



GTN Limited

FY21 Results Presentation

26 August 2021

Today's presenters



Bill Yde (CEO and founder)



Scott Cody (CFO and COO)

Contents

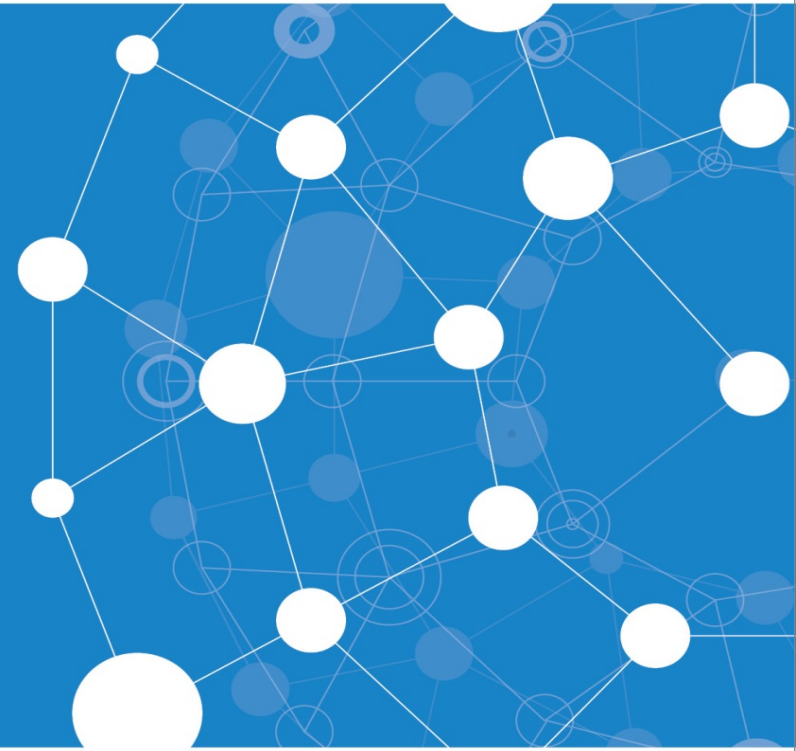
01	Overview	3
02	Group financial performance	6
03	Financial performance by operating segment	9
04	Update on operating strategy and capital management	14
05	Update on trading	17
A	Additional financial information	19



Section

01

Overview



Overview

GTN's FY21 Adjusted EBITDA only decreased slightly compared to FY20 despite an 11% drop in revenue due to the continuing impact of the COVID-19 pandemic

Key Highlights



FY21 revenue decreased 11% due to COVID-19 pandemic

- Revenue increased 85% in 4Q FY21 compared to 4Q FY20 which was the revenue low point
- UK revenue increased in both local currency and AUD



FY21 operating expense decreased 11% mitigating revenue decrease impact on profitability

- Adjusted EBITDA of \$14.0 million (-2% on FY20)
 - Network operations and station compensation expenses decreased 8% primarily due to lower station compensation
 - Station compensation decreased 6%
 - Primary savings was from termination of Nine Radio in July 2020
 - Sales, G&A expenses decreased 23% primarily due to reduced commissions and bonuses on the lower revenue



Strong liquidity position with net debt (after cash) of \$3.8 million

- No dividends declared for FY21
 - Consistent with amended bank facility and desire to conserve cash
- TGR (net debt) 0.27X at 30 June 2021
- Repaid \$10 million of bank debt during FY21

A\$m ⁽⁴⁾	FY21	FY20	% Difference
Revenue	143.3	160.9	(10.9)%
EBITDA ⁽¹⁾	6.0	5.5	8.5%
Adjusted EBITDA ⁽²⁾	14.0	14.2	(1.6)%
NPAT	(0.1)	0.3	(127.9)%
NPATA ⁽³⁾	4.6	4.9	(5.6)%
NPATA ⁽³⁾ per share (\$)	\$0.02	\$0.02	(3.1)%

Notes: (1) EBITDA is defined as net profit after tax before the deduction of interest expense/income, income taxes, depreciation and amortization. (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 amortization 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 new market opportunities



