



# GTN Limited

## 1H22 Results Presentation

24 February 2022

## Today's presenters

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**Bill Yde (CEO and founder)**



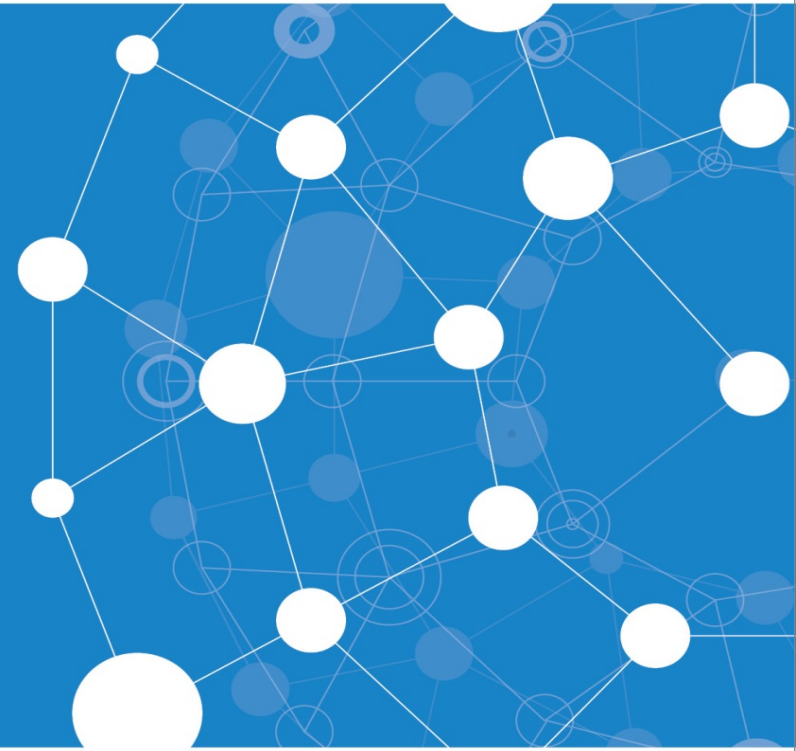
**Scott Cody (CFO and COO)**

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# Section 01

Overview



# Overview

1H FY22 results showed 14.5% revenue increase despite the ongoing impact of the COVID-19 pandemic

## Key Highlights

### ➔ 1H22 revenue increased despite negative impact of ongoing COVID-19 pandemic

Most markets reported revenue increase when compared to 1H FY21

- Canada decreased less than 1% compared to 1H FY21
- Brazil had the largest revenue increase (+37%) regaining status as fastest growing segment

Australia revenue increased 24% compared to 1H FY21

- Australia segment revenue growth significantly higher than overall Australian radio market

### ➔ 1H22 profitability grew strongly due to revenue increase

Adjusted EBITDA of \$10.2 million (+43% on 1H FY21)

- Network operations and station compensation increased \$3.1 million (+6%)
  - Largest portion of increase due station compensation (\$2.3 million, +5%)
- Selling, G&A increased \$4.1 million (34%)
  - Largest portion due to increase in sales costs (\$2.1 million, +28%)
  - Jobkeeper/CEWS benefit reduced \$1.2 million (-65%) as programs have now ended

### ➔ Strong liquidity position with net debt (after cash) of \$7.3 million

Cash balances of \$32.5 million at 31 December 2021

- Repaid \$23 million of debt facility since 31 December 2020
  - Additional debt restrictions lifted with delivery of 31 December 2021 compliance certificate in February 2022
- No final FY21 or interim FY22 dividend declared
  - Limitations on distributions return to previous threshold of 100% of NPATA

A\$m <sup>(2)</sup>	1H22	1H21	% Difference
Revenue	81.0	70.8	14.5%
EBITDA <sup>(4)</sup>	6.1	3.1	96.1%
Adjusted EBITDA <sup>(1)</sup>	10.2	7.1	42.8%
NPAT	2.7	0.4	629.7%
NPATA <sup>(3)</sup>	5.0	2.6	88.7%
NPATA per share (\$)	\$0.023	\$0.012	88.5%

Notes: (1) Adjusted EBITDA is defined as EBITDA adjusted to include the non-cash interest income arising from the Southern Cross Austereo Affiliate Contract which is treated as a financing transaction and exclude transaction costs, foreign exchange gains/losses, gains on lease forgiveness and losses on refinancing. (2) 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. (3) NPATA is defined as net profit after tax adjusted for the tax effected amortisation arising from acquisition related intangible assets. (4) EBITDA is defined as net profit after tax (earnings) before the deduction of interest expense/income, income taxes, depreciation and amortisation.

