



GTN Limited

AGM Presentation

November 2018

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Today's presenters



Robert Loewenthal (Chairman)



Bill Yde (Managing Director and CEO)

Our Board of Directors



Robert Loewenthal
Chairman

- Over 10 years of experience in the radio industry
- Currently operates private corporate advisory and consulting business, Free Trade Hall and is the founder of Whooshkaa Podcasting Platform
- Previously held the role of Managing Director of Macquarie Radio Network, where he also acted as Chief Operating Officer and company secretary



William Yde III ("Bill")
Managing Director and CEO

- Over 34 years of experience in the radio and media industry
- Co-founded ATN in 1997 and later co-founded Global Traffic Network and served as Chairman, CEO and President since its inception in 2005
- Previously founded Wisconsin Information Systems

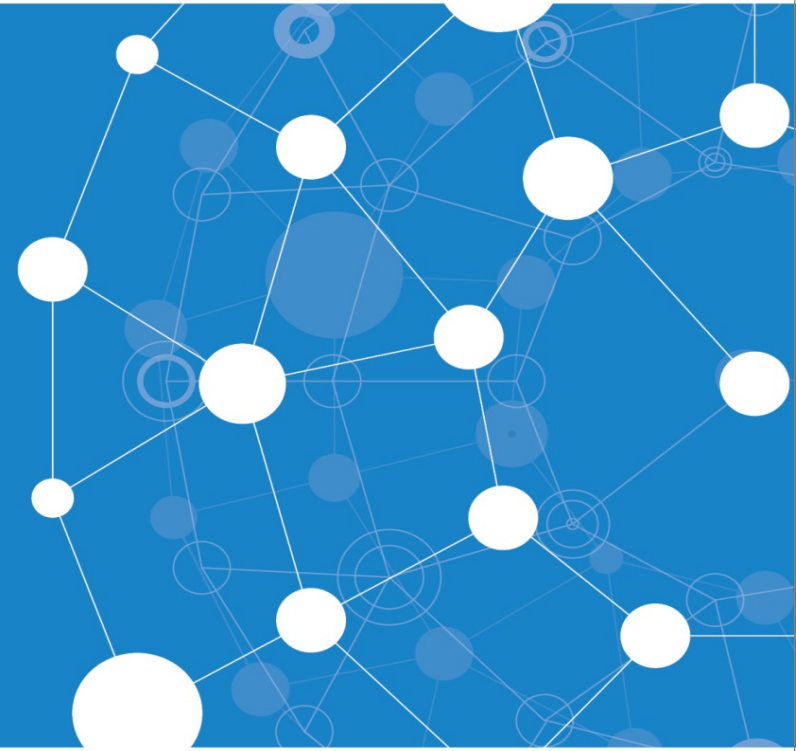


David Ryan AO
Director

- Over 40 years of experience in commercial banking, investment banking and operational business management
- Currently Chairman of Sunshine Coast Destination, a Director of GetSwift, First American Title Insurance Company of Australia, First Mortgage Services, Sunshine Coast Airport, and a board member of Sunshine Coast Events
- Previously held positions as Director of Lendlease Corporation, Aston Resources and Transurban Holdings