		ATN	CTN	UKTN	BTN
FY2021 Revenue	A\$m	68.5	24.2	44.4	6.2
FY2020 Revenue	A\$m	79.0	27.0	42.6	12.4
FY21vs FY20		(13.3)%	(10.2)%	4.4%	(50.1)%
Number of Radio Affiliates	#	142	117	222	93
Number of TV Affiliates	#	13	6	-	-
GTN Radio Audience	m	10.8 ⁽³⁾	15.3	28.6	26.3 ⁽²⁾
GTN TV Audience	m	5.6	12.2	-	-
FY2021 radio spots inventory	m	954	688	19,755 ⁽¹⁾	453
FY2021 sell-out rate (radio)	%	52%	43%	94% ⁽¹⁾	35%
FY2021 average spot rate (radio)	Local ccy	A\$128	C\$71	£1.3 ⁽¹⁾	BRL 178

(1) See page 12 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



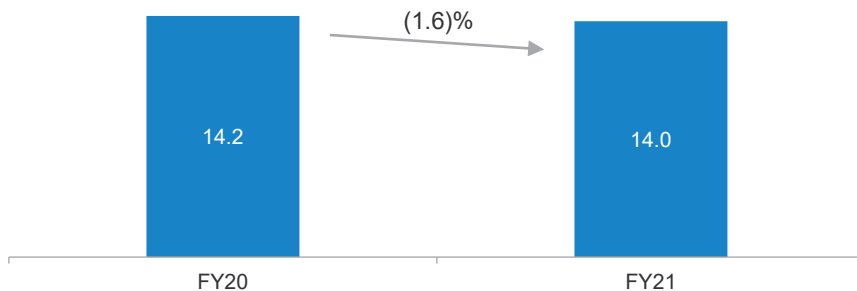
Key drivers of financial performance

Despite a \$17.6m revenue decrease, Adjusted EBITDA only declined by \$0.2 million or 2%

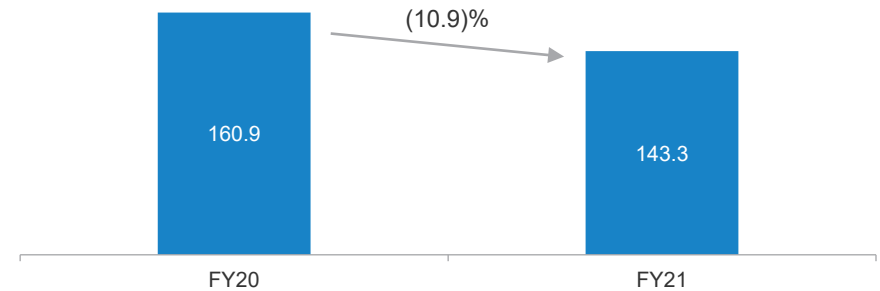
Commentary

- Revenue decrease driven primarily by continued impact of COVID-19 pandemic
 - Revenue impacted by lockdowns and virus flare-ups across markets during the year
 - 4Q FY21 revenue increased 85% compared to 4Q FY20
- Adjusted EBITDA decreased slightly (-2%) due to revenue decrease
 - Network operations and station compensation expenses decreased \$9.7 million (8%) compared to FY20 primarily due to lower station compensation
 - Sales, G&A expenses decreased \$7.9 million (23%) primarily due to reduced commissions and bonuses on the lower revenue
- NPAT before tax increased \$2.1 million while NPAT and NPATA decreased \$0.4 million and \$0.3 million, respectively, primarily due the absence of \$1.6 million in U.S. tax benefit received in FY20 due to the carry back provisions of the CARES Act

