



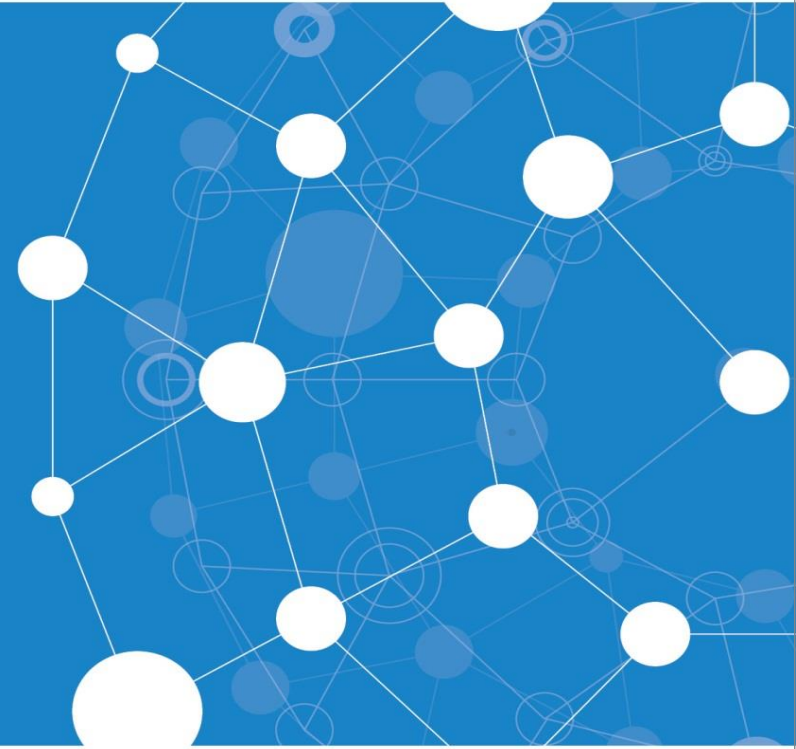
# GTN Limited

AGM Presentation

November 2017

# Contents

01	Chairman's Address – Robert Loewenthal	4
02	CEO's address – Bill Yde	5
03	Formal Business – Robert Loewenthal	14



# Today's presenters

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**Robert Loewenthal (Chairman)**



**Bill Yde (Managing Director and CEO)**

# Our Board of Directors

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**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 33 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



**Mark Anderson**  
Director

- Over 15 years of experience in the private equity and finance industry
- Currently a Managing Director of GTCR
- Currently a Director of Beeline, Cision, Lytx, VividSeats and XFIN

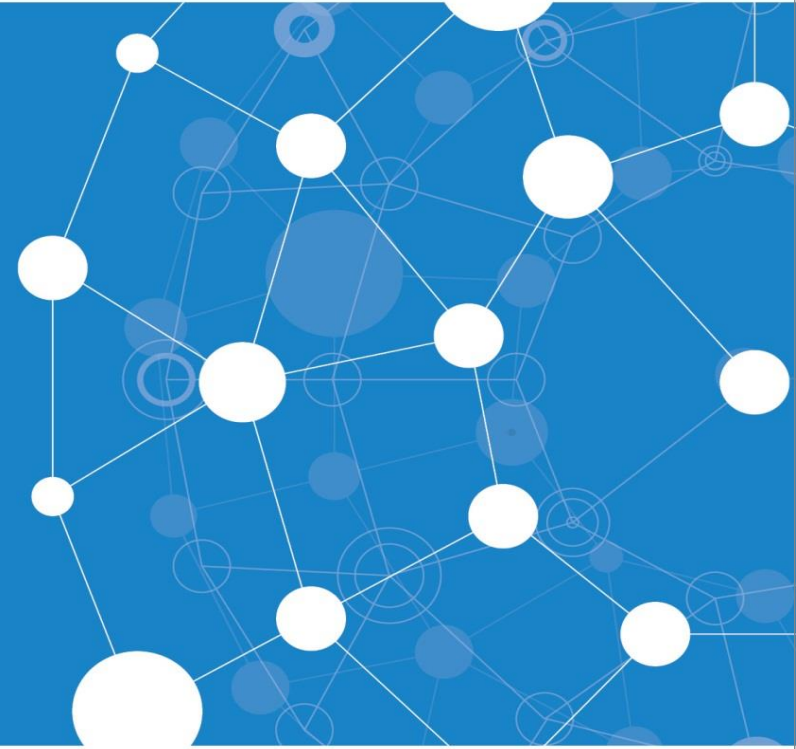


**David Ryan AO**  
Director

- Over 40 years of experience in commercial banking, investment banking and operational business management
- Currently a Director of Lend Lease, First American Title Insurance Company of Australia, First Mortgage Services and is the Chairman of Sunshine Coast Destination
- Previously held positions as Director of Aston Resources and Transurban