# 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



1H FY2022 Revenue	A\$m	37.9	14.1	24.1	4.9
1H FY2021 Revenue	A\$m	30.6	14.2	22.5	3.6
1HFY22 vs 1HFY21	%	24.0%	(0.5)%	7.2%	37.4%
Number of Radio Affiliates	#	145	119	228	92
Number of TV Affiliates	#	13	6	-	-
GTN Radio Audience	m	10.6 <sup>(3)</sup>	15.9	28.0	26.2 <sup>(2)</sup>
GTN TV Audience	m	5.6	11.1	-	-
1H FY2022 spots inventory	'000	498	340	9,758 <sup>(1)</sup>	240
1H FY2022 sell-out rate	%	53%	50%	100% <sup>(1)</sup>	44%
1H FY2022 average spot rate	Local ccy	A\$132	C\$71	£1.3 <sup>(1)</sup>	BRL 208

(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



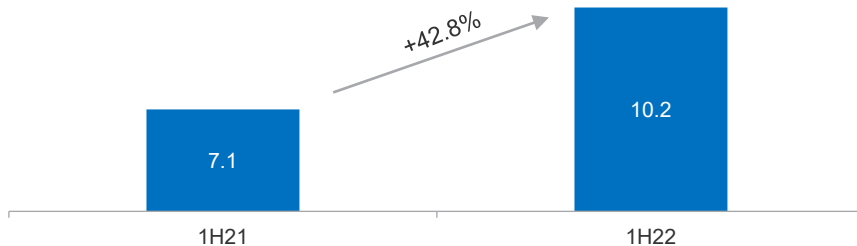
# Key drivers of financial performance

GTN profitability grew strongly due to a 14.5% increase in revenue despite the ongoing impact of COVID-19 pandemic

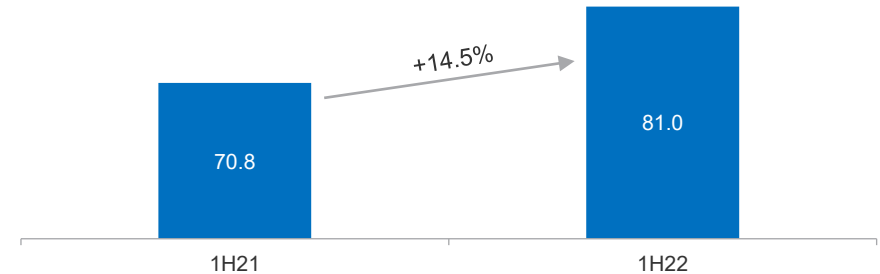
## Commentary

- Revenue increase of 14.5% compared to 1H FY21
  - Australia revenue increased 24%, far out performing broader Australia radio market
  - Brazil had largest revenue increase compared to 1H FY21 (+37%) once again becoming fastest growing of the Group's markets (+39% in BRL)
  - UK posted solid 7% revenue growth for the period (+4% in GBP)
  - Canada revenue slightly down (-0.5%) in 1H FY22 (-4% in CAD)
- EBITDA and Adjusted EBITDA posted strong increases on higher revenues
  - Operating expenses increased \$7.1 million (+10.5%)
- Revenue has increased \$27.8m (+30%) over past nine months
  - Adjusted EBITDA has increased \$17.1m over same period

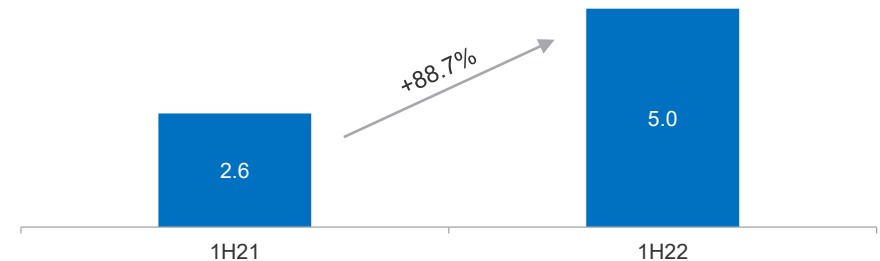
## GTN Group Adjusted EBITDA



## GTN Group revenue



## GTN Group NPATA





# Strong liquidity position

Net debt (debt less cash balances) of \$7.3 million.