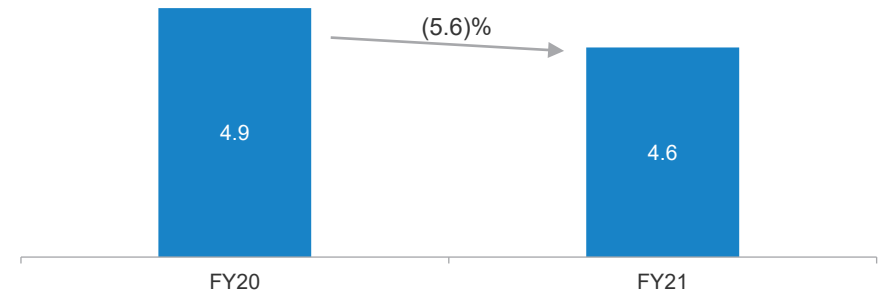
GTN Group Adjusted EBITDA



GTN Group revenue



GTN Group NPATA



Strong liquidity position

Net debt (debt less cash balances) of \$3.8 million. Total Gearing to Adjusted EBITDA of 0.27x.

Historical balance sheet

	30 June 2021	30 June 2020
Current Assets	\$'000	\$'000
Cash and cash equivalents	49,376	57,040
Trade and other receivables	31,003	19,910
Current tax assets	4,894	6,700
Other current assets	2,702	2,856
Current assets	87,975	86,506
Non-current Assets		
Property, plant and equipment	7,721	9,858
Intangible assets	39,525	45,686
Goodwill	96,616	95,998
Deferred tax assets	4,857	4,269
Other assets	93,736	94,988
Non-current assets	242,455	250,799
Total assets	330,430	337,305
Current Liabilities		
Trade and other payables	32,988	30,874
Contract liabilities	1,000	1,266
Current tax liabilities	149	-
Financial liabilities	1,286	1,525
Provisions	987	932
Current liabilities	36,410	34,597
Non-current Liabilities		
Trade and other payables	69	74
Financial liabilities	51,689	62,768
Deferred tax liabilities	21,309	20,344
Provisions	403	416
Non-current liabilities	73,470	83,602
Total liabilities	109,880	118,199
Net assets	220,550	219,106
Equity		
Share capital	437,508	437,508
Reserves	9,997	8,464
Accumulated losses	(226,955)	(226,866)
Total equity	220,550	219,106

Summary cash flow

\$Am	FY21	FY20
Adjusted EBITDA	14.0	14.2
Non-cash items in Adjusted EBITDA	0.9	0.9
Change in working capital	(9.0)	16.5
Impact of Southern Cross Austereo Affiliate Contract	2.0	2.0
Operating free cash flow before capital expenditure	8.0	33.5
Capital expenditure	(2.2)	(3.1)
Net free cash flow before financing, tax and dividends	5.8	30.4

Commentary

- Strong liquidity position with net debt after cash of \$3.8m
 - \$49.4m cash and \$53.2m of debt (including \$3.2m of leases)
 - Repaid \$10m of bank debt during FY21
 - TGR net debt to Adjusted EBITDA 0.27x at 30 June 2021
- Amended bank facility to provide covenant relief through 30 September 2021
 - In compliance with modified covenants by a wide margin
- No dividends declared to further conserve cash
- Change in working capital primarily related to accounts receivable as 4Q FY21 revenue increased 85% compared to 4Q FY20 which had decreased 57% compared to 4Q FY19

Section 03

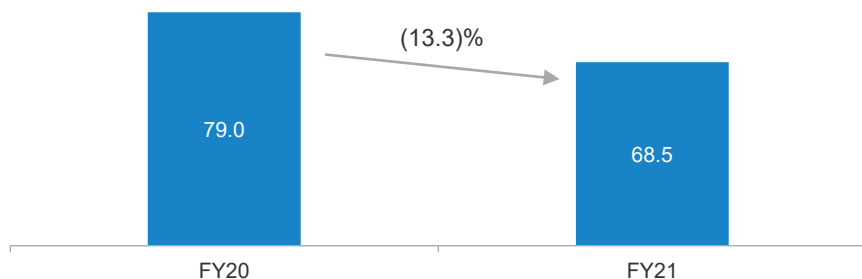
Financial performance by operating segment



ATN

ATN revenue decreased as the Melbourne lockdown had a negative impact on 1H FY21 revenue