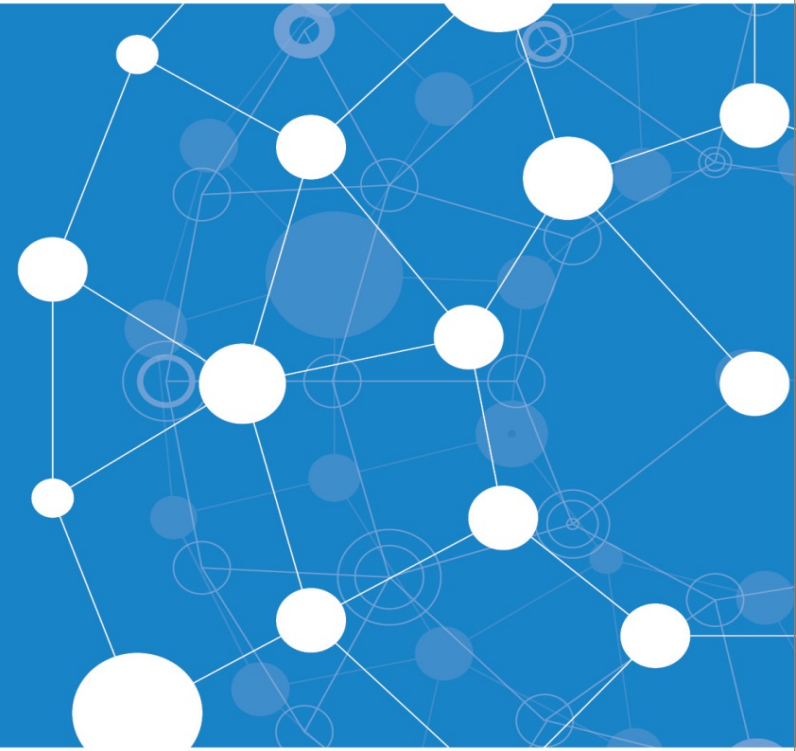
Section 01

Chairman's Address – Robert Loewenthal



Section 02

CEO's address – Bill Yde



FY2018 recap – Financial information – Profit or Loss Statement

GTN's FY2018 results showed strong Adjusted EBITDA on 4.4% revenue increase from continuing operations

Key Highlights



FY18 results from continuing operations

- Adjusted EBITDA of \$48.1 million (-1% on FY17)
- NPATA of \$29.2 million (-10% on FY17)
 - NPAT & NPATA impacted by higher tax expense. FY17 included \$5.0 million tax benefit from recognition of CTN deferred tax assets that had previously not been recognized



FY18 revenue underpinned by positive operating results across all four geographies

- All regions reported revenue increase over FY17 in AUD



Strong liquidity position with net debt (after cash) of \$7.8 million

- Final dividend of 11.0cps (70% franked) paid 28 September 2018



Exited United States market in March 2018

- Concluded that revenue opportunity in the short and medium term was unlikely to support the significant operating costs

A\$m ⁽³⁾	FY18 ⁽¹⁾	FY17 ⁽¹⁾	% Difference
Revenue	185.0	177.3	4.4%
EBITDA	39.7	40.2	(1.2)%
Adjusted EBITDA ⁽²⁾	48.1	48.9	(1.5)%
NPAT	24.8	28.2	(11.9)%
NPATA	29.2	32.5	(10.2)%
NPATA per share (\$)	\$0.13	\$0.15	(14.6)%

Notes: (1) All amounts are from continuing operations unless otherwise noted. (2) Adjusted EBITDA is EBITDA adjusted to include the non-cash interest income arising from the Southern Cross Austereo Affiliate Contract and exclude transaction costs and foreign exchange gains/losses. (3) All figures in A\$m unless otherwise stated. Amounts in tables may not add due to rounding. Percentage changes are based on actual amounts prior to rounding.

FY2018 recap – Financial information – Statement of Financial Position

Strong liquidity position.

Net debt (debt less cash balances) of \$7.8 million. Total Gearing to Adjusted EBITDA of 0.16x

Historical balance sheet (30 June 2018)

	2018	2017
	\$'000	\$'000
Current Assets		
Cash and cash equivalents	52,232	100,727
Trade and other receivables	38,681	53,678
Current tax assets	957	-
Other current assets	1,827	4,842
Current assets	93,697	159,247
Non-current Assets		
Property, plant and equipment	6,335	6,768
Intangible assets	58,009	85,221
Goodwill	96,193	97,997
Deferred tax assets	3,916	4,679
Other assets	97,215	98,244
Non-current assets	261,668	292,909
Total assets	355,365	452,156
Current Liabilities		
Trade and other payables	28,346	57,613
Deferred revenue	450	5,430
Current tax liabilities	338	683
Provisions	1,341	1,167
Current liabilities	30,475	64,893
Non-current Liabilities		
Trade and other payables	69	66
Financial liabilities	58,294	97,569
Deferred tax liabilities	17,443	16,796
Derivatives	-	5
Other liabilities	37	77
Provisions	349	409
Non-current liabilities	76,192	114,922
Total liabilities	106,667	179,815
Equity		
Share capital	444,981	444,981
Reserves	6,540	4,295
Accumulated losses	(202,823)	(176,935)
Total equity	248,698	272,341

