



GTN Limited

FY22 Results Presentation

25 August 2022

Today's presenters



Bill Yde (CEO and founder)



Scott Cody (CFO and COO)

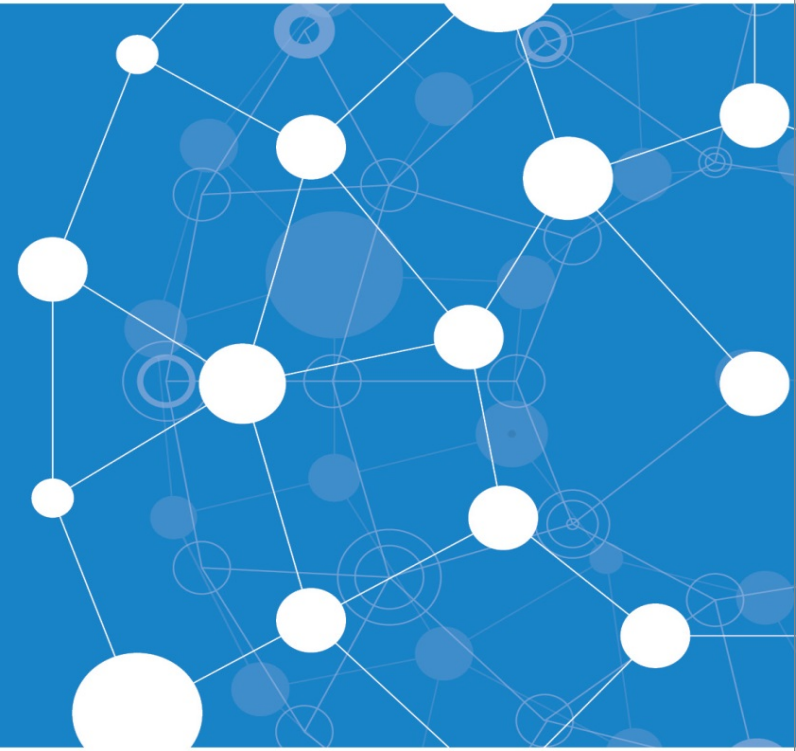
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Section 01

Overview



Overview

GTN's FY22 Adjusted EBITDA increased 22% compared to FY21 due to 12% increase in Group revenue

Key Highlights



FY22 revenue increased 12% compared to FY21

- Revenue increased in all four of Group's markets
- Revenue increased in both local currency and AUD in all markets



FY22 Adjusted EBITDA increased 22% due to revenue increase

- Adjusted EBITDA of \$17.1 million (+22% on FY21)
 - Adjusted EBITDA increased 43% ex-Jobkeeper/CEWS
 - Network operations and station compensation expenses increased 7% primarily due to station compensation
 - Station compensation increased 6%
 - Sales, G&A expenses increased 25% primarily due to increased selling costs
 - Primarily personnel costs (bonuses, commissions & additional staff related to revenue increase)



Strong liquidity position with net cash (after debt) of \$1.2 million

- Declared Final FY22 dividend of \$0.013 per share (unfranked)
- Share buyback announced 25 August 2022
- Repaid \$20 million of bank debt during FY22
 - Repaid \$10 million of bank debt previously in FY21

A\$m ⁽⁴⁾	FY22	FY21	% Difference
Revenue	160.1	143.3	11.7%
EBITDA ⁽¹⁾	9.1	6.0	50.8%
Adjusted EBITDA ⁽²⁾	17.1	14.0	21.9%
NPAT	2.8	(0.1)	NM
NPATA ⁽³⁾	7.4	4.6	59.1%
NPATA ⁽³⁾ per share (\$)	\$0.03	\$0.02	59.1%

Notes: (1) EBITDA is defined as net profit after tax before the deduction of interest expense/income, income taxes, depreciation and amortisation. (2) Adjusted EBITDA is EBITDA adjusted to include the non-cash interest income arising from the Southern Cross Austereo Affiliate Contract and excluding transaction costs, foreign exchange gains/losses, gains on lease forgiveness and losses on refinancing. (3) NPATA is defined as net profit after tax adjusted for the tax effected amortisation arising from acquisition related intangible assets. (4) 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.

