



# GTN Limited

## 1H FY24 Results Presentation

23 February 2024

# Today's Presenters

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**Peter Tonagh (Chair)**



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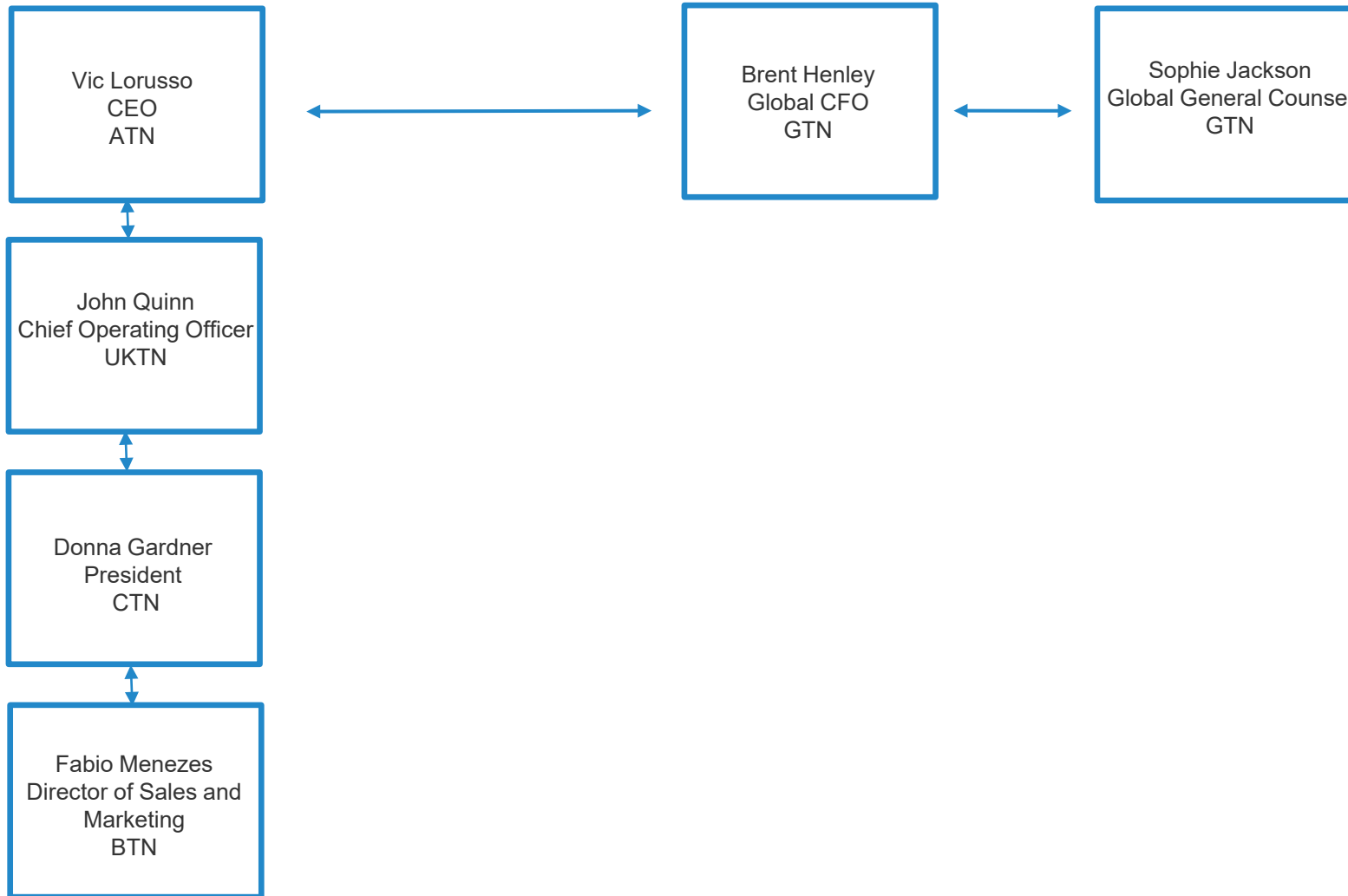
# Section 01

Company Overview and  
Business Design



# 'A New Era for GTN'

Greater Country P&L Accountability PLUS Greater Collaboration Across Markets





# Company Overview



## ATN

ATN is one of the largest broadcast media advertising platform by audience reach in Australia and is the premium supplier of traffic content to Radio and TV stations across all metro and regional markets.

