



GTN Limited

# AGM Presentation

Release Date 22nd November 2024



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## Today's Presenters



**Peter Tonagh**  
Chairman



**Brent Henley**  
Global CFO



**Vic Lorusso**  
CEO, ATN



# Our Board of Directors



**Peter Tonagh**  
Chairman



**David Ryan AO**  
Director



**Corinna Keller**  
Director



**Craig Coleman**  
Director



**Alexandra Baker ("Alexi")**  
Director

- 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.

- Over 40 years of experience in commercial banking, investment banking and operational business management.
- Currently Chair of Visit Sunshine Coast Limited and Chair of Sunshine Coast Airport. Director of First American Title Insurance Company of Australia and First Mortgage Services. Board member of Sunshine Coast Events and Ted Noffs Foundation.

- Currently working with Bloomberg Media on Government partnerships in Latin America. 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.

- Craig is an experienced senior executive and director, with a 30-year career spanning banking and finance, corporate advisory, and funds management.
- Craig is Co-Founder and Managing Partner of Viburnum Funds where he has primary responsibility for the management and performance of the Strategic Equities Fund.
- Prior to Viburnum Funds, Craig was Managing Director of the ASX listed Home Building Society Ltd and prior to this held several senior executive positions during a ten-year career with ANZ Banking Group Ltd,

- Alexi is a director and executive with 20 years' experience across media, digital, sport and finance.
- Alexi was most recently Chief Customer and Digital Officer of National Rugby League (NRL) where she was responsible for all consumer revenue streams, digital, marketing and customer experience. Prior to the NRL, Alexi spent nine years across various roles with Nine Entertainment Co including Managing Director Commercial and Director of Strategy and M&A. Prior to this she worked as an equities analyst at Deutsche Bank and Credit Suisse.
- Alexi is currently a Non-Executive Director of Rugby Australia and Healthy Bones Australia.



Section 01 >

# Chair's Address

## Peter Tonagh



Section 02 >

# ATN CEO Address

## Vic Lorusso





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NEWS

### Australian Traffic Network rebrands after three decades

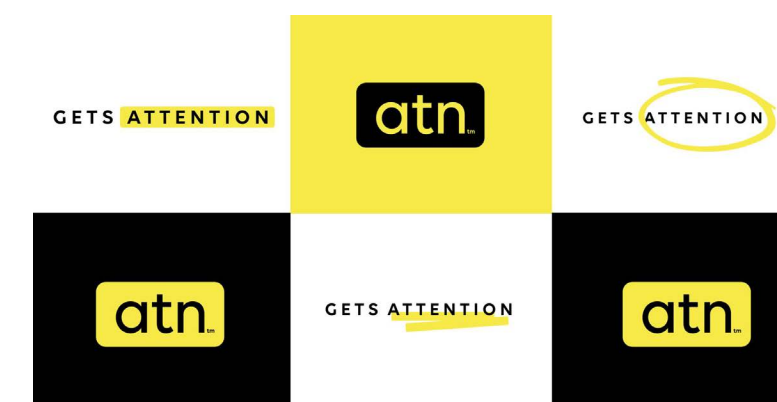
November 15, 2024 12:00  
by NATHAN JOLLY

Australian Traffic Network has rebranded to simply 'atn' in a bid to "reflect the evolution and future direction of the business".

The refreshed atn brand has also added the "gets attention" tagline, and is "about drawing a line between the past and the future" according to CEO, Vic Lorusso.

"Traffic will always be a core part of who we are – it's in our DNA. But now, we're more than just traffic, integrating into other high attention content like news, weather, sport and new fuel watch bulletins. Atn is all about the content Australians lean-forward for every day.

"This is as much a restage of our business as it is a rebrand. Everything we are doing is designed to reflect the renewed energy and commitment to atn customers – ensuring their brands get the attention they deserves day in, day out."





