



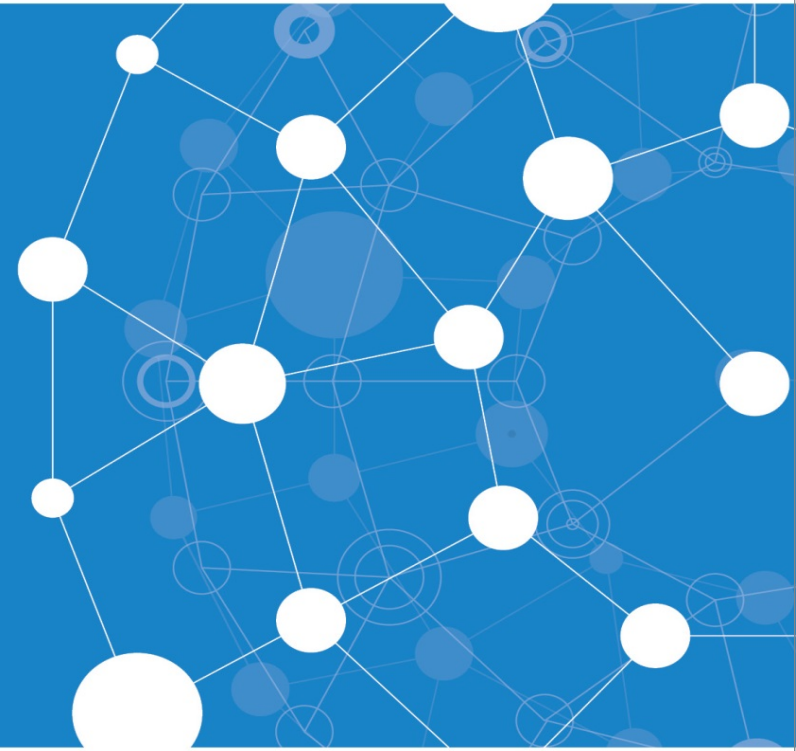
GTN Limited

AGM Presentation

November 2019

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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 35 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 Visit Sunshine Coast Limited, a Director of 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 GetSwift Limited, Lendlease Corporation, Aston Resources and Transurban Holdings

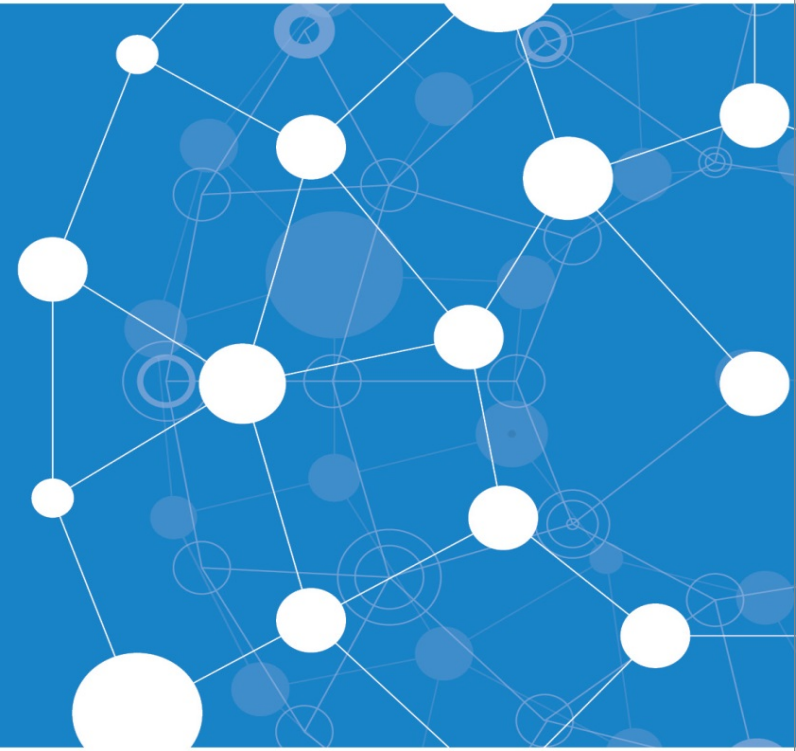


Corinna Keller
Director

- Vice President of Advertising Sales for the Americas for CNN International Commercial. Currently oversees the pan-regional ad sales business for CNN International, CNN en Español, CNN.com/international and CNNEspañol.com for Latin America and clients based in the U.S. and Canada who want to target international viewers.
- From 1999 to 2015, was with Viacom in various roles, her last as Vice President, International Marketing Partnerships and Pan-regional Ad Sales.