ATN sells premium ten second advertising slots for an attention-grabbing opportunity that serves as a powerful tool for advertisers, allowing them to reach multiple target audiences in a premium offering broadcasted by high profile ATN media talent. Our impactful inventory is embedded in traffic, news, sports and weather at prime listening times.

## BTN

BTN has been operating in Brazil since 2011. The broadcast takes place on a network of 100 radio stations, reaching different and complementary audiences.

Traffic and Weather Bulletin, broadcast at the radio's highest audience times, with programming content relevant to the listener. The peak moment in the advertisement integrated into the traffic bulletin can achieve 75% greater efficiency in encoding long-term memory, according to research carried out by the Neuro Insights Institute.

Live and exclusive testimonial format with regional language that generates proximity to the audience, segmentation and greater efficiency of creative arguments.

## CTN

CTN provides a unique advertising platform by embedding a 10-second advertisement within a live read traffic report. These are produced by our own team of professional reporters and delivered to more than 100 radio partner stations across the country.

The appeal of CTN to national advertisers lies within our ability to provide a turn-key solution that allows them to contact one source that can broadcast their message on-air in the least amount of time.

Our television platform allows for national advertisers to be part of a prime-time newscast without the costs association with producing a standard commercial.

## UKTN

GTN is the largest independent radio / audio network in the UK.

We offer advertisers a fully national advertising platform to over 230 radio stations across the country, covering every major conurbation with a solus opportunity embedded in compelling, vital content enabling advertisers messages to stand out with up to 48% higher ad recall than that of a standard ad break.

# Business Design

Regional Business	ATN	BTN	CTN	UKTN
1H FY24 Performance	Revenue - \$43.9m Adj. EBITDA - \$10.5m	Revenue - \$9.4m Adj EBITDA - \$2.1m	Revenue - \$17.0m Adj EBITDA - \$2.9m	Revenue - \$24.5m Adj EBITDA - \$1.4m
What we do	ATN is one of the largest broadcast media advertising platform in Australia reaching over 15 million Australians weekly and is the premium supplier of traffic content to Radio and TV stations across all metro and regional markets.	Leading provider of personalized traffic information for 100 affiliated radio stations. Recognized, respected and trustworthy, BTN operates in 8 metropolitan regions. Messages are personalized to the broadcasters' profile and regional language, with the aim of generating proximity and curiosity among the target	The leading provider of the most accurate traffic content in Canada to both advertisers and consumers	We offer advertiser's a fully national advertising platform to over 230 radio stations across the UK, covering every major region with a solus opportunity embedded in our compelling, vital Traffic & Travel and Entertainment News content
Value Proposition	ATN's ten second advertising messages are embedded in premium content (Traffic, News, Sports, Weather) in prime listening times in all metro and regional markets and not positioned in commercial airtime making ATN the premium audio offering with high profile media talent situated across the country	Great exposure in radio, BTN has wide coverage, reaching more than 27 million listeners per month, strengthening brand awareness and recall during campaigns. Premium positioning of a single advertiser per bulletin, broadcast during the Radio's prime time slot. Traffic Bulletins are integrated with relevant content and media	We create a seamless advertising opportunity for national brands to deliver effective messages that reach a high volume of consumers embedded in sought after, reliable content	GTN can give you or your client access to 29.9 million adults across the UK in a solus opportunity embedded in our compelling and vital traffic & travel and Entertainment News content - with up to 48% higher ad recall than that of a standard ad break
Customers	Major retail groups, National Homeware, Automotive and Travel companies	BTN contributes to all types of strategies: Focus on branding, promotion, launch, calls for events and many other insights that generate more visibility for the customers' brand	Top advertising categories include Grocery, Pharmaceutical, Major Retail & Automotive	GTN trade with the leading global media agencies and their blue chip national advertisers in the UK, including the automotive, consumer goods and retail sectors

