



GTN Limited

FY23 Results Presentation

29 August 2023

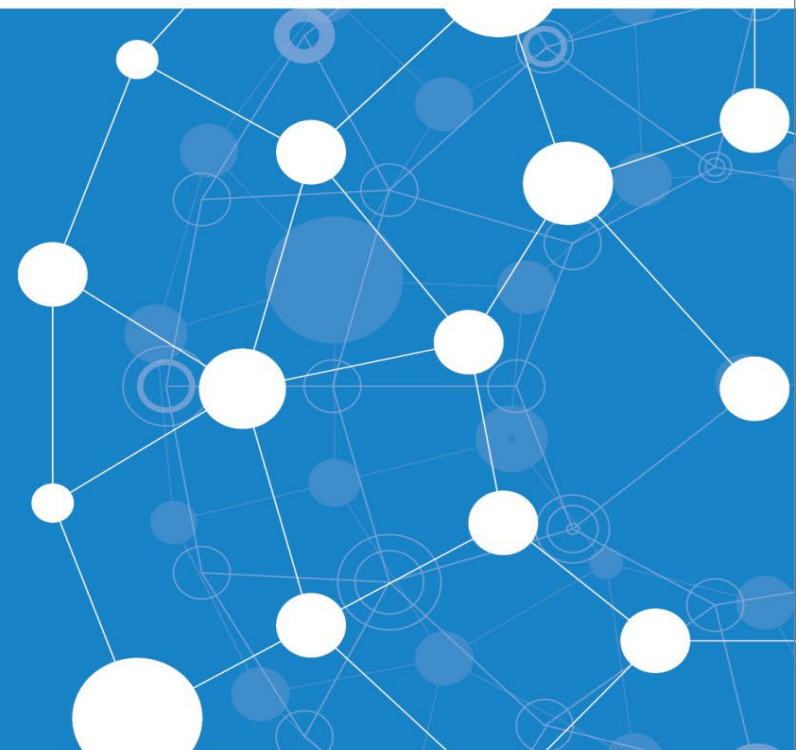
Today's Presenter



Scott Cody (CFO and COO)

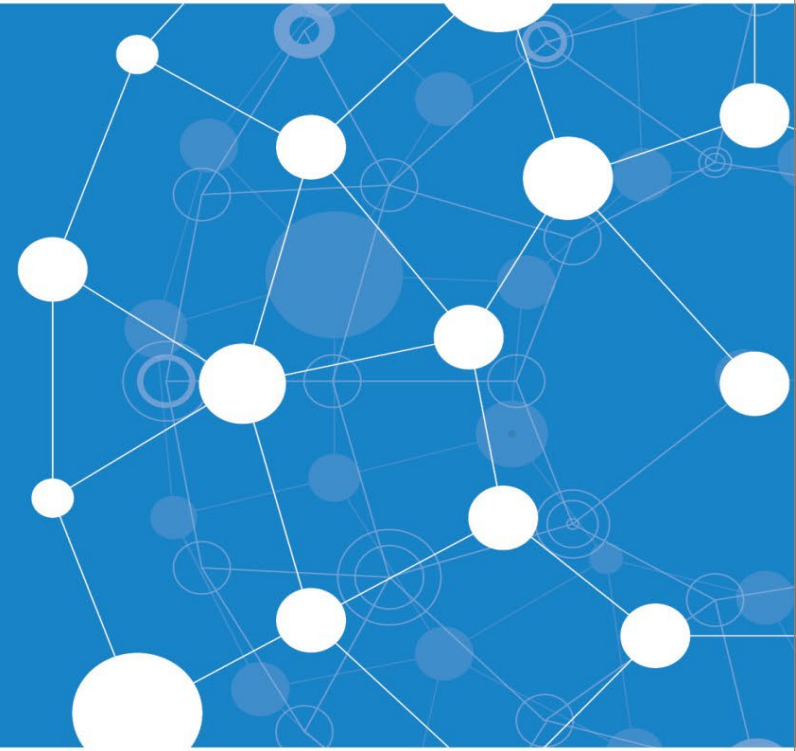
Contents

01	Overview	3
02	Group financial performance	6
03	Financial performance by operating segment	9
04	Update on operating strategy and capital management	14
05	Update on trading	19
A	Additional financial information	21



Section **01**

Overview



Overview

GTN's FY23 Adjusted EBITDA increased 13% compared to FY22 due to an 11% increase in Group revenue

Key Highlights



FY23 revenue increased 11% compared to FY22

- Revenue increased in all of Group's markets except the United Kingdom
 - Second consecutive year of double-digit revenue growth