GTN's global advertising platform

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



		ATN	CTN	UKTN	BTN
FY2022 Revenue	A\$m	78.1	26.8	46.0	9.2
FY2021 Revenue	A\$m	68.5	24.2	44.4	6.2
FY22 vs FY21		14.0%	10.7%	3.6%	47.4%
Number of Radio Affiliates	#	146	117	229	91
Number of TV Affiliates	#	13	6	-	-
GTN Radio Audience	m	11.5 ⁽³⁾	15.6	28.0	26.5 ⁽²⁾
GTN TV Audience	m	5.0	12.5	-	-
FY2022 radio spots inventory	'000	1,031	681	19,284 ⁽¹⁾	486
FY2022 sell-out rate (radio)	%	51%	46%	99% ⁽¹⁾	38%
FY2022 average spot rate (radio)	Local ccy	A\$134	C\$72	£1.3 ⁽¹⁾	BRL 217

(1) See page 12 for explanation of UKTN metrics

(2) Campinas market not rated by Ipsos so audience not included in total.

(3) Excludes non-rated regional markets

Section 02

Group financial performance



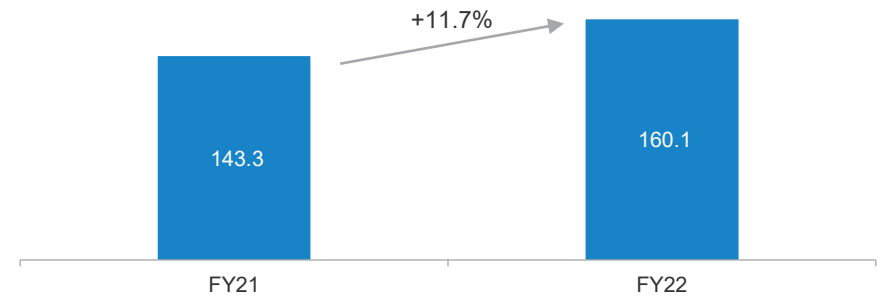
Key drivers of financial performance

Adjusted EBITDA increased 22% to \$17.1m due to 12% revenue increase

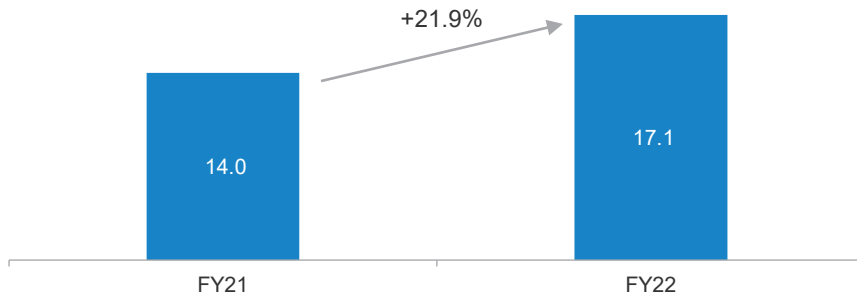
Commentary

- Revenue increased 12% compared to FY21
 - Revenue increase driven by strong performance across all markets
 - Revenue increased in both local currency and AUD in all markets
- Adjusted EBITDA increased 22% due to revenue increase
 - Network operations and station compensation expenses increased 7% compared to FY21 primarily due to higher station compensation (+6%)
 - Sales and G&A expenses increased 25% primarily due to increased selling costs on higher revenue
- NPAT and NPATA increased \$2.9 million and \$2.7 million, respectively, primarily due to increased EBITDA and lower financing costs