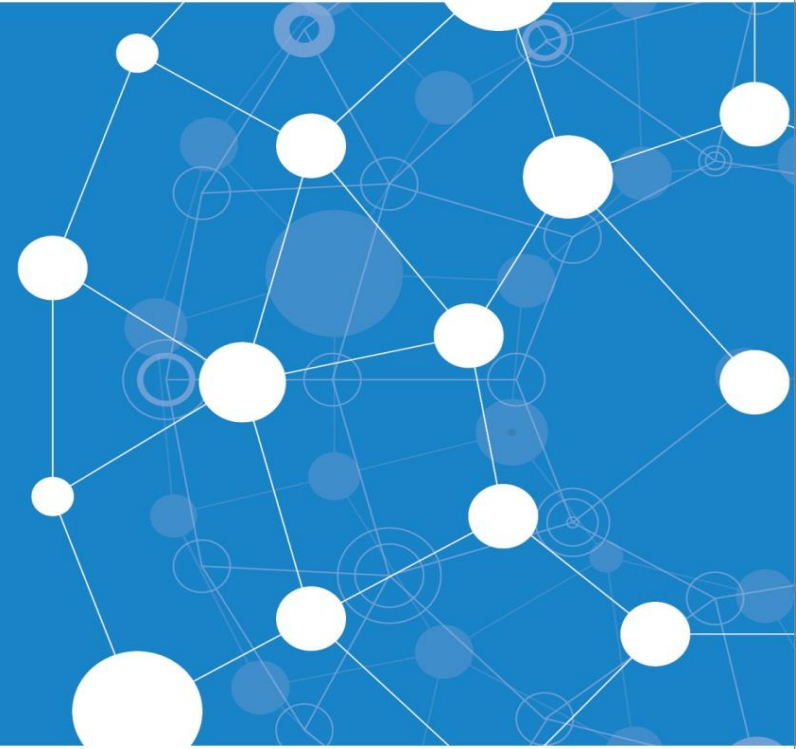
# Section 01

Chairman's Address – Robert Loewenthal



# Section 02





CEO's address – Bill Yde



# FY2017 recap – Financial information

GTN's FY2017 results exceeded Prospectus forecast excluding the impact of its USTN operations

## Key Highlights

- 
**FY17 results (Ex-USTN) exceeded Prospectus forecast<sup>(1)</sup>**
  - Adjusted EBITDA of \$28.9 million (\$48.9 million ex USTN, +7% on Prospectus forecast)
  - NPATA of \$12.3 million (\$32.5 million ex USTN, +26% on Prospectus forecast)
- 
**FY17 revenue underpinned by positive operating results across four original geographies**
  - BTN reported positive EBITDA for the first time following strong increase in revenue (including increase in spots inventory and sell-out rate)
- 
**Strong liquidity position with net cash of \$0.7 million**
  - Sufficient balance sheet flexibility to take full advantage of growth opportunities across existing jurisdictions and USTN
  - Final dividend paid of 4.8cps fully franked
- 
**USTN continues to present a significant opportunity**
  - Initial costs in-line with expectations
  - Large investment in salesforce and local management team
  - Number of key radio stations added to network