FY23 Adjusted EBITDA increased 13% due to revenue increase

- Adjusted EBITDA of \$19.3 million (+13% on FY22)
 - Adjusted EBITDA increased 32% ex-Jobkeeper/CEWS, drone operations & CEO departure costs
 - Network operations and station compensation expenses increased 5% primarily due to station compensation & drone operating costs
 - Sales, G&A expenses increased 27%
 - Selling costs increased 23%; largest component of increase was commissions and bonuses
 - G&A increased mainly due to termination of Jobkeeper/CEWS, CEO departure costs & executive costs (partially due to F/X rates)



Strong liquidity position with net cash (after debt) of \$3.4 million

- Returned over \$11 million to shareholders during FY23
- \$5.8 million in dividends (FY22 Final & FY23 Interim) (unfranked)
- Repurchased over 11 million shares (5% of outstanding) for \$5.4 million
- Repaid an additional \$6 million in bank debt during FY23
- Repaid \$36 million of bank debt over past three fiscal years, reducing debt from \$60 million to \$24 million

A\$m ⁽⁴⁾	FY23	FY22	% Difference
Revenue	177.0	160.1	10.6%
EBITDA ⁽¹⁾	11.3	9.1	25.1%
Adjusted EBITDA ⁽²⁾	19.3	17.1	13.0%
NPAT	2.6	2.8	(6.0)%
NPATA ⁽³⁾	7.2	7.4	(2.4)%
NPATA ⁽³⁾ per share (\$)	\$0.03	\$0.03	(0.9)%

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
FY2023 Revenue	A\$m	88.6	34.2	42.4	11.9
FY2022 Revenue	A\$m	78.1	26.8	46.0	9.2
FY23 vs FY22		13.4%	27.6%	(8.0)%	29.8%
Number of Radio Affiliates	#	147	109	242	96
Number of TV Affiliates	#	8	6	-	-
GTN Radio Audience	m	11.7 ⁽³⁾	15.6	29.9	26.6 ⁽²⁾
GTN TV Audience	m	3.5	11.3	-	-
FY2023 radio spots inventory	'000	1,102	667	20,582 ⁽¹⁾	495
FY2023 sell-out rate (radio)	%	56%	56%	85% ⁽¹⁾	46%
FY2023 average spot rate (radio)	Local ccy	A\$132	C\$77	£1.4 ⁽¹⁾	BRL 210

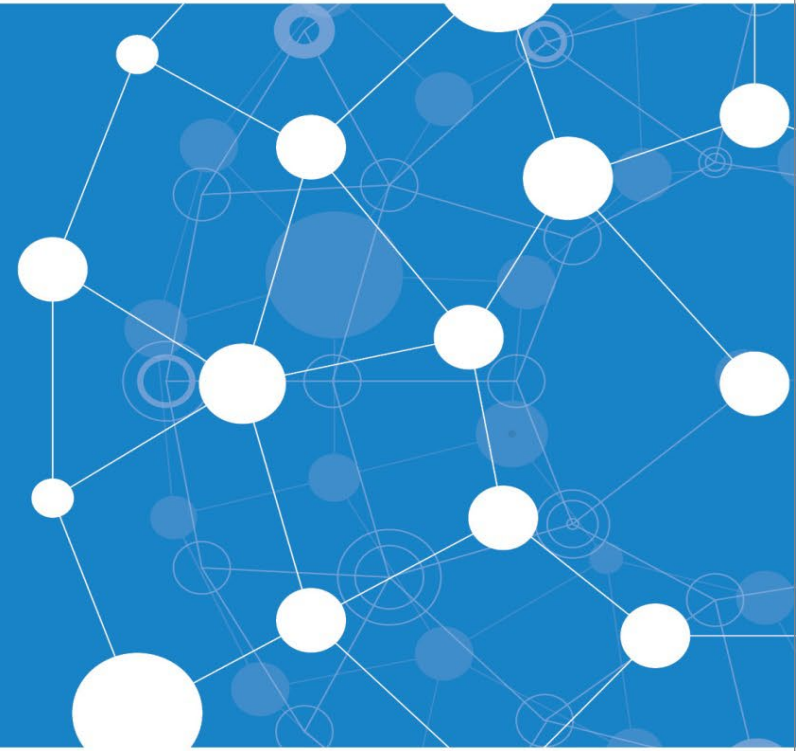
(1) See page 13 for explanation of UKTN metrics

