



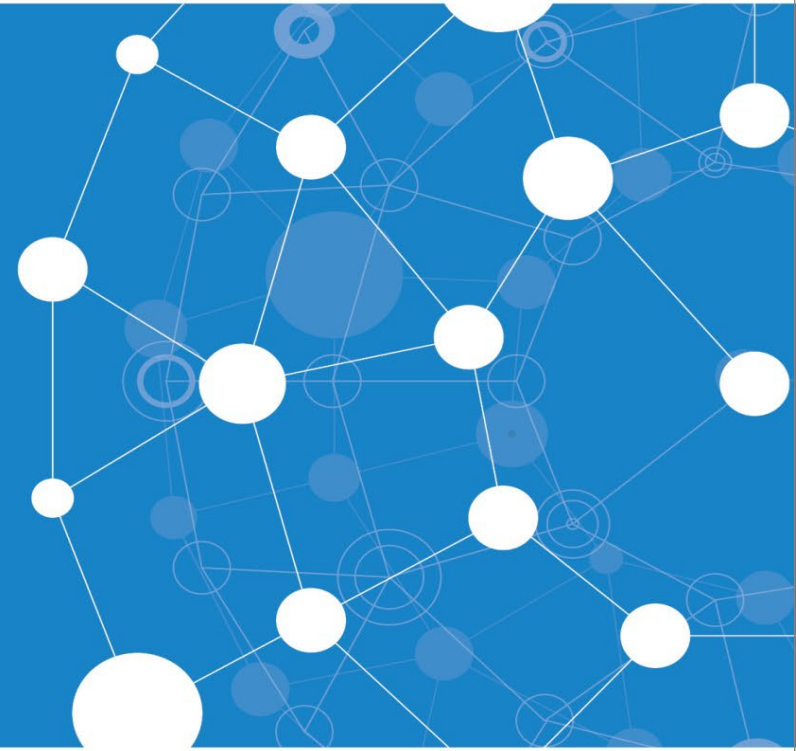
# GTN Limited

## AGM Presentation

16 November 2023

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# Today's presenters

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**Peter Tonagh (Chair)**



**Scott Cody (CFO & COO)**

# Our Board of Directors



**Peter Tonagh**  
Chair

- Experience as a C-suite executive in large Australian media companies, including CEO of Foxtel and News Corp Australia, interim CEO of REA group and Chair of MCN.
- Currently Deputy Chair of Australian Broadcasting Corporation and Chair of Quantum Group. Former lead Independent Director of Village Roadshow Limited.
- Formerly a partner at The Boston Consulting Group where he led the Asia Pacific Organisation Practice working across media, consumer and financial services businesses.



**David Ryan AO**  
Director

- Over 40 years of experience in commercial banking, investment banking and operational business management
- Currently Chair of Visit Sunshine Coast Limited, a Director of First American Title Insurance Company of Australia, First Mortgage Services, and Sunshine Coast Airport. Board member of Sunshine Coast Events and Ted Noffs Foundation.
- Previously held positions as Director of GetSwift Ltd, Lendlease Corporation, Aston Resources and Transurban Holdings.



**Corinna Keller**  
Director

- Former Vice President, Advertising Sales for Latin America & Global Sports Partnerships for CNN International Commercial overseeing the pan-regional ad sales business for CNN International, CNN en Español, CNN.com /international and CNN Español.com for Latin American clients and global sports federations & partnerships targeting international consumers.
- From 1999 to 2015, was with Viacom in various roles, her last as Vice President, International Marketing Partnerships and Pan-regional Ad Sales.



**Robert Loewenthal**  
Director

- Over 17 years of experience in the radio industry.
- Currently Business Development Officer for Spotify and was the founder and CEO of Whooshkaa Podcasting Platform which was sold to Spotify in December 2021.
- Previously held the role of Managing Director of Macquarie Radio Network, where he also acted as Chief Operating Officer and company secretary.