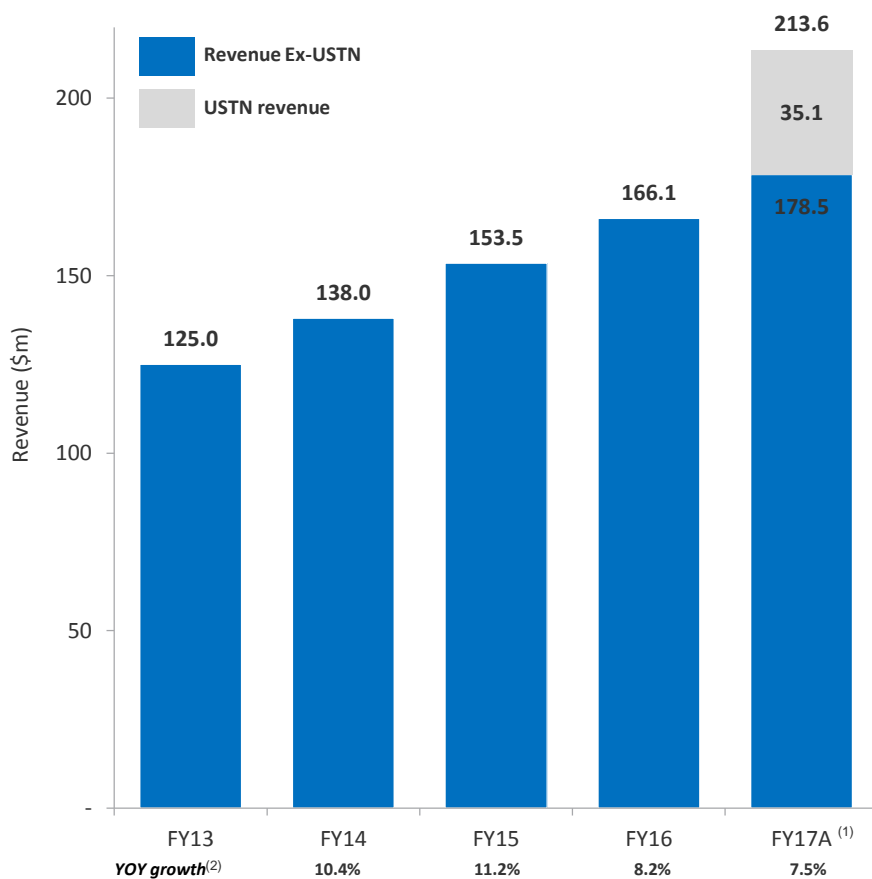
A\$m <sup>(3)</sup>	FY17 Statutory <sup>(1)</sup>	FY17 Statutory (Ex-USTN) <sup>(5)</sup>	FY17 Statutory Prospectus	FY17 Statutory (Ex-USTN) vs. Prospectus	FY17 Statutory (Ex-USTN) vs. Pro Forma FY16
Revenue	213.6	178.5	177.4	+0.7%	+7.5%
EBITDA	20.0	40.2	37.2	+8.0%	+29.3%
Adjusted EBITDA <sup>(2)</sup>	28.9	48.9	45.6	+7.0%	+41.0%
NPAT	6.2	28.2	21.1	+33.4%	+389.7%
NPATA	12.3	32.5	25.7	+26.3%	+73.1%
NPATA per share (\$) <sup>(4)</sup>	\$0.06	\$0.16	\$0.13	+26.3%	+73.1%

Notes: (1) A reconciliation of the Pro Forma to Statutory results is provided in Appendix A. (2). Adjusted EBITDA is EBITDA adjusted to include the non-cash interest income arising from the Southern Cross Austereo Affiliate Contract, transaction costs and foreign exchange gains/losses. (3). All figures in A\$m unless otherwise stated. (4). NPATA per share Ex-USTN is calculated based on NPATA Ex-USTN and 201.2 million total shares on issue to be consistent with Prospectus forecast. Additional share issuance during FY17 related to funding of USTN. (5) FY 17 Statutory (Ex-USTN) results have been included to provide a useful comparison against the Prospectus forecast.

# FY2017 recap – Revenue drivers

GTN group revenue (ex USTN) exceeded FY17 Prospectus forecast by \$1.2m ( +0.7%) and grew by +7.5% on FY16

## GTN revenue profile



(1) Revenue ex United States consistent with FY17 forecast provided in IPO prospectus. (2) Growth excluding the impact of USTN

## Commentary

- Revenue result driven by growth across GTN’s original markets in local currency with Australia, Brazil and Canada exceeding FY17 Prospectus forecasts
  - United Kingdom exceeded Prospectus forecast revenue in local currency but was impacted by unfavourable foreign exchange movements related to Brexit
- USTN contributed \$35.1 million in revenue for the seven months it was operated by GTN
  - Contribution consistent with expectations
  - Includes only 3 month impact of CBS contract