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

(3) Excludes non-rated regional markets

Section 02

Group financial performance



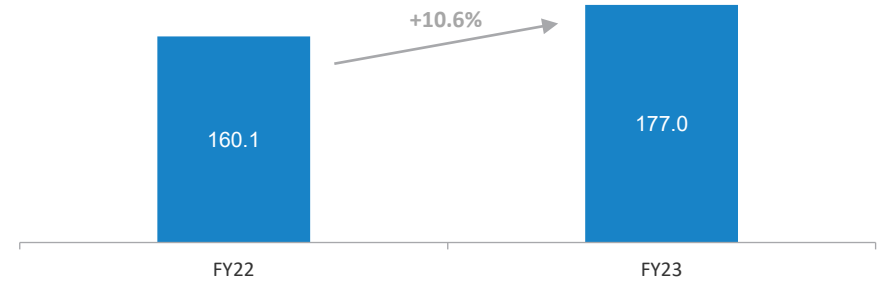
Key Drivers of Financial Performance

Revenue increased 11% whilst Adjusted EBITDA increased 13% to \$19.3m

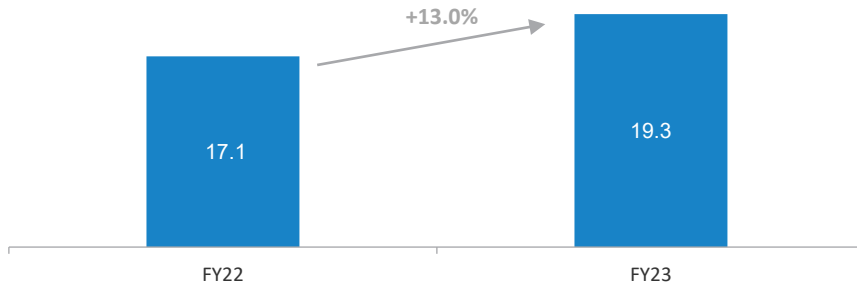
Commentary

- Revenue increased 11% compared to FY22
 - Revenue increase driven by strong performance in Australia, Brazil and Canada
 - United Kingdom revenue decreased after a record FY22 performance
- Adjusted EBITDA increased 13% due to revenue increase
 - Adjusted EBITDA increased 32% ex-Jobkeeper/CEWS, drone operations & CEO departure costs
- NPAT and NPATA decreased slightly due to increased depreciation, finance costs and income taxes

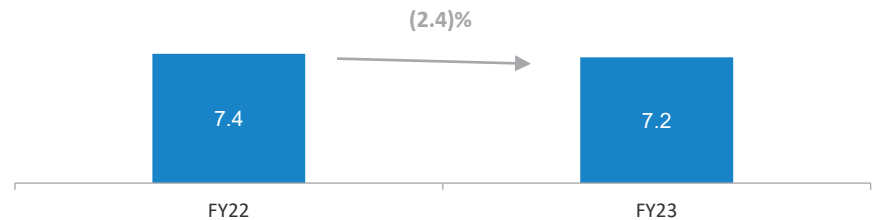
GTN Group Revenue



GTN Group Adjusted EBITDA



GTN Group NPATA



Strong Liquidity Position

Net cash (cash less debt balances) of \$3.4 million

Historical balance sheet

	30 June 2023	30 June 2022
Current Assets	\$'000	\$'000
Cash and cash equivalents	30,606	34,844
Trade and other receivables	41,194	37,751
Current tax assets	4,385	4,086
Other current assets	4,938	3,714
Current assets	81,123	80,395
Non-current Assets		
Property, plant and equipment	10,654	9,735
Intangible assets	27,116	33,212
Goodwill	96,422	95,998
Deferred tax assets	4,806	5,501
Other assets	90,863	92,373
Non-current assets	229,861	236,819
Total assets	310,984	317,214
Current Liabilities		
Trade and other payables	39,244	35,148
Contract liabilities	1,415	987
Current tax liabilities	63	91
Financial liabilities	1,215	1,376
Provisions	1,312	1,090
Current liabilities	43,249	38,692
Non-current Liabilities		
Trade and other payables	78	75
Financial liabilities	25,912	32,142
Deferred tax liabilities	24,051	22,406
Provisions	318	330
Non-current liabilities	50,359	54,953
Total liabilities	93,608	93,645
Net assets	217,376	223,569
Equity		
Share capital	432,128	437,508
Reserves	8,159	10,214
Accumulated losses	(222,911)	(224,153)
Total equity	217,376	223,569

