



GTN Limited

Conference Presentation

3 May 2018

Today's presenter

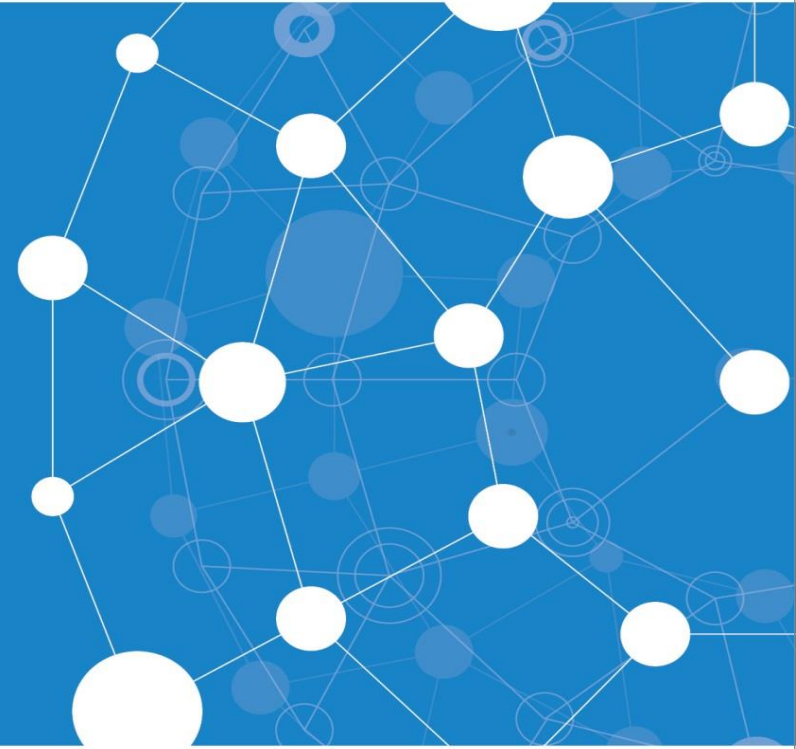


Bill Yde (Managing Director and CEO)

- Over 35 years of experience in the radio and media industry
- Co-founded The Australia Traffic Network ("ATN") in 1997, later co-founding GTN and has served as Chief Executive Officer and President since its inception in 2005.
- Prior to forming ATN founded Wisconsin Information Systems, Inc. (trading as the Milwaukee Traffic Network) in 1994, and expanded its operations to create traffic networks in Milwaukee, Oklahoma City, Omaha and Albuquerque before the business was sold to Metro Networks, Inc. (now part of iHeartMedia, Inc.).

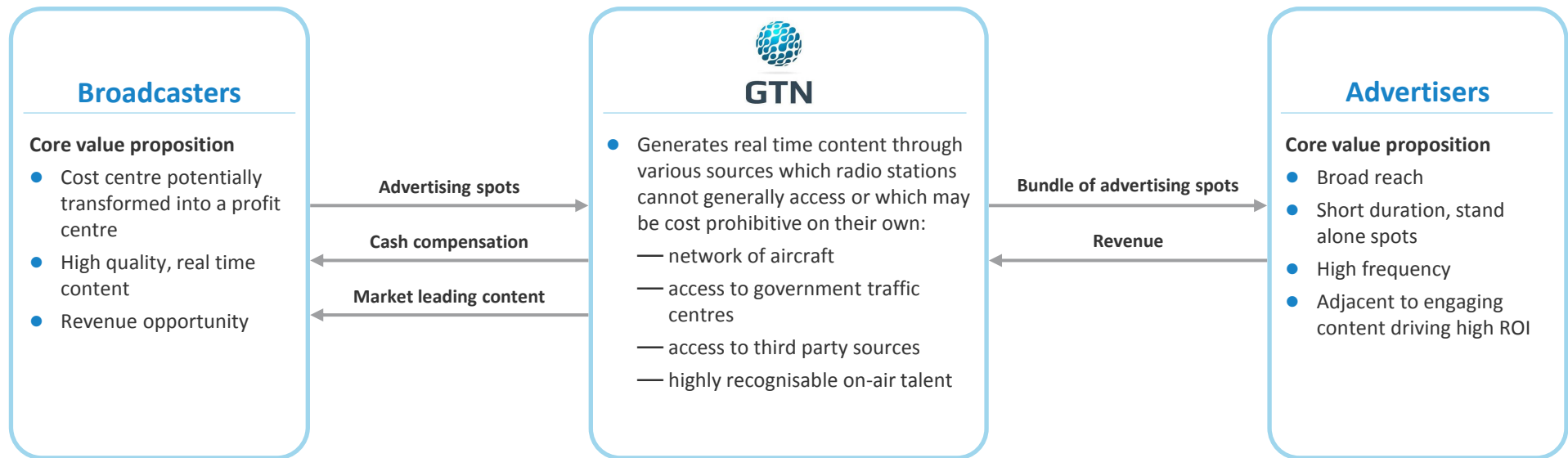
Section 01

Overview of GTN



A unique business model

GTN's unique business model seeks to provide value for both broadcasters and advertisers. GTN has successfully replicated this model in all of its current operating jurisdictions