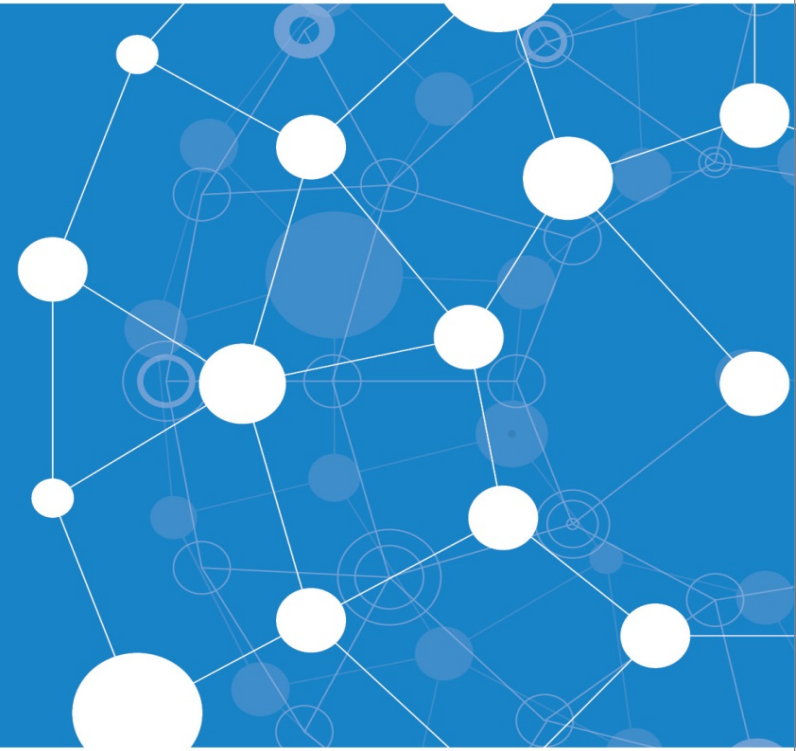
Section 01

Chairman's Address – Robert Loewenthal



Section 02

CEO's address – Bill Yde



FY2019 recap – Results Overview

GTN's FY19 revenue from continuing operations unchanged compared to FY18

Overview



FY19 revenue underpinned by growth in all non-Australia markets

- All non-Australian markets reported revenue increase over FY18 in both local currencies and AUD
- Australia revenue impacted by difficult domestic market conditions



FY19 profitability declined due to higher expenses

- Adjusted EBITDA of \$37.5 million (-22% on FY18)
 - Impacted by higher operating expenses, primarily station compensation
 - UK revenue growth led to increased station compensation costs due to variable compensation
 - Key affiliate renewal in Australia
 - Expansion of Canadian network, including Rogers in Toronto.
 - Sales, G&A expenses increased primarily due to increased employee costs outside of Australia, including commissions and bonuses related to increased revenue in those markets, contractual increases to executive management and severance payments, as well as foreign exchange increases related to the weakening AUD.



Strong liquidity position with net debt (after cash) of \$12.8 million

- Final dividend of 3.2 cps (70% franked) paid 30 September 2019
- TGR (net debt) 0.34x at 30 June 2019

A\$m ⁽⁵⁾	FY19 ⁽¹⁾	FY18 ⁽¹⁾	% Difference
Revenue	185.0	185.0	-%
EBITDA ⁽²⁾	29.2	39.7	(26.4)%
Adjusted EBITDA ⁽³⁾	37.5	48.1	(22.0)%
NPAT	15.7	24.8	(36.6)%
NPATA ⁽⁴⁾	20.3	29.2	(30.6)%
NPATA per share (\$)	\$0.09	\$0.13	(30.6)%

Notes: (1) All amounts are from continuing operations unless otherwise noted. (2) EBITDA is defined as net profit after tax from continuing operations before the deduction of interest expense/income, income taxes, depreciation and amortization. (3) 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. (4) NPATA is defined as net profit after tax from continuing operations adjusted for the tax effected amortization arising from acquisition related intangible assets. (5) 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.

FY2019 recap – Statement of Financial Position

Strong liquidity position. Net debt (debt less cash balances) of \$12.8 million. Total Gearing to Adjusted EBITDA of 0.34x.

Historical balance sheet (30 June 2019 & 30 June 2018)

	30 June 2019	30 June 2018
	\$'000	\$'000
Current Assets		
Cash and cash equivalents	50,728	52,232
Trade and other receivables	38,091	38,681
Current tax assets	2,479	957
Other current assets	3,481	1,827
Current assets	94,779	93,697
Non-current Assets		
Property, plant and equipment	10,459	6,335
Intangible assets	52,172	58,009
Goodwill	96,179	96,193
Deferred tax assets	2,975	3,916
Other assets	96,139	97,215
Non-current assets	257,924	261,668
Total assets	352,703	355,365
Current Liabilities		
Trade and other payables	32,596	28,346
Deferred revenue	534	450
Current tax liabilities	306	338
Financial liabilities	1,155	-
Provisions	939	1,341
Current liabilities	35,530	30,475
Non-current Liabilities		
Trade and other payables	73	69
Financial liabilities	61,393	58,294
Deferred tax liabilities	18,997	17,443
Other liabilities	-	37
Provisions	454	349
Non-current liabilities	80,917	76,192
Total liabilities	116,447	106,667
Net assets	236,256	248,698
Equity		
Share capital	444,041	444,981
Reserves	9,418	6,540
Accumulated losses	(217,203)	(202,823)
Total equity	236,256	248,698