# Section 02

## Key Business Highlights





# Key Business Highlights

GTN's 1H FY24 Adjusted EBITDA increased 11% compared to 1H FY23 due to an 5% increase in Group revenue



Revenue  
\$94.8m



Adj. EBITDA  
\$13.3m



NPAT  
\$4.4m



EPS  
\$0.022



## 1H FY24 revenue increased 5% compared to 1H FY23

- Strong revenue increases in Brazil (+76%) and UK (+15%)



## 1H FY24 Adjusted EBITDA increased 11% due to revenue increase

- Adjusted EBITDA of \$13.3 million (+11% on 1H FY23)
  - Network operations and station compensation expenses increased 5.4% primarily due to increased costs related to the United Kingdom market
  - Included in the operating expense increase is app. \$2.1m in costs related to the transition of the current Chief Financial Officer/Chief Operating Officer and the Executive Vice President, Business and Legal Affairs



## 1H FY24 NPAT increased 46% compared to 1H FY23

- NPAT of \$4.4m (+46% on 1H FY23)



## Strong liquidity position with net debt of \$0.5 million

- Declared Interim FY24 dividend of \$0.011 per share (unfranked)
- Repurchased over 2.3 million shares for \$0.8 million
- Net cash from operating activities for the period was \$1.2 million
- Repaid an additional \$4 million in bank debt during 1H FY24, reducing debt to \$20 million
- The strength of our balance sheet and increased flexibility in our bank facility, now provides opportunity for future capital management and growth initiatives

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 and losses on asset disposing, 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



1H FY2024 Revenue	A\$m	43.9	17.0	24.5	9.4
1H FY2023 Revenue	A\$m	45.8	17.7	21.4	5.4
1H FY24 vs FY23		(4.3)%	(4.4)%	14.8%	75.8%
Number of Radio Affiliates	#	147	107	238	101
Number of TV Affiliates	#	9	6	-	-
GTN Radio Audience	m	11.7 <sup>(3)</sup>	14.3	29.9	27.0 <sup>(2)</sup>
GTN TV Audience	m	3.5	10.1	-	-
1H FY2024 radio spots inventory	'000	546	319	11,085 <sup>(1)</sup>	277
1H FY2024 sell-out rate (radio)	%	59%	59%	85% <sup>(1)</sup>	60%
FY2023 average spot rate (radio)	Local ccy	A\$129	C\$78	£1.4 <sup>(1)</sup>	BRL 212