- Provide high-quality reports to broadcasters with accurate and timely information
- Advertising spots are obtained in exchange for information reports and in certain cases, cash compensation
- Advertising is sold on a network basis – spots are bundled together and sold on national, regional or specific-market basis
- GTN's bundled sale across the Affiliate network enables GTN to sell spots at a higher rate than many individual broadcaster could sell the spots themselves

Value for advertisers

Platform enables advertisers to make a single, cost effective, high impact advertising buy with broad reach

Large platform and effective format designed to maximise advertisers' ROI

1

Broad reach, covering a large number of high value demographics

- Reach large number of high value demographics
- Audience consistency – less exposed to ratings swings
- Primarily aired during morning and afternoon commute period (peak audience)
- Spots sold on a national, regional or specific market basis

2

High audience engagement

- Stand alone advertisements
- Adjacent to engaging reports
- Short duration (typically 10 seconds)
- Read live by well-known personalities

3

Delivers high ROI for advertisers

- Reach, frequency and engagement combine to maximise efficacy of ads
 - Enhance recall
 - Minimise switching

Embedded within broadcasters' business models

GTN becomes embedded in broadcasters' operations, particularly by converting a cost centre into a profit centre, demonstrated by long-standing relationships with a large number of Affiliates

Strong value proposition to broadcasters

- Cost centre potentially transformed into profit centre
 - Elimination of non-core operating cost
 - Stable, recurring cash flow through station compensation
- GTN can sell spots at a higher rate than many individual broadcasters
- High quality reports
- Tailored content

Established positions within the operations of Affiliates

- Multi-year affiliate contracts covering all Affiliate stations in the relevant market
- Staggered contract expiries impede prospective competitors from building out a national network to compete

Large Affiliate network

- Consistently grown Affiliate network across its operating geographies
 - ~525 radio Affiliates
 - ~18 TV Affiliates

Long term relationships with Affiliates

- Some contracts date back to 1997 and have been renewed multiple times
- Long track record of renewing contracts

Affiliate contract tenure

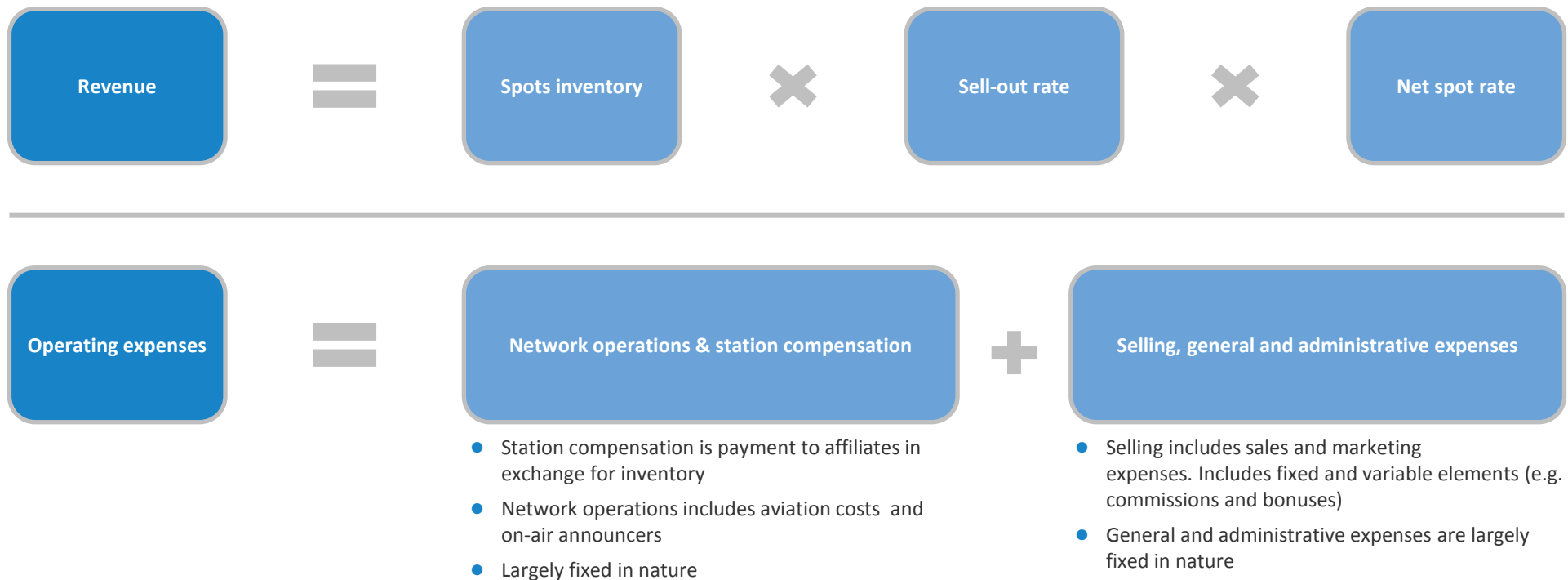
(seven major radio broadcasters globally)

