shares of Class B Common Stock outstanding.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

NEXSTAR BROADCASTING GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share information, unaudited)

	September 30, 2013	December 31, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$24,619	\$68,999
Accounts receivable, net of allowance for doubtful accounts of \$2,556 and \$1,965, respectively	102,064	74,553
Current portion of broadcast rights	7,911	8,477
Deferred tax assets, net	8,861	8,861
Prepaid expenses and other current assets	5,862	2,436
Total current assets	149,317	163,326
Property and equipment, net	219,263	180,162
Goodwill	188,108	148,409
FCC licenses	247,837	198,257
FCC licenses of Mission	41,563	21,939
Other intangible assets, net	170,048	122,491
Deferred tax assets, net	72,773	72,090
Other noncurrent assets, net	59,079	39,141
Total assets	\$1,147,988	\$945,815
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of debt	\$4,750	\$2,175
Current portion of broadcast rights payable	7,002	9,094
Accounts payable	13,140	12,324
Accrued expenses	23,215	18,122
Taxes payable	288	983
Interest payable	19,479	8,703
Amounts payable to sellers for acquisition of stations	22,000	-
Other liabilities of Mission	4,755	3,195
Other liabilities	4,321	3,407
Total current liabilities	98,950	58,003
Debt	1,006,749	855,467
Other liabilities of Mission	8,627	7,828
Other liabilities	22,304	22,278
Total liabilities	1,136,630	943,576
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - \$0.01 par value, 200,000 shares authorized; none issued and outstanding at each of September 30, 2013 and December 31, 2012	-	-
Class A Common stock - \$0.01 par value, 100,000,000 shares authorized; 30,406,495 and 21,677,248 shares issued and outstanding at September 30, 2013 and December 31,	304	217

2012, respectively

Class B Common stock - \$0.01 par value, 20,000,000 shares authorized; none issued and outstanding at September 30, 2013 and 7,702,471 shares issued and outstanding at December 31, 2012	-	77
Class C Common stock - \$0.01 par value, 5,000,000 shares authorized; none issued and outstanding at each of September 30, 2013 and December 31, 2012	-	-
Additional paid-in capital	408,956	410,514
Accumulated deficit	(397,902)	(408,569)
Total stockholders' equity	11,358	2,239
Total liabilities and stockholders' equity	\$1,147,988	\$945,815

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

NEXSTAR BROADCASTING GROUP, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (in thousands, except per share information, unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Net revenue	\$125,792	\$89,952	\$364,208	\$262,458
Operating expenses:				
Direct operating expenses, excluding depreciation and amortization	37,270	21,950	107,835	65,930
Selling, general, and administrative expenses, excluding depreciation and amortization	37,587	27,506	110,652	81,746
Amortization of broadcast rights	9,188	5,563	26,867	16,303
Amortization of intangible assets	7,996	5,480	22,900	16,595
Depreciation	8,598	5,896	24,791	17,359
Total operating expenses	100,639	66,395	293,045	197,933
Income from operations	25,153	23,557	71,163	64,525
Interest expense, net	(16,900)	(12,438)	(50,352)	(37,921)
Loss on extinguishment of debt	(1,048)	-	(1,048)	(497)
Other expense	(84)	-	(252)	-
Income before income taxes	7,121	11,119	19,511	26,107
Income tax expense	(3,526)	(1,558)	(8,844)	(4,712)
Net income	\$3,595	\$9,561	\$10,667	\$21,395
Net income per common share:				
Basic	\$0.12	\$0.33	\$0.36	\$0.74
Diluted	\$0.11	\$0.31	\$0.34	\$0.70
Weighted average number of common shares outstanding:				
Basic	30,048	28,960	29,706	28,881
Diluted	31,509	30,703	31,297	30,561
Dividends paid per common share	\$0.12	\$-	\$0.36	\$-

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

NEXSTAR BROADCASTING GROUP, INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the Nine Months Ended September 30, 2013
(in thousands, except share information, unaudited)

	Preferred Stock		Common Stock				Additional Paid-In Capital		Treasury Stock	Accumulated Deficit	Total		
	Shares	Amount	Class A Shares	Class A Amount	Class B Shares	Class B Amount	Class C Shares	Class C Amount	Shares	Amount	Equity		
Balances as of December 31, 2012	-	\$ -	21,677,248	\$ 217	7,702,471	\$ 77	-	\$ -	\$ 410,514	-	\$ -	\$ (408,569)	\$ 2,271,765
Stock-based compensation expense	-	-	-	-	-	-	-	-	1,580	-	-	-	1,580
Conversion of Class B common stock to Class A common stock	-	-	7,702,471	77	(7,702,471)	(77)	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-	-	(365,384)	(8,422)	-	-	(8,422)
Exercise of stock options	-	-	1,026,776	10	-	-	-	-	(2,270)	365,384	8,422	-	6,543
Excess tax benefit from stock option exercises	-	-	-	-	-	-	-	-	9,786	-	-	-	9,786
Common stock dividends paid	-	-	-	-	-	-	-	-	(10,654)	-	-	-	(10,654)