



GTN Limited

1H17 Results Presentation

28 February 2017

Contents

01	Overview	3
02	Group financial performance	6
03	Update on growth strategy and outlook	14
A	Additional financial information	17



Today's presenters



Bill Yde (Managing Director and CEO)



Scott Cody (CFO and COO)

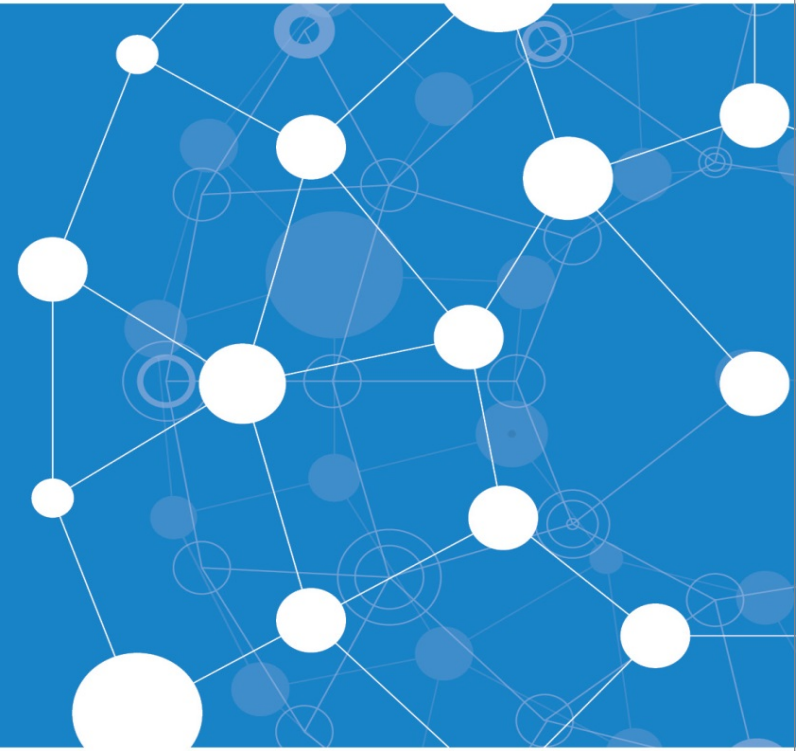


GTN

Section

01

Overview



Key highlights

GTN achieved positive revenue growth in each of its existing geographies while successfully completing the acquisition of Radiate Media

Overview of key 1H17 highlights

- ➔ Revenue growth achieved in each of GTN's core geographies (in local currency terms)
- ➔ Revenue growth underpinned by strong operational performance in GTN's core geographies
- ➔ Strong liquidity position with net debt of \$3.4 million including cash of \$96.6 million
- ➔ Successfully completed acquisition of Radiate Media and associated entitlement offer
- ➔ Integration of Radiate Media and establishment of USTN on-track with preparations for CBS contract progressing well
- ➔ GTN reaffirms FY17 forecast provided in the IPO prospectus (excluding the impact of USTN)
- ➔ Interim dividend of \$0.056 per share declared

1H17 results¹

(m)	Actual 1H17	Pro forma 1H16	% chg	Actual 1H17 (ex USTN)	% chg
Revenue	92.5	82.4	+12.3%	88.6	+7.5%
EBITDA	19.5	15.4	+26.1%	20.6	+33.5%
Adjusted EBITDA ²	23.9	15.4	+55.0%	24.8	+60.6%
NPAT	11.1	0.7	+1585%	12.5	+1793%
NPATA	13.6	8.6	+58.0%	14.8	+71.5%

Notes: (1) A reconciliation of the Pro forma to Statutory results is provided in Appendix A. (2) Adjusted EBITDA is defined as EBITDA adding back the non-cash interest income related to the long term prepaid affiliation agreement with Southern Cross Austereo which is treated as a financing transaction, transaction costs related to acquisitions and capital raising and foreign exchange gains or losses..