Austereo	10+ years
ARN	10+ years
DMG/Nova	10+ years
Fairfax	10+ years
Global	10 years
Bauer	10+ years
Corus	10+ years

- Secured 30 year affiliate contract with Southern Cross Austereo in 2016

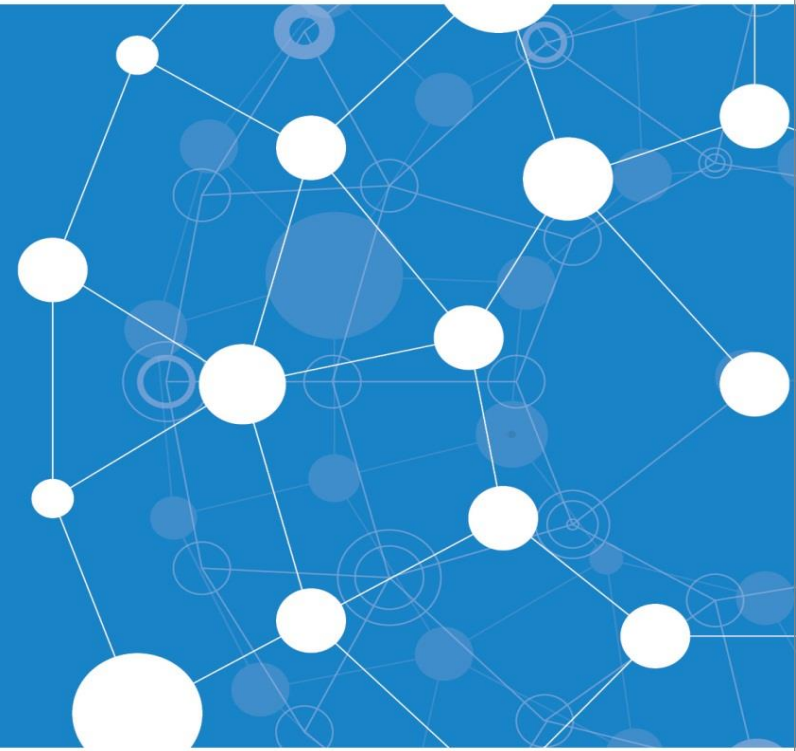
GTN business model

GTN has demonstrated (in multiple geographies) the ability to achieve revenue growth and margin improvement once a national platform is established, whilst maintaining a relatively constant cost base



Section 02

Recap on the 1H18 Result



Key highlights – 1H18

GTN achieved positive revenue growth in Australia, Brazil and Canada.

Key 1H18 highlights

- ➔ Revenue growth achieved in Australia, Brazil and Canada (in local currency and AUD)
- ➔ Revenue growth underpinned by strong operational performance in GTN's core geographies
- ➔ Strong liquidity position with net debt of \$18.7 million including cash of \$81.3 million as of 31 December 2017
- ➔ Exited the United States market in March 2018 via sale of United States Traffic Network LLC
- ➔ All operating geographies now generate positive EBITDA
- ➔ Earnings per share from continuing operations for 1H18 \$0.061 per share
- ➔ Repaid \$35 million of outstanding debt in April 2018

1H18 results¹

(m)	Actual 1H18	Actual 1H17	% chg
Revenue	93.2	88.6	+5.1%
EBITDA	20.4	20.6	(1.0)%
Adjusted EBITDA ²	24.7	24.8	(0.5)%
NPAT	13.6	12.5	+9.5%
NPATA	15.8	14.8	+6.6%

Notes: (1) Continuing operations exclude GTN's United States operations which were sold in March 2018. (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.