(1) See page 17 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 03

## Group Financial Performance



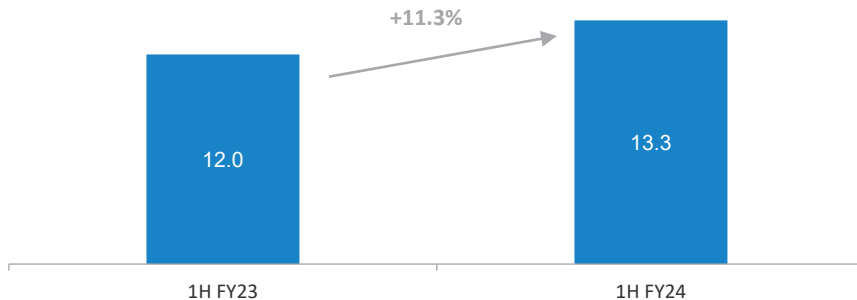
# Key Drivers of Financial Performance

Adjusted EBITDA increased 11% to \$13.3m due to 5% revenue increase

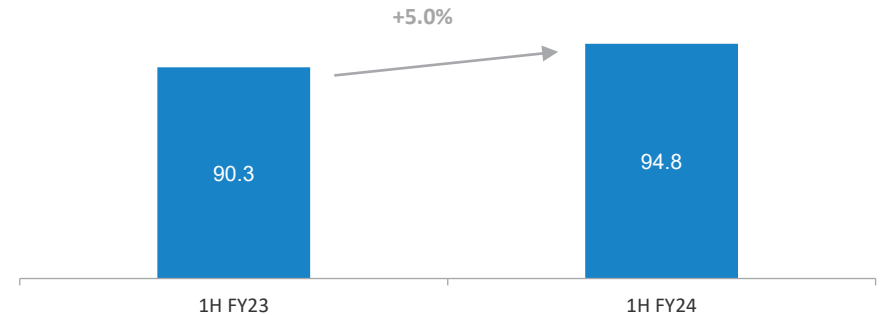
## Commentary

- Revenue increased 5% compared to 1H FY23
  - Revenue increase driven by strong performances in Brazil and the UK
  - Australia and Canada revenue decreased slightly after an improved FY23 performance
- Adjusted EBITDA increased 11% due to revenue increase
  - Adjusted EBITDA increased 32%, ex drone operations and CFO/COO, EVP Business and Legal departure costs
- NPAT and NPATA increased due to increased revenue, flat selling cost and reduced income tax

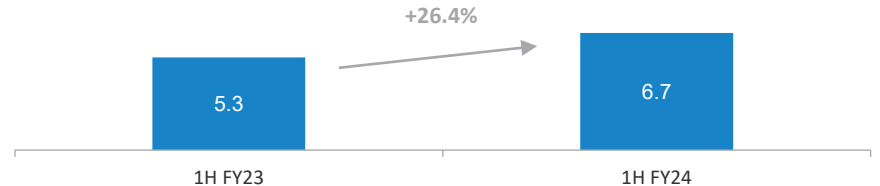
## GTN Group Adjusted EBITDA



## GTN Group Revenue



## GTN Group NPATA





# Strong Liquidity Position

Net Debt (cash less debt balances) of \$0.5 million

## Historical balance sheet

	31 December 2023	30 June 2023
<b>Current Assets</b>	\$'000	\$'000
Cash and cash equivalents	23,626	30,606
Trade and other receivables	48,558	41,194
Current tax assets	5,300	4,385
Other current assets	7,601	4,938
<b>Current assets</b>	<b>85,085</b>	<b>81,123</b>
<b>Non-current Assets</b>		
Property, plant and equipment	10,737	10,654
Intangible assets	23,792	27,116
Goodwill	96,329	96,422
Deferred tax assets	4,865	4,806
Other assets	90,079	90,863
<b>Non-current assets</b>	<b>225,802</b>	<b>229,861</b>
<b>Total assets</b>	<b>310,887</b>	<b>310,984</b>
<b>Current Liabilities</b>		
Trade and other payables	41,029	39,244
Contract liabilities	396	1,415
Current tax liabilities	176	63
Financial liabilities	1,474	1,215
Provisions	1,364	1,312
<b>Current liabilities</b>	<b>44,439</b>	<b>43,249</b>
<b>Non-current Liabilities</b>		
Trade and other payables	76	78
Financial liabilities	22,631	25,912
Deferred tax liabilities	23,360	24,051
Provisions	327	318
<b>Non-current liabilities</b>	<b>46,394</b>	<b>50,359</b>
<b>Total liabilities</b>	<b>90,833</b>	<b>93,608</b>
<b>Net assets</b>	<b>220,054</b>	<b>217,376</b>
<b>Equity</b>		
Share capital	431,286	432,128
Reserves	6,718	8,159
Accumulated losses	(217,950)	(222,911)
<b>Total equity</b>	<b>220,054</b>	<b>217,376</b>

## Summary cash flow

\$Am	1H FY24	1H FY23
Adjusted EBITDA	13.3	12.0
Non-cash items in Adjusted EBITDA	0.2	0.3
Change in working capital	(5.6)	(2.9)
Impact of Southern Cross Austereo Affiliate Contract	1.0	1.0
<b>Operating free cash flow before capital expenditure</b>	<b>9.0</b>	<b>10.4</b>
Capital expenditure	(2.7)	(3.2)
<b>Net free cash flow before financing, tax and dividends</b>	<b>6.3</b>	<b>7.2</b>