Summary cash flow (1)

\$Am	FY19	FY18
Adjusted EBITDA	37.5	48.1
Non-cash items in Adjusted EBITDA	0.6	0.7
Change in working capital	4.8	(2.8)
Impact of Southern Cross Austereo Affiliate Contract	2.0	2.0
Operating free cash flow before capital expenditure	44.9	48.0
Capital expenditure	(3.9)	(3.3)
Net free cash flow before financing, tax and dividends	41.0	44.6

Commentary

- Strong liquidity position with net debt of \$12.8m
 - \$50.7m cash and \$63.6m of drawn debt (including \$3.6m of capital leases)
 - \$15m unutilized debt line available
 - TGR net debt to Adjusted EBITDA of 0.34x at 30 June 2019
- Final dividend of 3.2 cps paid 30 September 2019 (70% franked)

(1) From continuing operations only. Excludes United States segment that was disposed in March 2018.

FY2019 recap – KPIs

GTN's FY19 revenue result was underpinned by solid inventory acquisition across its four operating geographies.

GTN operational KPIs (by geographic segment)

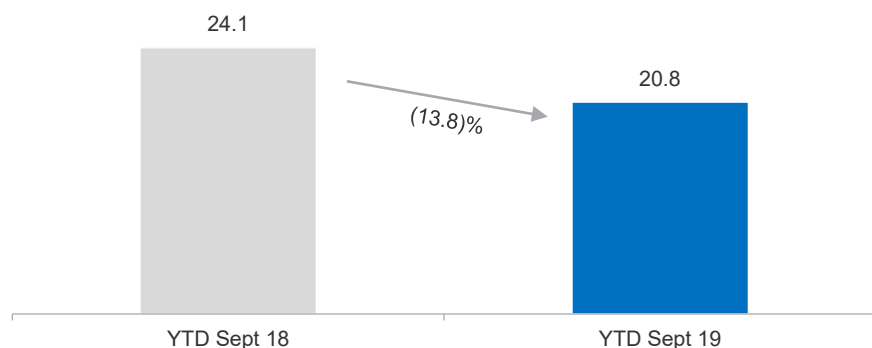
	FY2019 Actual	FY2018 Actual	vs. FY2018
Australia (ATN)			
Radio spots inventory ('000s) ⁽¹⁾	1,032	958	7.7%
Radio sell-out rate (%) ⁽²⁾	64%	73%	(9)% pts
Average radio spot rate (AUD) ⁽³⁾	137	138	(0.7)%
Canada (CTN)			
Radio spots inventory ('000s) ⁽¹⁾	655	630	4.0%
Radio sell-out rate (%) ⁽²⁾	66%	63%	+3% pts
Average radio spot rate (CAD) ⁽³⁾	69	69	-%
United Kingdom (UKTN)			
Total radio Impacts ⁽⁴⁾ available ('000) ⁽⁵⁾	19,435	19,307	0.7%
Radio sell-out rate (%) ⁽⁶⁾	99%	97%	+2% pts
Average radio net Impact rate (GBP) ⁽⁷⁾	1.3	1.3	-%
Brazil (BTN)			
Radio spots inventory ('000s) ⁽¹⁾	315	216	45.8%
Radio sell-out rate (%) ⁽²⁾	50%	60%	(10)% pts
Average radio spot rate (BRL) ⁽³⁾⁽⁸⁾	258	275	(6.2)%

(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; (8) Not adjusted for taxes or advertising agency incentives that are deducted from net revenue.

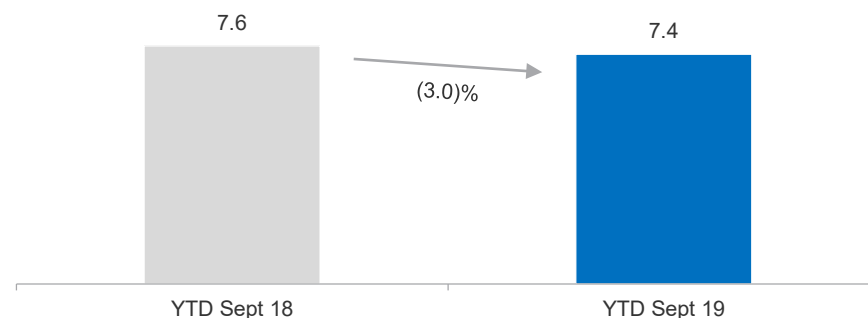
Trading update – Revenue performance by segment through 1Q FY20

Revenue from continuing operations decreased 4.9%, primarily due to a 13.8% decrease in Australian revenues. Non-Australian revenues increased 4.9% as revenue from outside Australia exceeds Australian revenue for the first time. Revenue for 1Q FY19 had increased 12.5% compared to the 1Q FY18.