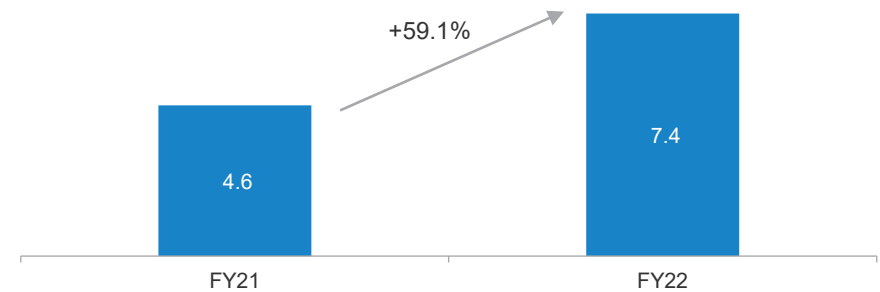
GTN Group revenue



GTN Group Adjusted EBITDA



GTN Group NPATA



Strong liquidity position

Net cash (cash less debt balances) of \$1.2 million

Historical balance sheet

	30 June 2022	30 June 2021
Current Assets	\$'000	\$'000
Cash and cash equivalents	34,844	49,376
Trade and other receivables	37,751	31,003
Current tax assets	4,086	4,894
Other current assets	3,714	2,702
Current assets	80,395	87,975
Non-current Assets		
Property, plant and equipment	9,735	7,721
Intangible assets	33,212	39,525
Goodwill	95,998	96,616
Deferred tax assets	5,501	4,857
Other assets	92,373	93,736
Non-current assets	236,819	242,455
Total assets	317,214	330,430
Current Liabilities		
Trade and other payables	35,148	32,988
Contract liabilities	987	1,000
Current tax liabilities	91	149
Financial liabilities	1,376	1,286
Provisions	1,090	987
Current liabilities	38,692	36,410
Non-current Liabilities		
Trade and other payables	75	69
Financial liabilities	32,142	51,689
Deferred tax liabilities	22,406	21,309
Provisions	330	403
Non-current liabilities	54,953	73,470
Total liabilities	93,645	109,880
Net assets	223,569	220,550
Equity		
Share capital	437,508	437,508
Reserves	10,214	9,997
Accumulated losses	(224,153)	(226,955)
Total equity	223,569	220,550

Summary cash flow

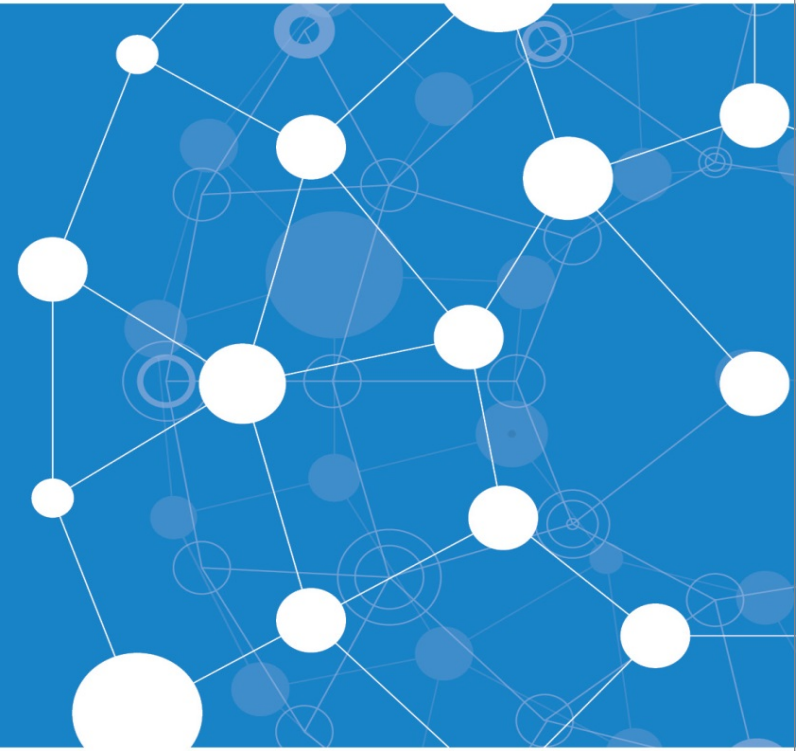
\$Am	FY22	FY21
Adjusted EBITDA	17.1	14.0
Non-cash items in Adjusted EBITDA	0.8	0.9
Change in working capital	(4.6)	(9.0)
Impact of Southern Cross Austereo Affiliate Contract	2.0	2.0
Operating free cash flow before capital expenditure	15.3	8.0
Capital expenditure	(4.1)	(2.2)
Net free cash flow before financing, tax and dividends	11.2	5.8

Commentary

- Strong liquidity position with net cash after debt of \$1.2m
 - \$34.8m cash and \$33.5m of debt (including \$3.6m of leases)
 - Repaid \$20m of bank debt during FY22
 - Repaid \$10m of bank debt during FY21
- Bank facility reverted to previous more favourable terms
 - In compliance with covenants by a wide margin
- Declared Final FY22 dividend of \$0.013 per share (unfranked)
- Announced resumption of on-market share buyback
- Change in working capital primarily related to accounts receivable consistent with increased revenue

