

Sustainability in Action

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Journalistic ethics as a financial risk factor

Engagement with Nexstar

To what extent does transparency around editorial choices influence the financial value and share price of a media company? That was the central question in our engagement with Nexstar Media Group¹, one of the largest owners of local television stations in the United States. Our engagement was not driven by a substantive judgment on specific broadcasts. Instead, it was prompted by the broader question of how journalistic principles are applied, formalised and reviewed in practice—and what a lack of openness in this area means for the company's risk profile.



A heavyweight in the US television landscape

Nexstar owns and operates more than two hundred local television stations in the US, which it says reach around 220 million people. Most of these stations are affiliated with national networks such as ABC, CBS and NBC. This means Nexstar's stations receive and relay national programming from these networks, and complement it with local news and local advertising – the latter being a key revenue stream. Formally, it is up to the local stations themselves to decide whether, and how, national programmes are broadcast.

In our view, editorial decision-making and the degree of transparency around it are directly relevant to a company's financial risk – and therefore to investors. Editorial choices can potentially trigger negative publicity and reputational damage,

¹ The company name, explanatory notes and arguments are provided for illustrative purposes only and do not constitute a recommendation to buy, hold or sell the shares. The security may be removed from the portfolio at any time without prior notice.

legal exposure, friction with regulators and volatile advertising income. In a polarised political environment, they can even lead to political repercussions.

Because of the hybrid model of a company such as Nexstar (national content combined with local programming), the business is deeply embedded in local communities. As a result, journalistic standards may vary by region, depending on local social and political sensitivities.

Our questions

Against this backdrop, the Van Lanschot Kempen Dividend team sought greater clarity on how Nexstar defines its journalistic standards, and how decisions are made in this area. Nexstar is held in several Kempen dividend and value strategies.²

“Back in early 2025, we wrote to the company with questions about its journalistic framework,” says Marius Bakker, portfolio manager in the Value and Dividend strategies team of Van Lanschot Kempen. “We wanted to understand how their principles around fair and independent journalism are put into practice. Are there formal guidelines for ethical judgements? How do they deal with potential violations or breaches? Is there any reporting on this, and is there internal oversight?”

Jimmy Kimmel taken off air

Initially, our questions received little substantive response. The discussion, however, gained unexpected relevance when Nexstar decided to stop airing ABC’s late-night show ‘Jimmy Kimmel Live!’ after Kimmel commented on the MAGA movement and the killer of Charlie Kirk.

We also entered into dialogue with Nexstar regarding improved alignment of their remuneration policy. At the 2024 shareholders’ meeting, we voted against the policy and subsequently discussed potential improvements with the CFO. The outcome was a revised remuneration framework, now placing greater emphasis on absolute results rather than relative performance. Furthermore, we advocated for increased board diversity, which was achieved through the appointment of a new female director.



Marius Bakker
Portfolio Manager

Bakker: “Nexstar’s management described the content of that broadcast as inappropriate and decided to pull the show from all its local stations.” This decision, which highlighted the role of Nexstar’s board in shaping what is broadcast on its local stations, was, according to other US media, also a factor in Kimmel’s subsequent (temporary as it turned out) dismissal by ABC.³

“In our renewed contact with Nexstar, our question was not whether the content of the broadcast was right or wrong, but which processes and frameworks underpinned the decision”, says Bakker. “We wanted to know how such a call is made, who – more generally – weighs up the journalistic, societal and commercial interests, and how that is done in practice. And how are potential side effects, such as reputational damage, public criticism or political pressure, taken into account?”

Lack of transparency: the consequences

Nexstar’s Investor Relations team responded cautiously to our engagement. “We were referred to the company website and to media coverage,” says Bakker. “When we kept asking follow-up questions, the door was effectively closed: the emails did not become unpleasant, but they were extremely brief.”

Bakker: “This was not an immediate reason for us to exit our position in Nexstar, as it remained a fundamentally solid business from a financial standpoint. However, their stance did lead us to reconsider our risk assessment. Specifically, we raised Nexstar’s risk premium by 1 percentage point. This resulted in a target price that was roughly 16% lower. That reflects not only heightened operational and market risks, but also the governance and reputational risks which, in our view, stem directly from insufficient transparency around editorial decision-making.”

² As asset manager VLK IM may have investments, generally for the benefit of third parties, in financial instruments mentioned in this document and it may at any time decide to execute buy or sell transactions in these financial instruments.

³ [Disney Pulls Jimmy Kimmel's ABC Show After Charlie Kirk Remarks - WSJ](#)

Reality catches up with Nexstar

While these events unfolded in the autumn of 2025, more recent developments have further underlined the importance of transparent decision-making. Nexstar returned to the spotlight at the end of March after the Federal Communications Commission (FCC) approved its acquisition of competitor Tegna. That approval was immediately challenged in court as being detrimental to consumers. The court subsequently put the acquisition on hold, which had a direct impact on Nexstar's share price.

The role of the FCC – headed by a chair appointed by President Trump – and the ensuing legal proceedings illustrate how closely media, politics and market risk can be intertwined.

Conclusion

Our engagement with Nexstar shows that ethical frameworks in journalism – and transparency around them – are inseparable from financial value creation. Lack of clarity on decision-making and standards can materially increase a company's risk profile. For investors, clear journalistic governance is therefore not only a matter of principle, but also a financially material factor in the valuation of media companies.

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Capital at risk

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