Summary cash flow

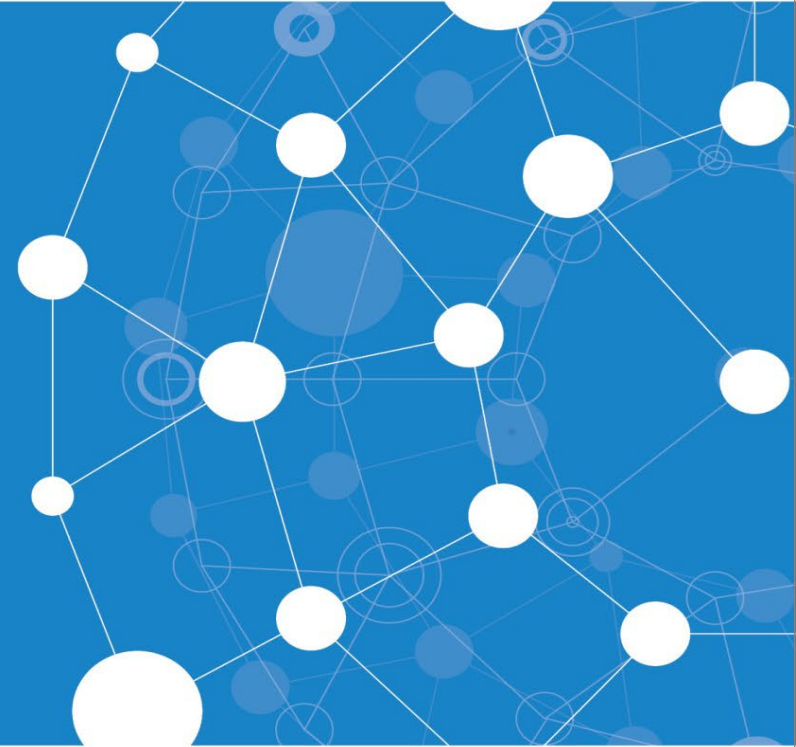
\$Am	FY23	FY22
Adjusted EBITDA	19.3	17.1
Non-cash items in Adjusted EBITDA	0.4	0.8
Change in working capital	0.7	(4.6)
Impact of Southern Cross Austereo Affiliate Contract	2.1	2.0
Operating free cash flow before capital expenditure	22.4	15.3
Capital expenditure	(5.6)	(4.1)
Net free cash flow before financing, tax and dividends	16.7	11.2

Commentary

- Strong liquidity position with net cash after debt of \$3.4m
 - \$30.6m cash and \$27.2m of debt (including \$3.2m of leases)
 - Repaid \$6m of bank debt during FY23
 - Reduced outstanding bank debt \$36m since FY21 to \$24m from \$60m
- Bank facility extended to 22 December 2025
 - In compliance with covenants by a wide margin
- Paid \$5.8m in dividends (FY22 Final & FY23 Interim) (unfranked) during FY23
- Repurchased over 11m shares of stock (over 5% outstanding) for \$5.4M
- Cash flow increase from FY22 due primarily to increases Adjusted EBITDA and working capital changes

Section 03

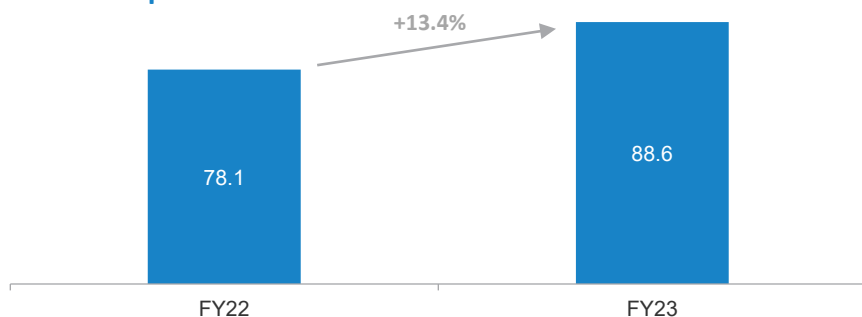
Financial performance by operating segment



ATN

ATN delivered a second consecutive year of double-digit growth, increasing revenue 13% in FY 2023

ATN revenue performance



ATN KPIs

	FY23	FY22	% chg
Radio spots inventory ('000s) ¹	1,102	1,031	+6.8%
Radio sell-out rate (%) ²	56%	51%	+5% points
Average radio spot rate (AUD) ³	132	134	(1.6)%