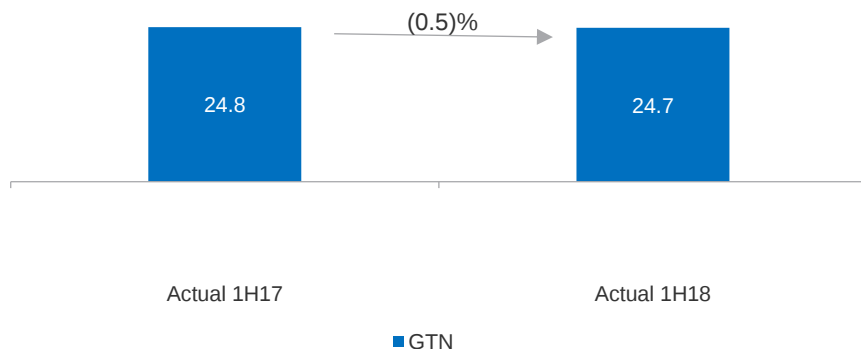
Overview of 1H18 financial performance

GTN continuing operations achieved growth in key financial metrics (revenue, NPAT, NPATA) in 1H18¹

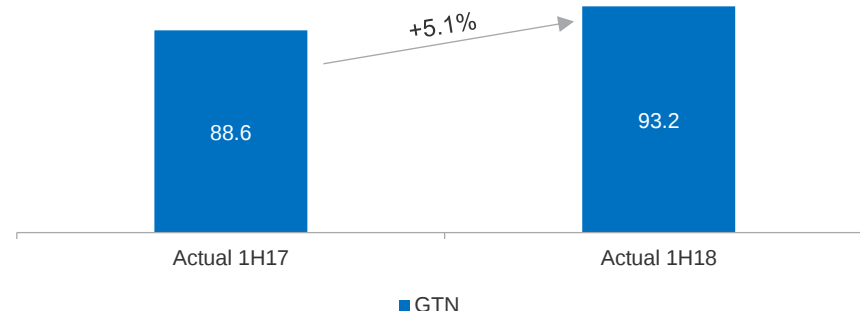
Commentary

- Revenue growth of 5.1% driven by:
 - Solid organic growth in GTN's core operating geographies Australia, Brazil and Canada.
- NPAT and NPATA growth in excess of revenue growth
- Small decline in EBITDA and Adjusted EBITDA primarily due to station compensation
 - Several multi-year core affiliate renewals

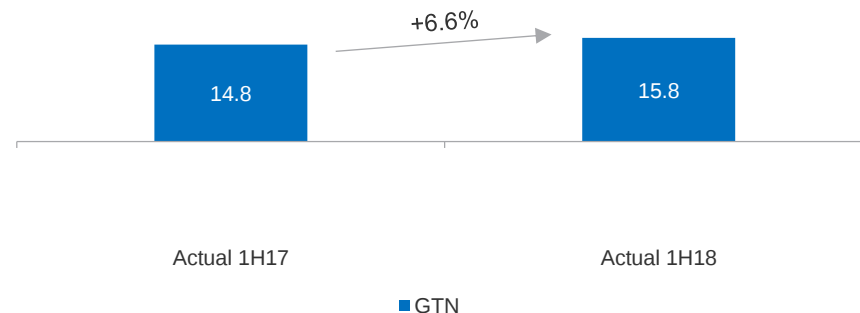
GTN Group Adjusted EBITDA



GTN Group revenue



GTN Group NPATA

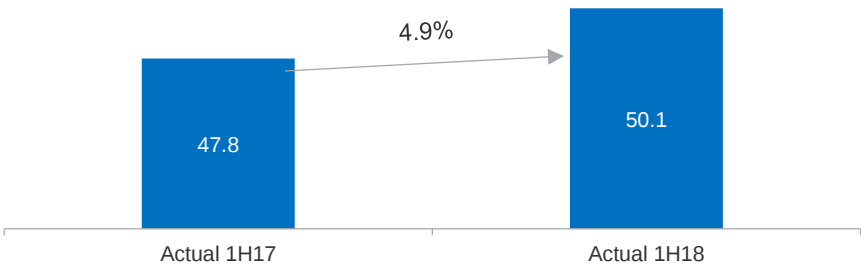


Note 1: Continuing operations exclude GTN's United States operations which were sold in March 2018.