## Commentary

- Strong liquidity position with net debt after cash of \$0.5m
  - \$23.6m cash and \$24.1m of debt (including \$4.1m of leases)
  - Repaid \$4m of bank debt during 1H FY24
  - Outstanding bank debt has been reduced from \$60m in FY21 to \$20m today
- Bank facility extended to 22 December 2025
  - In compliance with covenants by a wide margin
- Declared Interim FY24 dividend of \$0.011 per share (unfranked)
- Repurchased over 2.3 million shares for \$0.8 million
- Change in working capital primarily related to accounts receivable consistent with increased revenue (+\$7.4m)

# Section 04

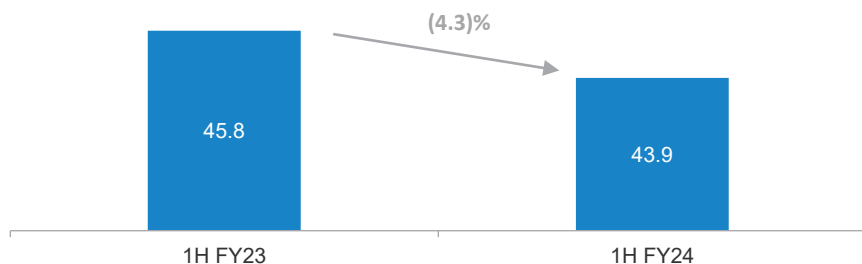
Financial Performance by  
Operating Segment



# ATN

ATN delivered improved Adjusted EBITDA on 4% reduction in revenue in 1H FY24

## ATN revenue performance



## ATN KPIs

	1H FY24	1H FY23	% chg
Radio spots inventory ('000s) <sup>1</sup>	546	543	+0.7%
Radio sell-out rate (%) <sup>2</sup>	59%	55%	+4% points
Average radio spot rate (AUD) <sup>3</sup>	129	137	(5.5)%

## Commentary

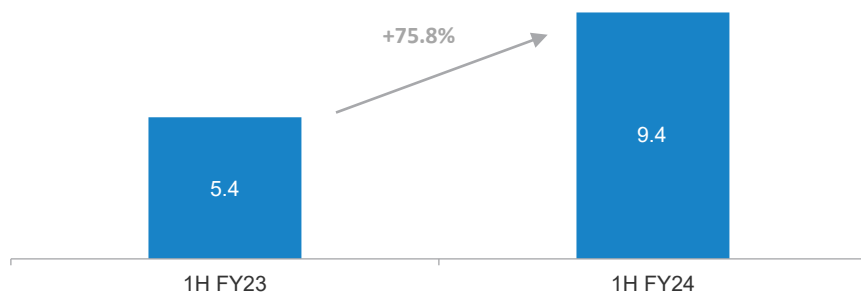
- ATN revenue decreased by 4.3% in 1H FY24
- Radio spots inventory and spots sold both increased compared to 1H FY23
  - Average spot rate decreased by 5.5% from 1H FY23
- Continue to develop Global Drone Network that was launched during 2H FY22
  - Revenue opportunities from both advertising-supported shows as well as cash fees
  - Revenue to date not material

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.

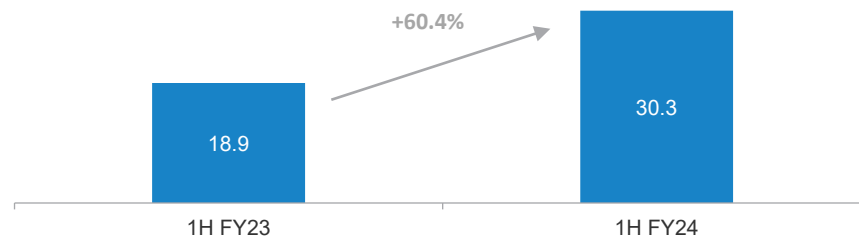
# BTN

BTN posted a robust 76% increase in revenue - The largest increase of the Group

## BTN revenue performance (AUD)



## BTN revenue performance (BRL)



## BTN KPIs

	1H FY24	1H FY23	% chg
Radio spots inventory ('000s) <sup>1</sup>	277	247	12.0%
Radio sell-out rate (%) <sup>2</sup>	60%	42%	+18% points
Average radio spot rate (BRL) <sup>3</sup>	212	210	+1.0%