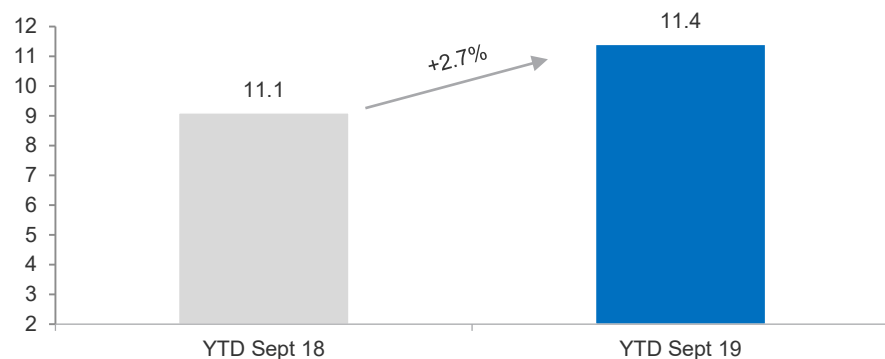
ATN revenue (A\$m)



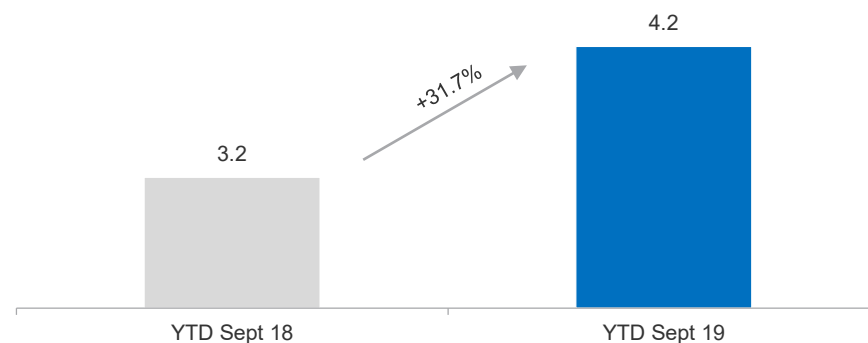
CTN revenue (A\$m)



UKTN revenue (A\$m)



BTN revenue (A\$m)

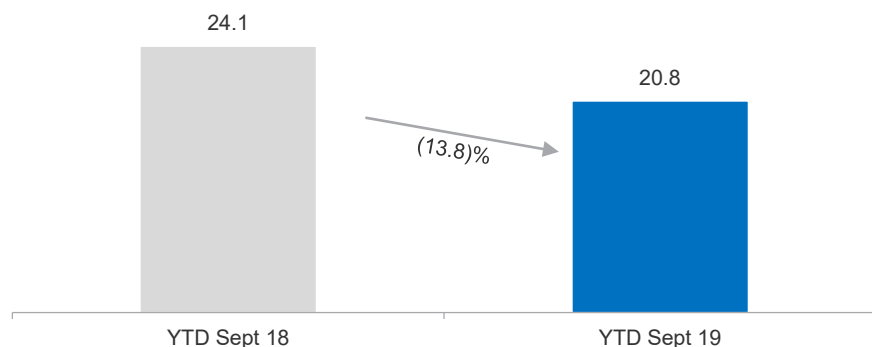


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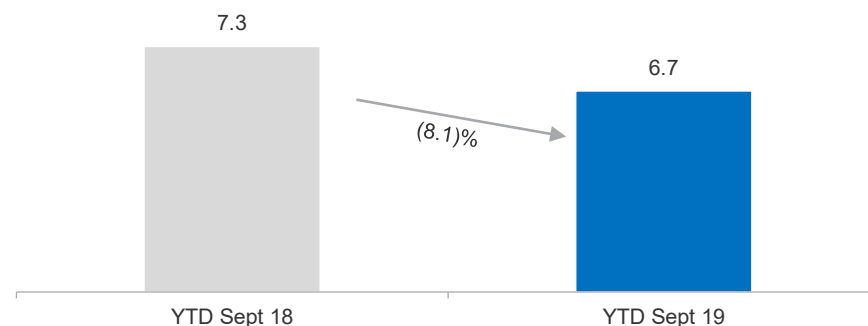
Trading update – Revenue performance by segment through 1Q FY20 in local currency