GTN's global advertising platform

GTN's global advertising platform is a combination of established, market leading businesses and large new market opportunities

ATN



CTN



UKTN



BTN



USTN



Population	m	23.5	35.5	64.5	206.1	350.1
Years of operation	#	20	11	8	5	1 Month
FY 2016 Revenue	A\$m	89.8	23.6	47.5	5.2	-
1H 2017 Revenue	A\$m	47.8	14.7	21.1	5.1	3.9
Number of Radio Affiliates¹	#	117	106	240	39	1,057
Number of TV Affiliates¹	#	13	6	-	-	57
GTN Radio Audience	m	12.8 ²	14.5	27.6	13.8	164.4
GTN TV Audience	m	6.2	8.5	-	-	109.5
FY16 spots inventory^{3,4}	m	789	558	1,314	110	-
FY17 forecast spots inventory^{3,4}	m	761	582	N/A	143	3,150

Source: Zenith Optimedia, World Bank. Note 1: GTN's estimate as of February 2017. US figures as at April 2017, including CBS inventory. Note 2: Excludes unrated markets, which are estimated to include over 1.4 million radio listeners. Note 3: UKTN spots estimated since sold based on impacts, which equates to 1,000 radio listener impressions per impact. Note 4: USTN inventory based only on period owned.

Section 02

Group financial performance



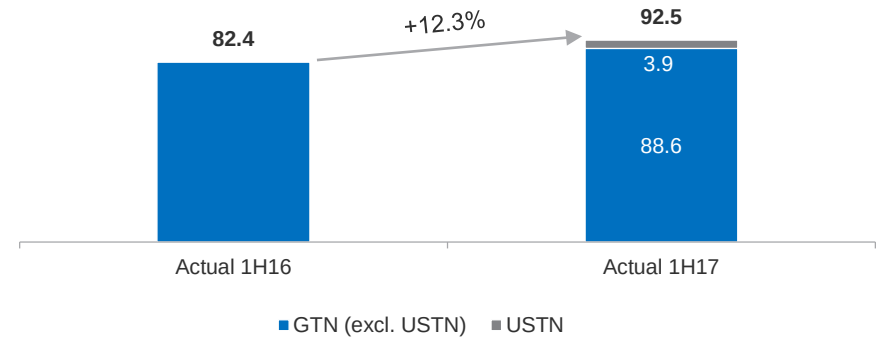
Key drivers of financial performance

GTN achieved growth in all key financial metrics in 1H17 and is on track to deliver the FY17 forecast provided in the IPO prospectus (excl. USTN)

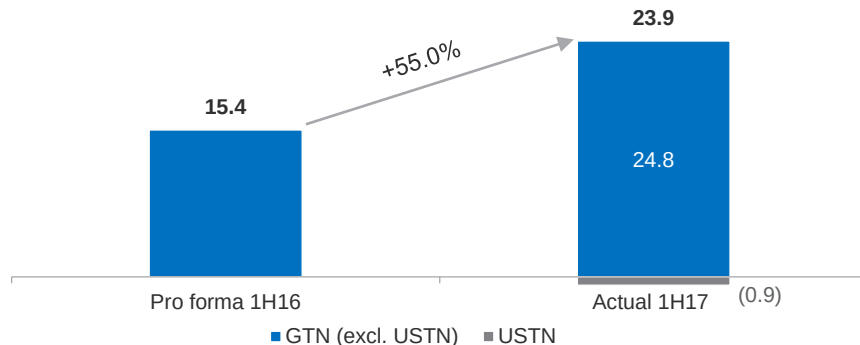
Commentary

- Revenue growth of 12.3% driven by:
 - Strong organic growth in GTN's core operating geographies of +7.5%
 - One month revenue contribution from USTN of \$3.9m
- Strong EBITDA and NPATA growth driven by revenue growth and GTN's high level of operating leverage due to its fixed cost base
- On track to deliver FY17 forecast provided in the IPO prospectus (excl. impact of USTN):
 - 50% of FY17 forecast revenue achieved in 1H17
 - 54% of FY17 forecast Adjusted EBITDA achieved in 1H17
 - 58% of FY17 forecast NPATA achieved in 1H17