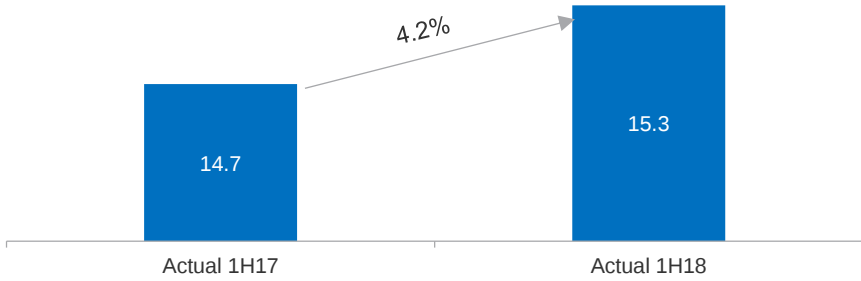
Drivers of 1H18 financial performance - Revenue

Strong revenue growth across majority of GTN’s core existing geographies underpinned a solid 1H18 result

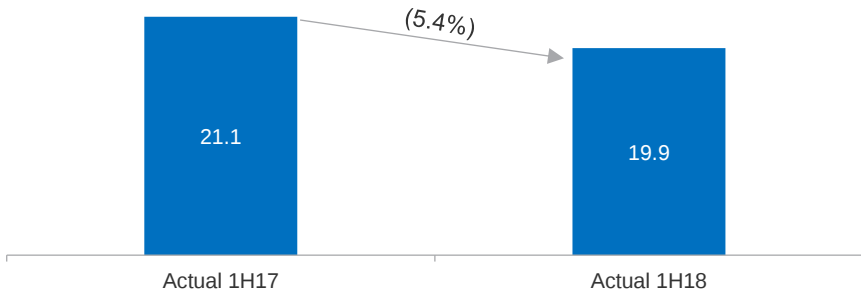
ATN revenue performance



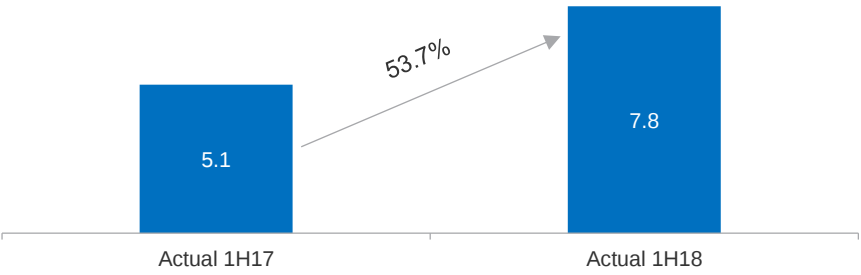
CTN revenue performance



UKTN revenue performance



BTN revenue performance



Drivers of financial performance - KPIs

The revenue result in each of GTN's core geographies was underpinned by strong inventory growth across all markets

ATN KPIs

	1H17 (Actual)	1H18 (Actual)	% chg
Radio spots inventory ('000s) ¹	416	472	13.5%
Radio sell-out rate (%) ²	80%	73%	(7.0)%
Average radio spot rate (AUD) ³	135	138	2.2%

UKTN KPIs

	1H17 (Actual)	1H18 (Actual)	% chg
Total radio impacts available ('000s) ⁴	9,558	9,721	1.7%
Radio sell-out rate (%) ⁵	99%	95%	(4.0)%
Average radio net impact rate (GBP) ⁶	1.3	1.3	-%

CTN KPIs

	1H17 (Actual)	1H18 (Actual)	% chg
Radio spots inventory ('000s) ¹	295	325	10.2%
Radio sell-out rate (%) ²	72%	67%	(5.0)%
Average radio spot rate (CAD) ³	66	68	3.0%

