



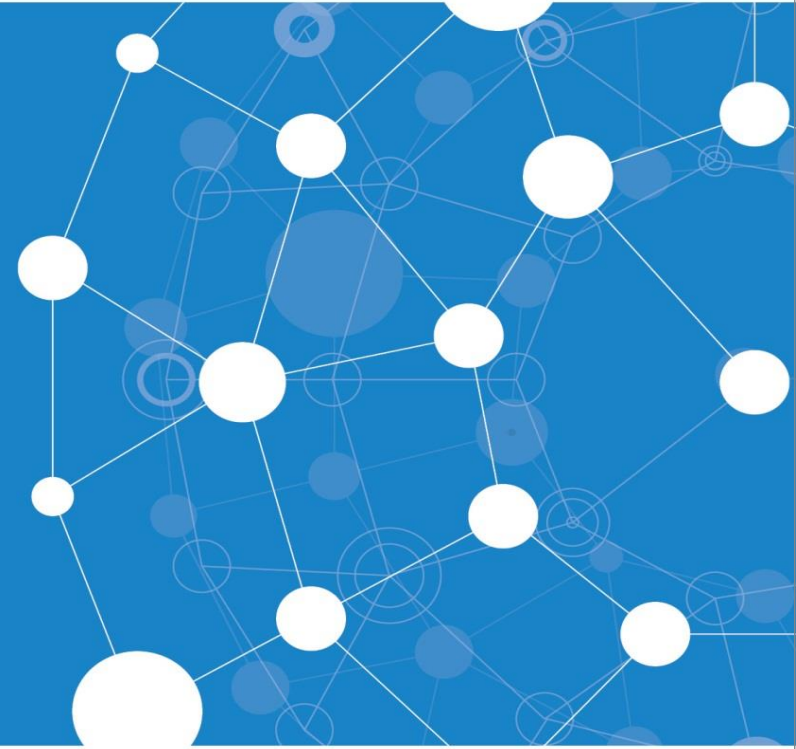
GTN Limited

1H18 Results Presentation

28 February 2018

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Today's presenters



Bill Yde (Managing Director and CEO)

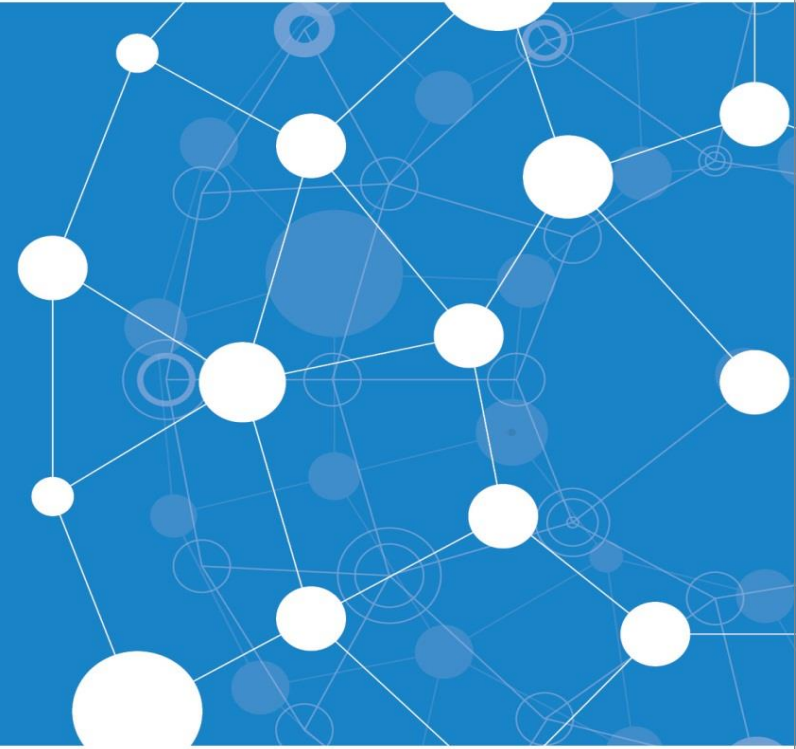


Scott Cody (CFO and COO)

Section

01






Overview



Key highlights

GTN achieved positive growth in revenue, NPAT and NPATA in its original geographies