Section 03

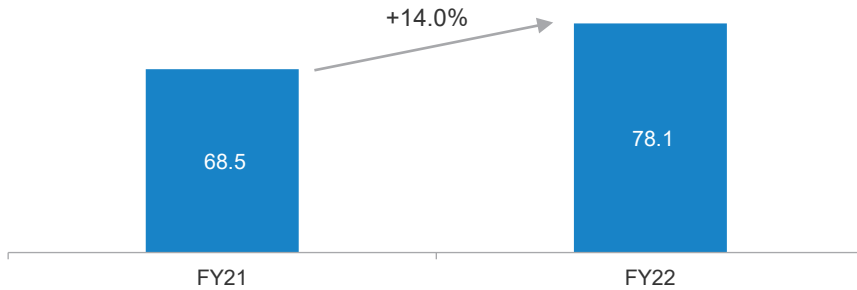
Financial performance by operating segment



ATN

ATN posted strong revenue increase (+14%) for FY 2022

ATN revenue performance



ATN KPIs

	FY22	FY21	% chg
Radio spots inventory ('000s) ¹	1,031	954	+8.1%
Radio sell-out rate (%) ²	51%	52%	(1)% points
Average radio spot rate (AUD) ³	134	128	4.6%

Commentary

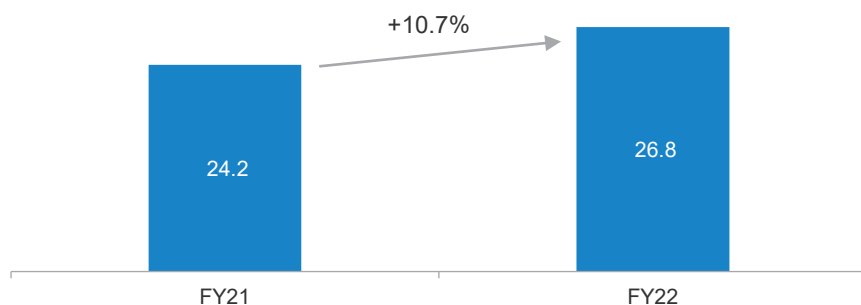
- ATN revenue increased by 14.0% as business continues to rebound from the impact of the COVID-19 pandemic
- Radio spots inventory and number of spots sold both increased compared to FY21
 - Despite strong revenue growth, sell-out remains well below pre-pandemic levels allowing for significant future upside
- Introduced drone light shows during 2H FY22
 - Revenue opportunities from both advertising-supported shows as well as cash fees
- Results to date not material
 - FY22 revenue \$0.1M, EBITDA \$(0.7)M

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.

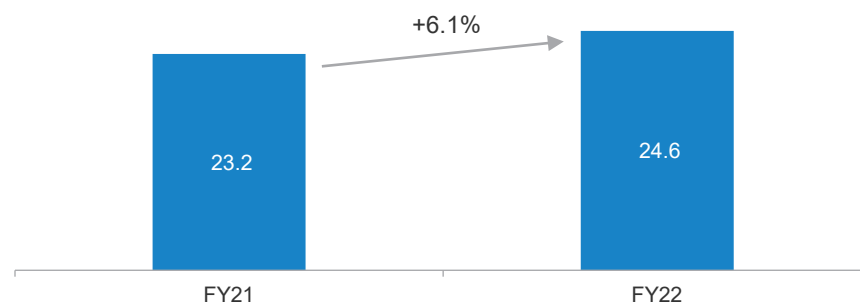
CTN

CTN revenue increased 11% in AUD and 6% in local currency compared to FY21 despite revenue declining in 1H FY22 compared to 1H FY21

CTN revenue performance (AUD)



CTN revenue performance (CAD)



CTN KPIs

	FY22	FY21	% chg
Radio spots inventory ('000s) ¹	681	688	(1.1)%
Radio sell-out rate (%) ²	46%	43%	+3% points
Average radio spot rate (CAD) ³	72	71	1.0%

Commentary

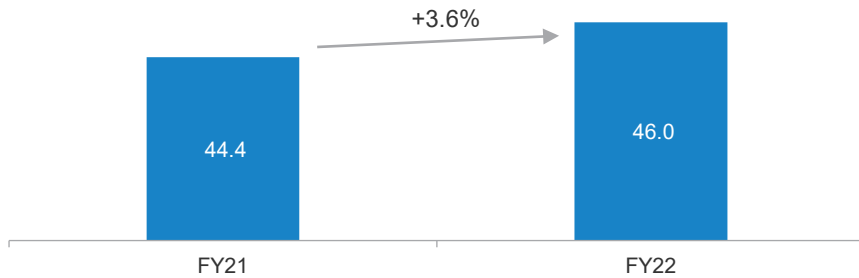
- CTN revenue increased in both AUD and CAD
 - FY22 revenue increased 11% compared to FY21
 - In CAD, FY22 revenue increased 6% compared to FY21
 - 2H FY22 revenue increased \$2.7m (+26%) compared to 2H FY21
 - In CAD, 2H FY22 revenue increased \$1.9m (+20%)
- Currency fluctuations had a positive impact on reported revenue

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.