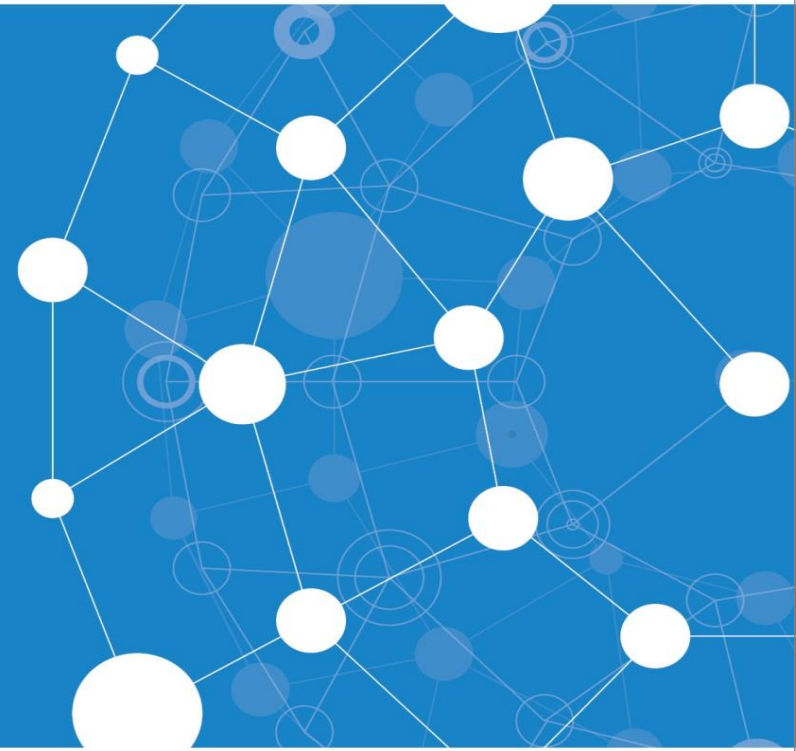
BTN KPIs

	1H17 (Actual)	1H18 (Actual)	% chg
Radio spots inventory ('000s) ¹	76	98	28.9%
Radio sell-out rate (%) ²	61%	74%	13.0%
Average radio spot rate (BRL) ³	274	274	-%

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. Note 4: The UK market measures inventory and units sold based on impacts instead of spots. An impact is a thousand listener impressions. Note 5: The number of impressions sold as a percentage of the number of impressions available. Note 6: Average price per radio impact sold net of agency commission.

Section 03

Update on growth strategy and outlook



GTN's global advertising platform

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



Population	m	23.5	35.5	64.5	206.1
Years of operation	#	21	12	9	6
1H18 Revenue	A\$m	50.1	15.3	19.9	7.8
1H17 Revenue⁴	A\$m	47.8	14.7	21.1	5.1
Number of Radio Affiliates¹	#	125	108	247	44
Number of TV Affiliates¹	#	13	5	-	-
GTN Radio Audience	m	10.9 ²	14.4	27.5	14.5
GTN TV Audience	m	5.6	8.4	-	-
1H18 spots inventory³	m	472	325	N/A	98
1H17 spots inventory³	m	416	295	N/A	76

Source: Note 1: GTN's estimate as of February 2018. Note 2: Excludes unrated markets, which are estimated to include over 1.4 million radio listeners. Note 3: UKTN spots N/A since sold based on impacts, which equates to 1,000 radio listener impressions per impact.

GTN has generated consistently high growth in revenue and Adjusted EBITDA⁽¹⁾

	Year ended June 30, 2015	Year ended June 30, 2016	Year ended June 30, 2017	CAGR
Net revenue	153,484	166,136	178,537	7.9%
Adjusted EBITDA ⁽²⁾⁽³⁾	28,598	34,646	48,856	30.7%

(1) Results based on continuing operations

(2) June 30, 2015 and June 30, 2016 results are pro forma. See Appendix A for reconciliation to statutory results

(3) Adjusted EBITDA is defined as EBITDA from continuing operations 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.

Key drivers of growth

Recent success in Canada and Brazil has validated the GTN model in offshore jurisdictions. Canada and Brazil represent substantial growth opportunities for GTN going forward



Years of operation	#	12	6
Radio Audience¹	m	14.4	14.5
Growth stage	• Established network • Significant audience penetration across key population centres		• Developing network • Low geographic penetration • Growing audience penetration in highly fragmented core markets
Growth focus	• Add remaining unaffiliated radio stations in current markets • Monetise existing network • Increase sales and advertiser base • Increase spot yield		• Complete networks in current markets • Open additional markets • Grow network of affiliates to establish national/regional network • Grow advertiser base
Revenue growth (1H18vs 1H17)²		4.2%	53.7%
EBITDA growth (1H18vs 1H17)²		+22% from \$3.2m to \$3.9m	+292% from \$442k to \$1.7m
Key recent developments		Renewed Corus and Bell groups for multiple years	Opened Porto Alegre and Salvador markets in FY18
Key KPIs (1H18vs 1H17)		Spots inventory of 325k (+10%)	Spots inventory of 98k (+29%)

Note 1: GTN's estimate as of February 2018. Note 2: See segment information in 1H2018 report.