GTN revenue outside of Australia increased on average 5.9% (unweighted) compared with 1Q FY19 in local currency

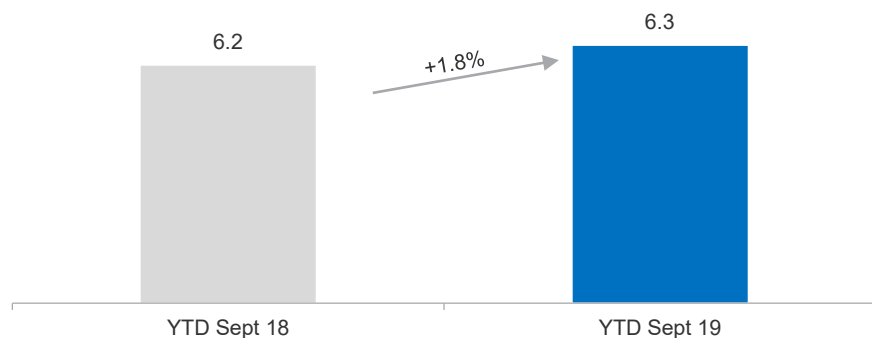
ATN revenue (A\$m)



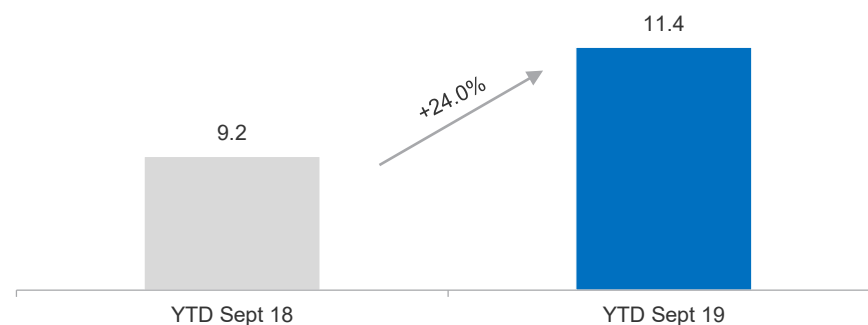
CTN revenue (CAD\$m)



UKTN revenue (GBP£m)



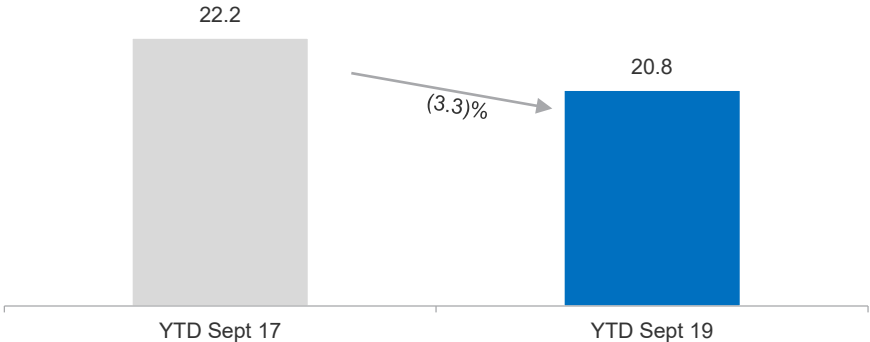
BTN revenue (BRL\$m)



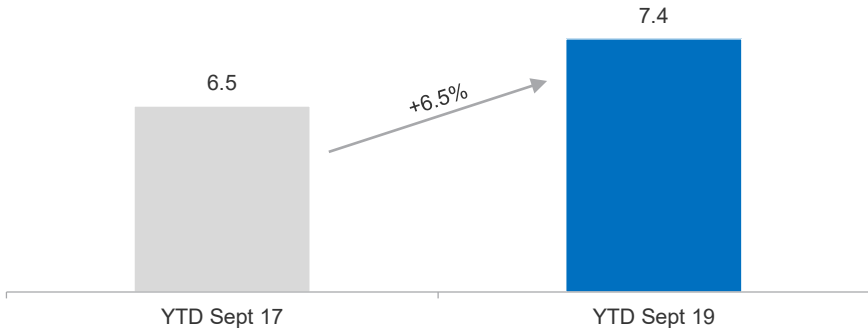
Significant revenue growth outside of Australia over past two fiscal first quarters

GTN revenue from continuing operations increased 3.4% since 1Q FY2018 on a compounded basis, due to a 10.9% increase in non-Australian revenues. Revenue from continuing operations increased 12.5% in 1Q FY19 compared to 1Q FY18.