## Historical balance sheet (31 December 2021 & 30 June 2021)

	31 December 2021	30 June 2021
	\$'000	\$'000
<b>Current Assets</b>		
Cash and cash equivalents	32,487	49,376
Trade and other receivables	37,902	31,003
Current tax assets	7,493	4,894
Other current assets	5,539	2,702
<b>Current assets</b>	<b>83,421</b>	<b>87,975</b>
<b>Non-current Assets</b>		
Property, plant and equipment	7,391	7,721
Intangible assets	36,446	39,525
Goodwill	96,571	96,616
Deferred tax assets	4,873	4,857
Other assets	93,077	93,736
<b>Non-current assets</b>	<b>238,358</b>	<b>242,455</b>
<b>Total assets</b>	<b>321,779</b>	<b>330,430</b>
<b>Current Liabilities</b>		
Trade and other payables	33,837	32,988
Contract liabilities	622	1,000
Current tax liabilities	204	149
Financial liabilities	1,309	1,286
Provisions	1,013	987
<b>Current liabilities</b>	<b>36,985</b>	<b>36,410</b>
<b>Non-current Liabilities</b>		
Trade and other payables	71	69
Financial liabilities	38,376	51,689
Deferred tax liabilities	21,834	21,309
Provisions	405	403
<b>Non-current liabilities</b>	<b>60,686</b>	<b>73,470</b>
<b>Total liabilities</b>	<b>97,671</b>	<b>109,880</b>
<b>Net assets</b>	<b>224,108</b>	<b>220,550</b>
<b>Equity</b>		
Share capital	437,508	437,508
Reserves	10,877	9,997
Accumulated losses	(224,277)	(226,955)
<b>Total equity</b>	<b>224,108</b>	<b>220,550</b>

## Summary cash flow

\$Am	1H FY22	1H FY21
Adjusted EBITDA	10.2	7.1
Non-cash items in Adjusted EBITDA	0.4	0.5
Change in working capital	(6.1)	(10.4)
Impact of Southern Cross Austereo Affiliate Contract	1.0	1.0
<b>Operating free cash flow before capital expenditure</b>	<b>5.6</b>	<b>(1.8)</b>
Capital expenditure	(1.4)	(0.5)
<b>Net free cash flow before financing, tax and dividends</b>	<b>4.1</b>	<b>(2.3)</b>

## Commentary

- Strong liquidity position with net debt of \$7.3m
  - \$32.5m cash and \$39.8m of debt (including \$2.8m of leases)
  - Repaid \$23 million of bank debt facility since 31 December 2020
  - Modified debt facility covenants have expired
    - Expect to continue to be in compliance with ongoing debt facility covenants
- No final FY21 or interim FY22 dividend declared consistent with strategy of conserving cash and reducing debt
  - Distributions limited to 100% of NPATA under bank debt facility

# Section 03

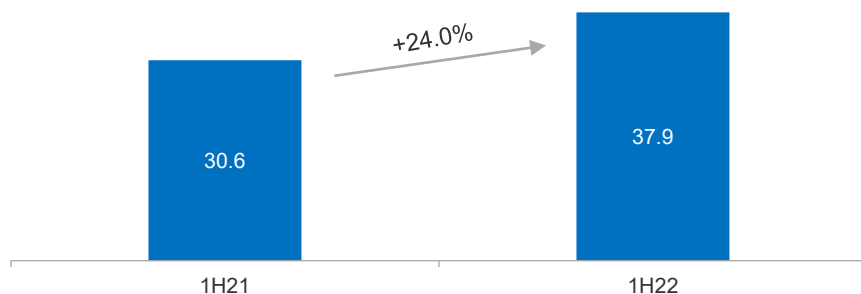
Financial performance by operating segment



# ATN

Revenue increased 24% compared to 1H FY21, out performing Australian radio market by a wide margin

## ATN revenue performance



## Commentary

- ATN revenue increased 24% compared to 1H FY21
  - Significantly outperformed the broader Australian radio market
  - Three consecutive quarters of strong revenue growth
    - Revenue increased \$16.1M/38% over nine month period Apr 21 to Dec 21
  - Calendar 2021 revenue increase \$13.1M/21%

## ATN KPIs

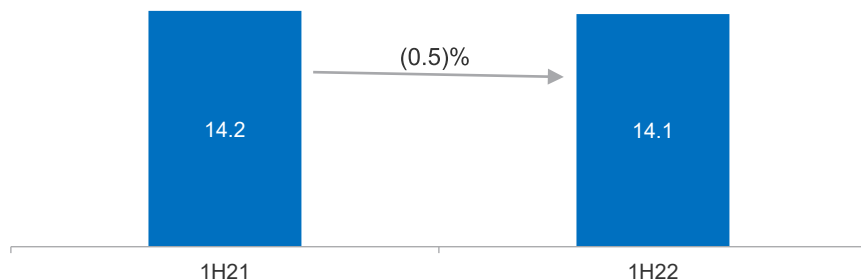
	1H22	1H21	% chg
Radio spots inventory ('000s) <sup>1</sup>	498	472	5.4%
Radio sell-out rate (%) <sup>2</sup>	53%	49%	4% points
Average radio spot rate (AUD) <sup>3</sup>	132	121	+9.1%

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.