GTN growth cycle: Revenue follows audience

Additional affiliates typically result in a net cost to the business until additional inventory is monetised

Phase 1: Expand affiliate network & audience

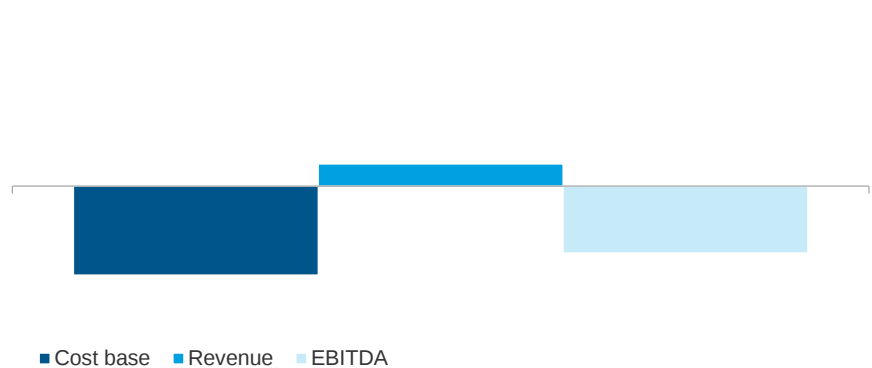
- Sign new affiliate
- Receive additional inventory
- Increase audience reach
- Station compensation payable

Phase 2: Monetise network

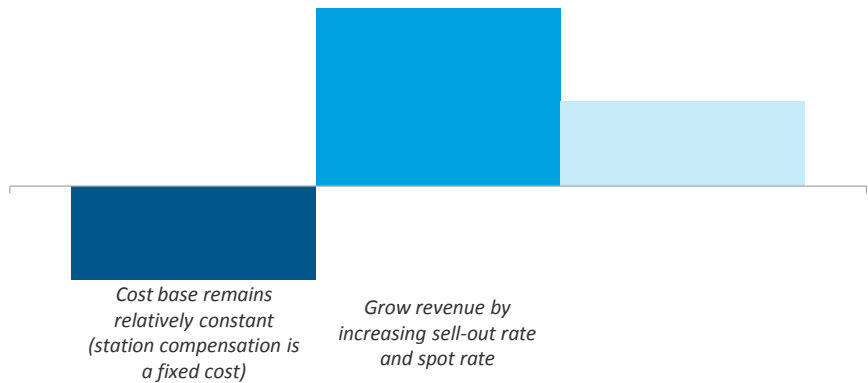
- Sell additional inventory
- Increase yield by leveraging broader audience
- Improve margins

Illustrative financial profiles

Phase 1: Expand affiliate network (station compensation payable)



Phase 2: Monetise network (sell inventory and increase yield)



GTN growth strategy – Australia/Brazil/Canada/United Kingdom

Management are focused on capitalising on the strong growth outlook in all markets



Australia

- Focus on continuing to out-pace the Australia media advertising market by continually educating advertisers as to the value of ATN's broad reach and effectiveness



Brazil

- Local management continues to focus on investing in BTN's affiliate network to strengthen the product offering and drive continued growth in revenue and EBITDA
- In July 2017, BTN began operations in Porto Alegre
- In February 2018, BTN began operations in Salvador, our fifth market in Brazil
- Continue to explore opportunities to open additional markets



Canada

- CTN continues to benefit from the significant strengthening of its radio affiliate network through FY16/17
- Management is focused on monetising the network by increasing sell-out and spot rate
- Continue to explore opportunities to fill any holes in existing affiliate line-up

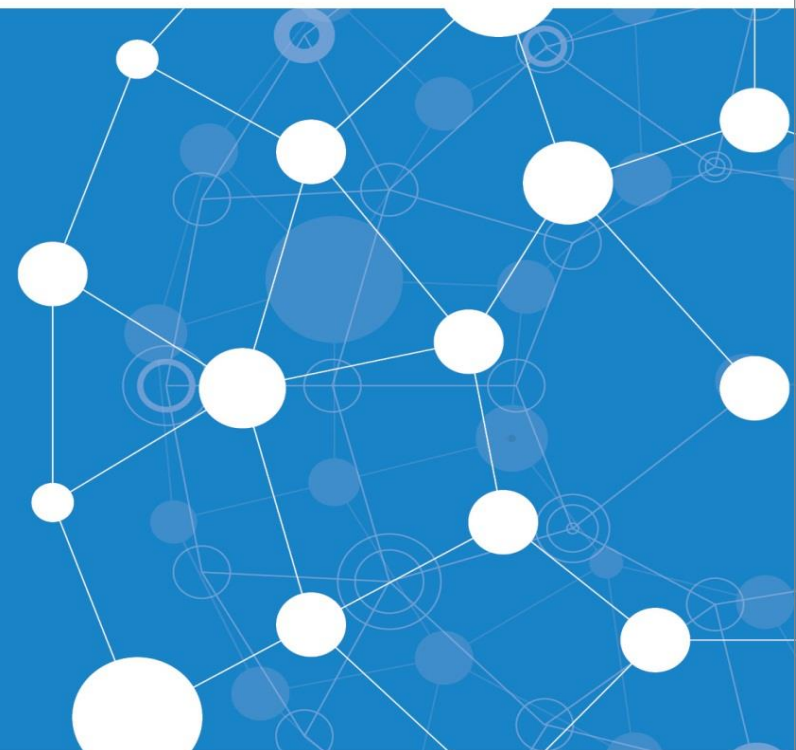


United Kingdom

- Focus on maintaining cash flow stream from mature market with excellent station affiliate line-up and significant inventory available for sale