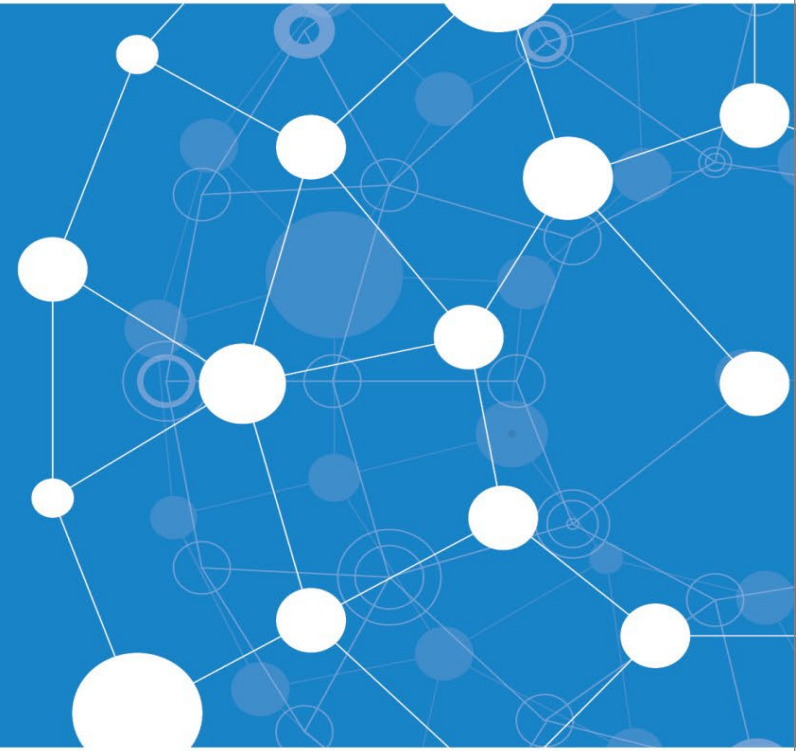


**Alexandra Baker (“Alexi”)**  
Director

- Chief Digital and Customer Officer for National Rugby League.
- Previously employed at Nine Entertainment Co. in various positions culminating as Managing Director, Commercial.
- Previously held non-executive directorships with CarAdvice, LiteracyPlanet and RateCity as well as sitting on the industry boards of Commercial Radio and Freeview.

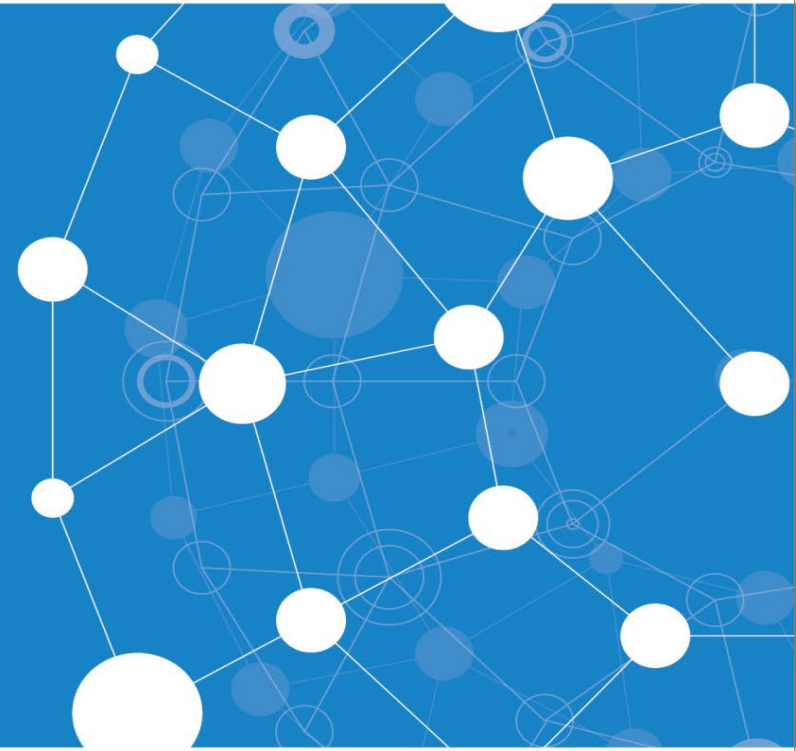
# Section 01

Chair's Address – Peter Tonagh



# Section 02

Management address – Scott Cody



# FY2023 Recap – Results Overview

GTN's FY23 Adjusted EBITDA <sup>(2)</sup> 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 (+12% FY22 v. FY21)



### FY23 Adjusted EBITDA <sup>(2)</sup> increased 13% due to revenue increase

- Adjusted EBITDA <sup>(2)</sup> of \$19.3 million (+13% on FY22)
  - Adjusted EBITDA <sup>(2)</sup> 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 <sup>(4)</sup>	FY23	FY22	% Difference
Revenue	177.0	160.1	10.6%
EBITDA <sup>(1)</sup>	11.3	9.1	25.1%
Adjusted EBITDA <sup>(2)</sup>	19.3	17.1	13.0%
NPAT	2.6	2.8	(6.0)%
NPATA <sup>(3)</sup>	7.2	7.4	(2.4)%
NPATA <sup>(3)</sup> 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 gains/losses on asset disposals, 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.