## FY17 revenue result by jurisdiction

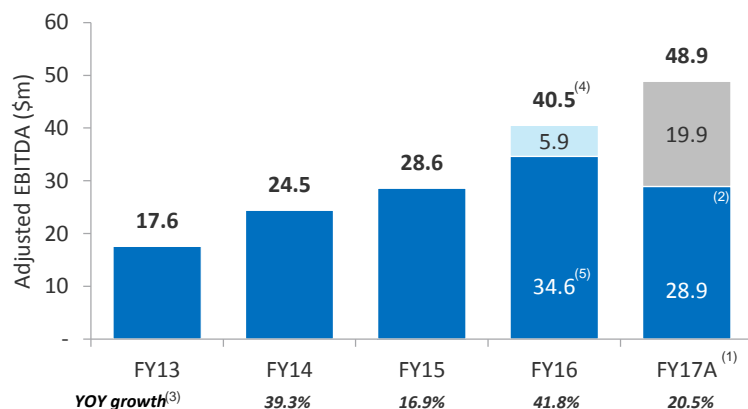
A\$m	FY17 Actual	Statutory FY17 Prospectus	% Difference
Australia (ATN)	98.7	91.8	+7.5%
Canada (CTN)	28.0	26.0	+7.6%
U.K (UKTN)	40.9	51.0	(19.8%)
Brazil (BTN)	11.0	8.6	+28.2%
	<b>178.5</b>	<b>177.4</b>	<b>+0.7%</b>
USA (USTN)	35.1	-	-
<b>Total</b>	<b>213.6</b>	<b>177.4</b>	<b>+20.5%</b>



# FY2017 recap - Earnings drivers

GTN group Adjusted EBITDA (ex USTN) exceeded FY17 Prospectus forecast by \$3.2m (+7.0%). FY17 NPATA (ex USTN) was \$32.5m, exceeding Prospectus forecast by ~\$6.8m (+26.3%)

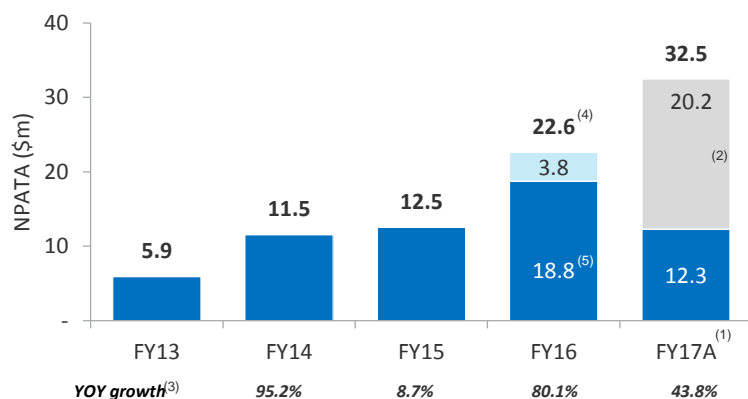
## GTN Adjusted EBITDA profile



## Commentary

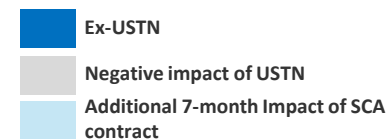
- Lower operating expenses due to foreign currency differences main contributor
  - Revenue outside Australia outperformed Prospectus forecast by greater margin in local currency than reflected in financials
  - Negative impact on reported revenue but positive impact on operating expenses
- Revenue exceeding Prospectus forecast contributing factor as well
- USTN incurred an Adjusted EBITDA loss of \$19.9m, consistent with expectations

## GTN NPATA profile



## Commentary

- Over delivery of Adjusted EBITDA compared to Prospectus forecast primary reason for NPATA exceeding Prospectus forecast prior to Canada tax benefit
- In addition, \$5.0 million tax benefit from recognition of Canada net operating losses
  - Exceeded Prospectus forecast NPATA before Canada tax benefit
- USTN incurred an NPATA loss of \$20.2m, consistent with expectations



(1) Ex United States. Consistent with FY17 forecast provided in IPO prospectus. (2) FY17 margin for GTN excluding the impact of USTN (EBITDA Margin including USTN 13.5%, NPATA Margin including USTN 5.8%). (3) Growth excluding impact of USTN. (4) Includes a full year adjustment for the Southern Cross Austereo Affiliate Contract (i.e. impact for the additional 7 months) (5) Includes only 5 months impact of Southern Cross Austereo Affiliate Contract.