ATN revenue performance



Commentary

- ATN revenue declined by 13.3% primarily due to continuing impact of the COVID-19 pandemic
 - 4Q FY21 revenue increased \$8.7m (+75%) compared to 4Q FY20
 - 2H FY21 revenue increased \$5.7m (+18%) compared to 2H FY20
- Radio spots inventory decrease primarily related to Nine Radio group affiliation agreements being terminated effective July 2020
 - Annualized savings in excess of \$6m

ATN KPIs

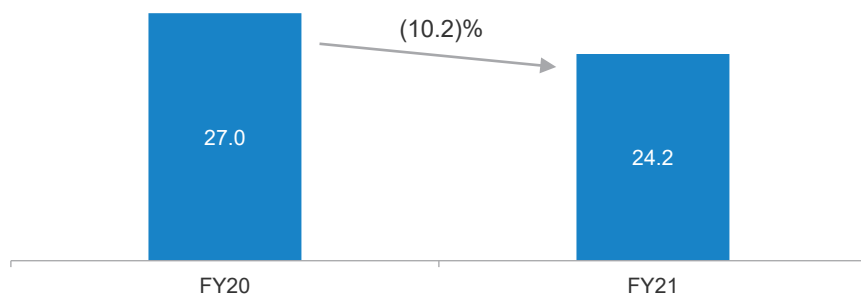
	FY21	FY20	% chg
Radio spots inventory ('000s) ¹	954	1,077	(11.4)%
Radio sell-out rate (%) ²	52%	54%	(2)% points
Average radio spot rate (AUD) ³	128	128	-%

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.

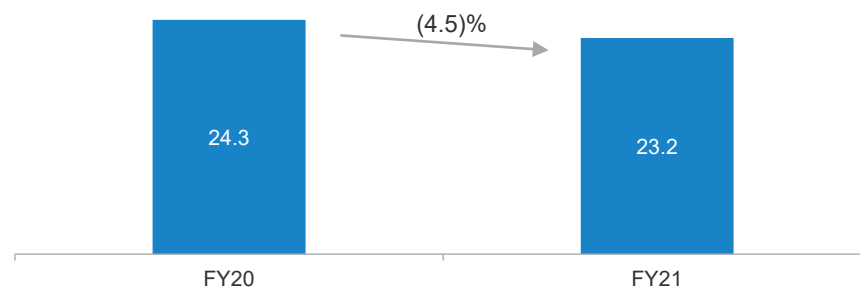
CTN

CTN revenue declined only 4.5% in local currency compared to FY21 despite largest market (Toronto) being in lockdown entire 2H FY21

CTN revenue performance (AUD)



CTN revenue performance (CAD)



CTN KPIs

	FY21	FY20	% chg
Radio spots inventory ('000s) ¹	688	686	0.2%
Radio sell-out rate (%) ²	43%	51%	(8)% points
Average radio spot rate (CAD) ³	71	64	10.5%

Commentary

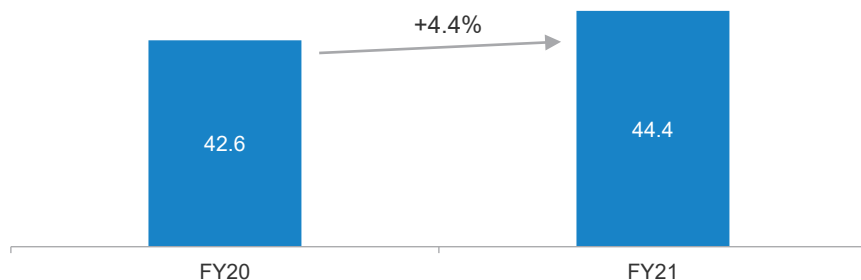
- CTN revenue decreased in both AUD and CAD due to continuing impact of COVID-19 pandemic
 - FY21 revenue decreased 10% compared to FY20
 - FY21 revenue decrease in CAD only 4% compared to FY21
 - 4Q FY21 revenue increased \$3.8m (+174%) compared to 4Q FY20
 - Increased \$3.6m (+175%) in CAD
 - Currency fluctuations had negative 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.