# FY2023 Recap – Financial Position

Strong financial position with net cash (cash less debt balances) of \$3.4 million

## Historical balance sheet

	30 June 2023	30 June 2022
<b>Current Assets</b>	\$'000	\$'000
Cash and cash equivalents	30,606	34,844
Trade and other receivables	41,194	37,751
<b>Current tax assets</b>	4,385	4,086
Other current assets	4,938	3,714
<b>Current assets</b>	<b>81,123</b>	<b>80,395</b>
<b>Non-current Assets</b>		
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
<b>Non-current assets</b>	<b>229,861</b>	<b>236,819</b>
<b>Total assets</b>	<b>310,984</b>	<b>317,214</b>
<b>Current Liabilities</b>		
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
<b>Current liabilities</b>	<b>43,249</b>	<b>38,692</b>
<b>Non-current Liabilities</b>		
Trade and other payables	78	75
Financial liabilities	25,912	32,142
Deferred tax liabilities	24,051	22,406
Provisions	318	330
<b>Non-current liabilities</b>	<b>50,359</b>	<b>54,953</b>
<b>Total liabilities</b>	<b>93,608</b>	<b>93,645</b>
<b>Net assets</b>	<b>217,376</b>	<b>223,569</b>
<b>Equity</b>		
Share capital	432,128	437,508
Reserves	8,159	10,214
Accumulated losses	(222,911)	(224,153)
<b>Total equity</b>	<b>217,376</b>	<b>223,569</b>

## 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
<b>Operating free cash flow before capital expenditure</b>	<b>22.4</b>	<b>15.3</b>
Capital expenditure	(5.6)	(4.1)
<b>Net free cash flow before financing, tax and dividends</b>	<b>16.7</b>	<b>11.2</b>

## 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



# FY2023 Recap – KPIs

GTN continues to maintain a robust inventory of commercial spots which has the potential for significant increase in revenue without acquiring additional inventory

## GTN operational KPIs (by geographic segment)

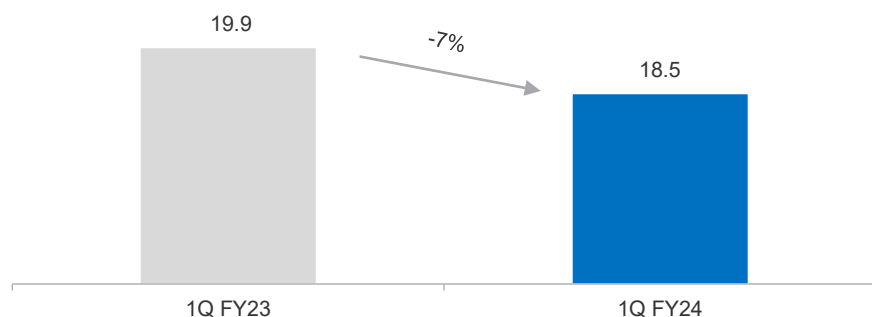
	FY2023 Actual	FY2022 Actual	vs. FY2022
<b>Australia (ATN)</b>			
Radio spots inventory ('000s) <sup>(1)</sup>	1,102	1,031	+6.8%
Radio sell-out rate (%) <sup>(2)</sup>	56%	51%	+5% pts
Average radio spot rate (AUD) <sup>(3)</sup>	132	134	(1.6)%
<b>Canada (CTN)</b>			
Radio spots inventory ('000s) <sup>(1)</sup>	667	681	(2.0)%
Radio sell-out rate (%) <sup>(2)</sup>	56%	46%	+10% pts
Average radio spot rate (CAD) <sup>(3)</sup>	77	72	+7.4%
<b>United Kingdom (UKTN)</b>			
Total radio Impacts <sup>(4)</sup> available ('000) <sup>(5)</sup>	20,582	19,284	6.7%
Radio sell-out rate (%) <sup>(6)</sup>	85%	99%	(14)% pts
Average radio net Impact rate (GBP) <sup>(7)</sup>	1.4	1.3	4.1%
<b>Brazil (BTN)</b>			
Radio spots inventory ('000s) <sup>(1)</sup>	495	486	+1.9%
Radio sell-out rate (%) <sup>(2)</sup>	46%	38%	+8% pts
Average radio spot rate (BRL) <sup>(3)(8)</sup>	210	217	(3.1)%

(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 Impacts sold as a percentage of the number of Impacts 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.

