Nexstar Media Group, Inc. (NXST)

Updated March 4th, 2026, by Ian Bezek

Key Metrics

Current Price:	$244	**5 Year Annual Expected Total Return:**	2.8%	**Market Cap:**	$7.4 B
Fair Value Price:	$225	**5 Year Growth Estimate:**	1.0%	**Ex-Dividend Date:**	05/19/26[1]
% Fair Value:	108%	**5 Year Valuation Multiple Estimate:**	-1.6%	**Dividend Payment Date:**	06/02/26[1]
Dividend Yield:	3.0%	**5 Year Price Target**	$236	**Years Of Dividend Growth:**	12
Dividend Risk Score:	D	**Sector:**	Communication Services	**Rating:**	Hold

Overview & Current Events

Nexstar is a media conglomerate focused on broadcast television and digital media assets. It owns and operates 200 television channels across 116 markets in 39 states and Washington D.C. The stations are affiliated with a variety of networks including ABC, NBC, FOX, and CBS. Nexstar's channels reach approximately 39% of all U.S. households. The company also operates 120 local websites along with national properties such as *The Hill* and *NewsNation*.

Free broadcast television is often perceived to be a stagnant or declining industry. However, Nexstar has been able to grow tremendously by rolling up a variety of channels and digital media sites acquired from other owners. Recent acquisitions have included Media General in 2017 and Tribune Media in 2019. Nexstar is aiming to acquire Tegna (TGNA) in what would be an approximately $6.2 billion deal, inclusive of Tegna's debt. Tegna owns or operates 64 TV stations across 51 markets and would have major synergies with Nexstar's existing business.

Nexstar has grown its earnings dramatically since 2019, and 2024 was another good year. However, 2025 was much weaker due to reduced advertising sales and a lack of growth in the firm's media distribution revenues. The company reported Q4 earnings on February 26th, 2026. Adjusted EPS of $5.48 fell from $7.56 in the prior year, but beat expectations. Revenues also dropped 13% year-over-year to $1.29 billion. A down quarter was expected, as there was not much political advertising in 2025, especially as compared to the 2024 presidential election cycle. However, on a GAAP basis, Nexstar lost $5.63 per share for Q4, as the company reported a massive impairment charge related to its investment in TV Food Network LLC. Nexstar is also experiencing elevated costs associated with its proposed merger with Tegna. While the Tegna M&A process will garner most of the headlines going forward, Nexstar should also be set for a substantial earnings recovery in 2026 thanks to stronger political advertising demand this fall.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.89	$3.24	$8.21	$4.80	$17.37	$18.98	$24.16	$9.64	$21.41	$14.05	***$22.50***	***$23.65***
DPS	$0.96	$1.20	$1.50	$1.80	$2.24	$2.80	$3.60	$5.40	$6.76	$7.44	***$7.44***	***$9.50***
Shares	31	46	46	46	43	41	37	34	31	30	***30***	***28***

Nexstar has generated tremendous earnings growth over the past decade. From essentially breaking even a decade ago, Nexstar has increased earnings per share to a peak of $24.16 in 2022. The company has benefited from both record political ad spending and the booming economy of the past few years. Nexstar is aggressively repurchasing shares, which allows for higher EPS even if net income growth stalls out.

Nexstar has delivered rapid dividend growth, with the company sporting a 22% annualized growth rate over the past five years. The dividend remains well-supported by earnings even after these outsized hikes.

Current Federal Communications Commission (FCC) policy limits broadcast TV owners to no more than 200 stations in total, but the current administration may relax these restrictions. The proposed Tegna deal seemingly flies in the face of this restriction and could force the FCC to either reaffirm or discard that 200 station limit policy. It is worth noting that

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[1] Estimated date.

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Tegna attempted to sell itself to a different suitor in 2023, but that deal was blocked by the FCC. We believe that this deal, if successful, could supercharge Nexstar's EPS growth. On the other hand, it is worth noting that the Democratic Party, in assessing its 2024 election loss, in part blamed overallocation of resources to TV advertising rather than digital channels as a campaign misstep. This could foreshadow lower political advertising in future election cycles.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.7	19.9	9.1	21.2	5.3	7.7	6.6	16.7	7.8	13.2	***10.8***	***10.0***
Avg. Yld.	1.4%	1.9%	1.9%	2.0%	1.8%	2.4%	1.9%	3.4%	4.0%	4.0%	***3.0%***	***4.0%***

Nexstar's P/E ratio has fluctuated dramatically over the past decade. It has gone as low as 5 in 2020 and up to the 20s at other times. We do not expect investors to assign a high P/E ratio to Nexstar shares given the concerns around the longevity of the TV advertising business model.