Summary cash flow ⁽¹⁾

\$Am	FY18	FY17
Adjusted EBITDA	48.1	48.9
Non-cash items in Adjusted EBITDA	0.7	0.1
Change in working capital	(2.8)	(1.2)
Impact of Southern Cross Austereo Affiliate Contract	2.0	3.5
Operating free cash flow before capital expenditure	48.0	51.3
Capital expenditure	(3.3)	(3.3)
Net free cash flow before financing, tax and dividends	44.6	48.0

Commentary

- Strong liquidity position with net debt of \$7.8m
 - \$52.2m cash and \$60m of drawn debt
 - \$15m unutilized debt line available
- Final dividend of 11.0 cps paid 28 September 2018 (70% fully franked) (100% of NPAT from continuing operations)

(1) From continuing operations only

FY2018 recap – KPIs

GTN's FY18 revenue result was underpinned by positive operating results across key geographies

GTN operational KPIs (by geographic segment)

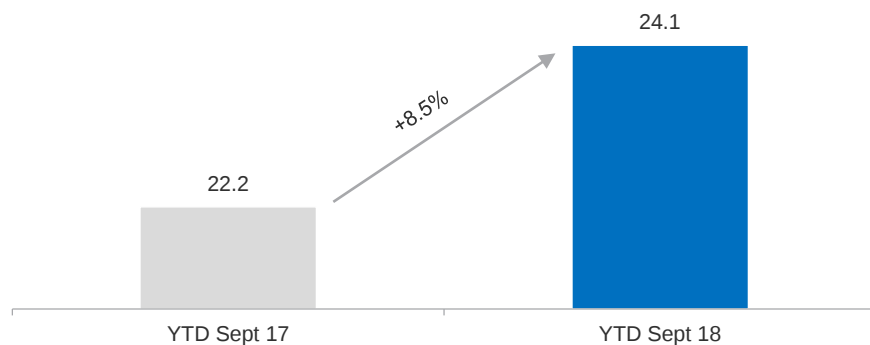
	FY2018 Actual	FY2017 Actual	vs. FY2017
Australia (ATN)			
Radio spots inventory ('000s) ⁽¹⁾	958	866	10.7%
Radio sell-out rate (%) ⁽²⁾	73%	81%	(8)% pts
Average radio spot rate (AUD) ⁽³⁾	138	134	2.8%
Canada (CTN)			
Radio spots inventory ('000s) ⁽¹⁾	630	598	5.4%
Radio sell-out rate (%) ⁽²⁾	63%	67%	(4)% pts
Average radio spot rate (CAD) ⁽³⁾	69	66	4.0%
United Kingdom (UKTN)			
Total radio Impacts ⁽⁴⁾ available ('000) ⁽⁵⁾	19,307	19,055	1.3%
Radio sell-out rate (%) ⁽⁶⁾	97%	99%	(2)% pts
Average radio net Impact rate (GBP) ⁽⁷⁾	1.3	1.3	-%
Brazil (BTN)			
Radio spots inventory ('000s) ⁽¹⁾	216	151	43.3%
Radio sell-out rate (%) ⁽²⁾	60%	64%	(4)% pts
Average radio spot rate (BRL) ⁽³⁾	275	277	(0.8)%

(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) An Impact is a thousand listener impressions; (5) The UK market measures inventory and volumes based on Impacts instead of spots; (6) The number of impressions sold as a percentage of the number of impressions available; (7) Average price per radio Impact sold net of agency commission.