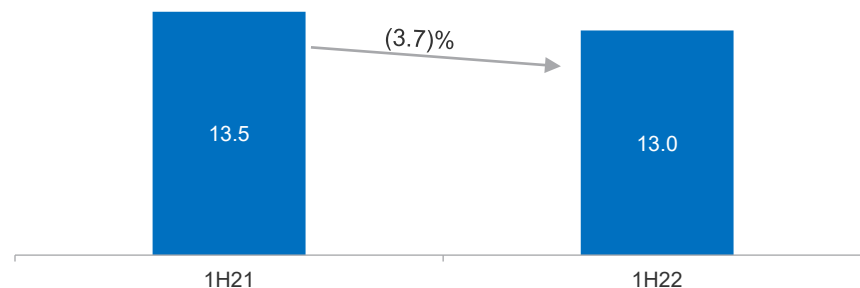
# CTN

CTN revenue roughly even with 1H FY21 (-0.5% decrease)

## CTN revenue performance (AUD)



## CTN revenue performance (CAD)



## CTN KPIs

	1H22	1H21	% chg
Radio spots inventory ('000s) <sup>1</sup>	340	344	(1.2)%
Radio sell-out rate (%) <sup>2</sup>	50%	52%	(2)% points
Average radio spot rate (CAD) <sup>3</sup>	71	71	-%

## Commentary

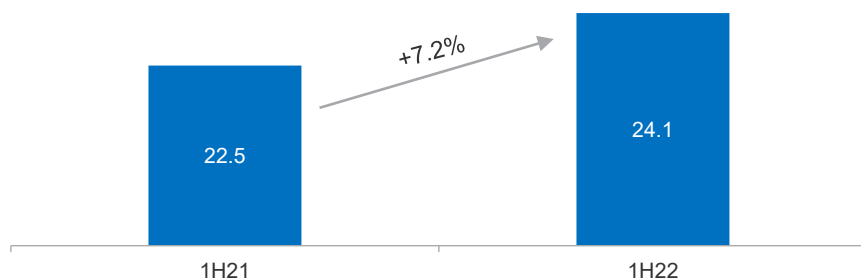
- CTN revenue roughly same in 1H FY22 as 1H FY21 (less than 1% decrease)
  - Revenue decreased only 15% from 1H FY20 to 1H FY21 resulting in a more difficult comparison for 1H FY22
  - Revenue increased \$3.7M/23% over nine month period Apr 21 to Dec 21
  - Calendar 2021 revenue decreased slightly {\$(0.2)M/(1)%}
- Currency fluctuations had a positive impact on reported revenue for 1H FY22

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.

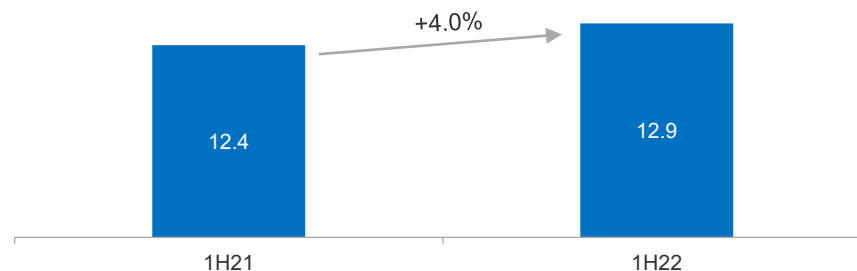
# UKTN

UKTN achieved solid revenue results with revenue increasing 7% compared to 1H FY21

## UKTN revenue performance (AUD)



## UKTN revenue performance (GBP)



## UKTN KPIs

	1H22	1H21	% chg
Total radio impacts available ('000s) <sup>1</sup>	9,758	9,807	(0.5)%
Radio sell-out rate (%) <sup>2</sup>	100%	94%	6% points
Average radio net impact rate (GBP) <sup>3</sup>	1.3	1.3	-%