Overview of key 1H18 highlights

-  Revenue growth achieved in most of GTN's original geographies (in local currency and AUD)
 - Australia, Brazil and Canada up 1H18 v. 1H17
-  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
-  United States (USTN) contributed \$36.8 million of revenue for 1H18 compared to \$3.9 million in 1H17
 - 1H17 results only include one month of USTN
-  USTN results include \$21.7 million impairment charge related to write down of intangibles assets and goodwill

1H18 results

(m)	Actual 1H18	Actual 1H17	% chg	Actual 1H18 (ex USTN)	% chg
Revenue	129.9	92.5	+40.4%	93.2	+5.1%
EBITDA ¹	(6.3)	19.5	(132.4)%	20.4	(1.0)%
Adjusted EBITDA ²	(2.0)	23.9	(108.5)%	24.7	(0.5)%
NPAT	(36.4)	11.1	(428.0)%	13.6	+9.5%
NPATA ³	(11.0)	13.6	(180.9)%	15.8	+6.6%

Notes: (1) EBITDA is defined as net profit after tax (earnings) before the deduction of interest expense/income, income taxes, depreciation, amortization and non-cash impairment charges. (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. (3) NPATA is defined as net profit after tax adjusted for the tax effected impairment charges and amortization arising from acquisition related intangible assets.

GTN's global advertising platform

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

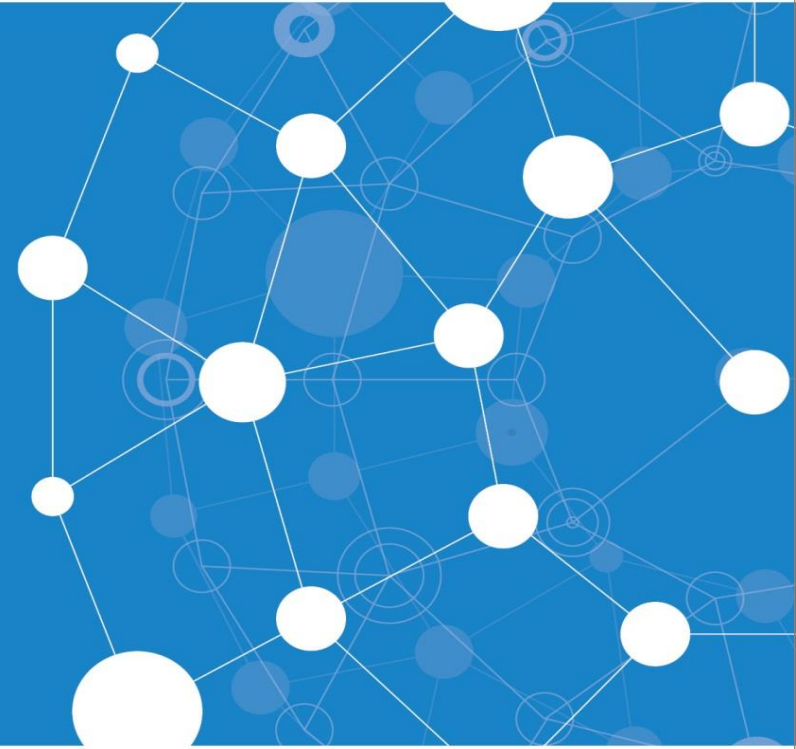


		ATN	CTN	UKTN	BTN	USTN
Population	m	23.5	35.5	64.5	206.1	350.1
Years of operation	#	21	12	9	6	1
1H18 Revenue	A\$m	50.1	15.3	19.9	7.8	36.8
1H17 Revenue⁴	A\$m	47.8	14.7	21.1	5.1	3.9
Number of Radio Affiliates¹	#	125	108	247	44	1,051
Number of TV Affiliates¹	#	13	5	-	-	57
GTN Radio Audience	m	10.9 ²	14.4	27.5	14.5	164.4
GTN TV Audience	m	5.6	8.4	-	-	120.6
1H18 spots inventory^{3,4}	m	472	325	N/A	98	1,741
1H17 spots inventory^{3,4}	m	416	295	N/A	76	196

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. Note 4: USTN revenue and spots inventory based only on period owned (December 2016 – December 2017).