Commentary

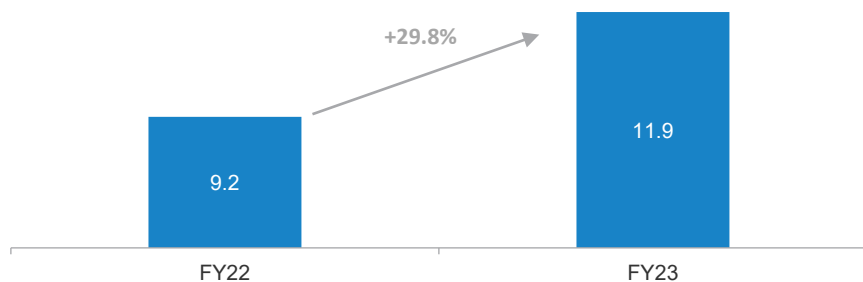
- ATN revenue increased by 13.4% for the second consecutive year of double-digit growth
 - FY22 revenue increased 14.0% over FY21
 - FY23 revenue growth was +12%, excluding the drone business
- Radio spots inventory and spots sold both increased compared to FY22
 - Despite strong revenue growth, sell-out remains well below pre-pandemic levels allowing for significant future upside
- Continue to develop Global Drone Network that was launched during 2H FY22
 - Revenue opportunities from both advertising-supported shows as well as cash fees
 - Revenue to date not material
 - FY23 revenue \$1.0m, EBITDA \$(2.6)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.

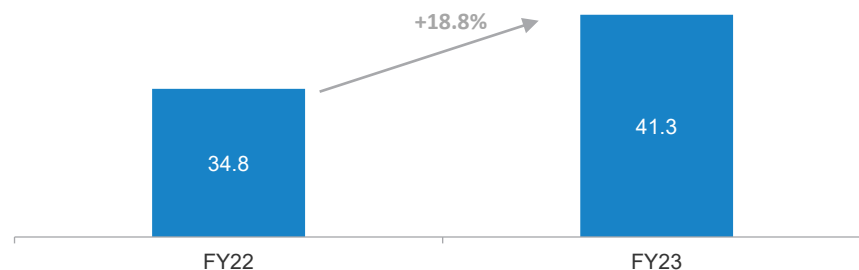
BTN

BTN posted a robust 30% increase in revenue - The largest AUD increase of the Group (+19% in local currency)

BTN revenue performance (AUD)



BTN revenue performance (BRL)



BTN KPIs

	FY23	FY22	% chg
Radio spots inventory ('000s) ¹	495	486	1.9%
Radio sell-out rate (%) ²	46%	38%	+8% points
Average radio spot rate (BRL) ³	210	217	(3.1)%

Commentary

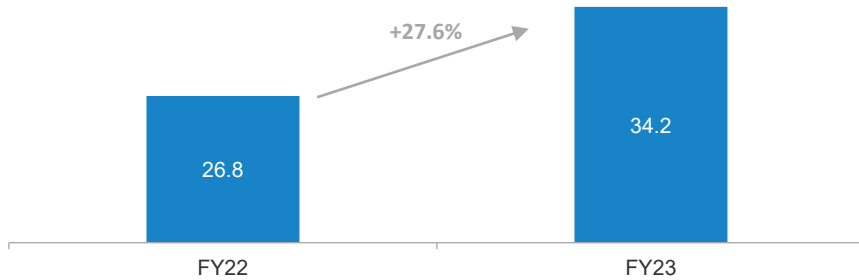
- BTN revenue increased significantly in both AUD and BRL
 - FY23 revenue in AUD increased 30% compared to FY22
 - FY23 revenue in BRL increased 19% compared to FY22
 - Strong increase in spots sold compared to FY22
 - Despite large revenue increase, capacity to grow revenue from existing inventory
- 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.

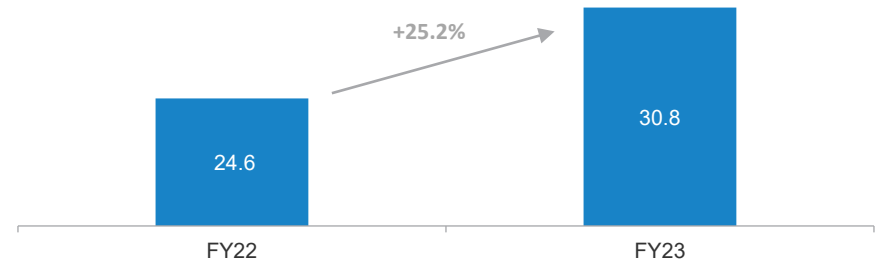
CTN

CTN achieved outstanding revenue growth, increasing 28% in AUD and 25% in local currency compared to FY22

CTN revenue performance (AUD)



CTN revenue performance (CAD)



CTN KPIs

	FY23	FY22	% chg
Radio spots inventory ('000s) ¹	667	681	(2.0)%
Radio sell-out rate (%) ²	56%	46%	+10% points
Average radio spot rate (CAD) ³	77	72	7.4%