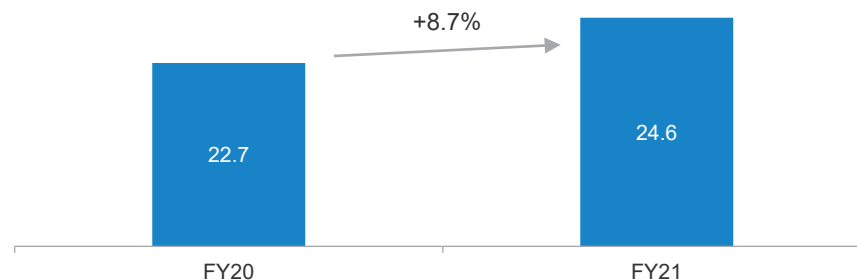
UKTN

UKTN increased revenue in both local currency and AUD despite significant lockdowns during 2H FY21

UKTN revenue performance (AUD)



UKTN revenue performance (GBP)



UKTN KPIs

	FY21	FY20	% chg
Total radio impacts available ('000s) ¹	19,755	19,448	1.6%
Radio sell-out rate (%) ²	94%	89%	+5% points
Average radio net impact rate (GBP) ³	1.3	1.3	-%

Commentary

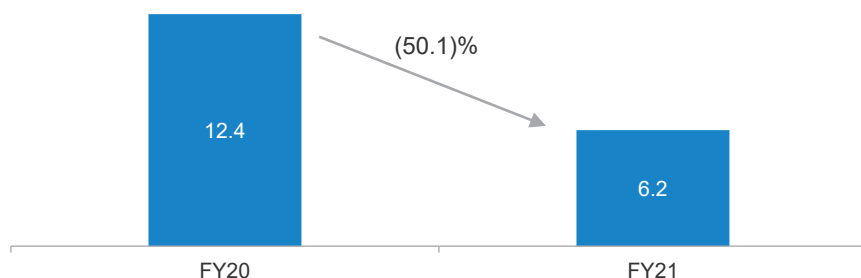
- UKTN revenue increased despite lockdowns related to COVID-19 pandemic
 - FY21 revenue increased 4% (+9% in GBP) compared to FY20
 - 4Q FY21 revenue increased \$3.9m (+58%) compared to 4Q FY20
 - Increased £2.3m (+65%) in GBP
 - Currency fluctuations had negative impact on reported revenue

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

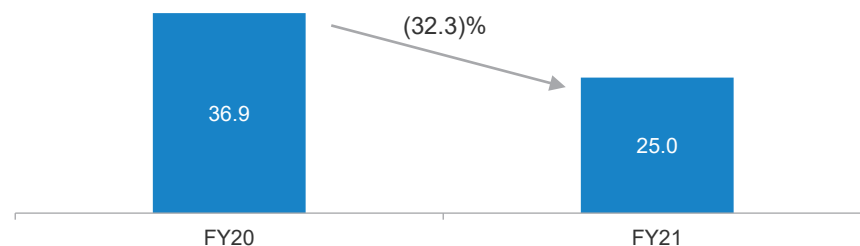
BTN

BTN revenue negatively affected by severe impact of COVID-19. Despite ongoing struggle with the pandemic, 4Q FY21 revenue increased substantially compared to 4Q FY20.

BTN revenue performance (AUD)



BTN revenue performance (BRL)