Section 03 >

# Management Address

## Brent Henley



GTN's FY24 Adjusted

# EBITDA increased 15%

compared to FY23 due to revenue growth and cost management

 Revenue  
\$184.2m

 Adj. EBITDA  
\$22.3m

 NPAT  
\$5.7m

 EPS  
\$0.028

**FY24 revenue increased 4% compared to FY23**

- Strong revenue increases in Brazil (+42%) and UK (+21%)

**FY24 Adjusted EBITDA increased 15% due to revenue growth and cost management**

- Adjusted EBITDA of \$22.3 million (+15% on FY23)
- ATN selling, general and admin expenses reduced 19% (\$3.8m) from FY23
- Network operations and station compensation expenses increased 6% due to increased costs related to revenue growth in both Brazil and the United Kingdom
  - Included in operating expense is app. \$2.1m in non-recurring costs related to the transition of the Chief Financial Officer/Chief Operating Officer and the Executive Vice President, Business and Legal Affairs





**FY24 NPAT of \$5.7m increased 115% compared to FY23**

- NPATA of \$10.2 million increased 42% compared to FY23

**Strong liquidity position with net cash of \$23.6 million**

- Net free cash flow before financing, tax and dividends \$26.6 million
- Repaid an additional \$16 million in bank debt during FY24, reducing debt to \$8 million
- Negotiated removal of Financial covenant obligations, guarantor coverage test and Capital management clauses from GTN's Facility agreement
- Declared Final FY24 dividend of \$0.017 per share (unfranked), with a total Dividend of \$0.028 per share
- Repurchased over 4.7 million shares for \$1.9 million
- Strongly positioned for future growth and capital management 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



# Strong Liquidity Position

Net Cash (cash less Bank debt) of \$23.6 million

## Summary cash flow

\$Am	FY24	FY23
Adjusted EBITDA	22.3	19.3
Non-cash items in Adjusted EBITDA	0.5	0.4
Change in working capital	6.3	0.7
Impact of Southern Cross Austereo Affiliate Contract	2.1	2.1
Operating free cash flow before capital expenditure	31.1	22.4
Capital expenditure	(4.6)	(5.6)
Net free cash flow before financing, tax and dividends	26.6	16.7

## Commentary:

- Strong liquidity position with net cash of \$23.6m (\$20 million after including lease liabilities under AASB16)
  - \$31.6m cash and \$11.6m of debt (including \$3.6m of leases)
  - Repaid \$16m of bank debt during FY24
  - Outstanding bank debt has been reduced from \$60m in FY21 to \$8m as of June 30
- Bank facility financial covenants removed in June 2024
- Repurchased over 4.7 million shares for \$1.9 million
- Declared Final FY24 dividend of \$0.017 per share (unfranked) taking total dividend for the year to \$0.028 per share

Historical balance sheet	2024	2023
-	\$'000	\$'000
Assets		
Current		
Cash and cash equivalents	31,556	30,606
Trade and other receivables	39,181	41,194
Current tax asset	2,440	4,385
Other current assets	5,564	4,938
Current assets	78,741	81,123
Non-current		
Property, plant and equipment	9,258	10,654
Intangible assets	20,670	27,116
Goodwill	96,303	96,422
Deferred tax assets	5,058	4,806
Other assets	89,271	90,863
Non-current assets	220,560	229,861
Total assets	299,301	310,984
Liabilities		
Current		
Trade and other payables	42,936	39,244
Contract liabilities	1,552	1,415
Current tax liabilities	157	63
Financial liabilities	1,541	1,215
Provisions	1,242	1,312
Current liabilities	47,428	43,249
Non-current		
Trade and other payables	71	78
Financial liabilities	10,098	25,912
Deferred tax liabilities	23,441	24,051
Provisions	392	318
Non-current liabilities	34,002	50,359
Total liabilities	81,430	93,608
Net assets	217,871	217,376
Equity		
Share capital	430,336	432,128
Reserves	6,420	8,159
Accumulated losses	(218,885)	(222,911)
Total equity	217,871	217,376