## Commentary

- 1H FY24 Revenue increased 76% compared to 1H FY23
- Radio sell-out rate increased 18% points on the back of a 12.0% increase in Radio spots inventory
- Currency fluctuations had a positive impact on reported revenue
- Adjusted EBITDA improved from a loss in 1HFY23 to \$2.1m AUD in 1H FY24

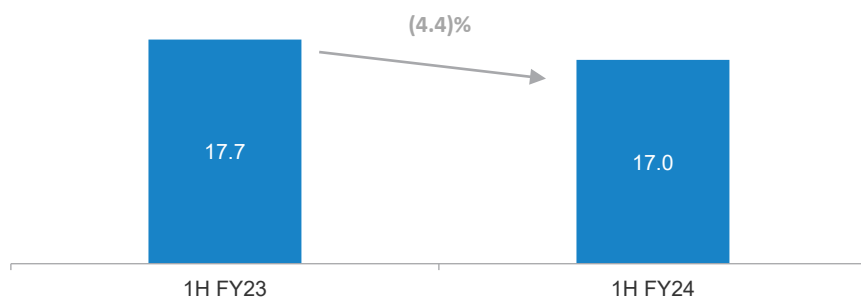
Note 1: Available radio advertising spots adjacent to traffic, news and information reports. Note 2: The number of radio spots sold as a percentage of the number of radio spots available. Note 3: Average price per radio spot sold net of agency commission. Not adjusted for taxes or advertising agency incentives that are deducted from net revenue.



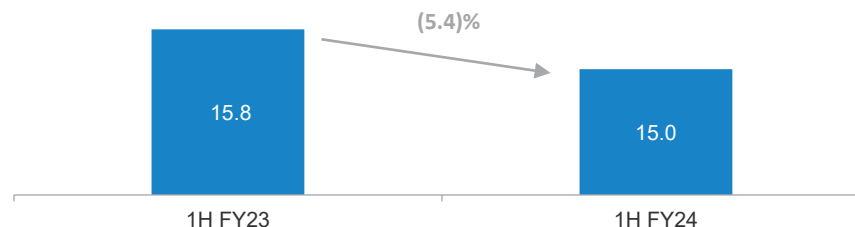
# CTN

CTN had a challenging 1H FY24 with revenue decreasing 5.4% in local currency and 4.4% in AUD compared to 1H FY23

## CTN revenue performance (AUD)



## CTN revenue performance (CAD)



## CTN KPIs

	1H FY24	1H FY23	% chg
Radio spots inventory ('000s) <sup>1</sup>	319	339	(5.7)%
Radio sell-out rate (%) <sup>2</sup>	59%	59%	0% points
Average radio spot rate (CAD) <sup>3</sup>	78	76	3.5%

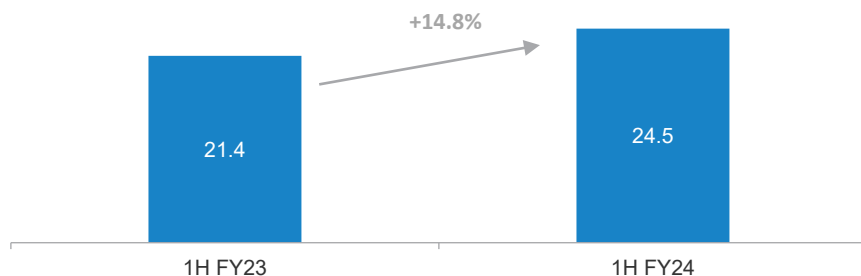
## Commentary

- CTN revenue decreased slightly in both AUD and CAD
  - 1H FY24 revenue in AUD decreased 4.4% compared to 1H FY23
  - 1H FY24 revenue in CAD decreased 5.4% compared to 1H FY23
- Radio Spots inventory decreased 5.7% compared to 1H FY23
- Radio Sell out ratio remained flat whilst Average radio spot rate increased 3.5% to \$78 CAD.

