

NEXSTAR BROADCASTING GROUP INC
Form 10-Q
August 09, 2005
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

for the quarterly period ended June 30, 2005

.. 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

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(State of Organization or Incorporation)

(IRS Employer Identification No.)

909 Lake Carolyn Parkway, Suite 1450

Irving, Texas 75039

(972) 373-8800

(Address of Principal Executive Offices, including Zip Code)

(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act: None

Securities Registered Pursuant to Section 12(g) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock, \$0.01 par value per share	The Nasdaq Stock Market's National 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 is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

As of July 31, 2005, the Registrant had outstanding:

14,289,310 shares of Class A Common Stock;
13,411,588 shares of Class B Common Stock; and
662,529 shares of Class C Common Stock

Table of Contents

TABLE OF CONTENTS

	Page
PART I	
<u>FINANCIAL INFORMATION</u>	
ITEM 1. <u>Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Balance Sheets at December 31, 2004 and June 30, 2005</u>	1
<u>Condensed Consolidated Statements of Operations for the three months and six months ended June 30, 2004 and 2005</u>	2
<u>Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2004 and 2005</u>	3
<u>Notes to Condensed Consolidated Financial Statements</u>	4
ITEM 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	33
ITEM 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	44
ITEM 4. <u>Controls and Procedures</u>	44
PART II	
<u>OTHER INFORMATION</u>	
ITEM 1. <u>Legal Proceedings</u>	45
ITEM 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	45
ITEM 3. <u>Defaults Upon Senior Securities</u>	45
ITEM 4. <u>Submission of Matters to a Vote of Security Holders</u>	45
ITEM 5. <u>Other Information</u>	45
ITEM 6. <u>Exhibits</u>	45
<u>EXHIBIT INDEX</u>	45

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. Financial Statements****NEXSTAR BROADCASTING GROUP, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(in thousands, except share information)

	December 31,	June 30,
	2004	2005
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,505	\$ 10,260
Accounts receivable, net of allowance for doubtful accounts of \$1,119 and \$896, respectively	48,391	45,428
Current portion of broadcast rights	17,292	7,614
Prepaid expenses and other current assets	2,580	1,163
Property held for sale		516
	<u>86,768</u>	<u>64,981</u>
Total current assets	86,768	64,981
Property and equipment, net	101,068	99,497
Broadcast rights	6,423	3,258
Goodwill, net	145,576	146,272
Intangible assets, net	374,050	361,075
Other noncurrent assets	21,080	8,554
	<u>734,965</u>	<u>683,637</u>
Total assets	\$ 734,965	\$ 683,637
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current liabilities:		
Current portion of debt	\$ 2,350	\$ 2,663
Current portion of broadcast rights payable	17,561	8,178
Accounts payable	8,092	7,313
Accrued expenses	12,561	9,620
Taxes payable	89	465
Interest payable	8,866	6,489
Deferred revenue	2,000	3,261
	<u>51,519</u>	<u>37,989</u>
Total current liabilities	51,519	37,989
Debt	627,548	645,636
Broadcast rights payable	7,153	4,104
Deferred tax liabilities	29,369	31,875

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Deferred revenue	4,286	3,557
Deferred gain on sale of assets	6,676	6,458
Other liabilities	4,159	5,049
	<u> </u>	<u> </u>
Total liabilities	730,710	734,668
	<u> </u>	<u> </u>
Commitments and contingencies		
Minority interest in consolidated entity	21,550	
	<u> </u>	<u> </u>
Stockholders' deficit:		
Preferred stock - \$0.01 par value, authorized 200,000 shares; no shares issued and outstanding at both December 31, 2004 and June 30, 2005		
Common stock:		
Class A Common - \$0.01 par value, authorized 100,000,000 shares; issued and outstanding 14,289,310 at both December 31, 2004 and June 30, 2005		
	143	143
Class B Common - \$0.01 par value, authorized 20,000,000 shares; issued and outstanding 13,411,588 at both December 31, 2004 and June 30, 2005		
	134	134
Class C Common - \$0.01 par value, authorized 5,000,000 shares; issued and outstanding 662,529 at both December 31, 2004 and June 30, 2005		
	7	7
Additional paid-in capital	392,393	392,393
Accumulated deficit	(409,972)	(443,708)
	<u> </u>	<u> </u>
Total stockholders' deficit	(17,295)	(51,031)
	<u> </u>	<u> </u>
Total liabilities and stockholders' deficit	\$ 734,965	\$ 683,637
	<u> </u>	<u> </u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

NEXSTAR BROADCASTING GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2004	2005	2004	2005
	(Unaudited)		(Unaudited)	
Revenue (excluding trade and barter)	\$ 65,259	\$ 60,915	\$ 121,686	\$ 115,424
Less: commissions	(8,791)	(8,000)	(16,250)	(14,996)
Net broadcast revenue (excluding trade and barter)	56,468	52,915	105,436	100,428
Trade and barter revenue	4,689	4,985	9,957	10,135
Total net revenue	61,157	57,900	115,393	110,563
Operating expenses (income):				
Direct operating expenses (exclusive of depreciation and amortization shown separately below)	15,937	16,661	31,409	32,967
Selling, general, and administrative expenses (exclusive of depreciation and amortization shown separately below)	16,925	17,320	33,644	34,514
Merger related expenses			456	
Loss on property held for sale		616		616
Loss (gain) on asset disposal (including deferred gain recognition), net	22	31	(76)	31
Amortization of broadcast rights	5,425	5,282	12,312	11,440
Amortization of intangible assets	6,969	6,647	13,889	13,409
Depreciation	4,208	4,327	9,331	8,750
Total operating expenses, net	49,486	50,884	100,965	101,727
Income from operations	11,671	7,016	14,428	8,836
Interest expense, including amortization of debt financing costs	(13,030)	(10,893)	(25,873)	(23,968)
Loss on extinguishment of debt		(15,715)	(6,824)	(15,715)
Interest income	17	44	33	83
Other income (expenses), net	2,969		3,630	(48)
Income (loss) before income taxes	1,627	(19,548)	(14,606)	(30,812)
Income tax expense	(945)	(1,380)	(1,913)	(2,924)
Income (loss) before minority interest in consolidated entity	682	(20,928)	(16,519)	(33,736)
Minority interest in consolidated entity	493		980	
Net income (loss)	\$ 1,175	\$ (20,928)	\$ (15,539)	\$ (33,736)
Net income (loss) per common share:				

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Basic and diluted	\$ 0.04	\$ (0.74)	\$ (0.55)	\$ (1.19)
Weighted average number of common shares outstanding:				
Basic and diluted	28,363	28,363	28,363	28,363

The accompanying notes are an integral part of these condensed consolidated financial statements.

Table of Contents

NEXSTAR BROADCASTING GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Six Months Ended	
	June 30,	
	2004	2005
	(Unaudited)	
Cash flows from operating activities:		
Net loss	\$ (15,539)	\$ (33,736)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:		
Deferred income taxes	1,700	2,506
Depreciation of property and equipment	9,331	8,750
Amortization of intangible assets	13,889	13,409