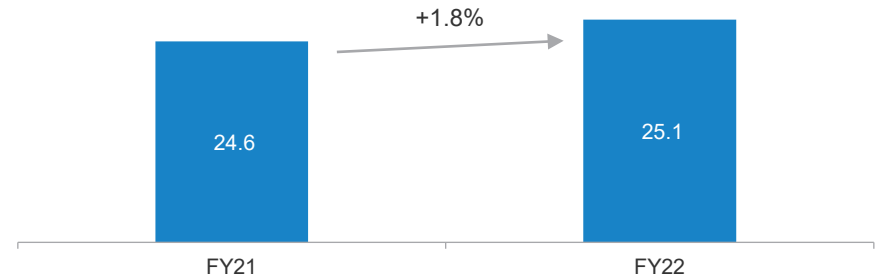
UKTN

UKTN increased revenue in both AUD and local currency compared to FY21

UKTN revenue performance (AUD)



UKTN revenue performance (GBP)



UKTN KPIs

	FY22	FY21	% chg
Total radio impacts available ('000s) ¹	19,284	19,755	(2.4)%
Radio sell-out rate (%) ²	99%	94%	+5% points
Average radio net impact rate (GBP) ³	1.3	1.3	-%

Commentary

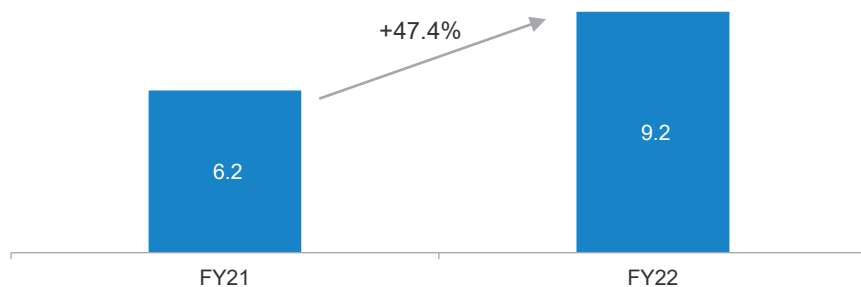
- UKTN revenue increased for a second consecutive year
 - FY22 revenue increased 4% compared to FY21
 - In GBP, FY22 revenue increased 2%
 - UK only market to increase revenue in both FY21 and FY22
 - Impacts decrease primarily due to stations rating decreases in Radio Joint Audience Research ("RAJAR")
 - Currency fluctuations had a positive impact on reported revenue

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

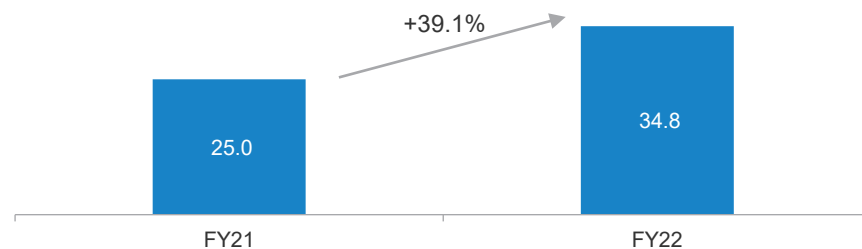
BTN

BTN revenue increased 47% in AUD and 39% in local currency to once again become GTN's fastest-growing market

BTN revenue performance (AUD)



BTN revenue performance (BRL)



BTN KPIs

	FY22	FY21	% chg
Radio spots inventory ('000s) ¹	486	453	7.2%
Radio sell-out rate (%) ²	38%	35%	3% points
Average radio spot rate (BRL) ³	217	178	21.7%