Section 02

Group financial performance



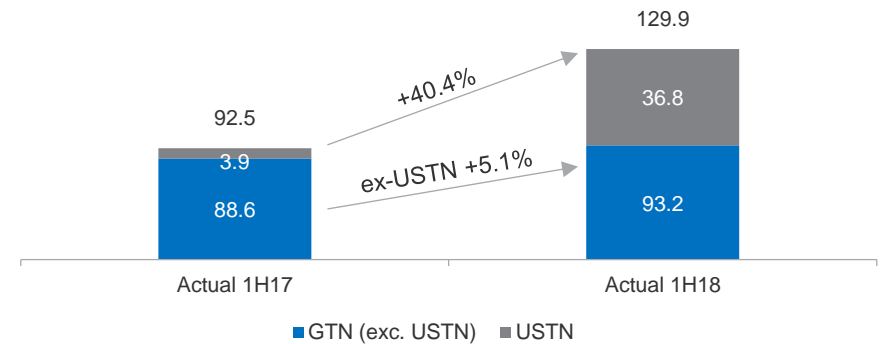
Key drivers of financial performance

GTN achieved growth in key financial metrics (revenue, NPAT, NPATA) in 1H18 (excl. USTN)

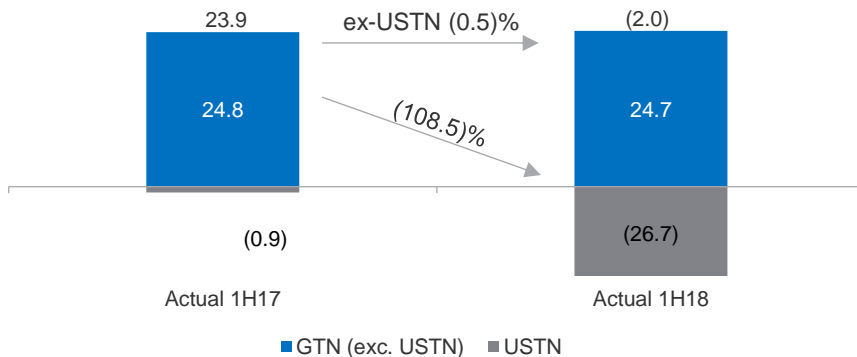
Commentary

- Revenue growth of 40.4% driven by:
 - Solid organic growth in GTN's core operating geographies of +5.1%
 - Full half year revenue contribution from USTN of \$36.8m (vs. \$3.9m and one month 1H17)
- NPAT and NPATA growth in established, non-U.S. markets
- Small decline in EBITDA and Adjusted EBITDA primarily due to station compensation
 - Several multi-year core affiliate renewals

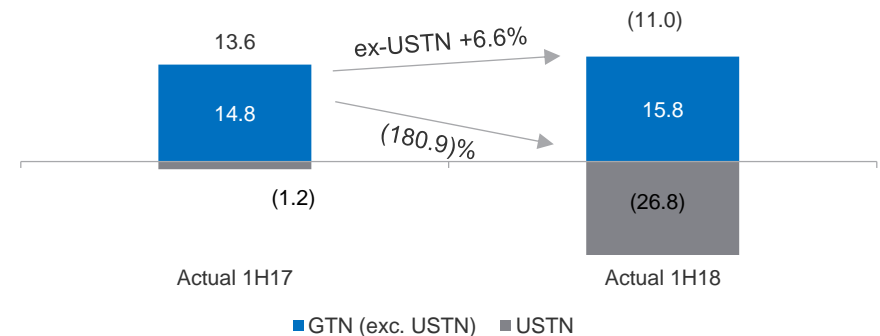
GTN Group revenue



GTN Group Adjusted EBITDA



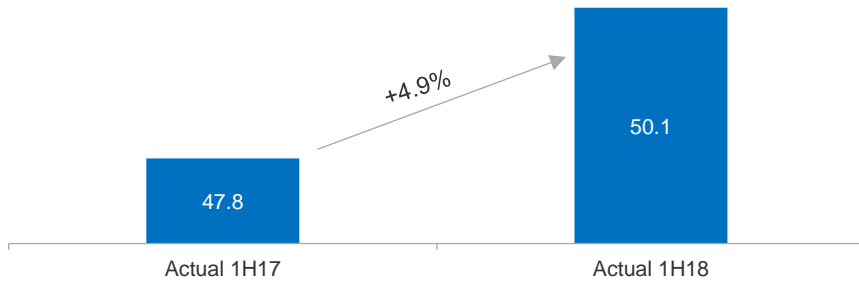
GTN Group NPATA



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 4.9% driven by:
 - An increase in available spots inventory
 - Increase in the radio spot rate
- ARN radio affiliation agreements successfully renewed
 - Long term agreement provides cost certainty