Commentary

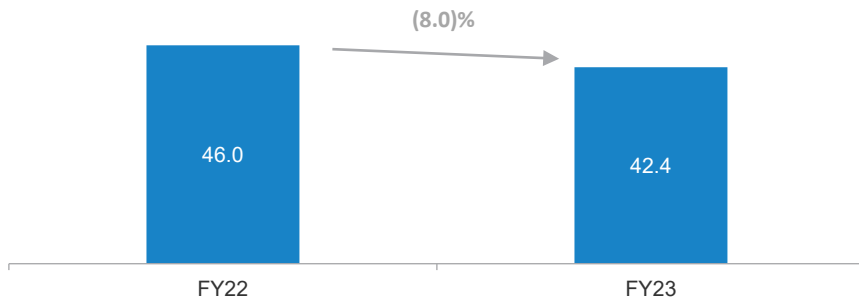
- CTN revenue increased strongly in both AUD and CAD
 - FY23 revenue in AUD increased 28% compared to FY22
 - FY23 revenue in CAD increased 25% compared to FY22
- Revenue increase driven by both an increase in average spot rate and spots sold compared to FY22
 - Capacity for revenue growth from existing inventory
- Currency fluctuations had a positive impact on reported revenue
- Achieved record revenue in FY23

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.

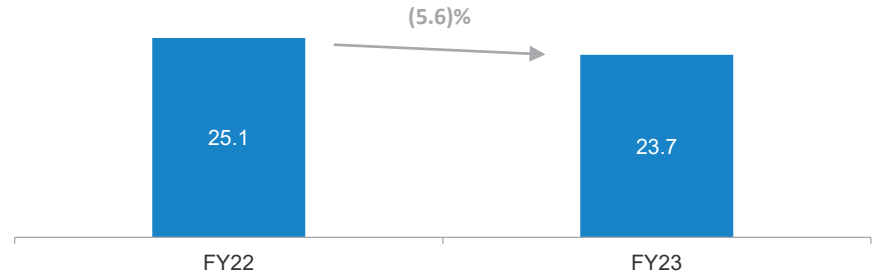
UKTN

UKTN revenue decreased in both AUD and local currency compared to FY22, the highest revenue year ever achieved in GBP

UKTN revenue performance (AUD)



UKTN revenue performance (GBP)



UKTN KPIs

	FY23	FY22	% chg
Total radio impacts available ('000s) ¹	20,582	19,284	6.7%
Radio sell-out rate (%) ²	85%	99%	(14)% points
Average radio net impact rate (GBP) ³	1.4	1.3	4.1%

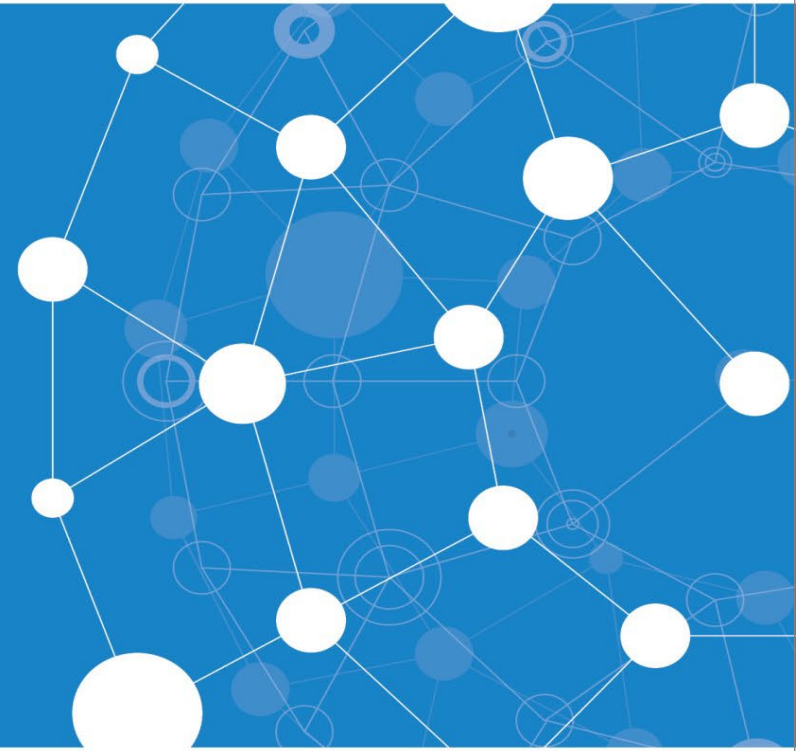
Commentary

- UKTN revenue decreased in both local currency and AUD
 - FY23 revenue in AUD decreased 8% compared to FY22
 - FY23 revenue in GBP decreased 6% compared to FY22
 - UK was the only market to increase revenue in both FY21 and FY22
- Revenue decreased despite an increase in both rate and available impacts due to significant decrease in impacts sold
- Currency fluctuations had a negative 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