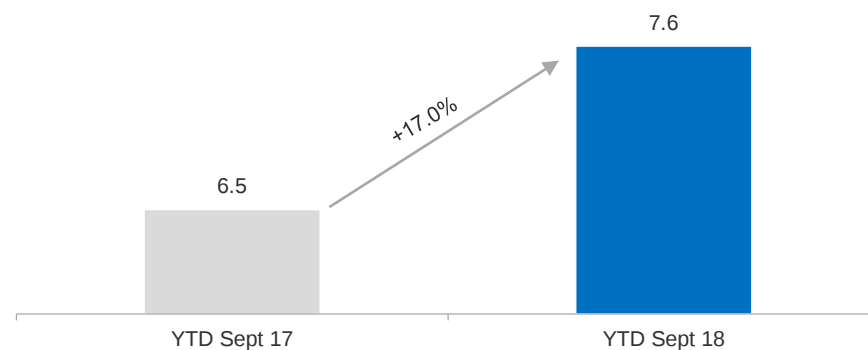
Trading update – Revenue performance by segment through 1Q FY19

GTN revenue from continuing operations increased 12.5%. Increase was spread across all markets.

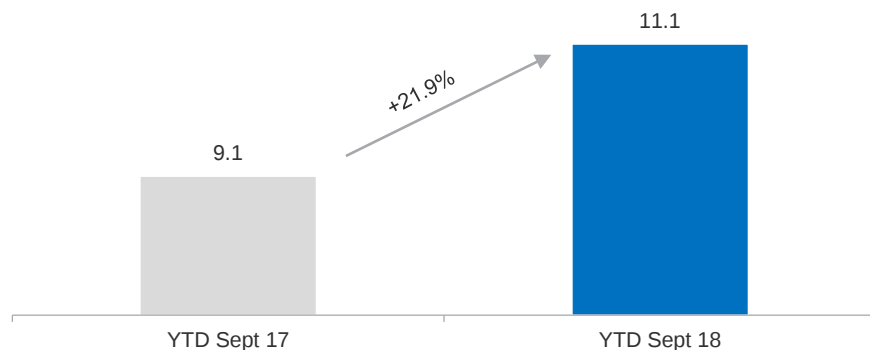
ATN revenue (A\$m)



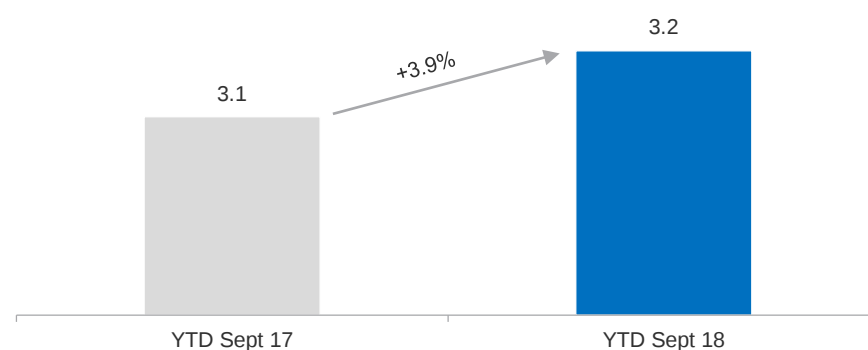
CTN revenue (A\$m)



UKTN revenue (A\$m)



BTN revenue (A\$m)