ATN KPIs

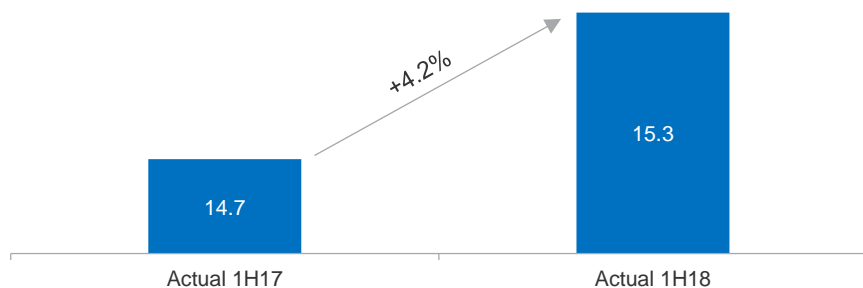
	1H17(Actual)	1H18 (Actual)	% chg
Radio spots inventory ('000s) ¹	416	472	13.5%
Radio sell-out rate (%) ²	80%	73%	(7)% points
Average radio spot rate (AUD) ³	135	138	2.2%

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 solid 1H18 revenue growth underpinned by more radio spots and higher spot rates

CTN revenue performance



Commentary

- CTN achieved 1H18 revenue growth while minimizing expense increases for the period
- Revenue growth was due to growth in radio spot inventory as well as average spot rate
- Continue to work on adding non-affiliated radio stations in existing markets

CTN KPIs

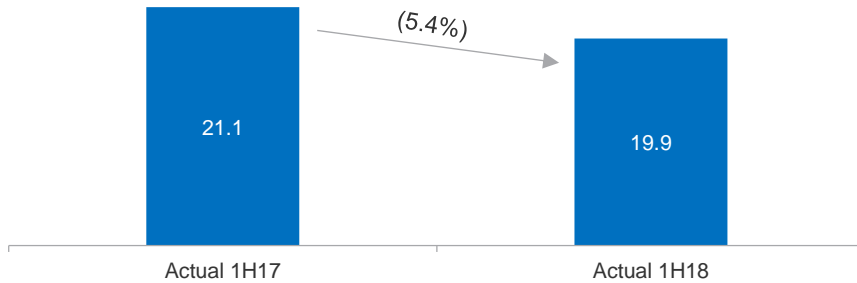
	1H17 (Actual)	1H18 (Actual)	% chg
Radio spots inventory ('000s) ¹	295	325	10.2%
Radio sell-out rate (%) ²	72%	67%	(5)% points
Average radio spot rate (CAD) ³	66	68	3.0%

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 revenue decreased in both GBP and AUD on lower sell-out

UKTN revenue performance



Commentary

- UKTN revenue decreased 5.4% (5.3% in local currency) primarily due to a slow start to the fiscal year which is reflected in the reduced sell-out rate for the period compared to last year.
- Impacts increased slightly while net impact rate held steady.

UKTN KPIs

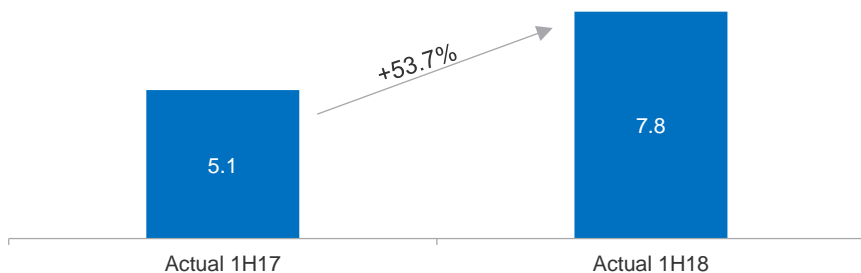
	1H17 (Actual)	1H18 (Actual)	% chg
Total radio impacts available ('000s) ¹	9,558	9,721	1.7%
Radio sell-out rate (%) ²	99%	95%	(4)% points
Average radio net impact rate (GBP) ³	1.3	1.3	-%