BTN KPIs

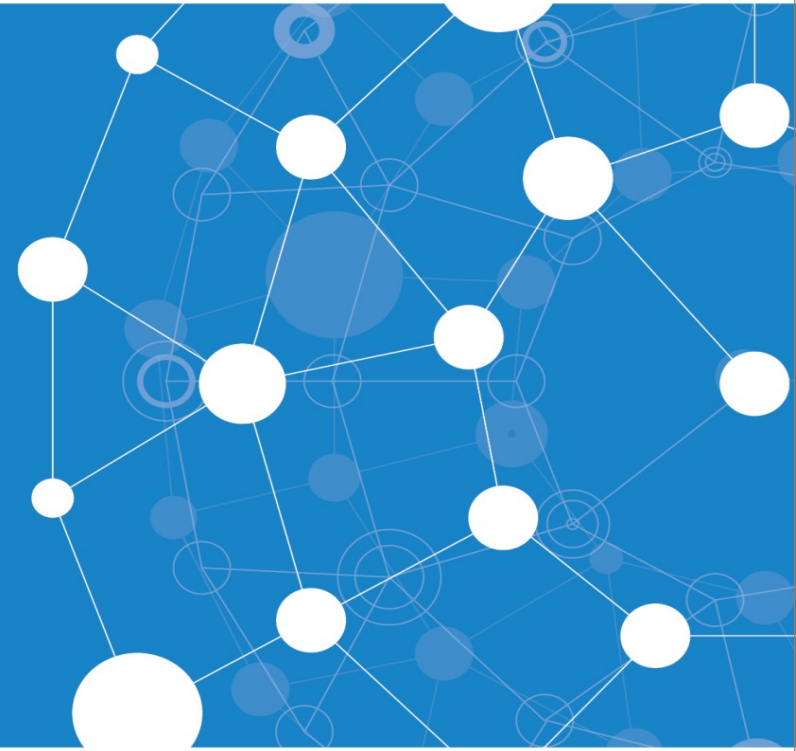
	FY21	FY20	% chg
Radio spots inventory ('000s) ¹	453	418	8.4%
Radio sell-out rate (%) ²	35%	46%	(11)% points
Average radio spot rate (BRL) ³	178	216	(17.6)%

Commentary

- FY21 revenue decreased 50% (-32% in BRL) compared to FY20
 - 3Q21 YTD revenue decreased 61% (-44% in BRL) compared to YTD 3Q20
 - 4Q21 revenue increased \$1.2m (+713%) compared to 4Q20 which was the onset of the major impact of the COVID-19 pandemic
 - Increased R\$3.4m (+141%) in BRL
 - Currency fluctuations had negative impact on reported revenue for FY21 but a positive impact on 4Q FY21

Section 04

Update on operating strategy and capital management



GTN Operating Strategy

Management continues to be focused on conserving cash while maintaining business infrastructure and maximizing revenue in the ongoing challenging environment of the COVID-19 pandemic

➔ **Maintain affiliate networks and sales management and staffs**

- We believe that continuing to have a strong product is key to maximizing revenue currently as well as in the future
- Our affiliate relationships are key to continuing to maintain our robust networks
- Group's sales personnel are talented and experienced and will be a key element in capturing revenue
- Structural and management changes in Australian market designed to accelerate recovery

➔ **Reduce outstanding debt**

- Repaid \$10m of outstanding bank debt during FY21 (\$50m outstanding at 30 June 2021)
- Intend to further reduce outstanding debt during FY22

➔ **Conserve cash**

- Since it is unclear when the market will fully recover from the impact of the COVID-19 pandemic, the Company is conserving cash in order to “ride out the storm” and ensure that GTN is well positioned for future growth opportunities
- No dividends declared for FY21 or anticipated for FY22
- Share buyback discontinued 25 February 2021
- Amended bank facility to ensure compliance with loan covenants
 - No scheduled principal repayments prior to repayment date of the facility enhances flexibility

Capital Management

Company conserving cash due to ongoing global uncertainty surrounding COVID-19 pandemic

➔ Completed amendment to debt facility in December 2020

- Financial covenants revised to reflect impact of pandemic on Group's operations
- Anticipate that the Group will continue to remain in compliance with all financial covenants

➔ Dividends and share buybacks prohibited during modification period of the debt facility

- Would not have been able to make distributions if in default of loan agreement
- Previously distributions limited to 100% of NPATA
- Terminated share buy-back and filed Appendix 3F (Final share buy-back notice) effective 25 February 2021
 - Last shares repurchased before termination was on 20 March 2020

➔ Suspending dividends and share buybacks consistent with Company strategy to conserve cash during the uncertainty related to COVID-19 pandemic