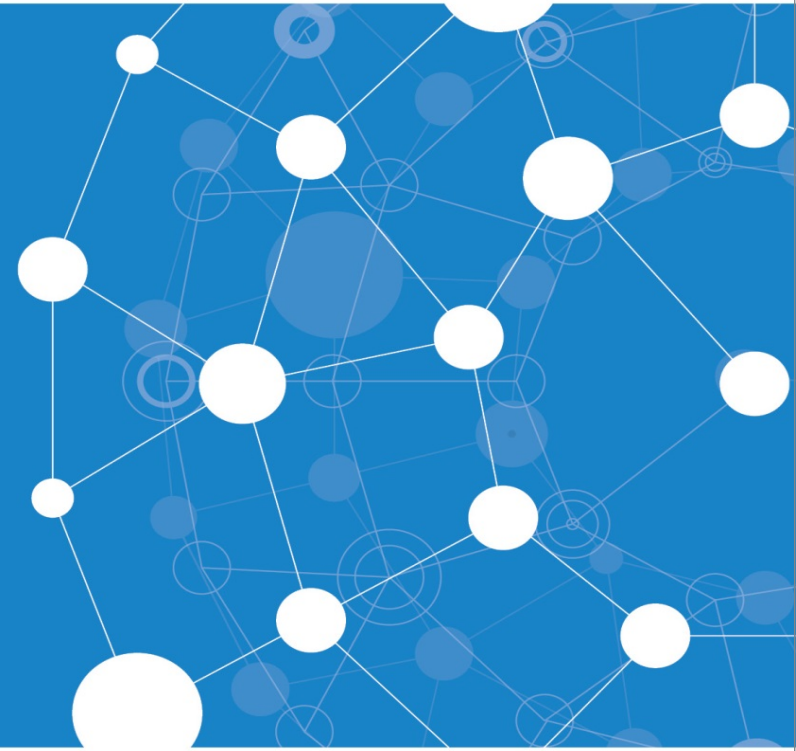
Commentary

- FY22 revenue increased 47% (+39% in BRL) compared to FY21
 - Strong bounce-back in average radio spot rate (+22% YOY)
 - Spot rate surpassed FY20 rate but still below the pre-pandemic rate
 - Despite large revenue increase, still significant capacity to grow revenue from existing inventory
- Currency fluctuations had a positive impact on reported revenue

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. Not adjusted for taxes or advertising agency incentives that are deducted from net revenue.

Section 04

Update on operating strategy and capital management



GTN Operating Strategy

Management continues to be focused on maintaining business infrastructure, maximising revenue and effectively managing operating expenses while exploring additional growth opportunities

Maintain affiliate networks

- We believe that a continued focus on strong products is key to maximizing revenue now as well as in the future
 - Our affiliate relationships are key to maintaining our robust networks

Retain sales management and staff

- Group's sales personnel are talented, experienced, and vital to retaining existing client base as well as generating new revenue

Manage operating expenses

- While expenses have increased from FY21 to FY22, the focus has been on investments designed to drive revenue in FY22 and beyond
 - Large portion of the increase in operating expense is due to increased station compensation, which is the lifeblood of the business. This strategy also increased valuable inventory which is key to growth as markets continue to recover.
 - Significant increase in selling expenses related to the revenue increase in FY22
 - Operating expenses for FY22 were almost \$4 million less than FY20 despite comparable revenue performance
 - FY22 revenue \$160.1 million v. \$160.9 million in FY20

GTN Operating Strategy (continued)

New business opportunity - Aerial drone light shows

➔ Commenced operating aerial drone light shows during 2H FY22

- Drone light shows involve the operation of many drones simultaneously to create images that are viewed by audiences in a manner similar to traditional fireworks shows
- May replace fireworks in future in many instances since considered more environmentally friendly

➔ GTN's Aerial Drone revenue model consists of both advertising-supported shows (where the sponsor's logo is incorporated into the display) and cash fees

- We believe the ability to offer an advertising-supported solution will give GTN an advantage over competitors that must charge large cash fees for the shows
- Ability to sell to current and new advertisers via existing, talented sales staff

➔ Financial results to date are not material to the Group's profit and loss

- FY22 adjusted EBITDA \$(0.7)m
- Revenue \$75k, consisting of both advertising sales and cash fees
- Operating expenses of \$0.7m