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 primarily by organic growth
 - Porto Alegre opened in July 2017
- Salvador commenced operations in February 2018
 - Fifth Brazilian market

BTN KPIs

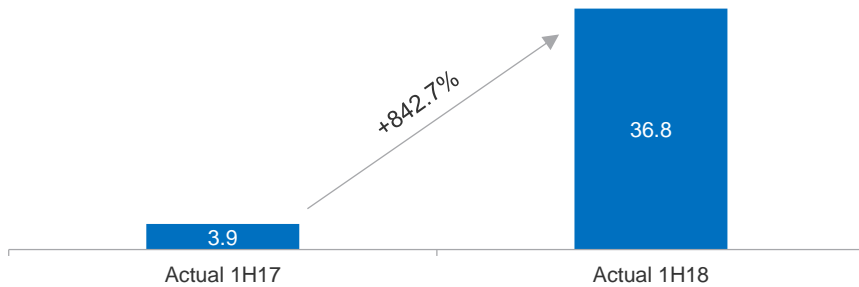
	1H17 (Actual)	1H18 (Actual)	% chg
Radio spots inventory ('000s) ¹	76	98	28.9%
Radio sell-out rate (%) ²	61%	74%	+13% points
Average radio spot rate (BRL) ³	274	274	-

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.

USTN

USTN contributed \$36.8 million of revenue for 1H18 but generated large losses

USTN revenue performance



USTN KPIs

	1H17 (Actual)	1H18 (Actual)
Radio spots inventory ('000s) ^{(1),(4)}	196	1,741
Radio sell-out rate (%) ^{(2),(4)}	88%	85%
Average radio spot rate (USD) ^{(3),(4)}	13	17

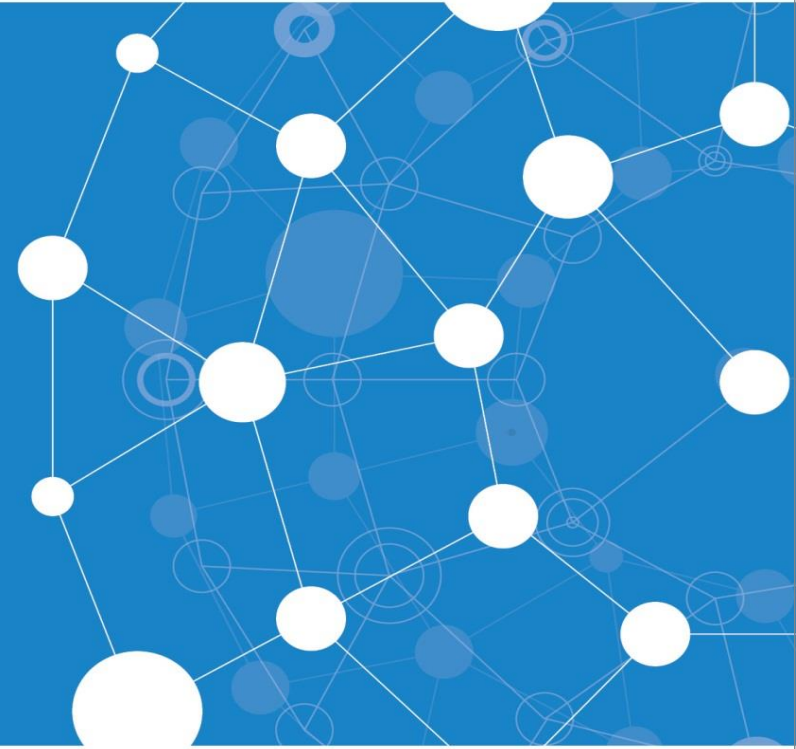
Commentary

- Network has been substantially built-out
 - ~3.5 million radio spots per annum
 - Audience in excess of 160 million radio listeners per week
- Significant progress made in building sales staff
 - Current staffing ~50 people
 - Recruiting additional staff for key markets
- Revenue significantly higher than pre-acquisition
- Focus continues to be on increasing sales
 - Attempting to transition revenue from low rate network sales to more lucrative business.
 - Training and hiring of sales staff continues
- Current monthly operating expenses ~\$8.5 million USD

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 – December 2017)

Section 03

Update on growth strategy and outlook



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

Management are focused on capitalising on the strong growth outlook for our original markets