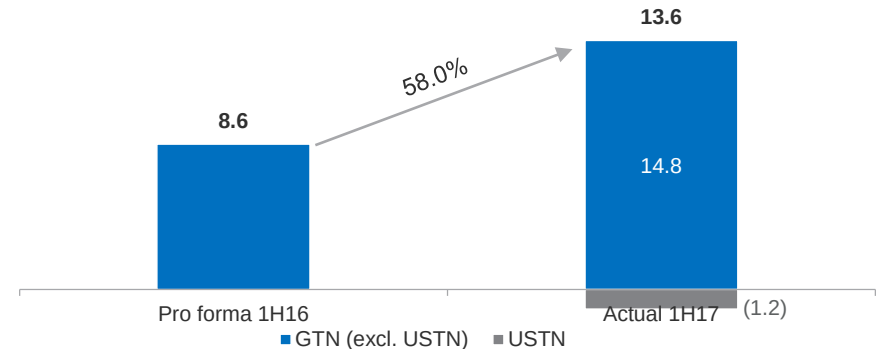
GTN Group revenue



GTN Group Adjusted EBITDA¹



GTN Group NPATA¹

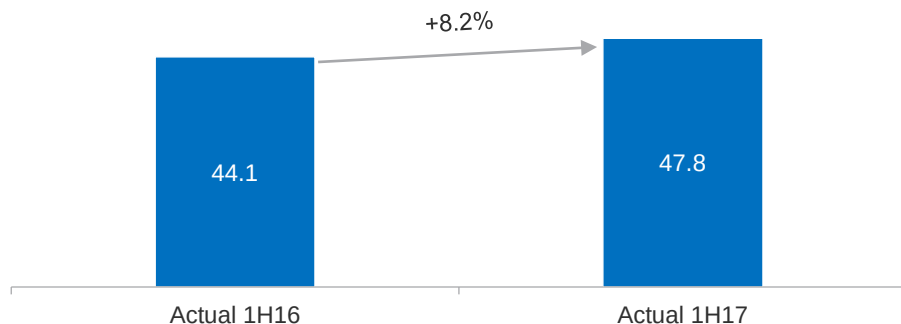


Note 1: Pro forma financial information excludes one off estimated expenses associated with the IPO and certain non-recurring FX losses on inter-company notes. Please see the IPO prospectus for further information.

ATN

ATN achieved strong revenue growth driven by an increase in spots inventory and spot rate

ATN revenue performance



Commentary

- ATN achieved revenue growth of 8.2% driven by:
 - An increase in available spots inventory
 - Increase in the radio spot rate
- DMG and ARN radio affiliation agreements successfully renewed
 - Both renewals cover Prospectus forecast period at a minimum

ATN KPIs

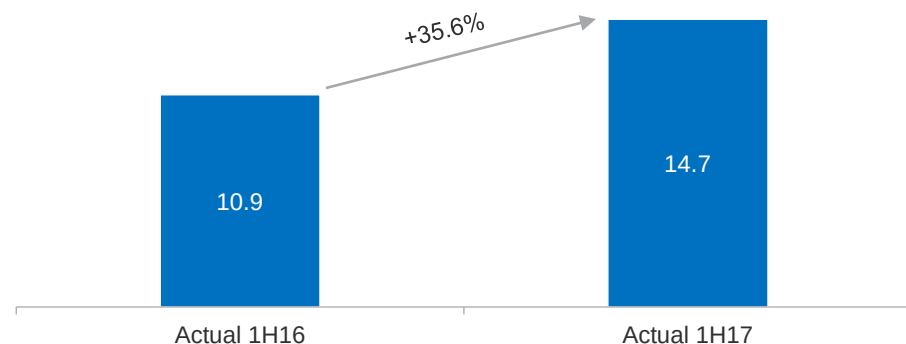
	1H16 (Actual)	1H17 (Actual)	% chg
Radio spots inventory ('000s) ¹	386	416	7.8%
Radio sell-out rate (%) ²	81%	80%	(1.0%)
Average radio spot rate (AUD) ³	133	135	1.5%

Note 1: Available radio advertising spots adjacent to traffic, news and information reports. Note 2: The number of radio spots sold as a percentage of the number of radio spots available. Note 3: Average price per radio spot sold net of agency commission.