# FY2017 recap – KPIs

GTN's FY17 revenue result was underpinned by positive operating results across key geographies

## GTN operational KPIs (by geographic segment)

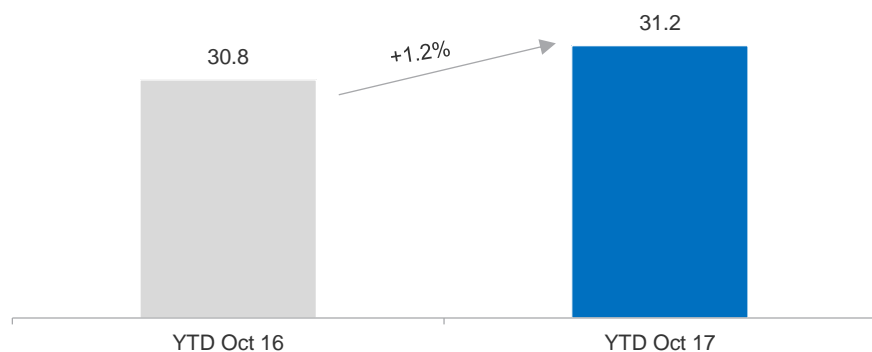
	FY2017 Actual	FY2017 Prospectus	vs. FY2016	vs. Prospectus
<b>Australia (ATN)</b>				
Radio spots inventory ('000s) <sup>(1)</sup>	866	761	9.8%	13.8%
Radio sell-out rate (%) <sup>(2)</sup>	81%	82%	-% pts	-1% pts
Average radio spot rate (AUD) <sup>(3)</sup>	134	142	0.8%	(5.6%)
<b>Canada (CTN)</b>				
Radio spots inventory ('000s) <sup>(1)</sup>	598	582	7.2%	2.7%
Radio sell-out rate (%) <sup>(2)</sup>	67%	62%	+8% pts	+5% pts
Average radio spot rate (CAD) <sup>(3)</sup>	66	62	3.1%	6.5%
<b>United Kingdom (UKTN)</b>				
Total radio Impacts <sup>(4)</sup> available ('000) <sup>(5)</sup>	19,055	19,090	0.9%	(0.2%)
Radio sell-out rate (%) <sup>(6)</sup>	99%	94%	+5% pts	+5% pts
Average radio net Impact rate (GBP) <sup>(7)</sup>	1.3	1.3	-%	-%
<b>Brazil (BTN)</b>				
Radio spots inventory ('000s) <sup>(1)</sup>	151	143	37.3%	5.6%
Radio sell-out rate (%) <sup>(2)</sup>	64%	61%	19% pts	3% pts
Average radio spot rate (BRL) <sup>(3)</sup>	277	280	1.5%	(1.1%)

(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.

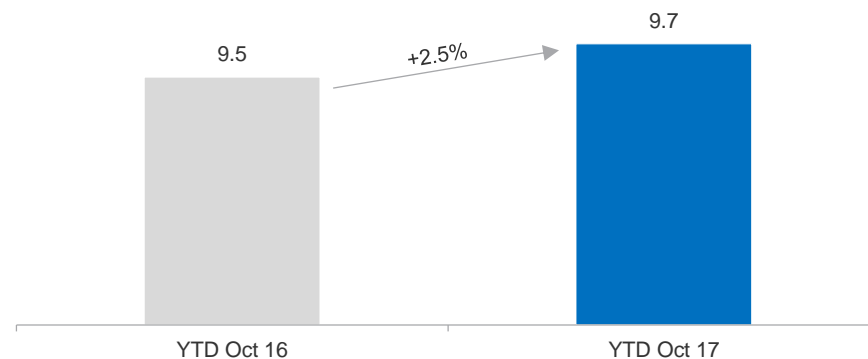
# Trading update – Revenue performance by segment through October 2017

GTN revenue increased 1.5% ex-USTN. Increase across all markets except United Kingdom.  
2Q18 revenue currently pacing stronger than 1Q18.