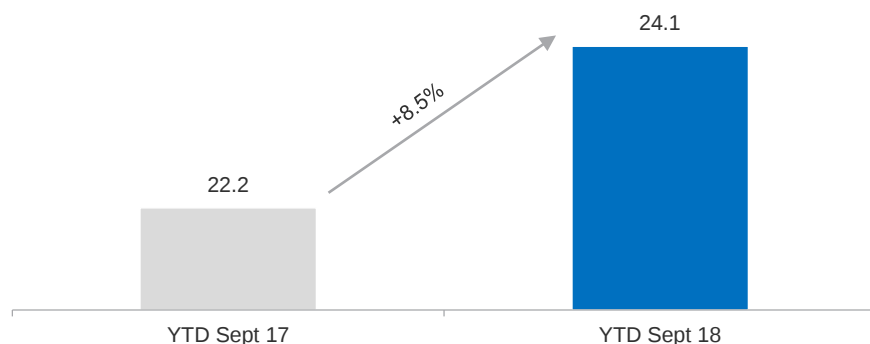


Notes: This presentation contains certain unaudited financial information in relation to the Company. As such, it has not been subject to an audit or an audit process or otherwise independently verified.

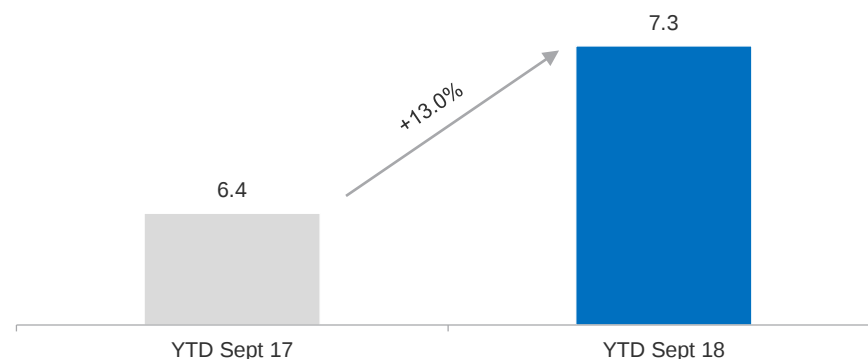
Trading update – Revenue performance by segment through 1Q FY19 in local currency

GTN revenue from continuing operations increased significantly over 1Q FY18 across all markets in local currency

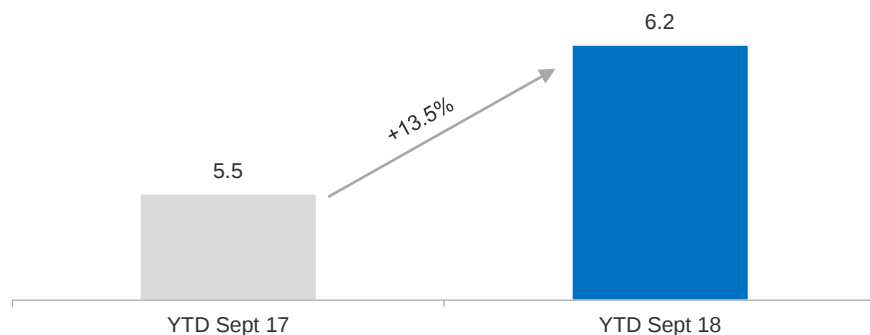
ATN revenue (A\$m)



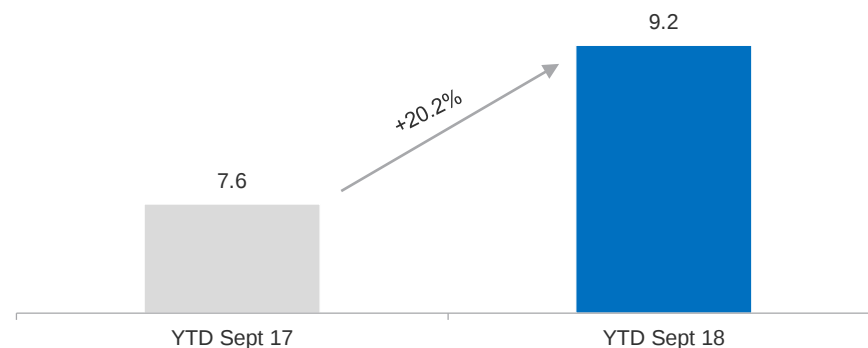
CTN revenue (CAD\$m)