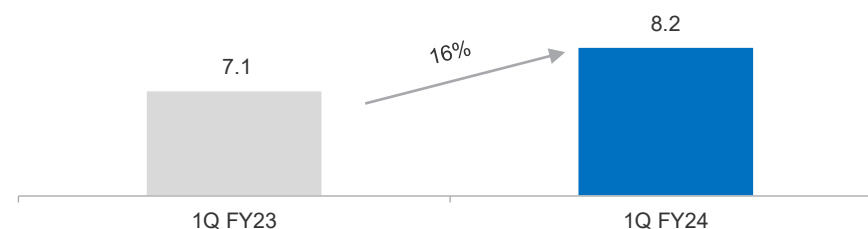
# Trading update – Revenue performance by segment for 1Q FY24

Group revenue increased 5% to \$41.2m with all operating regions except Australia exceeding 1Q FY23. Brazil and Canada led the way with a 62% and 16% increase, respectively, compared to the previous year.

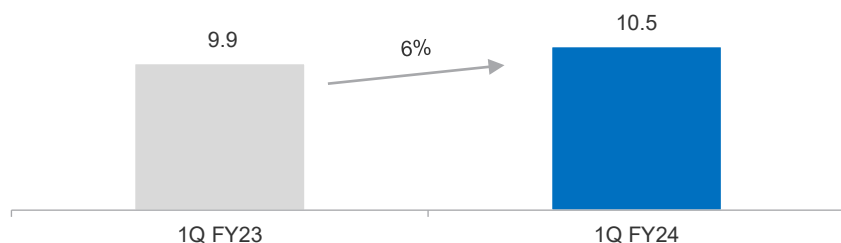
### ATN revenue (A\$m)



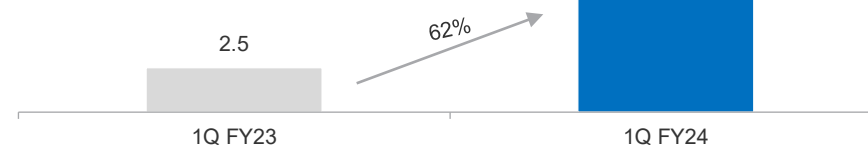
### CTN revenue (A\$m)



### UKTN revenue (A\$m)



### BTN revenue (A\$m)

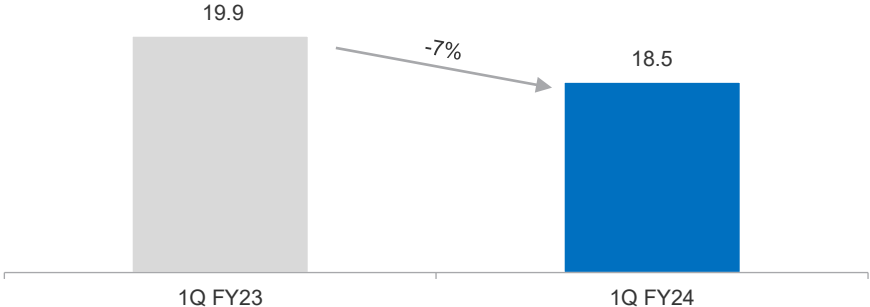


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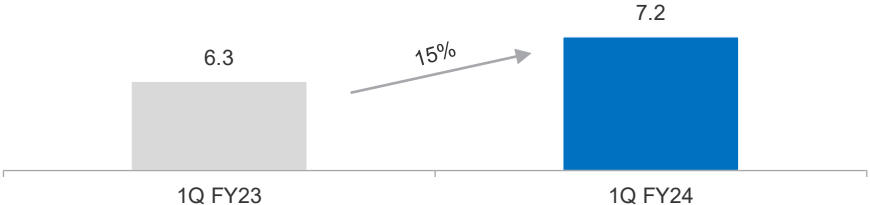
# Trading update – Revenue performance by segment for 1Q FY24 in local currency

Solid performance despite generally difficult market conditions

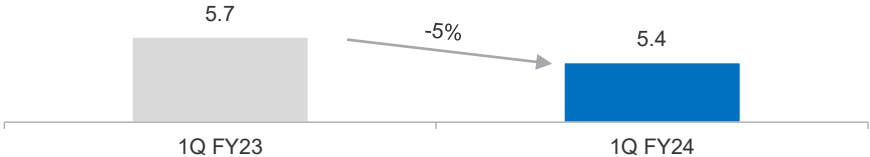
ATN revenue (A\$m)