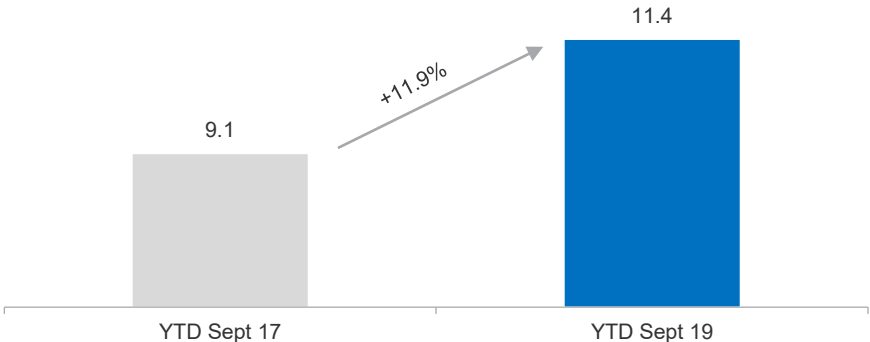
ATN revenue (A\$m)



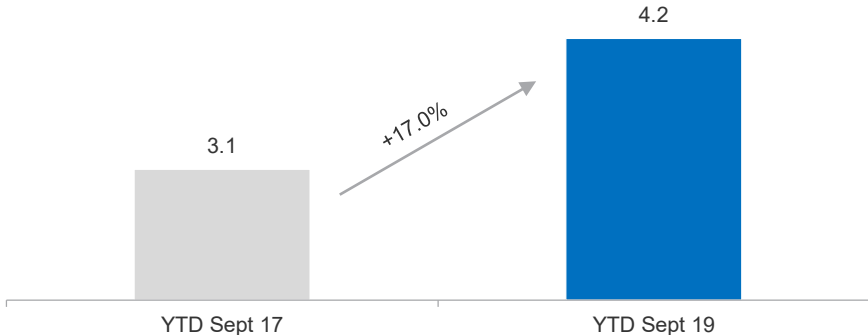
CTN revenue (A\$m)



UKTN revenue (A\$m)



BTN revenue (A\$m)

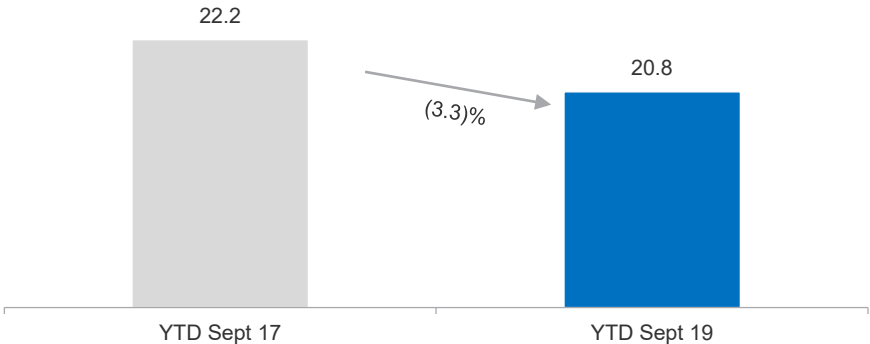


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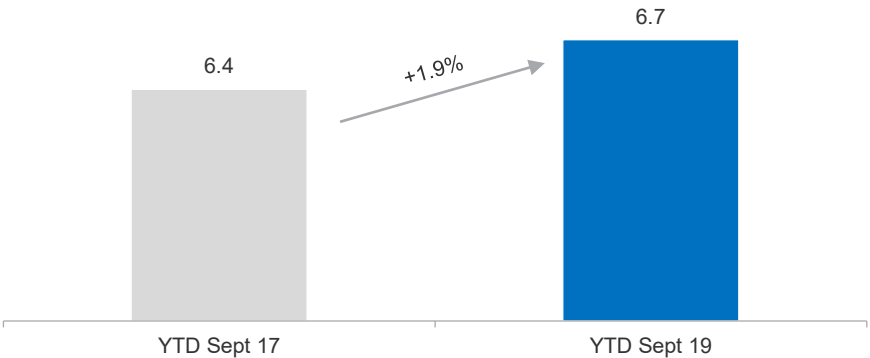
Significant revenue growth outside of Australia over past two first quarters of fiscal year in local currencies as well

GTN revenue outside of Australia increased on average 10.5% compound basis (unweighted) from 1Q FY18 to 1Q FY20 in local currency

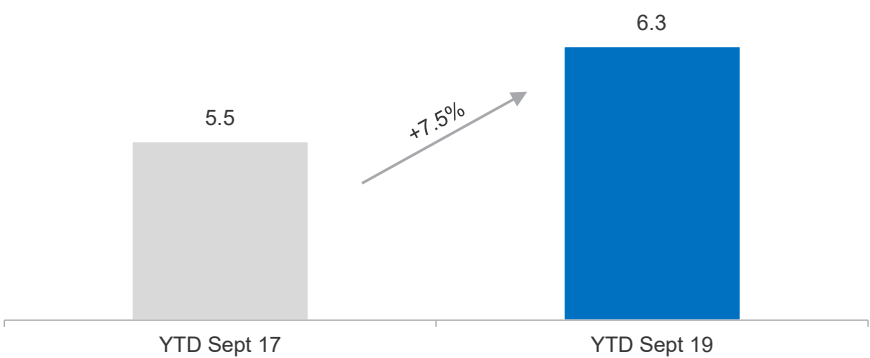
ATN revenue (A\$m)