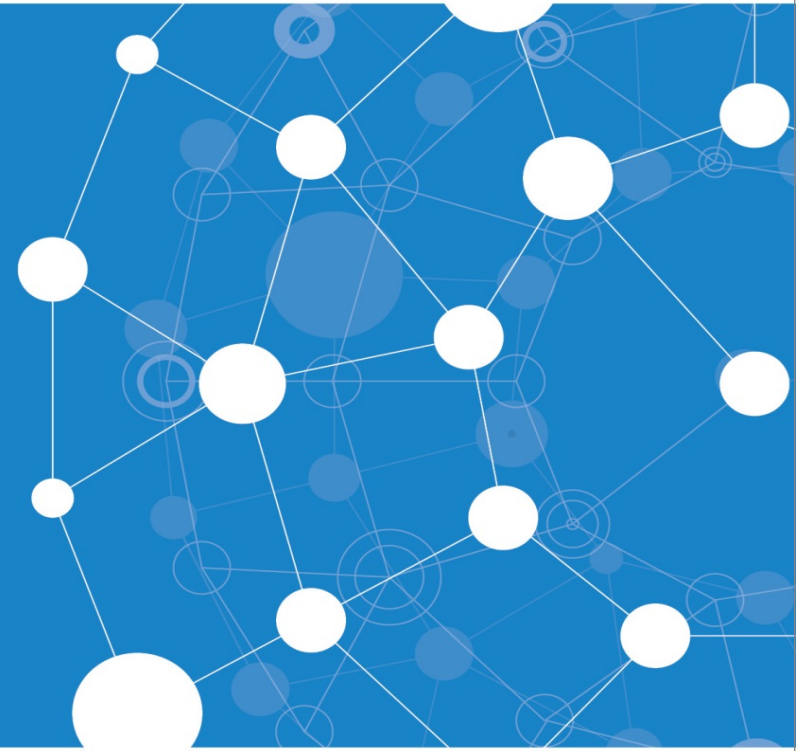
- Flare-ups in COVID-19 cases and government reactions (such as lockdowns) continue to be unpredictable

➔ Excess cash to be used to further reduce bank debt outstanding

- Voluntarily repaid \$10 million of outstanding bank debt during FY21

Section 05

Update on trading



GTN Trading Update – July & August 2021

Revenue for July and August this fiscal year has outperformed July and August 2020 by a significant margin

➔ **July 2021 revenue increased sharply (+26%) compared to July 2020**

—All Group's regions ahead of July 2020 revenue in local currency and AUD

➔ **August 2021 revenue also expected to increase sharply when compared to August 2020**

—Revenue forecast to increase ~24% compared to August 2020

—All Group's regions except Canada currently pacing ahead of August 2020 revenue in local currency and AUD

—Canada ahead of July/August 2020 combined revenue performance in CAD and AUD

➔ **Advertising market continues to be volatile and difficult to predict**

—Future results likely to be highly dependent on COVID-19 impact on the markets in which we operate. It is too early to offer any outlook for the rest of the fiscal year, but the trends for July and August are favourable compared to FY21.

—COVID-19 related lockdowns in Australia having negative impact to date for FY22 in our largest market

—Currently both Sydney and Melbourne in lockdown and expected to remain so through at least 1Q FY22

—Similar lockdown of Melbourne market had significant negative impact on 1H FY21 results

—Potential for similar additional COVID-19 related lockdowns to have a negative impact on FY22 revenues in all our markets

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 (loss) before income tax

(\$m) ⁽¹⁾	FY2021	FY2020
Profit (loss) before income tax	1.4	(0.6)
Depreciation and amortization	10.8	11.8
Finance costs	2.0	2.9
Interest on bank deposits	(0.1)	(0.3)
Interest income on long-term prepaid affiliate contract	(8.2)	(8.2)
EBITDA	6.0	5.5
Interest income on long-term prepaid affiliate contract	8.2	8.2
Foreign currency transaction loss	0.0	0.1
Gain on lease forgiveness	(0.2)	(0.1)
Loss on refinancing	-	0.4
Adjusted EBITDA	14.0	14.2

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

(Loss) profit for the year (NPAT)	(0.1)	0.3
Amortization of intangible assets (tax effected)	4.7	4.6
NPATA	4.6	4.9

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.