CTN

CTN achieved strong 1H17 revenue growth underpinned by improvements across all KPIs

CTN revenue performance



Commentary

- CTN achieved strong 1H17 revenue growth as it was able to monetize the enhancements to the network in the previous periods
- Revenue growth was underpinned by growth in all of CTN's KPIs with particularly strong growth in sell-out rate
- Continue to work on adding non-affiliated radio stations in existing markets

CTN KPIs

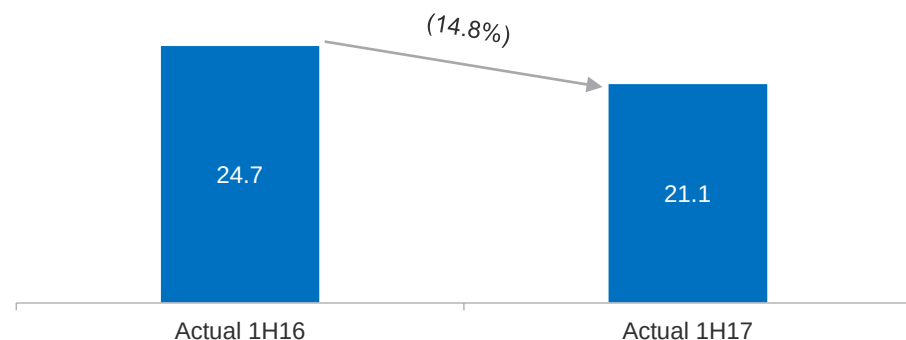
	1H16 (Actual)	1H17 (Actual)	% chg
Radio spots inventory ('000s) ¹	272	295	8.5%
Radio sell-out rate (%) ²	55%	72%	17.0%
Average radio spot rate (CAD) ³	64	66	3.1%

Note 1: Available radio advertising spots adjacent to traffic, news and information reports. Note 2: The number of radio spots sold as a percentage of the number of radio spots available. Note 3: Average price per radio spot sold net of agency commission.

UKTN

UKTN achieved 6.6% growth in local currency terms versus the previous comparable period, however was impacted by adverse movements in the GBP

UKTN revenue performance



Commentary

- UKTN revenue increased 6.6% in local currency terms, however was impacted by adverse movements in foreign exchange
- In local currency, UKTN revenue was £12.4m for 1H17 +6.6% on 1H16 (£11.7m)
- The key driver of 1H17 revenue growth was the 6.0% increase in UKTN's radio sell-out rate. UKTN is almost fully utilizing its currently available advertising inventory

UKTN KPIs

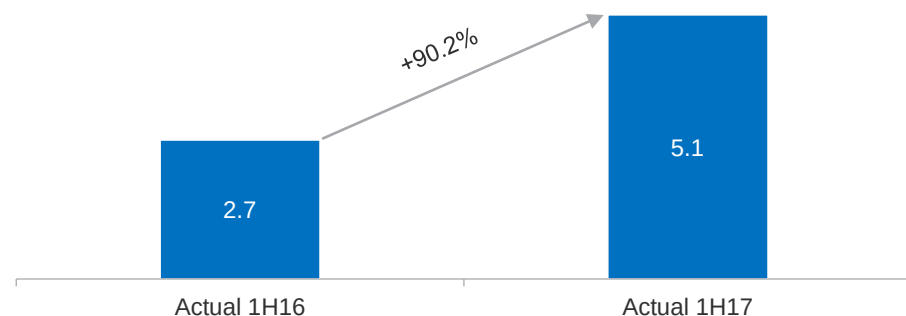
	1H16 (Actual)	1H17 (Actual)	% chg
Total radio impacts available ('000s) ¹	9,470	9,558	0.9%
Radio sell-out rate (%) ²	93%	99%	6.0%
Average radio net impact rate (GBP) ³	1.3	1.3	-%