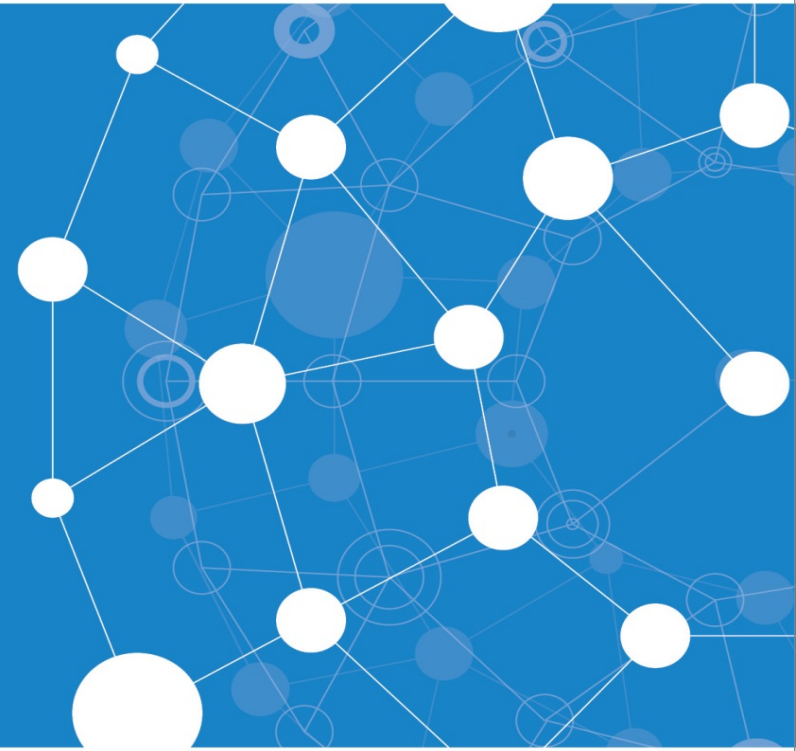
Capital Management

Company reduced outstanding debt \$20 million in FY22 (\$30 million over past two fiscal years)

- ➔ **At 30 June 2022, GTN held cash balances of \$34.8m with net cash after the debt of \$1.2M**
- ➔ **Debt facility has reverted to original terms after pandemic-related modifications**
 - Distributions of 100% of NPATA allowed for dividends and/or share buybacks
 - Previously distributions were not allowed under the pandemic “tightening” of the loan agreement
 - Anticipate that the Group will continue to remain in compliance with all financial covenants
 - Current repayment date of the loan is 30 September 2023
 - Anticipate that the Group will extend/refinance the loan and have had preliminary discussions with the current lender
- ➔ **Board declared \$0.013 per share final dividend for FY22 (unfranked)**
 - Record date set at 2 September 2022 and the payment date is 30 September 2022
- ➔ **Company announced share buyback on 25 August 2022 for up to 10% of outstanding shares for up to twelve months**
 - No minimum share repurchase or target purchase price has been set

Section 05

Update on trading



GTN Trading Update – July & August 2022

Revenue for July and August this fiscal year has outperformed July and August 2021 to date

➔ July 2022 revenue increased ~6% compared to July 2021

- Increase led by Australia segment (~+32%) and Brazil (~+16% in BRL)
- UK revenue decrease (~(11)% in GBP)
- Due to variable cost model in UK impact on profitability mitigated

➔ August 2022 revenue is also expected to increase compared to August 2021

- Revenue forecast to increase 6-8% compared to August 2021
- Increase again led by Australia and Brazil

➔ Unable to forecast future revenue due to the generally short lead time of the Group's sales cycle

- Results beyond August 2022 are likely to be highly dependent on market conditions
- It is too early to offer any outlook for the rest of the fiscal year, but the trends for July and August are favourable compared to FY22

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⁾	FY2022	FY2021
Profit before income tax	5.2	1.4
Depreciation and amortisation	10.6	10.8
Finance costs	1.3	2.0
Interest on bank deposits	(0.0)	(0.1)
Interest income on long-term prepaid affiliate contract	(8.1)	(8.2)
EBITDA	9.1	6.0
Interest income on long-term prepaid affiliate contract	8.1	8.2
Foreign currency transaction loss	0.0	0.0
Gain on lease forgiveness	(0.0)	(0.2)
Adjusted EBITDA	17.1	14.0

Reconciliation of Net profit (loss) after tax (NPAT) to NPATA

Profit (loss) for the year (NPAT)	2.8	(0.1)
Amortisation of intangible assets (tax effected)	4.6	4.7
NPATA	7.4	4.6

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

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