## Commentary

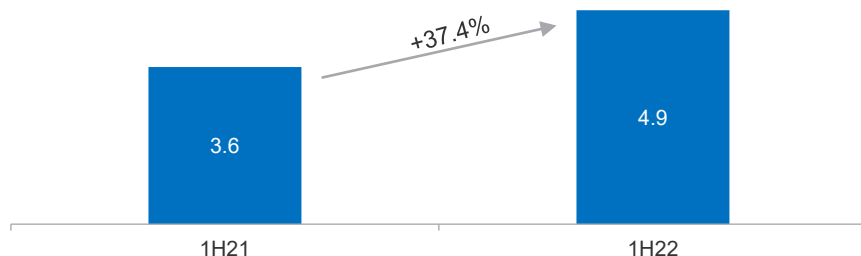
- UKTN posted solid revenue performance (+7%) in 1H FY22
  - 1H FY22 revenue exceeded 1H FY20 and 1H FY19 (pre-pandemic)
    - Revenue increased \$5.5M/19% over nine month period Apr 21 to Dec 21
    - Calendar 2021 revenue increased \$4.4M/10%
  - Currency fluctuations had positive impact on reported revenue for 1H FY22

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.

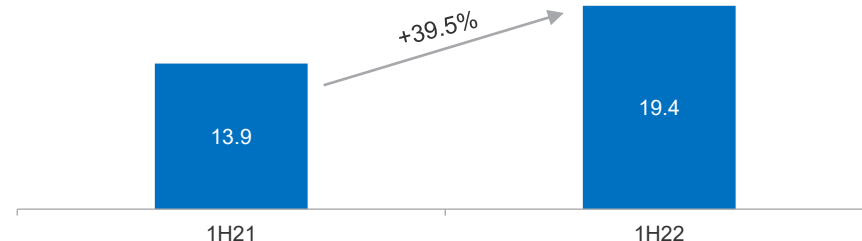
# BTN

Brazil achieved largest revenue growth in the Group, posting an increase of 37% when compared to 1H FY21

## BTN revenue performance (AUD)



## BTN revenue performance (BRL)



## BTN KPIs

	1H22	1H21	% chg
Radio spots inventory ('000s) <sup>1</sup>	240	221	8.7%
Radio sell-out rate (%) <sup>2</sup>	44%	40%	4% points
Average radio spot rate (BRL) <sup>3,4</sup>	208	177	17.7%

## Commentary

- Revenue increased 37% compared to 1H FY21
  - Brazil is once again the fastest growing segment as it was prior to the pandemic
  - November 2021 was the largest billing month in BTN's history
    - Revenue increased \$2.6M/69% over nine month period Apr 21 to Dec 21
    - Calendar 2021 revenue increased \$0.4M/5%
  - Currency fluctuations had negative impact on reported revenue for 1H FY22

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. Note 4: Not adjusted for taxes or advertising agency incentives that are deducted from net revenue.

# Section 04

Updated Outlook for 2H FY2022



# Capital Management

.....  
Company conserving cash and reducing debt due to uncertainty surrounding COVID-19 pandemic

## ➔ Additional restrictions under December 2020 amendment to debt facility have been lifted

- Financial covenants revert to previous pre-amendment levels
- Anticipate that the Group will continue to remain in compliance with all financial covenants

## ➔ Distributions (including dividends and share buybacks) are again limited to 100% of NPATA

- Dividends and share buybacks were prohibited during modification period of the bank debt facility agreement

## ➔ Have not resumed dividends and share buybacks consistent with Company strategy to conserve cash and reduce debt due to the uncertainty related to COVID-19 pandemic

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



# Outlook

Revenue growth to date for 3Q FY22 positive but lower than 1H FY22

- ➔ January 2022 Group revenue increased 5% compared to January 2021
  - Despite slowdown in growth rate, continue to increase revenue compared to previous year period
- ➔ February 2022 Group revenue expected to exceed February 2021 results
- ➔ Company has relatively short sales cycle and thus low visibility over future sales beyond February 2022



**GTN**

# 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 FY2022	1H FY2021
Profit before income tax	4.1	0.9
Depreciation and amortisation	5.3	5.5
Finance costs	0.8	0.9
Interest on bank deposits	-	(0.1)
Interest income on long-term prepaid affiliate contract	(4.0)	(4.1)
<b>EBITDA</b>	<b>6.1</b>	<b>3.1</b>
Interest income on long-term prepaid affiliate contract	4.0	4.1
Foreign currency transaction loss (gain)	-	-
Gain on lease forgiveness	-	(0.1)
<b>Adjusted EBITDA</b>	<b>10.2</b>	<b>7.1</b>

### Reconciliation of Profit (NPAT) to NPATA

Profit (NPAT)	2.7	0.4
Amortisation of intangible assets (tax effected)	2.3	2.3
<b>NPATA</b>	<b>5.0</b>	<b>2.6</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.

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## Approved by the Board of Directors of GTN Limited

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