UKTN revenue (GBP£m)



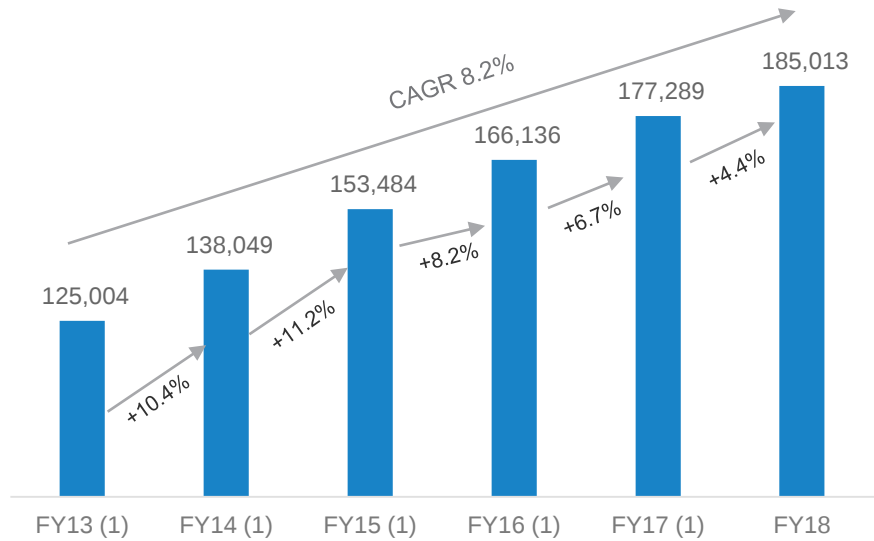
BTN revenue (BRL\$m)



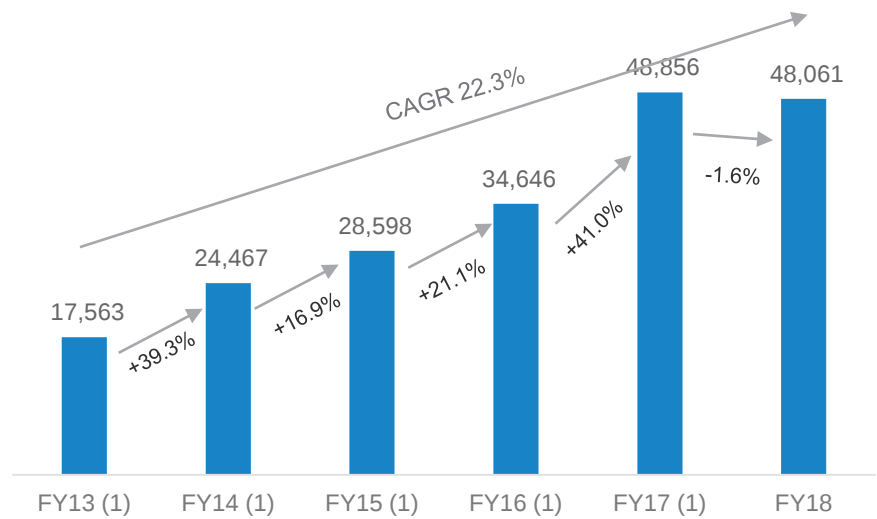
Revenue & Adjusted EBITDA From Continuing Operations

FY 2013 - FY 2018

Revenue



Adjusted EBITDA



Notes: (1) Pro forma

Brazil - Campinas market opened in October 2018

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Anticipate opening Brasilia market during FY 2019

- ➔ 8 radio station affiliates in initial network
- ➔ Campinas city population is ~1.1 million
 - Metropolitan area population ~3.7 million
- ➔ 6th market in Brazil and third new market in last two fiscal years
 - Porto Alegre, Salvador, Campinas

Canadian division enters into affiliate agreement with three Rogers Media radio stations in Toronto – 98.1 CHFI-FM, 590 the Fan & 680 News