Note 1: The UK market measures inventory and units sold based on impacts instead of spots. An impact is a thousand listener impressions. Note 2: The number of impressions sold as a percentage of the number of impressions available. Note 3: Average price per radio impact sold net of agency commission

BTN

BTN achieved strong revenue growth underpinned by an increase in spots inventory and sell-out rate

BTN revenue performance



Commentary

- Strong revenue growth in Brazil driven by:
 - Significant increase in available spots inventory
 - Improvement in sell-out rate
- Revenue growth driven by organic growth in existing markets
 - No new markets during period
 - Continue to explore the Porto Alegre market

BTN KPIs

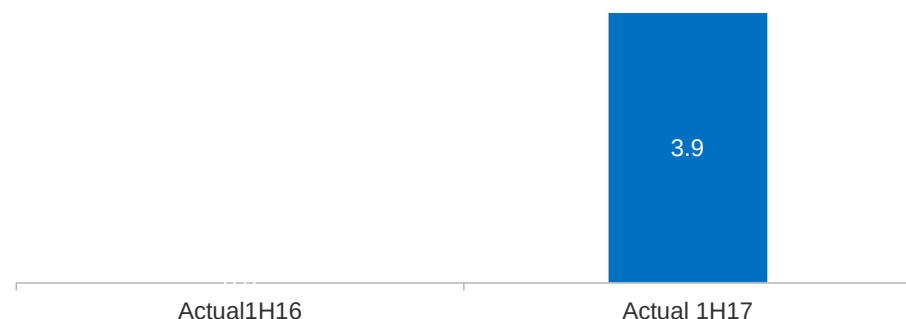
	1H16 (Actual)	1H17 (Actual)	% chg
Radio spots inventory ('000s) ¹	45	76	68.9%
Radio sell-out rate (%) ²	53%	61%	8.0%
Average radio spot rate (BRL) ³	294	274	(6.8%)

Note 1: Available radio advertising spots adjacent to traffic, news and information reports. Note 2: The number of radio spots sold as a percentage of the number of radio spots available. Note 3: Average price per radio spot sold net of agency commission.

USTN

USTN contributed one month of revenue to the 1H17 result following completion of the Radiate acquisition in December 2016

USTN revenue performance



USTN KPIs

	1H16 (Actual)	1H17 (Actual)
Radio spots inventory ('000s) ^{(1), (4)}	-	196
Radio sell-out rate (%) ^{(2), (4)}	-	88%
Average radio spot rate (USD) ^{(3), (4)}	-	13

Commentary

- GTN closed the acquisition of Radiate Media in December 2016 and has realised one month of revenue from USTN
 - Revenue does not include the impact of the CBS contract which will commence from April 2017
- Initial KPI's from Radiate business are consistent with GTN's expectations
 - High sell out rate
 - Low average spot rate
- Integration of Radiate Media into the GTN network is progressing as expected
- Preparations for the commencement of the CBS contract in April 2017 continue with significant focus on developing USTN's sales force
 - Do not expect acquisition of CBS by Entercom to have a negative impact on CBS relationship.
 - Significant relationships in place with Entercom radio stations in many markets
- GTN continues to work on adding affiliates from major U.S. radio groups to the existing USTN network

Notes: (1). Available radio advertising spots adjacent to traffic, news and information reports; (2). The number of radio spots sold as a percentage of the number of radio spots available; (3). Average price per radio spot sold net of agency commission; (4). Information is for the period of GTN's ownership only (December 2016)

Strong cash flow generation

GTN has maintained a strong liquidity position with net debt of \$3.4 million including cash balances of \$96.6 million