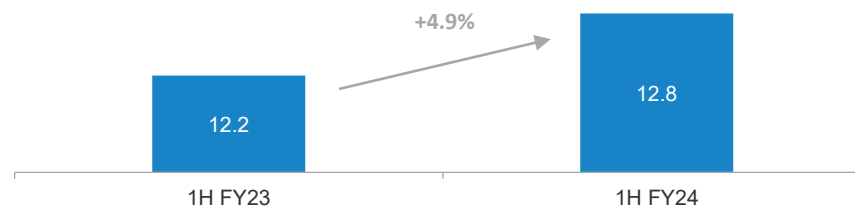
# UKTN

UKTN revenue increased in both AUD and local currency compared to 1H FY23

## UKTN revenue performance (AUD)



## UKTN revenue performance (GBP)



## UKTN KPIs

	1H FY24	1H FY23	% chg
Total radio impacts available ('000s) <sup>1</sup>	11,085	10,034	10.5%
Radio sell-out rate (%) <sup>2</sup>	85%	88%	(3)% points
Average radio net impact rate (GBP) <sup>3</sup>	1.4	1.4	-

## Commentary

- UKTN revenue increased in both local currency and AUD
  - 1H FY24 revenue in AUD Increased 14.8% compared to 1H FY23
  - 1H FY24 revenue in GBP increased 4.9% compared to 1H FY23
- Revenue increase driven by an increase in available impacts and maintenance of average radio net impact rate
- 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

# Section 05

## 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

## **Greater P&L accountability for Country Heads**

- Maintain affiliate networks
- Continue to focus on delivering results for our advertising clients
- Retain local sales management and staff
- Continue to look for cost savings and efficiencies

## **Greater collaboration across markets**

- Maintain a large supply of premium advertising inventory in all our operating regions
- Potential for global advertiser & agency co-ordination across regions
- Global brand alignment
- Grow regional footprints across all markets
- Regional expansion in Brazilian market



# Capital Management

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

➔ **At 31 December 2023, GTN held cash balances of \$23.6m with net debt after cash of \$0.5M**

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

- Greater flexibility for dividends and share buy backs
- Group in compliance with all financial covenants by a wide margin
- Group has repaid \$40m of outstanding bank debt since FY21
  - Outstanding bank debt \$20m at 31 December 2023 compared to \$60m on 30 June 2020
  - Intention to further reduce gross debt in 2024