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

		ATN	CTN	UKTN	BTN
<b>FY2024 Revenue</b>	A\$m	85.8	30.5	51.0	16.9
<b>FY2023 Revenue</b>	A\$m	88.6	34.2	42.4	11.9
<b>FY24 vs FY23</b>		(3.1)%	(10.7)%	20.5%	42.0%
<b>Number of Radio Stations</b>	#	152	109	241	100
<b>Number of TV Stations</b>	#	8	6	-	-
<b>GTN Radio Audience</b>	m	11.7 <sup>(3)</sup>	13.8	31.2	27.0 <sup>(2)</sup>
<b>GTN TV Audience</b>	m	3.5	8.1	-	-
<b>FY2024 radio spots inventory</b>	'000	1080	639	22,824 <sup>(1)</sup>	555
<b>FY2024 sell-out rate (radio)</b>	%	60%	53%	85% <sup>(1)</sup>	54%
<b>FY2024 average spot rate (radio)</b>	Local ccy	A\$125	C\$77	£1.4 <sup>(1)</sup>	BRL 211

(1) See page 19 for explanation of UKTN metrics

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

(3) Excludes non-rated regional markets



## ATN segment Adjusted EBITDA improved 20% to \$21.4m AUD compared to FY23

### ATN revenue performance

(3.1)%

FY23	88.6
FY24	85.8

ATN KPIs	FY24	FY23	% chg
Radio spots inventory ('000s) <sup>(1)</sup>	1080	1102	(2.0)%
Radio sell-out rate (%) <sup>(2)</sup>	60%	56%	+4% points
Average radio spot rate (AUD) <sup>(3)</sup>	125	132	(5.3)%

### Commentary:

- ATN revenue decreased by 3.1% in FY24 based on reduced inventory and rate but higher sell out rate
- ATN total operating expenses decreased \$5.2m or 7% compared to FY23
  - Selling, general and administration decreased \$3.8m, Station compensation decreased \$0.8m and Network operation expenses decreased \$0.5m compared to FY23
- Radio spots inventory decreased compared to FY23
  - Radio sell-out rate increased 4% points to 60%
  - Average spot rate decreased by 5.3% from FY23
- Drone revenue of \$0.7 million in FY24
  - ATN to scale back Drone operations and focus on driving pull through radio revenue for existing customers
- Segment Adjusted **EBITDA** improved 20% to \$21.4m AUD compared to FY23
- Key contracts signed in FY24 will see an Increase of premium inventory across major metro commercial radio stations in all 5 domestic markets in FY25
- There will also be an increase in our regional reach in FY25 by adding new regional radio stations with new premium inventory

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 posted a robust 42% increase in revenue The largest increase of the Group



BTN KPIs	FY24	FY23	% chg
Radio spots inventory ('000s) <sup>(1)</sup>	555	495	12.1%
Radio sell-out rate (%) <sup>(2)</sup>	54%	46%	+8% points
Average radio spot rate (BRL) <sup>(3)</sup>	211	210	+0.5%

### Commentary:

- FY24 revenue in AUD increased 42% compared to FY23
- FY24 revenue in BRL increased 33.0% compared to FY22
  - Currency fluctuations had a positive impact on reported revenue
- Revenue growth driven by multiplier effect of higher inventory, better sell-out rate and higher spot rate
- **Segment Adjusted EBITDA improved from a loss in FY23 to \$2.4m AUD in 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 had a challenging FY24