Summary pro forma cash flow

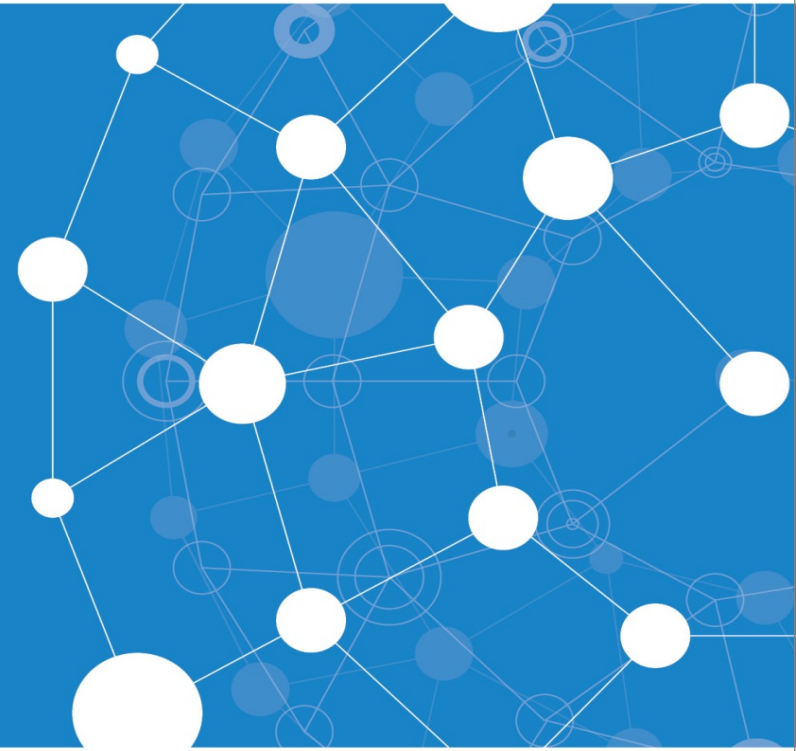
	1H17 Actual	1H16 Pro forma
Adjusted EBITDA	23.9	15.4
Non-cash items in Adjusted EBITDA	-	0.1
Change in working capital	(3.4)	(9.8)
Impact of Southern Cross Austereo Affiliate Contract	1.2	-
Operating free cash flow before capital expenditure	21.7	5.8
Capital expenditure	(2.2)	(0.9)
Net free cash flow before financing, tax, dividends and acquisition of businesses	19.5	4.9
Acquisition of Radiate Media	(22.0)	-
Net free cash flow before financing, tax and dividends	(2.5)	4.9

Commentary

- GTN is focused on maintaining a strong liquidity position to support its growth strategy
- Strong cash conversion of EBITDA driven by:
 - Relatively modest working capital requirements
 - Positive cash impact of Southern Cross Austereo prepayment arrangement
- \$1.3m increase in capital expenditures HoH driven by timing of helicopter rebuilds with 1H17 being higher than usual and 1H16 being below average
- Dividend reinvestment plan (“DRP”) implemented for 1H17
 - The DRP will be offered with a 2.5% discount
 - It is anticipated that the DRP will be underwritten
- Net debt \$3.4 million (including cash balance of \$96.6 million)
 - Driven by \$58.6 million of net cash proceeds from entitlement offer completed in December 2016 and strong cash generation

Section 03

Update on growth strategy and outlook



Outlook for FY17

GTN is focused on executing its growth strategy in each jurisdiction, including the U.S. following the acquisition of Radiate Media

Outlook for FY17

- ➔ GTN reaffirms the FY17 forecast as per its IPO Prospectus excluding any impact of the Radiate Media acquisition and GTN's United States operations and assuming the continuation of current market conditions, including no further adverse movements in FX rates
- ➔ GTN will continue to execute its growth strategy in each of its operating regions, including by continuing to focus on organic growth in each of its four original operating jurisdictions