CITY-TV/Toronto also included in the agreement

- ➔ Multi-year agreement effective 5 November 2018
- ➔ Increases CTN reach in Toronto market to 80% ⁽¹⁾
 - Meaningful increase in audience in largest Canadian market
- ➔ Due to the increased costs incurred under the agreement, the Company believes the agreement may be slightly dilutive to FY 2019 earnings

(1) Source: Numeris, Fall 2017 – Adults 25-54, Weekly Cume Rating, Mon-Fri 5A-10A & 3P -8P, PPM Data based on average of 13 weeks currency, Diary data based on 8 weeks currency

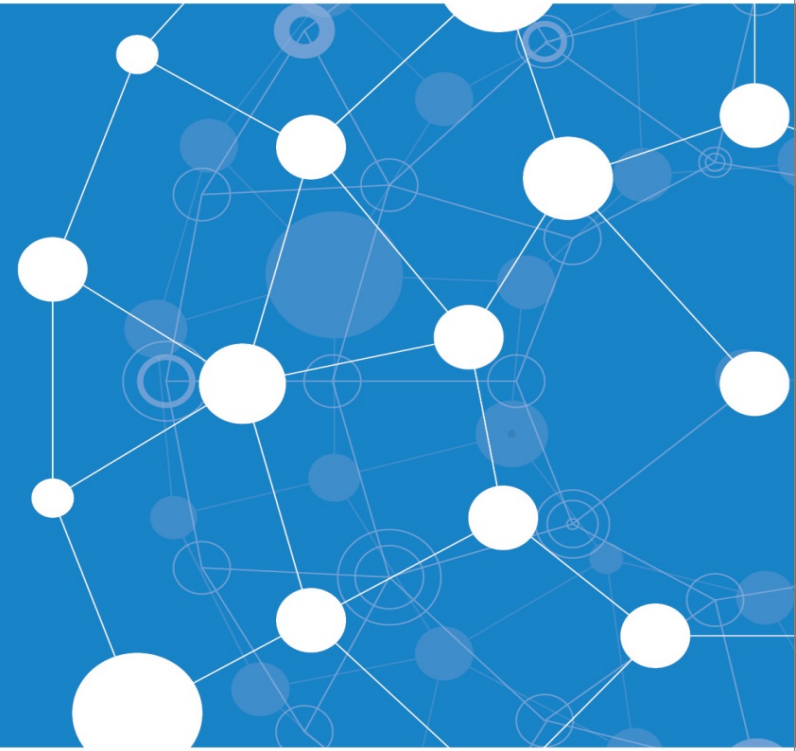
GTN outlook for 1H FY19

Expect to give back much of the 1Q FY19 revenue increase in 2Q FY19

- ➔ Revenue from continuing operations increased 12.5% in 1Q FY19 compared to 1Q FY18
- ➔ To date, 2Q FY19 bookings from continuing operations are tracking approximately 6% behind 2Q FY18 bookings at the same date last year
- ➔ However, it is too early to predict final 2Q FY19 revenue

Section 03

Formal Business – Robert Loewenthal



Consideration of Reports

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2018.

Questions and Comments



Resolution 1 – Election of Director – Robert Loewenthal

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That Robert Loewenthal, who retires in accordance with clause 10.3b(iv) of the Company’s Constitution and being eligible for election, is re-elected as a Director of the Company.”

 Proxies have been received in respect of the resolution as follows:

For	Against	Abstain	Proxy’s Discretion
148,917,694 (100.00%)	0 (0.00%)	0 (0.00%)	5,000 (0.00%)

Resolution 2 – Remuneration Report

To consider and, if thought fit, pass the following as a non-binding ordinary resolution of the Company:

“That the Company’s Remuneration Report for the financial year ended 30 June 2018, as set out in the Directors’ Report, is adopted.”

