



29 November 2024

GTN Board changes and update

GTN Limited (GTN) is pleased to provide the following update.

Board Changes

GTN advises that Ms. Alexandra (Alexi) Baker and Mr. David Ryan AO have tendered their resignations as Non-Executive Directors of the Company, effective from Friday 29th November.

The Board thanks Ms. Baker for her contributions since joining in June 2022, particularly in bringing valuable digital and customer experience insights from her extensive media industry background.

The Board also expresses its deep appreciation to Mr. Ryan for his significant contribution since April 2016, including his role as Chair of the Audit and Risk Committee and member of the Nomination and Remuneration Committee. His extensive commercial and governance experience has been invaluable to GTN during his tenure.

Mr Jason Korman and Mr Rob Martino have been appointed to the Board as Non-Executive Directors, effective today. Mr Korman and Mr Martino are Partners at Viburnum Funds Pty Ltd (**Viburnum**) and their appointments reflect Viburnum's ownership stake in GTN. Mr Martino has ceased being an Alternate Director for Mr Craig Coleman, and has been appointed as a member of the Audit and Risk Committee. Mr Coleman has been appointed as the interim Chair of the Audit and Risk Committee and Chair of the Nomination and Remuneration Committee.

Mr Peter Tonagh remains Independent Chairman and Ms Corinna Keller remains an Independent Non-Executive Director.

Management

Mr Coleman, GTN Non-Executive Director and Viburnum Managing Partner said: "We wish to acknowledge the significant business and management change which has been led by GTN's Chairman, Peter Tonagh and the GTN Management team".

The GTN Board will be undertaking a review of executive incentives focused on improving alignment with owners. Mr Coleman said: "As the largest GTN shareholder, we are strong advocates of alignment between executives and owners. Our focus is on improving long term incentives to encourage decision making which creates value for shareholders".

Capital Management, Buy-back and Free Cash Flow

The Board intends to engage an advisor to assess tax effective capital management options for shareholders. As at 30 June 2024, GTN had \$23.6m of net cash (\$20m after including lease liabilities under AASB 16). The Board is exploring a meaningful one-off return of capital or special dividend, with the exact quantum and structure to be updated subject to further work and advice.

In the interim, GTN intends to reinstate its on-market buy-back. GTN has 15,969,986 securities available to be bought back under its existing on-market buy-back.

The Board is also assessing the optimal use of future free cash flow generation. GTN generates relatively high free cash flow owing to modest capital expenditure requirements. In FY24, GTN generated \$21.9m of free cash flow post tax¹, equivalent to a 24.5% yield based on current equity value².

An update on these items will be provided in December 2024.

Viburnum Shareholding

Today, Mr Coleman advised the Board that: “Notwithstanding Viburnum’s control shareholding, we believe GTN continues to be relevant in a listed context. Consistent with this belief, Viburnum will be retaining a control interest in GTN, however has agreed to sell a portion of its interests to a number of well-regarded Australian family offices. Settlement will occur in early December 2024 with any further required ASX disclosures to follow shortly thereafter.”

Mr Coleman added: “Viburnum’s Strategic Equities Fund is a high conviction, active ownership investment manager of public equities. We are attracted to GTN’s free cash flow yield and capital growth prospects from continued operational performance. Our approach is to think and act like hands-on, long-term business owners with the objective of delivering multi-year compounding returns.”

For further enquiries please contact:

Peter Tonagh, Chair

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Announcement authorised by:
Board of Directors

¹ Including AASB 16 Leases expense and \$2.1m one-off costs related to executive team transition.

² Undiluted issued capital, last close 28 November 2024.