Update on US expansion strategy

- Acquisition of Radiate Media successfully completed with 1 month of revenue recorded
 - Current operational performance is consistent with GTN's expectations
 - Business re-launched as the United States Traffic Network "**USTN**"
- GTN and USTN management is focused on preparations for the commencement of the CBS affiliate agreement:
 - Investment in the U.S. sales force
- Number of additional stations have been added to the network since 31 December 2016 and negotiations continue with additional station groups
- As stated previously, GTN expects the Radiate Media acquisition and its United States operations to generate a net loss during FY17

U.S. expansion strategy

Acquiring Radiate was the first step in executing GTN's broader United States expansion strategy

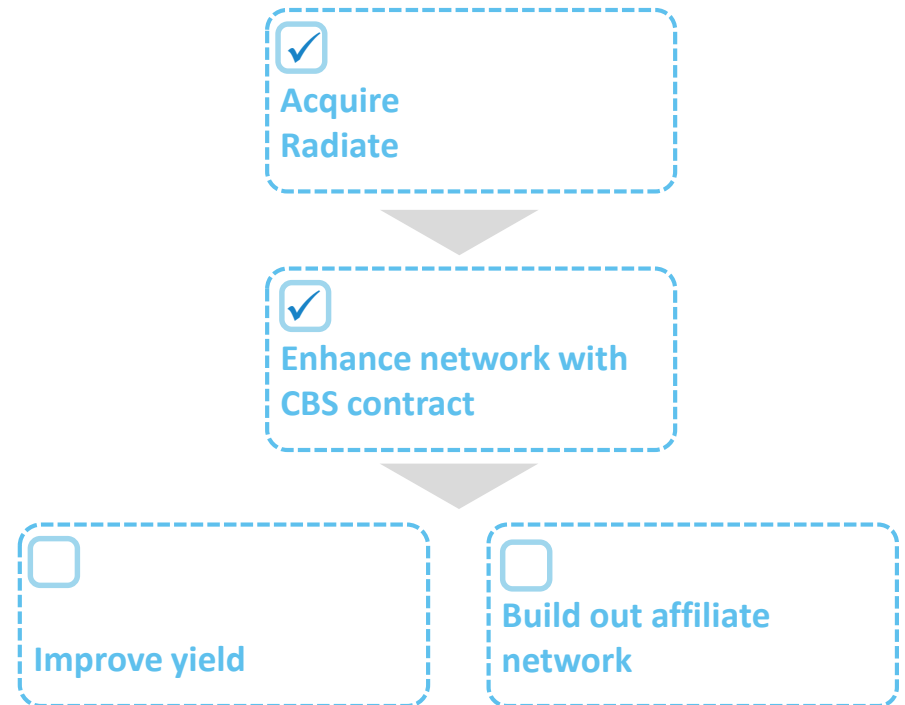
Two key priorities in maximising the US opportunity:

A Increase audience

- Monetise the value of an enlarged network created via addition of CBS and other affiliates
- Continue to build out affiliate network in U.S.
 - Increase spots inventory
 - Increase audience reach, which increases value of network to advertisers