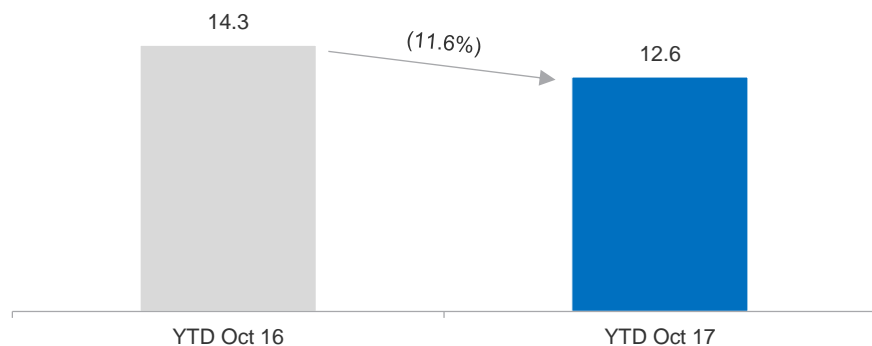
## ATN revenue (A\$m)



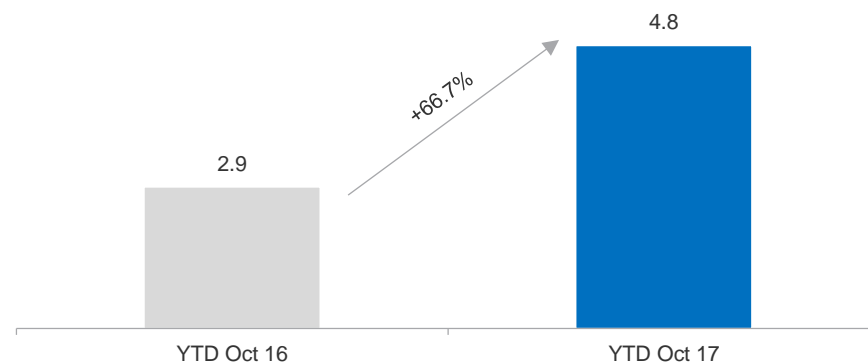
## CTN revenue (A\$m)



## UKTN revenue (A\$m)



## BTN revenue (A\$m)



# United States (USTN)

United States contributed Revenue of \$23.6 million through October 2017

## Commentary

- Revenue of \$23.6m through October 2017
  - Revenue ramp slower than anticipated
  - Revenue impacted by strengthening AUD (~\$18.6m USD)
  - October 2017 revenue stronger than 1Q18
- Spots inventory and sell-out rate consistent with expectations
- 1.2m spot inventory through Oct 2017 (3.3 million annualised)
- Average spot rate decreased from 4Q17 but sell-out increased
- Costs in-line with expectations
  - 1Q18 expenses approximately (~\$8m+ USD per month)

## Key metrics

	YTD Oct '17	4Q17	7 Months FY17
Annualised radio spots inventory (m) <sup>(1)</sup>	3.3	3.3	2.9
Annualised radio sell-out rate (%) <sup>(2)</sup>	84%	74%	74%
Average radio spot rate (USD) <sup>(3)</sup>	17	20	17

## Progress against key priorities



### Increase audience

- Current weekly audience of 164m radio listeners



### Increase Revenue

- Most of projected sales staff hired by 30 September 2017
  - Sales staff and management (approximately 50 staff)
  - Actively recruiting additional sales staff

(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.

# GTN growth strategy and outlook for FY18

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## ➔ **GTN original markets continue to be very attractive:**

- Outstanding station affiliate line-ups with large audience reach
- Effective, well-regarded product for advertisers
- Highly skilled, experienced sales staff
- Well run broadcast operations