Section 04

Update on operating strategy and capital management



GTN Operating Strategy

Management continues to focus on maintaining business infrastructure, maximising revenue and effectively managing operating expenses while exploring 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 local sales management and staff

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

Renewed focus on managing operating expenses

- While a portion of the FY23 expense increase relates to “one-off” items and our investment in Global Drone Network, we have been able to actively reduce costs in FY24
 - Process is ongoing and we continue to look for additional cost savings

GTN Operating Strategy (continued)

New business opportunity - Aerial drone light shows via Global Drone Network

➔ 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

➔ 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 staffs
 - Leverage strong relationships with flight authorities (e.g.; CASA) to obtain relevant drone show permits, licenses, etc.

➔ Significant investment in FY23 to build a strong position in market by performing over 40 shows

➔ Financial results for FY23 resulted in a loss, consistent with start-up nature of business

- FY23 Adjusted EBITDA \$(2.6)m
 - Revenue \$1.0, consisting of both advertising sales and cash fees as well as drone rental income
 - Operating expenses of \$3.6m

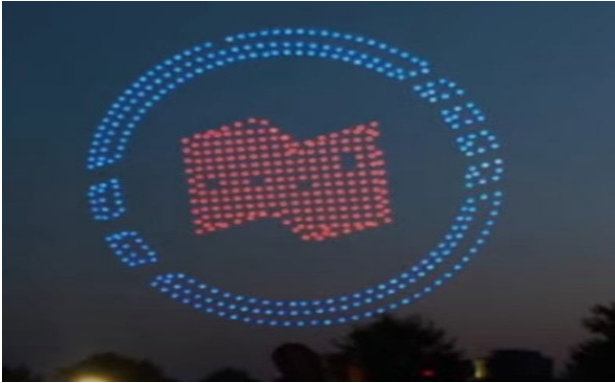
GTN Aerial Drone Lightshow

Recent Shows

<https://globaldronenetwork.com/>



Tennis Canada



VIVID Sydney



Versace



Australian Open



Capital Management

Company intends to return capital to shareholders in form of dividends and share buybacks while maintaining low leverage

➔ **At 30 June 2023, GTN held cash balances of \$30.6m with net cash after debt of \$3.4M**

➔ **Debt facility extended to 22 December 2025**

- Distributions of 100% of NPATA allowed for dividends and/or share buybacks
- Group in compliance with all financial covenants by a wide margin
- Group has repaid \$36m of outstanding bank debt since FY21
 - Outstanding bank debt \$24m at 30 June 2023 compared to \$60m on 30 June 2020

➔ **Board did not declare final dividend for FY23 since interim dividend greater than FY23 NPAT**

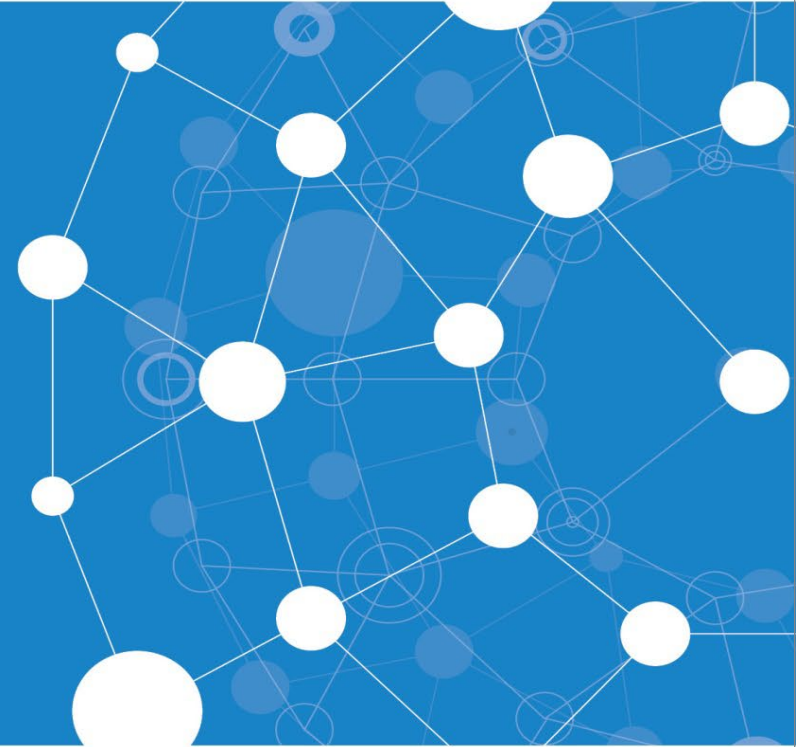
- Interim FY23 dividend of \$0.014 per share (unfranked) paid on 28 February 2023
- Board remains committed to target dividend policy of ~100% of NPAT
- In recognition of the seasonality of the Group's results and to more evenly distribute the dividend, the Board intends to pay an interim dividend of ~50% of 1H NPAT, with a final dividend of ~100% of annual NPAT less the interim dividend