 Proxies have been received in respect of the resolution as follows:

For	Against	Abstain	Proxy’s Discretion
145,219,194 (100.00%)	0 (0.00%)	2,200 (0.00%)	5,000 (0.00%)

Resolution 3 – Issue of Options under the GTN Long Term Incentive Plan – William Yde III

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Company approves the grant of up to 1,350,000 Options to acquire fully paid ordinary shares in the Company to William Yde III under the GTN Long Term Incentive Program on the terms described in the Explanatory Memorandum accompanying and forming part of the Notice of Meeting.”

 Proxies have been received in respect of the resolution as follows:

For	Against	Abstain	Proxy's Discretion
145,312,086 (100.00%)	2,200 (0.00%)	0 (0.00%)	5,000 (0.00%)

Resolution 4 – Renewal of proportional takeover provisions in the Constitution

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

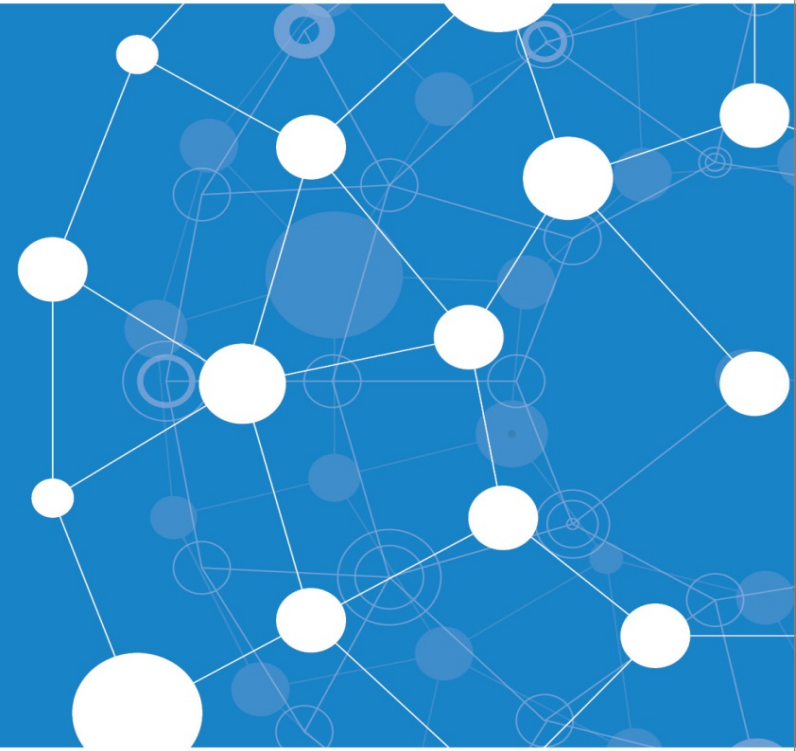
“That articles 6.8 to 6.12 of the Constitution of the Company , as set forth in Schedule 1 of the Notice of Meeting, are renewed for a period of three years commencing on the day this resolution is passed.”

 Proxies have been received in respect of the resolution as follows:

For	Against	Abstain	Proxy's Discretion
148,917,694 (100.00%)	0 (0.00%)	0 (0.00%)	5,000 (0.00%)

Appendix A

Reconciliation of financial information



Reconciliation of Non-IFRS Disclosures

(A\$m)	FY2018	FY2017
Reconciliation of EBITDA and Adjusted EBITDA to Profit before income tax from continuing operations		
Profit before income tax from continuing operations	34.2	34.6
Depreciation and amortization	(9.5)	(9.3)
Finance costs	(4.8)	(5.2)
Interest on bank deposits	0.4	0.5
Interest income on long-term prepaid affiliate contract	8.4	8.5
EBITDA	39.7	40.2
Interest income on long-term prepaid affiliate contract	8.4	8.5
Foreign currency transaction loss	(0.1)	(0.2)
Adjusted EBITDA	48.1	48.9
Profit for the year from continuing operations (NPAT)	24.8	28.2
Amortization of intangible assets (tax effected)	4.4	4.3
NPATA	29.2	32.5

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.

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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.

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