## ➔ **USTN has started more slowly than originally anticipated but investment thesis remains unchanged**

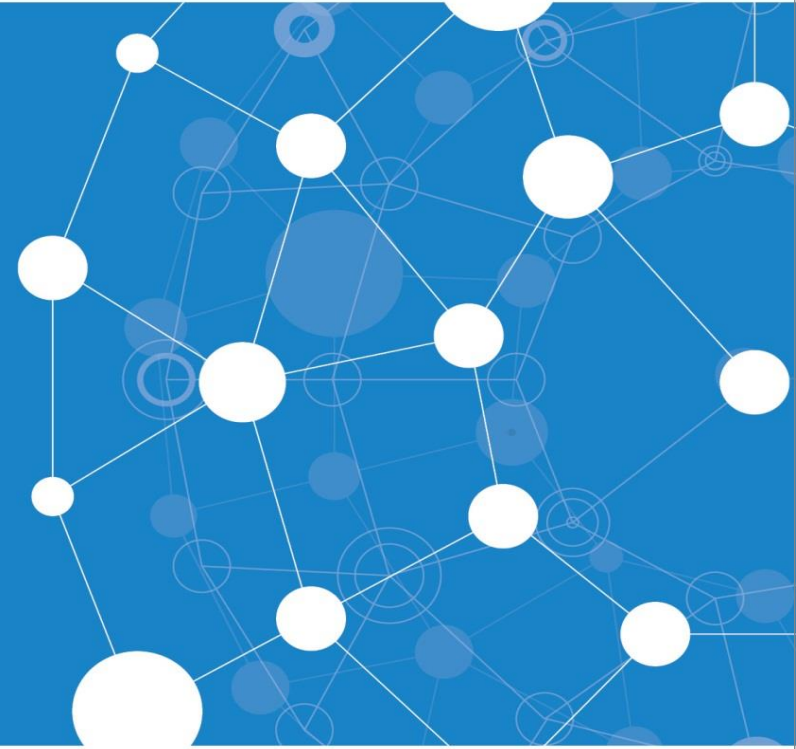
- Vast audience (~164 million people)
- Large inventory of advertising spots (~3.3 million radio spots per year)
- Attractive market (United States largest advertising market in the world)
- Significant progress in hiring sales staff and management to generate revenue

## ➔ **In order to continue execution of the USTN growth strategy, the board is analyzing various alternatives to ensure sufficient cash to fund the expected longer lead time to profitability, including but not limited to:**

- Modifying the dividend
- Raising additional equity capital
- Borrowing additional debt
- Any combination of the above

# Section 03

Formal Business – Robert Loewenthal



## Consideration of Reports

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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 2017.

# Questions and Comments





## Resolution 1 – Election of Director – David Ryan AO

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

“That David Ryan AO, 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
184,508,403 (99.97%)	0	0	56,655 (0.03%)

## Resolution 2 – Remuneration Report

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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 2017, 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
184,415,511 (99.97%)	0	0	56,655 (0.03%)

## Resolution 3 – Increase in maximum aggregate remuneration of Non-Executive Directors

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

“That for the purposes of ASX Listing Rule 10.17 and in accordance with Clause 10.8 of the Company’s Constitution, the maximum aggregate amount per annum available for payment as remuneration to the Non-Executive Directors of the Company be increased by \$450,000 from \$550,000 per annum to \$1,000,000 per annum.

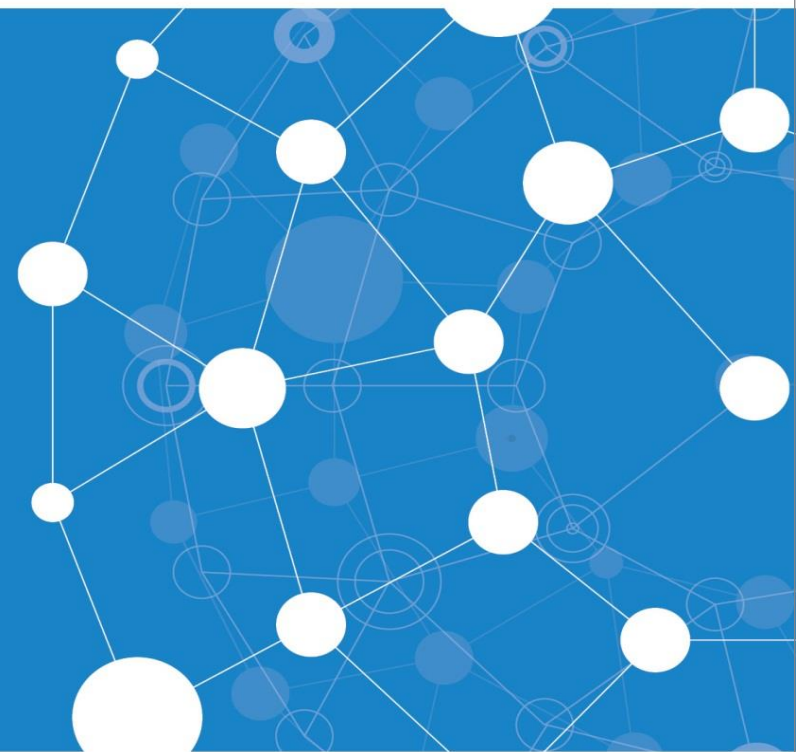
➔ Proxies have been received in respect of the resolution as follows:

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<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>Proxy’s Discretion</b>
162,449,719 (88.06%)	21,965,792 (11.91%)	0	56,655 (0.03%)

# Appendix A

Reconciliation of financial information



# Annual Pro Forma and Statutory Income Statement FY2013-FY2017A

## Pro Forma Historical Results for FY2013 – FY2017

A\$'000s	Pro Forma Historical Results				FY2017 Statutory Result			
	FY2013	FY2014	FY2015	FY2016	FY2017A	FY2017A USTN	FY2017A (ex-USTN)	FY2017F
<b>Revenues</b>	<b>125,004</b>	<b>138,049</b>	<b>153,484</b>	<b>166,136</b>	213,648	35,111	178,537	<b>177,353</b>
Network operations and station compensation	(82,391)	(85,916)	(93,950)	(101,919)	(145,482)	(43,911)	(101,571)	(106,885)
Selling, general and administrative expenses	(25,050)	(27,666)	(30,936)	(33,152)	(47,904)	(11,323)	(36,581)	(33,296)
Net FX losses on borrowings	-	-	-	-	(228)	-	(228)	-
<b>Operating expenses</b>	<b>(107,441)</b>	<b>(113,582)</b>	<b>(124,886)</b>	<b>(135,071)</b>	<b>(193,614)</b>	<b>(55,234)</b>	<b>(138,380)</b>	<b>(140,181)</b>
<b>EBITDA</b>	<b>17,563</b>	<b>24,467</b>	<b>28,598</b>	<b>31,065</b>	<b>20,034</b>	<b>(20,123)</b>	<b>40,157</b>	<b>37,172</b>
Interest income on SCA Supply Agreement	-	-	-	3,581	8,471	-	8,471	8,472
Transaction costs	-	-	-	-	202	202	-	-
Net FX losses on Borrowings	-	-	-	-	228	-	228	-
<b>Adjusted EBITDA</b>	<b>17,563</b>	<b>24,467</b>	<b>28,598</b>	<b>34,646</b>	<b>28,935</b>	<b>(19,921)</b>	<b>48,856</b>	<b>45,644</b>
Depreciation	(2,645)	(2,485)	(2,494)	(2,549)	(3,167)	(55)	(3,112)	(2,633)
Amortisation	(20,353)	(20,743)	(20,897)	(17,382)	(8,006)	(1,789)	(6,217)	(6,456)
<b>Adjusted EBIT</b>	<b>(5,435)</b>	<b>1,239</b>	<b>5,207</b>	<b>14,715</b>	<b>17,762</b>	<b>(21,765)</b>	<b>39,527</b>	<b>36,555</b>
Other interest income	358	463	514	244	487	-	487	286
Interest expense	(6,827)	(5,822)	(5,162)	(5,164)	(5,235)	-	(5,235)	(5,695)
<b>Net profit/(loss) before tax</b>	<b>(11,904)</b>	<b>(4,120)</b>	<b>559</b>	<b>9,795</b>	<b>12,584</b>	<b>(21,967)</b>	<b>34,551</b>	<b>31,146</b>
Tax (expense)/benefit	2,742	755	(3,523)	(4,043)	(6,379)	-	(6,379)	(10,027)
<b>NPAT</b>	<b>(9,162)</b>	<b>(3,365)</b>	<b>(2,964)</b>	<b>5,753</b>	<b>6,205</b>	<b>(21,967)</b>	<b>28,172</b>	<b>21,119</b>
Amortisation (tax effected)	15,075	14,907	15,511	13,013	6,109	1,789	4,320	4,603
<b>NPATA</b>	<b>5,913</b>	<b>11,542</b>	<b>12,547</b>	<b>18,766</b>	<b>12,314</b>	<b>(20,178)</b>	<b>32,492</b>	<b>25,722</b>

# 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.

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