➔ **Board declared \$0.011 per share interim dividend for 1H FY24 (unfranked)**

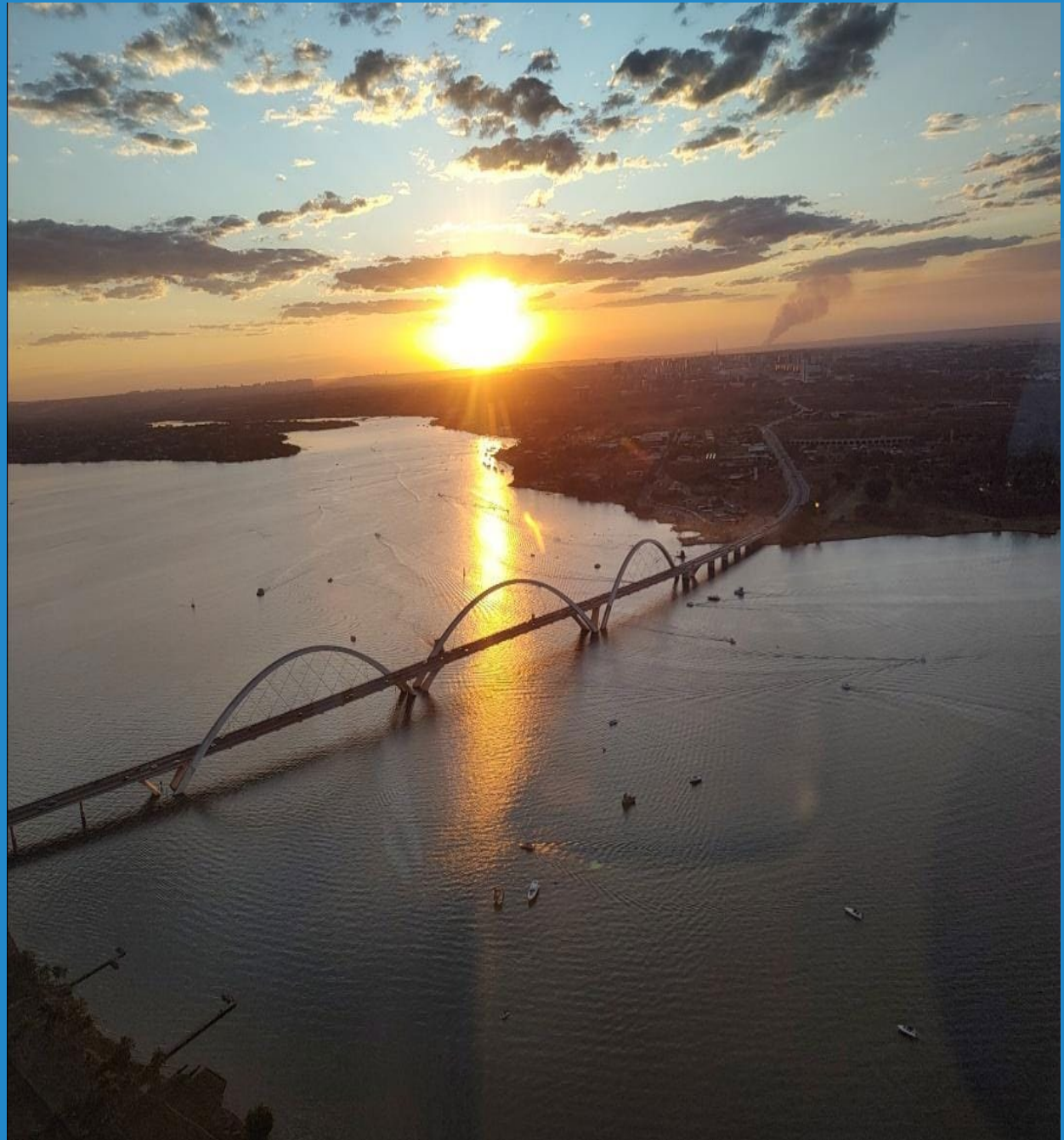
- Record date set at 8<sup>th</sup> March 2024 with payment date of 28<sup>th</sup> March 2024
- Board remains committed to target dividend policy of ~100% of annual NPAT

➔ **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 1H FY24 company repurchased over 2.3m shares for \$0.8m
- Total share repurchase of 13.4 million shares (6.2% of share base) since the beginning of FY23

# 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) <sup>(1)</sup>	1H FY2024	1H FY2023
Profit before income tax	5.3	5.4
Depreciation and amortisation	6.5	5.8
Finance costs	0.9	0.8
Interest on bank deposits	(0.3)	(0.1)
Interest income on long-term prepaid affiliate contract	(3.9)	(4.0)
<b>EBITDA</b>	<b>8.4</b>	<b>8.0</b>
Interest income on long-term prepaid affiliate contract	3.9	4.0
Foreign currency transaction loss	0.1	0.0
Loss on asset disposal	0.8	0.0
<b>Adjusted EBITDA</b>	<b>13.3</b>	<b>12.0</b>

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

Profit for the year (NPAT)	4.4	3.0
Amortisation of intangible assets (tax effected)	2.3	2.3
<b>NPATA</b>	<b>6.7</b>	<b>5.3</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.

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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.

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