with revenue decreasing 12% in local currency and 10.7% in AUD compared to FY23



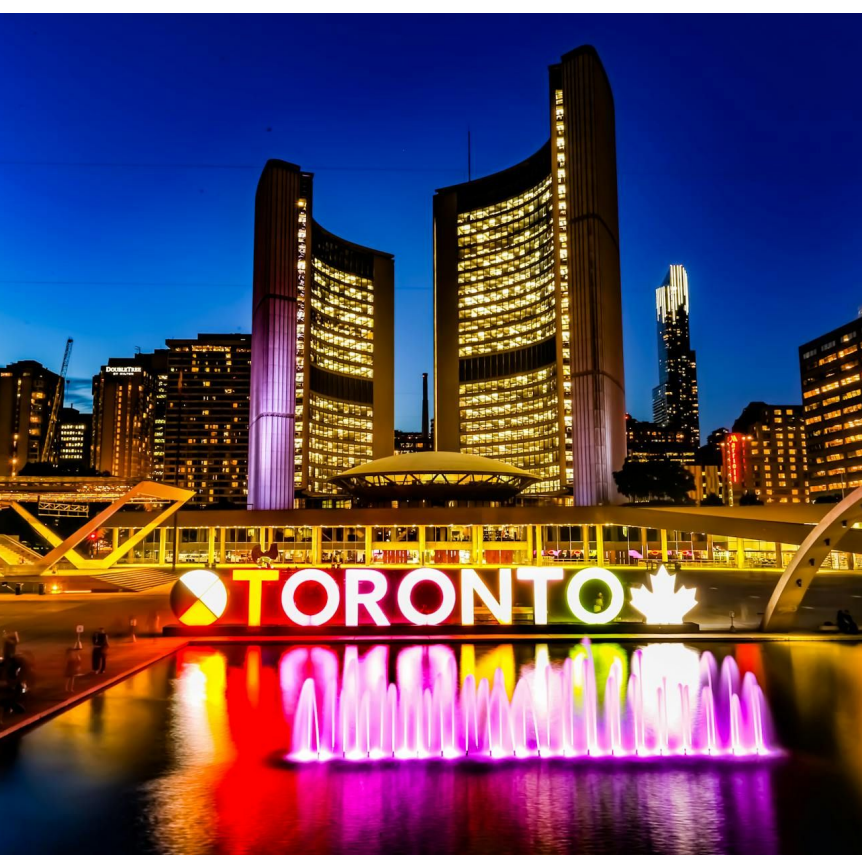
(10.7)%

### CTN revenue performance (AUD)



(12.0)%

### CTN revenue performance (CAD)



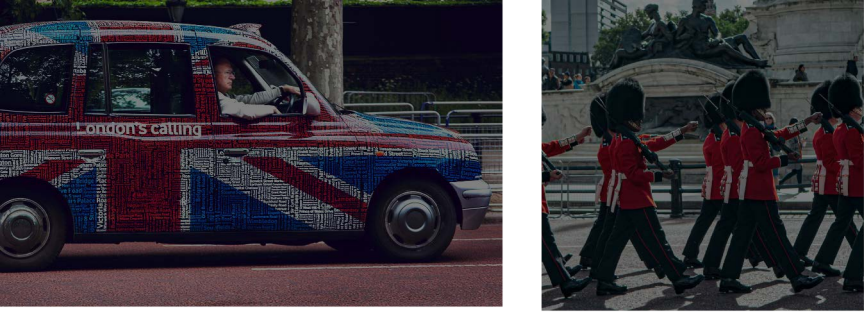
CTN KPIs	FY24	FY23	% chg
Radio spots inventory ('000s) <sup>(1)</sup>	639	667	(4.2)%
Radio sell-out rate (%) <sup>(2)</sup>	53%	56%	-3% points
Average radio spot rate (CTN) <sup>(3)</sup>	77	77	0%

### Commentary:

- CTN revenue decreased in both AUD and CAD
  - FY24 revenue in AUD decreased 10.7% compared to FY23
  - FY24 revenue in CAD decreased 12.0% compared to FY23
- Radio Spots inventory decreased 4.2% compared to FY23 with some stations closed by owners
- Radio Sell out ratio reduced 3% compared to FY23, while Average radio spot rate remained flat at \$77CAD
- Decision to exit Drone Business in Canada and sell fleet to local competitor
- **Segment Adjusted EBITDA of \$3.4m AUD in 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.