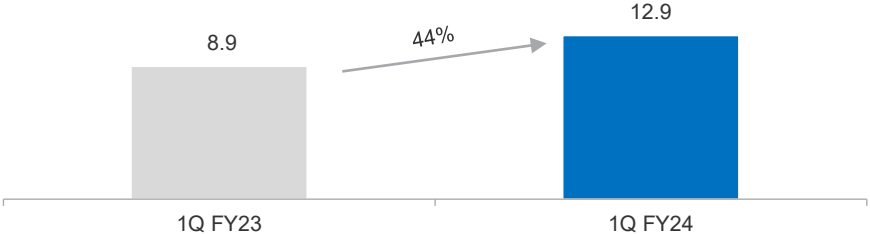
CTN revenue (CAD\$m)



UKTN revenue (GBP£m)



BTN revenue (BRL\$m)



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# Strong financial position

Solid balance sheet and improving performance leaves Company well positioned for future

- ➔ Cash balance at 30 September 2023 of \$33.7 million
  - Net cash of \$6.2 million net of leases of \$3.5 million
    - Repurchased an additional ~1% of shares outstanding during 1H FY24 to date
  - Total Gearing Ratio (net debt) of (0.31)x at 30 September 2023
    - Current outstanding bank facility of \$21 million (repaid \$39 million since 1 July 2020)
  
- ➔ Adjusted EBITDA <sup>(1)</sup> \$3.0 million for 1Q FY2024
  - Increase of 39% compared to 1Q FY2023
  - Operating expenses increased 3% for period
  
- ➔ Share buyback continues
  - Repurchased over 13 million shares since buyback recommenced (~6% of outstanding shares) as of 31 October 2023
  
- ➔ Strong balance sheet allows for continued dividends and share buybacks while maintaining the flexibility to invest in the Company's business and reducing outstanding debt

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# GTN outlook for 1H FY2024

## Pacing toward continued revenue growth when compared to 1H FY2023

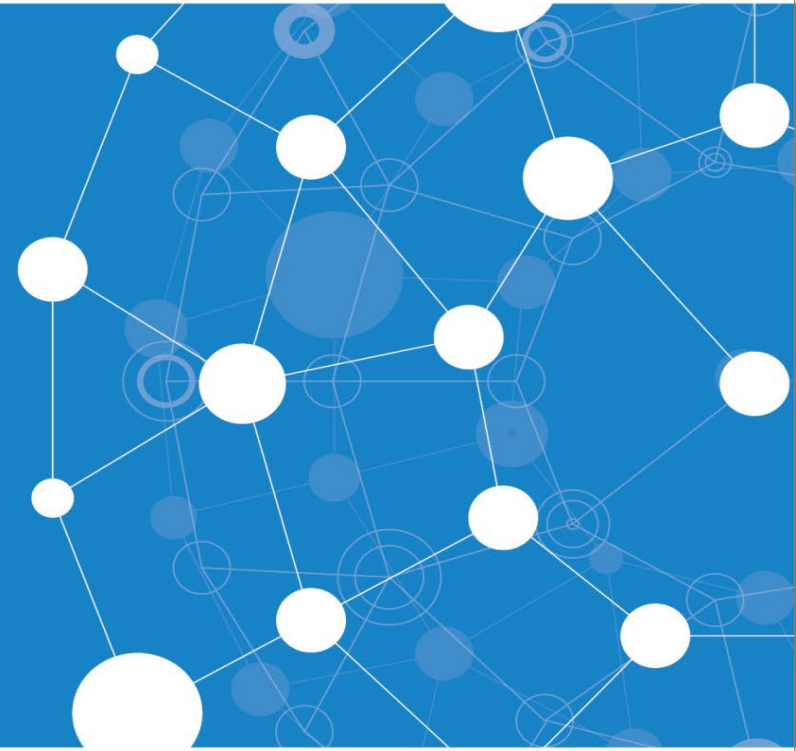
- ➔ Revenue improving steadily, increasing 5% in 1Q FY24 compared to 1Q FY23.
  - Broader radio advertising market in Group's operating geographies remains challenging
- ➔ To date FY24 revenue momentum continues to be positive as 2Q FY24 bookings tracking ahead of 2Q FY23 performance.
  - October 2023 revenue increased ~4% compared to October 2022
- ➔ However, it is too early to predict final 2Q FY24 revenue and the resulting Adjusted EBITDA <sup>(1)</sup>.
  - Lead time between sales bookings and broadcast has tightened to date, making it difficult to forecast revenue
- ➔ Continued focus on operating costs
  - Ability to grow Adjusted EBITDA <sup>(1)</sup> at lower revenue growth
  - 1Q FY24 Adjusted EBITDA <sup>(1)</sup> grew 39% on 5% revenue growth

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# Section 03

Formal Business – Peter Tonagh



# Consideration of Reports

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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 2023.