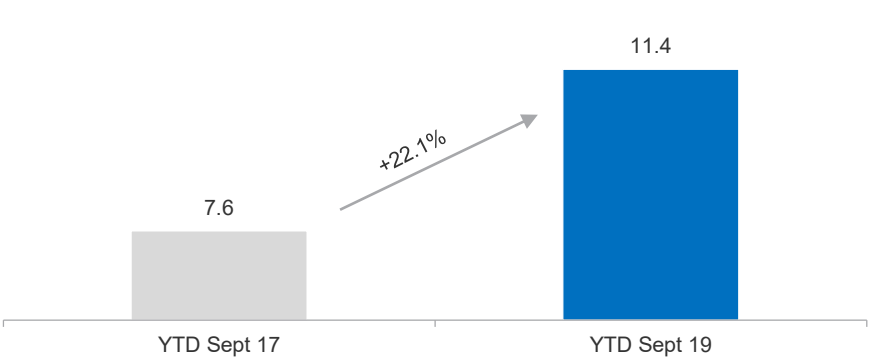
CTN revenue (CAD\$m)



UKTN revenue (GBP£m)



BTN revenue (BRL\$m)

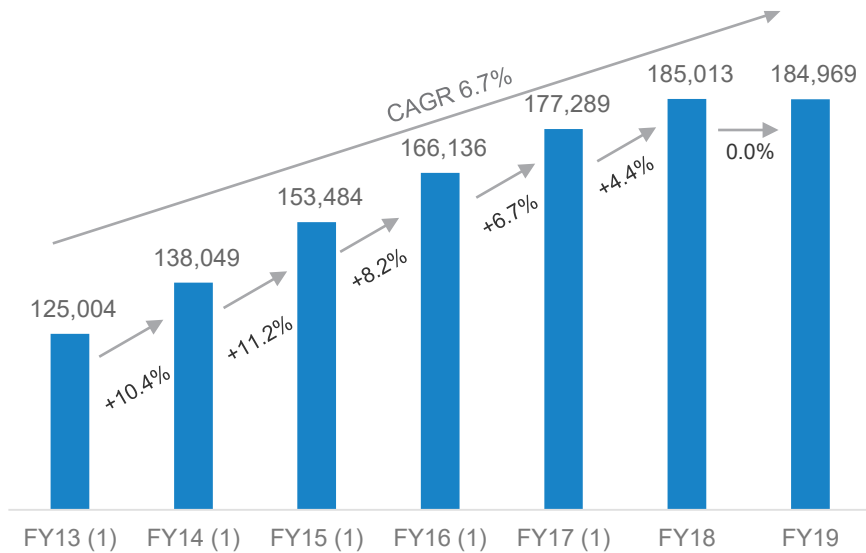


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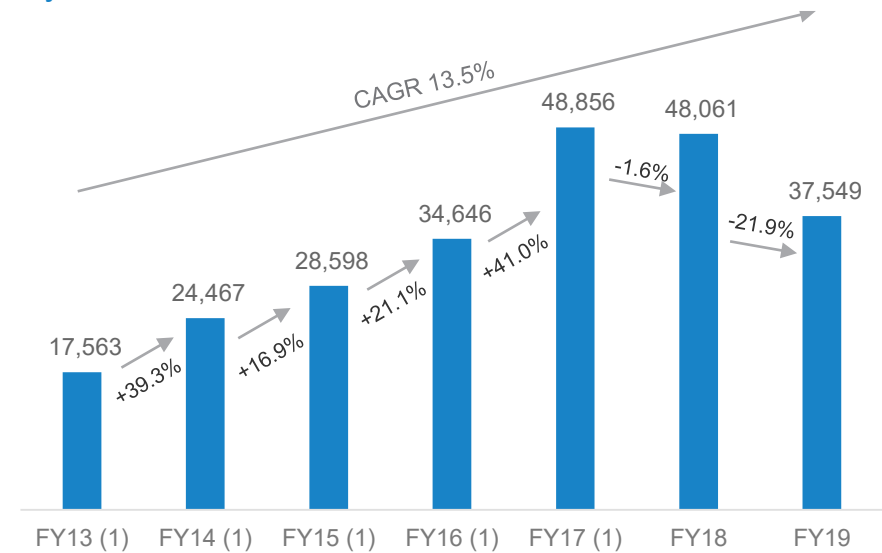
Revenue & Adjusted EBITDA From Continuing Operations: FY 2013 - FY 2019