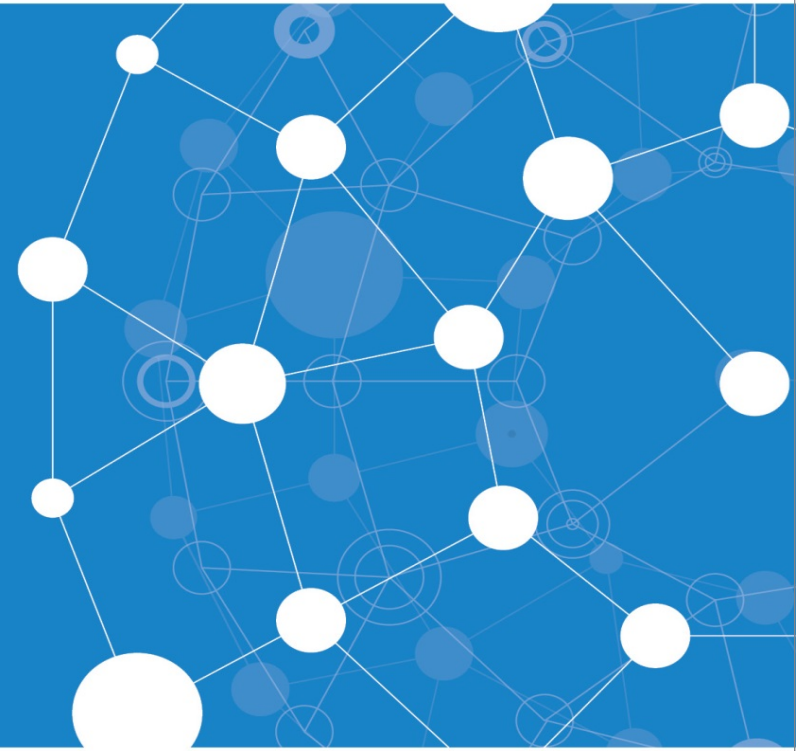
B Improve yield

- Large portion of spots are currently sold at significant discount to traditional radio spots
- Invest in a salesforce that can articulate value proposition on large scale
- Target advertisers directly and articulate premium offering to drive improvements in yield across the portfolio



Appendix A

Additional financial information



Reconciliation of pro forma to statutory results

Reconciliation of EBITDA and Adjusted EBITDA to Profit before income tax

(\$m)	1H FY2017 Actual	1H FY2016 Pro Forma
Profit before income tax	16.5	1.7
Depreciation and amortization	(4.7)	(11.9)
Finance costs	(2.7)	(2.0)
Interest on bank deposits	0.1	0.2
Interest income on long-term prepaid affiliate contract	4.3	-
EBITDA	19.5	15.4
Interest income on long-term prepaid affiliate contract	4.3	-
Transaction expenses	(0.3)	-
Net F/X gain (losses)	0.1	-
Adjusted EBITDA	23.9	15.4

Reconciliation of Net profit after tax (NPAT) to NPATA

Profit (NPAT)	11.1	0.7
Amortization of intangible assets (tax effected)	2.5	8.0
NPATA	13.6	8.6

Reconciliation of pro forma to statutory results

Pro forma adjustments to the Statutory NPAT

(\$m)	1H FY 2016 Actual
Statutory NPAT	(7.0)
IPO transaction costs expensed	1.1
Public company costs	(0.4)
Net interest adjustment	0.9
Unrealised foreign exchange (gains)/losses	7.5
Offer related remuneration adjustments	(0.2)
Other adjustments	0.3
Tax effect of pro forma adjustments	(1.5)
Pro forma NPAT	0.7

Disclaimer and important information



The information contained in this document is general background information about GTN Limited (ACN 606 841 801) (the “**Company**”) and its activities as at the date of this document. It is in summary form and does not purport to be complete. It should be read in conjunction with the Company’s other periodic and continuous disclosure announcements. It is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of individual investors. These should be considered, with or without professional advice, before deciding if an investment in the Company is appropriate.

The information contained in this document may include information derived from publicly available sources that has not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information in this document or any assumptions on which it is based.

All amounts are in Australian dollars unless otherwise indicated.

This document may contain forward-looking statements, including the Company’s expectations about the performance of its business. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believe”, “estimate”, “plan”, “project”, “anticipate”, “expect”, “intend”, “likely”, “may”, “will”, “could” or “should” or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company and which may cause actual results to differ materially from those expressed or implied in such statements. Readers are cautioned not to place undue reliance on any forward-looking statements. Actual results or performance may vary from those expressed in, or implied by, any forward-looking statements. Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements. The Company does not undertake to update any forward-looking statements contained in this document, to the maximum extent permitted by law.

Certain financial information in this document is prepared on a different basis to the Company’s Annual Financial Report, which is prepared in accordance with Australian Accounting Standards. Where financial information presented within this document does not comply with Australian Accounting Standards, a reconciliation to the statutory information is provided.