## UKTN Segment Adjusted EBITDA improved 52% to \$3.4m AUD compared to FY23

+20.5%

### UKTN revenue performance (AUD)



+12.2%

### UKTN revenue performance (GBP)



UKTN KPIs	FY24	FY23	% chg
Radio spots inventory ('000s) <sup>(1)</sup>	22,824	20,582	28.9%
Radio sell-out rate (%) <sup>(2)</sup>	85%	85%	-1% points
Average radio spot rate (GBP) <sup>(3)</sup>	1.4	1.4	15.7%

### Commentary:

- UKTN revenue increased in both local currency and AUD
  - FY24 revenue in AUD Increased 20.5% compared to FY23
  - FY24 revenue in GBP increased 12.2% compared to FY23
- Revenue increase driven by an increase in available impacts and maintenance of average radio net impact rate
- Segment Adjusted **EBITDA** improved 52% to \$3.4m AUD compared to FY23

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





# Capital Management

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

→ **As of 30 June 2024, GTN held cash balances of \$31.6m with net cash of \$23.6M** (\$20 million after including lease liabilities under AASB16)

- **Debt Facility**
- Negotiated removal of financial covenants from the existing Facility Agreement
  - Group has repaid \$52m of outstanding bank debt since FY21
    - Outstanding bank debt \$8m as of 30 June 2024 compared to \$60m on 30 June 2020
    - Intention to pay off remaining debt in 1H FY25
  - Greater flexibility for dividends and share buy backs

→ **Company announced new share buyback program starting 29 August 2024 for up to 10% of outstanding shares for up to twelve months**

- No minimum share repurchase, or target purchase price has been set
- During FY24 company repurchased over 4.7 million shares for \$1.9 million
- Total share repurchase of 15.8 million shares (7.4% of share base) since the beginning of FY23, through to the end of FY24

→ **Board declared \$0.017 per share final dividend for FY24 (unfranked)**

- Record date set at 6th September 2024 with payment date of 27th September 2024
- Full Year dividend of \$0.028 per share
- Board remains committed to target dividend policy of ~100% of annual NPAT



# Revenue for Jul - Oct FY25 is pacing ahead of the comparable period in FY24

Challenging market in October and it's continuing in November

→ **Jul - Oct FY25 revenue greater than 5% ahead of the comparable period in FY24**

- Australia, Brazil and the UK are delivering growth versus previous year
- Canada is tracking slightly behind the previous year

→ **Management has developed plans to deliver cost efficiencies in FY25 to further enhance earnings**

→ **Reconfigured Drone business**

- Exited Drones business in Canada and sold Drone swarm to local provider
- Significantly reduced fixed cost of Australian Drone business with focus on supporting key national clients

→ **Commenced expansion into new regions in Brazil, Florianopolis and Recife, internally funded by sale of redundant helicopter asset**

→ **Unable to forecast future revenue due to short lead times of the Group's sales cycle**