# Questions and Comments



# Resolution 1 – Re-election of Director – Peter Tonagh

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

“That Peter Tonagh, who retires in accordance with clause 10.3(b)(iii) of the Company’s Constitution and being eligible for election, is re-elected as a Director of the Company.”

➔ Votes have been received in respect of the resolution as follows:

For	Against	Abstain	Proxy’s Discretion
172,258,924 99.87%	203,984 0.12%	0	16,737 0.01%

## Resolution 2 – Election of Director – David Ryan AO

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

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

➔ Votes have been received in respect of the resolution as follows:

For	Against	Abstain	Proxy’s Discretion
107,045,878 99.79%	203,984 0.19%	65,213,046	16,737 0.02%

## Resolution 3 – Remuneration Report

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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 2023, be adopted.”

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

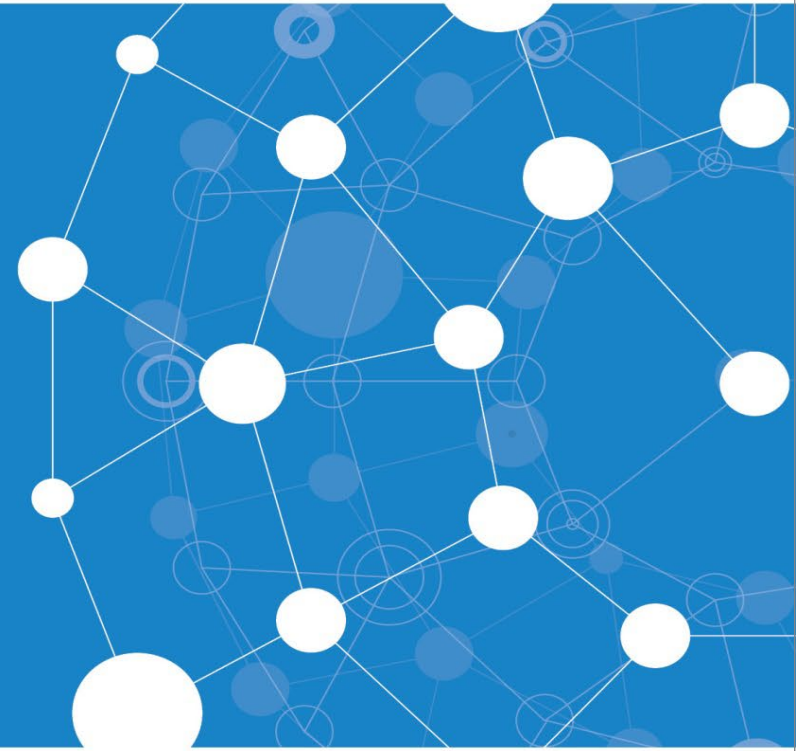
For	Against	Abstain	Proxy’s Discretion
95,688,710 89.44%	11,285,998 10.55%	65,213,046	16,637 0.02%

# Questions and Comments



# Appendix A

Reconciliation of financial information



# Reconciliation of non-IFRS measurements back to IFRS

## EBITDA, Adjusted EBITDA, Normalized Adjusted EBITDA & NPATA

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

(\$m) <sup>(1)</sup>	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)
<b>EBITDA</b>	<b>11.3</b>	<b>9.1</b>
Interest income on long-term prepaid affiliate contract	7.9	8.1
Foreign currency transaction loss	0.0	0.0
<b>Adjusted EBITDA</b>	<b>19.3</b>	<b>17.1</b>
Eliminate Jobkeeper/CEWS	-	(0.7)
Drone network losses included in EBITDA	2.6	0.7
CEO/MD resignation	0.7	-
<b>Normalized Adjusted EBITDA</b>	<b>22.6</b>	<b>17.1</b>

### 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
<b>NPATA</b>	<b>7.2</b>	<b>7.4</b>

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.

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