Appendix A

Additional financial information



Reconciliation of non-IFRS measurements back to IFRS

EBITDA, Adjusted EBITDA & NPATA

Reconciliation of EBITDA and Adjusted EBITDA to Profit before income tax

(\$m) ¹	1H FY2018 ² Actual	1H FY2017 ² Actual
Profit before income tax	17.6	17.9
Impairment charge	-	-
Depreciation and amortization	(4.7)	(4.5)
Finance costs	(2.6)	(2.7)
Interest on bank deposits	0.2	0.2
Interest income on long-term prepaid affiliate contract	4.2	4.3
EBITDA	20.4	20.6
Interest income on long-term prepaid affiliate contract	4.2	4.3
Transaction expenses	-	-
Net F/X gain (losses)	(0.1)	0.1
Adjusted EBITDA	24.7	24.8

Reconciliation of Net profit after tax (NPAT) to NPATA

Profit (NPAT)	13.6	12.5
Amortization of intangible assets (tax effected)	2.1	2.3
Impairment charge	-	-
NPATA	15.8	14.8

Note 1: Amounts in tables may not add due to rounding. Note 2: Continuing operations exclude GTN's United States operations which were sold in March 2018.

Annual Pro Forma Income Statement FY2013-FY2017A

Pro Forma Historical Results for FY2013 – FY2017

A\$'000s	Pro Forma Historical Results				
	FY2013	FY2014	FY2015	FY2016	FY2017 ¹
Revenues	125,004	138,049	153,484	166,136	178,537
Network operations and station compensation	(82,391)	(85,916)	(93,950)	(101,919)	(101,571)
Selling, general and administrative expenses	(25,050)	(27,666)	(30,936)	(33,152)	(36,581)
Net FX losses on borrowings	-	-	-	-	(228)
Operating expenses	(107,441)	(113,582)	(124,886)	(135,071)	(138,380)
EBITDA	17,563	24,467	28,598	31,065	40,157
Interest income on SCA Supply Agreement	-	-	-	3,581	8,471
Transaction costs	-	-	-	-	-
Net FX losses on Borrowings	-	-	-	-	228
Adjusted EBITDA	17,563	24,467	28,598	34,646	48,856
Depreciation	(2,645)	(2,485)	(2,494)	(2,549)	(3,112)
Amortisation	(20,353)	(20,743)	(20,897)	(17,382)	(6,217)
Adjusted EBIT	(5,435)	1,239	5,207	14,715	39,527
Other interest income	358	463	514	244	487
Interest expense	(6,827)	(5,822)	(5,162)	(5,164)	(5,235)
Net profit/(loss) before tax	(11,904)	(4,120)	559	9,795	34,551
Tax (expense)/benefit	2,742	755	(3,523)	(4,043)	(6,379)
NPAT	(9,162)	(3,365)	(2,964)	5,753	28,172
Amortisation (tax effected)	15,075	14,907	15,511	13,013	4,320
NPATA	5,913	11,542	12,547	18,766	32,492

Note 1: Continuing operations exclude GTN's United States operations which were sold in March 2018.

Reconciliation of pro forma to statutory results

Pro forma adjustments to the Actual Statutory Historical Results

A\$'000s	FY2013	FY2014	FY2015	FY2016	FY2017 ¹
Statutory NPAT	(19,606)	(1,464)	(18,169)	(17,234)	28,172
1 Pro forma impact of historical divestment	3,085	-	-	-	-
2 IPO transaction costs expensed	-	-	583	6,755	-
3 Public company costs	(782)	(782)	(782)	(717)	-
4 Net interest adjustment	-	-	-	2,996	-
5 Unrealised foreign exchange (gains)/losses	9,825	(3,234)	17,287	5,461	-
6 Offer related remuneration adjustments	423	189	627	6,901	-
7 Other adjustments	1,057	1,182	1,880	635	-
8 Tax effect of pro forma adjustments	(3,164)	744	(4,390)	956	-
Pro forma NPAT	(9,162)	(3,365)	(2,964)	5,753	28,172

Note 1: Continuing operations exclude GTN's United States operations which were sold in March 2018

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All amounts are in Australian dollars unless otherwise indicated.

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