



26 June 2019

GTN FY19 EARNINGS AND TRADING UPDATE

GTN Limited (**ASX: GTN**) today advises it expects ¹Adjusted EBITDA for the year ended 30 June 2019 will be in the range of ²\$37 million-\$38 million, compared to \$48.1 million in the previous corresponding period, primarily due to the combination of a forecasted 7% decrease in Australian revenue along with an increase in expenses in Australia, GTN's largest operating segment.

Importantly, GTN anticipates Group revenue will be steady at ²\$185 million as the Company continues to perform well in its other markets.

GTN, one of the largest broadcast media advertising platforms by audience reach in Australia, Canada, Brazil, and the United Kingdom, has implemented a number of strategies and organisational changes to improve its performance in Australia, where the media advertising market, including radio and television, has been challenging this past fiscal year.

GTN recently hired managers focused exclusively on television and advertising accounts that have not yet engaged ATN, employed more sales representatives, and promoted Marketing Strategy Director Kelly McIlwraith to Commercial Sales, Marketing & Strategy Director with responsibility for all Australia revenue. Ms. McIlwraith (see bio further below) previously focused on enhanced research initiatives such as the successful roll-out of Neuro Insight to numerous GTN clients. In addition, National Sales Director Chris Thornton will transition to National Sales Manager New South Wales, bringing his expertise to focus on improving sales in the key Australian market of Sydney.

¹ **Adjusted EBITDA** is EBITDA adjusted to include the non-cash interest income arising from the long-term prepaid Southern Cross Austereo Affiliate Contract and excludes foreign exchange gains or losses and transaction costs.

² These forecasts are subject to a number of factors including, but not limited to, ultimate foreign exchange rates for the period, final June 2019 revenue and expenses, and completion of the year-end audit

While disappointed with the expected overall operating result, GTN has performed well in its other markets:

Canada

Canada revenue increased materially during 2H19 due to the impact of the Rogers Toronto affiliation agreement. While this agreement is not yet EBITDA accretive, there is clear revenue momentum which, if maintained into FY20, should lead to EBITDA increases in the near-term.

Lannie Sibian, the President of CTN, will be departing the Company effective 30 June 2019. Bill Pezzimenti, former president of ATN and a sales consultant for GTN will oversee sales until a permanent replacement is named. Bill has been instrumental in the rapid revenue growth in Brazil and has been providing sales consulting for the past several months in Canada.

Brazil

Brazil revenue is expected to increase approximately 10% in FY19 in local currency despite significant economic turmoil in the country. While the additional costs of opening the Campinas and Brasilia markets in FY19 as well as solidifying our radio station line-up across all markets will lead to a decrease in EBITDA for the full-year, we are well positioned to continue to grow revenue in the future and become a true national network. We continue to work on opening additional markets but there is no update at this time.

United Kingdom

Revenue and EBITDA is forecast to increase in the UK in FY19 despite the uncertainty surrounding Brexit. The UK continues to produce meaningful cashflow for GTN despite not having the upside of some of our less mature markets.

Balance Sheet and Capital Management

The Company continues to maintain a strong balance sheet and generate positive cashflow. As of 31 May 2019, the Company's cash balances were \$49.4 million.

The Board of Directors reaffirms the current dividend policy of an annual dividend of 70%-90% of NPAT with the total dividend weighted toward the final dividend and paying approximately 50% of half-year NPAT as an interim dividend, in order to maximize the available franking credits.

The Company expects to be able to continue to frank a large percentage of dividends going forward, although it is unable to fix a franking percentage target at this time. The interim dividend for FY19 paid in March 2019 was 100% franked.

As previously advised, the Board also reaffirms it intends to re-start the share buy-back once the current black-out period is lifted following the release of the Company's full year results for FY19, which is anticipated in late August 2019. The Company has in excess of \$19 million remaining under its current share buy-back authorization.

Conference Call

GTN will host an investor briefing regarding the market update at 9:00 a.m. Australian Eastern Standard time today.

Conference ID Code: 10000973

Dial-in numbers:

Australia (toll free): 1800 558 698

Australia (toll): +61 2 9007 3187

New Zealand: 0800 480 392

Hong Kong: 800 906 986

Singapore: 800 852 3140

Conference Call Replay

A replay of the call will be available from 11:30 a.m. AEST on 26 June 2019 until 1 July 2019.

Replay PIN Code: 10000973

Dial-in numbers:

Australia (toll free): 1800 265 784

Australia (toll): +61 7 3107 6325

New Zealand: 0800 886 078

Hong Kong: 800 930 639

Singapore: 800 101 3223

For further enquiries please contact:

Kieran Ingrey, Newgate Communications: +61 432 507 439

This document contains 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 a guarantee 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.

Appendix A – Kelly McIlwraith Bio

Kelly McIlwraith has over 20 years' experience in the advertising industry in both the UK and Australia working in media agencies and sales organisations in sales, strategy, research and marketing roles.

Kelly joined ATN in 2015 as Marketing Strategy Director.

Prior to joining ATN, Kelly was General Manager of Strategy for oOh! Media and was a member of their senior executive team and held senior positions at leading media agencies Mediacom and Mediaedge.

Kelly was previously a judge for the POPAI Marketing at Retail Awards and a member of the MOVE Committee (outdoor audience measurement).