- Results beyond October are likely to be highly dependent on market conditions



Section 04 >

# Formal Business

## Peter Tonagh



## **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 2024**



# Questions and Comments

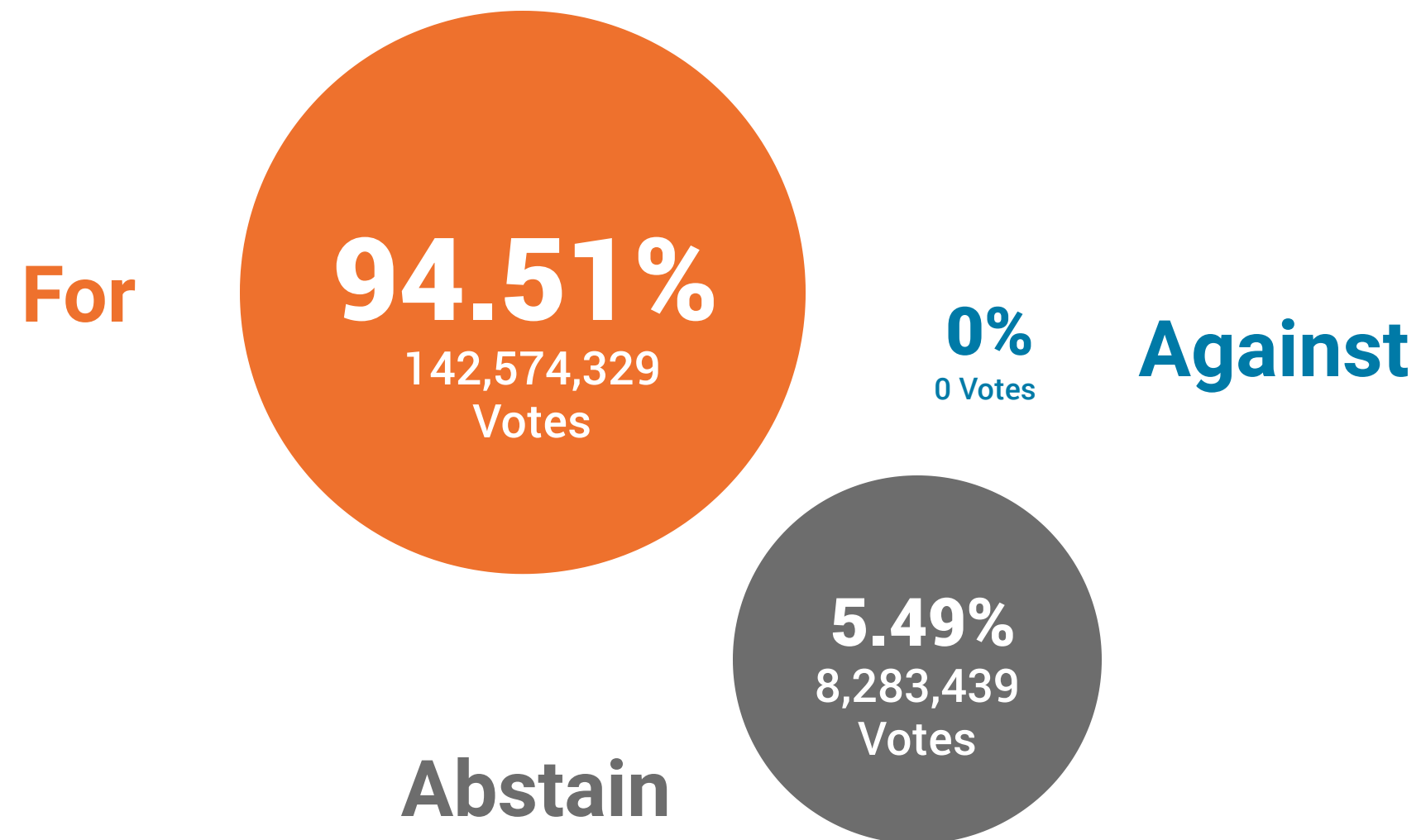


## Resolution 1 - Election of Director Craig Coleman

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

“That Craig Coleman, 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:

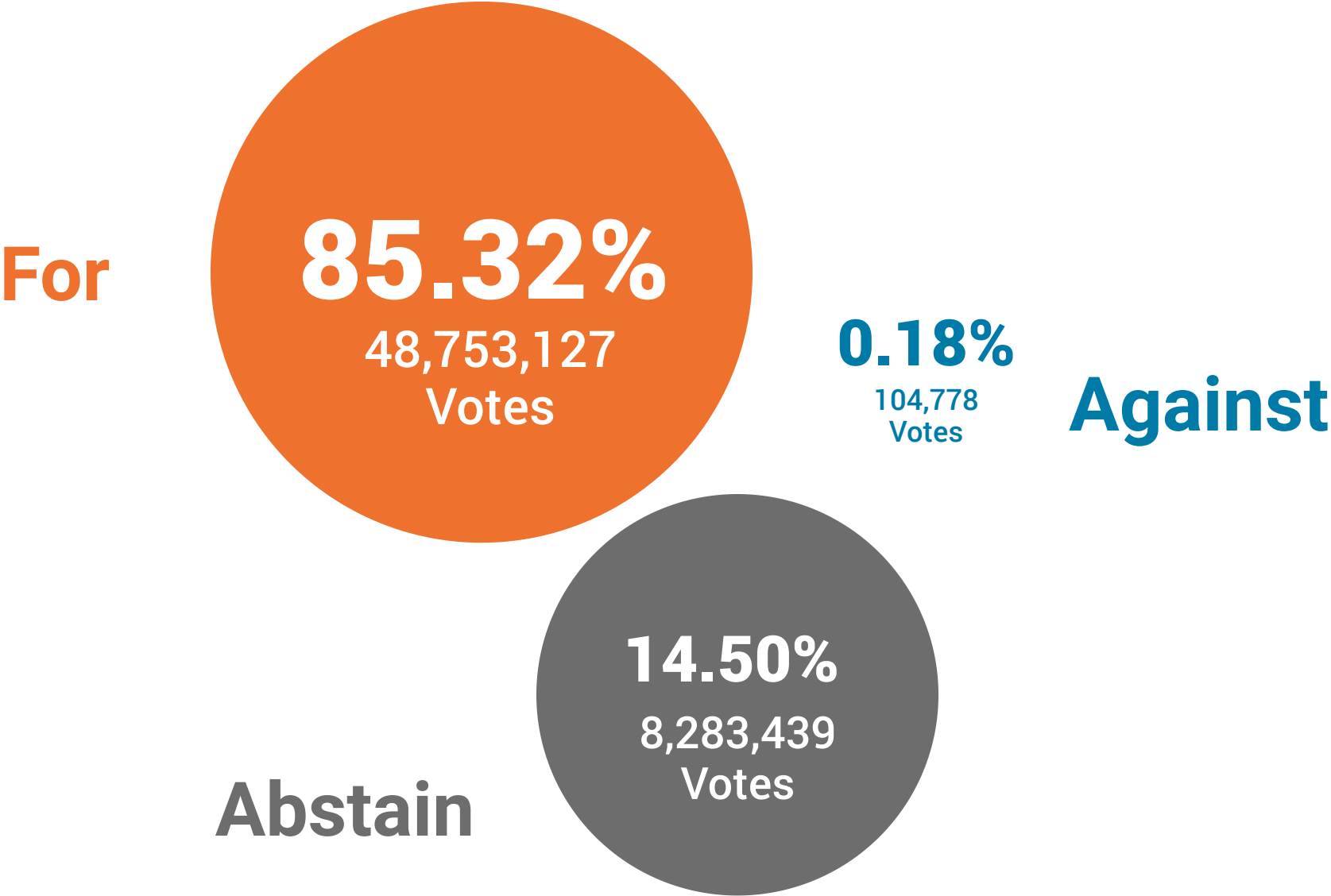




## Resolution 2 - Remuneration Report

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 2024, be adopted.”

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





# Questions and Comments

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

(\$m) (1)	FY2024	FY2023
Profit before income tax	7.5	5.5
Depreciation and amortisation	13.3	12.3
Finance costs	1.5	1.8
Interest on bank deposits	(0.7)	(0.3)
Interest income on long-term prepaid affiliate contract	(7.8)	(7.9)
EBITDA	13.8	11.3
Interest income on long-term prepaid affiliate contract	7.8	7.9
Foreign currency transaction loss	0.2	0.0
Loss on asset disposal	0.5	0.0
Adjusted EBITDA	22.3	19.3

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

Profit for the year (NPAT)	5.7	2.6
Amortisation of intangible assets (tax effected)	4.5	4.6
NPATA	10.2	7.2



## **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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