Strong annual revenue and EBITDA growth since listing
6.7% CAGR on revenue basis, 13.5% CAGR on an Adjusted EBITDA basis since FY13

Revenue



Adjusted EBITDA



Brazil - Curitiba market opened in September 2019

- ➔ 6 radio station affiliates in initial network
- ➔ Metropolitan area population ~3.6 million
- ➔ 8th market in Brazil and fifth new market since FY 2018
 - Porto Alegre, Salvador, Campinas, Brasilia & Curitiba

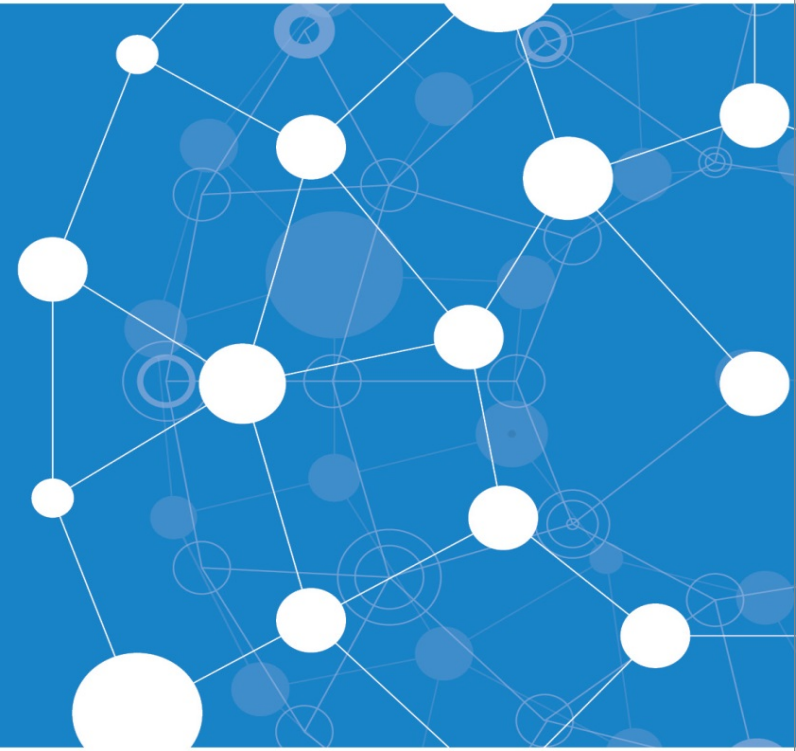
GTN outlook for 1H FY20

Expect improvement over 1Q FY20 performance

- ➔ Revenue decreased 4.9% in 1Q FY20 compared to 1Q FY19. All of the decline related to July and August.
 - Revenue from continuing operations increased 12.5% in 1Q FY19 compared to 1Q FY18
- ➔ To date, 2Q FY20 bookings have been tracking ahead of the same date last year.
 - October 2019 revenue finished ~8% ahead of October 2018
- ➔ However, it is too early to predict final 2Q FY20 revenue and the resulting Adjusted EBITDA.

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 2019.

Questions and Comments



Resolution 1 – Election of Director – Corinna Keller

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

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

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

For	Against	Abstain	Proxy’s Discretion
179,384,292 (99.98%)	29,439 (0.02%)	0 (0.00%)	5,021 (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 2019, 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
129,020,344 (71.91%)	50,382,594 (28.08%)	10,793 (0.00%)	5,021 (0.00%)

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

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 4,500,000 Options to acquire fully paid ordinary shares in the Company to William Yde under the GTN Long Term Incentive Plan 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
107,955,610 (60.17%)	71,451,941 (39.83%)	6,180 (0.00%)	5,021 (0.00%)

Appendix A

Reconciliation of 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 from continuing operations⁽²⁾

(\$m) ⁽¹⁾	FY2019	FY2018
Profit before income tax from continuing operations	22.9	34.2
Depreciation and amortization	(11.2)	(9.5)
Finance costs	(3.6)	(4.8)
Interest on bank deposits	0.3	0.4
Interest income on long-term prepaid affiliate contract	8.3	8.4
EBITDA	29.2	39.7
Interest income on long-term prepaid affiliate contract	8.3	8.4
Foreign currency transaction loss	-	(0.1)
Adjusted EBITDA	37.5	48.1

Reconciliation of Net profit after tax from continuing operations (NPAT) to NPATA

Profit for the year from continuing operations (NPAT)	15.7	24.8
Amortization of intangible assets (tax effected)	4.5	4.4
NPATA	20.3	29.2

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

Note 2: Excludes Company's United States segment which was disposed of in March 2018.

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.

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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