Nexstar just emerged as a meaningful dividend payer over the past decade. However, it has continued to raise its payouts over time, and shares now offer 3.0% starting dividend yield.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	33%	37%	18%	38%	13%	15%	15%	56%	32%	53%	***33%***	***40%***

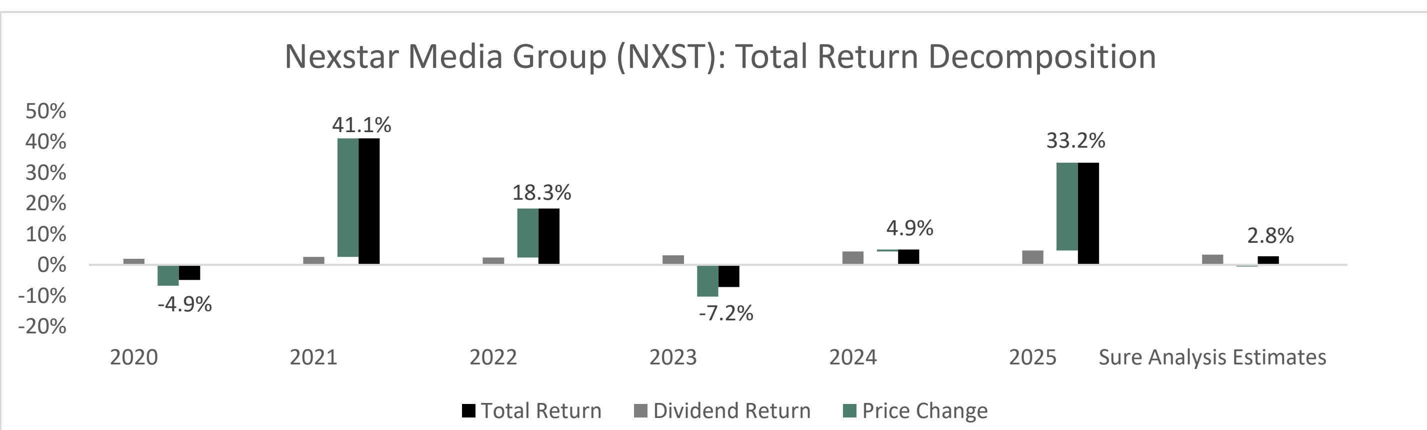
Nexstar's current dividend is well-covered out of present earnings and the moderate payout ratio leaves room for future dividend hikes. Management has demonstrated its commitment to generous dividend payments.

That said, the company's balance sheet carries $6.2 billion of debt, with a sizable portion coming due within five years. This is a large debt position in comparison to the company's market cap. The Tegna deal, if successful, would likely entail taking on additional debt. If interest rates remain elevated, higher interest payments could considerably curtail Nexstar's free cash flow generation. Nexstar enjoyed a strong 2024 powered by record political advertising, but if its core non-political advertising continues to weaken, this would represent a significant longer-term challenge.

Final Thoughts & Recommendation

Nexstar has done a great job growing its earnings and dividend despite operating in a challenging industry. Management has proven adept at making strategic acquisitions. The Tegna deal, if successful, could be a game-changer for the company. 2025's earnings were underwhelming, and the company may struggle to grow earnings until the Tegna deal potentially closes. Our total return outlook is 2.8% annualized; shares earn a hold rating today.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	896	1,103	2,432	2,767	3,039	4,501	4,648	5,211	4,933	5,470
Gross Profit	594	721	1,439	1,649	1,691	2,781	2,786	3,206	2,780	3,186
Gross Margin	66.3%	65.4%	59.2%	59.6%	55.6%	61.8%	59.9%	61.5%	56.4%	58.9%
SG&A Exp.	232	264	605	580	730	912	1,024	1,102	1,096	1,088
D&A Exp.	118	120	323	321	409	565	589	662	941	808
Operating Profit	206	303	468	748	552	1,304	1,173	1,445	743	1,292
Op. Margin	23.0%	27.4%	19.2%	27.0%	18.2%	29.0%	25.2%	27.7%	15.1%	23.9%
Net Profit	78	92	475	389	230	811	835	971	346	722
Net Margin	8.7%	8.3%	19.5%	14.1%	7.6%	18.0%	18.0%	18.6%	7.0%	13.2%
Free Cash Flow	176	252	37	631	220	1,037	1,064	1,246	850	1,105
Income Tax	49	78	(234)	145	137	297	263	274	131	276

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,835	2,966	7,482	7,062	13,990	13,404	13,264	12,680	12,080	11,470
Cash & Equivalents	43	88	116	145	232	153	191	204	135	144
Acc. Receivable	193	218	563	547	884	905	1,021	1,079	1,095	1,028
Goodwill & Int.	1,255	1,341	5,492	5,438	9,178	8,833	8,679	8,305	7,999	7,698
Total Liabilities	1,749	2,682	5,900	5,193	11,936	10,867	10,407	9,910	9,765	9,200
Accounts Payable	26	20	31	68	157	218	248	198	235	133
Long-Term Debt	1,476	2,342	4,362	3,981	8,493	7,668	7,415	6,952	6,837	6,523
Total Equity	81	169	1,571	1,853	2,031	2,518	2,850	2,741	2,299	2,257
LTD/E Ratio	18.30	13.85	2.78	2.15	4.18	3.04	2.60	2.54	2.97	2.89

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.8%	3.8%	9.1%	5.4%	2.2%	5.9%	6.3%	7.5%	2.8%	6.1%
Return on Equity	117%	73.3%	54.6%	22.8%	11.9%	35.7%	31.1%	34.7%	13.6%	31.5%
ROIC	5.5%	4.4%	11.1%	6.6%	2.8%	7.8%	8.2%	9.7%	3.7%	8.1%
Shares Out.	31	31	46	46	46	43	41	40	36	32.8
Revenue/Share	27.93	34.84	53.15	58.35	63.42	96.35	105.69	129.67	137.66	164.87
FCF/Share	5.49	7.97	0.80	13.30	4.59	22.20	24.19	31.00	23.72	33.69

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.