➔ **Company announced share buyback on 29 August 2023 for up to 10% of outstanding shares for up to twelve months**

- No minimum share repurchase, or target purchase price has been set
- During FY23 repurchased over 11m shares (~5% of outstanding shares) for \$5.4m under previous buyback

Section 05

Update on trading



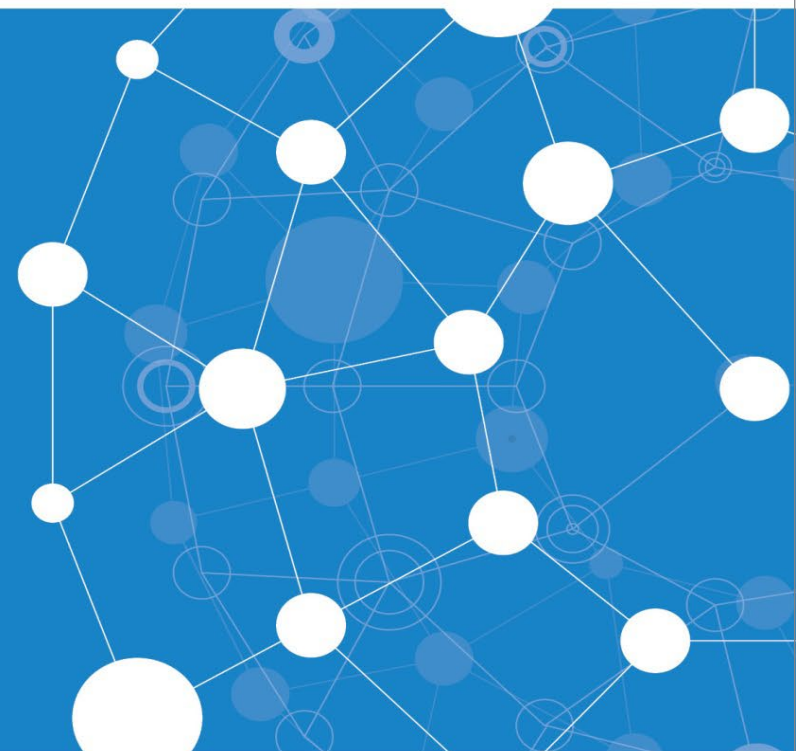
GTN Trading Update – July & August 2023

Revenue for July and August this fiscal year is largely in line with the same period in FY23

- ➔ **July/August 2023 revenue largely in line with July/August 2022**
 - Brazil and Canada revenue continued strong momentum with significant increases versus previous year
 - Australia and UK revenue decreased compared to previous year
- ➔ **Management has implemented cost reductions to enhance earnings**
- ➔ **Unable to forecast future revenue due to short lead times of the Group's sales cycle**
 - Results beyond August 2023 are likely to be highly dependent on market conditions
 - It is too early to offer any outlook for the rest of the fiscal year

Appendix A

Additional financial information



Reconciliation of non-IFRS measurements back to IFRS

EBITDA, Adjusted EBITDA & NPATA

Reconciliation of EBITDA, Adjusted EBITDA and Normalized Adjusted EBITDA to Profit before income tax

(\$m) ⁽¹⁾	FY2023	FY2022
Profit before income tax	5.5	5.2
Depreciation and amortisation	12.3	10.6
Finance costs	1.8	1.3
Interest on bank deposits	(0.3)	(0.0)
Interest income on long-term prepaid affiliate contract	(7.9)	(8.1)
EBITDA	11.3	9.1
Interest income on long-term prepaid affiliate contract	7.9	8.1
Foreign currency transaction loss	0.0	0.0
Adjusted EBITDA	19.3	17.1
Eliminate Jobkeeper/CEWS	-	(0.7)
Drone network losses included in EBITDA	2.6	0.7
CEO/MD resignation	0.7	-
Normalized Adjusted EBITDA	22.6	17.1

Reconciliation of Net profit after tax (NPAT) to NPATA

Profit for the year (NPAT)	2.6	2.8
Amortisation of intangible assets (tax effected)	4.6	4.6
NPATA	7.2	7.4

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

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.