Australia

— Focus on continuing to out-pace the Australia media advertising market by continually educating advertisers as to the value of GTN'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, GTN began operations in Porto Alegre

— In February 2018, GTN 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

U.S. expansion strategy has been more challenging than anticipated

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
 - Staff increased to ~50 employees
 - Actively recruiting additional staff
- Target advertisers directly and articulate premium offering to drive improvements in yield across the portfolio

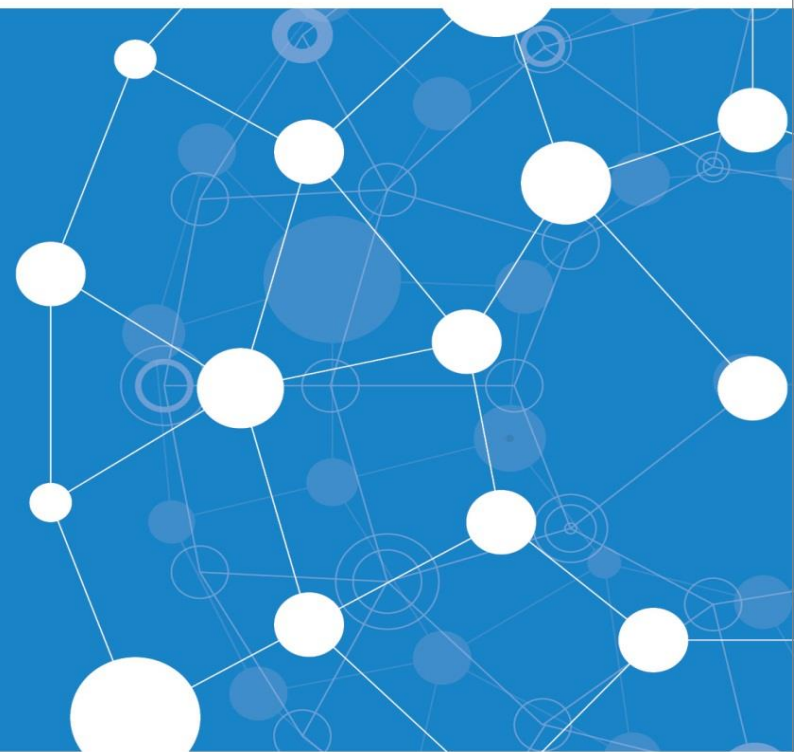


United States Funding and Operational Considerations

- As disclosed in the Annual General Meeting presentation, the Company has explored various financing alternatives to fund the capital requirements (primarily operating losses) of its United States operations.
- The Company has decided to fully impair the identified intangible assets and goodwill of USTN due to qualitative and quantitative considerations. This has resulted in a P&L charge of ~\$21.7 million.
 - Operating losses have been higher than originally expected due to slower revenue ramp-up.
- After careful consideration of the funding alternatives and expected cash requirements, the board has decided to suspend the dividend for the 1H18 interim period.
 - The board does not intend to suspend future dividends nor raise additional capital to support the United States operations.
- The Company continues to monitor and assess the performance of the United States operations.
 - The Company is currently evaluating a number of options with regards to its United States operations, including, but not limited to renegotiation or cancelation of station contracts, reorganization or liquidation of the subsidiary.
 - There is some uncertainty as to the continuation of USTN's station contract with CBS Radio. USTN is attempting to renegotiate this agreement to lower the costs of its United States operations.
 - Should these negotiations not be successful, operating losses do not improve sufficiently or the Company determines the United States operations are not viable, the Company may cease operations in the United States.

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 Actual	1H FY2017 Actual
Profit before income tax	(32.4)	16.5
Impairment charge	(21.7)	-
Depreciation and amortization	(6.2)	(4.7)
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	(6.3)	19.5
Interest income on long-term prepaid affiliate contract	4.2	4.3
Transaction expenses	-	(0.3)
Net F/X gain (losses)	(0.1)	0.1
Adjusted EBITDA	(2.0)	23.9

Reconciliation of Net profit after tax (NPAT) to NPATA

Profit (NPAT)	(36.4)	11.1
Amortization of intangible assets (tax effected)	3.6	2.5
Impairment charge	(21.7)	-
NPATA	(11.0)	13.6

Note 1: Amounts in tables may not add due to rounding.

Disclaimer and important information



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All amounts are in Australian dollars unless otherwise indicated.

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