



GTN Limited

FY2016 Results Presentation

31 August 2016

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.

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.

Today's presenters



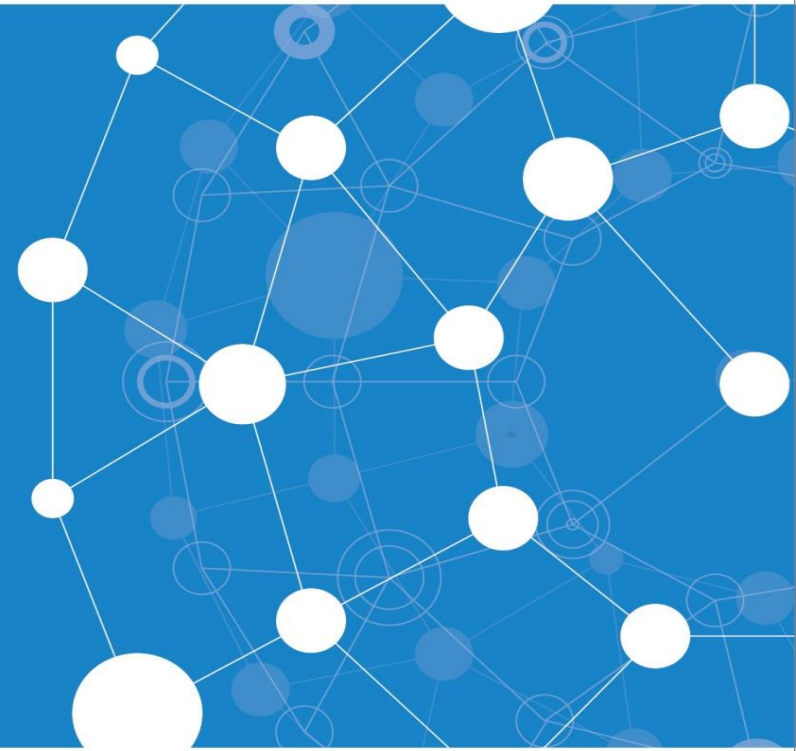
Bill Yde (CEO and founder)



Scott Cody (CFO and COO)

Section 01

Overview



Key Highlights

GTN's FY2016 results exceeded Prospectus forecast

Key Highlights

- ➔ IPO successfully completed without significant disruption to normal operations
- ➔ FY16 results exceeded Prospectus forecast
- ➔ FY16 revenue result underpinned by positive operating results across key geographies
- ➔ Strong liquidity position with net debt of \$50.9m including cash of \$49.1m
- ➔ Strategically and financially positioned to take advantage of short and medium term organic and inorganic growth opportunities
- ➔ GTN reaffirms FY17 forecast provided in the IPO Prospectus

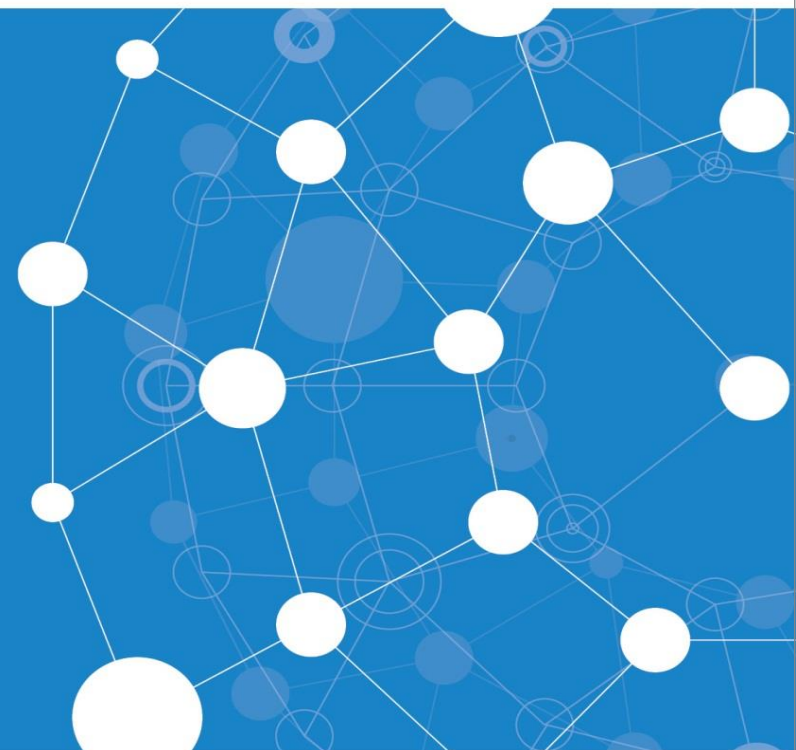
Pro forma results⁽¹⁾

\$m	Pro forma FY16 Actual	Pro forma FY16 Prospectus	vs. Prospectus	vs. Pro forma FY2015
Revenue	166.1	164.1	1.2%	8.2%
EBITDA	31.1	28.8	7.9%	8.6%
Adjusted EBITDA ⁽²⁾	34.6	32.3	7.1%	21.1%
NPAT	5.8	3.3	74.7%	nmf
NPATA	18.8	15.8	18.7%	49.6%
NPATA per share (\$) ⁽³⁾	\$0.09	\$0.08	18.7%	49.6%

Notes: (1) A reconciliation of the Pro forma to Statutory results is provided in Appendix A. (2). Adjusted EBITDA is EBITDA adjusted to include the non-cash interest income arising from the Southern Cross Austereo Affiliate Contract; (3). NPATA per share is calculated based on NPATA and 201.2 million total shares on issue

Section 02

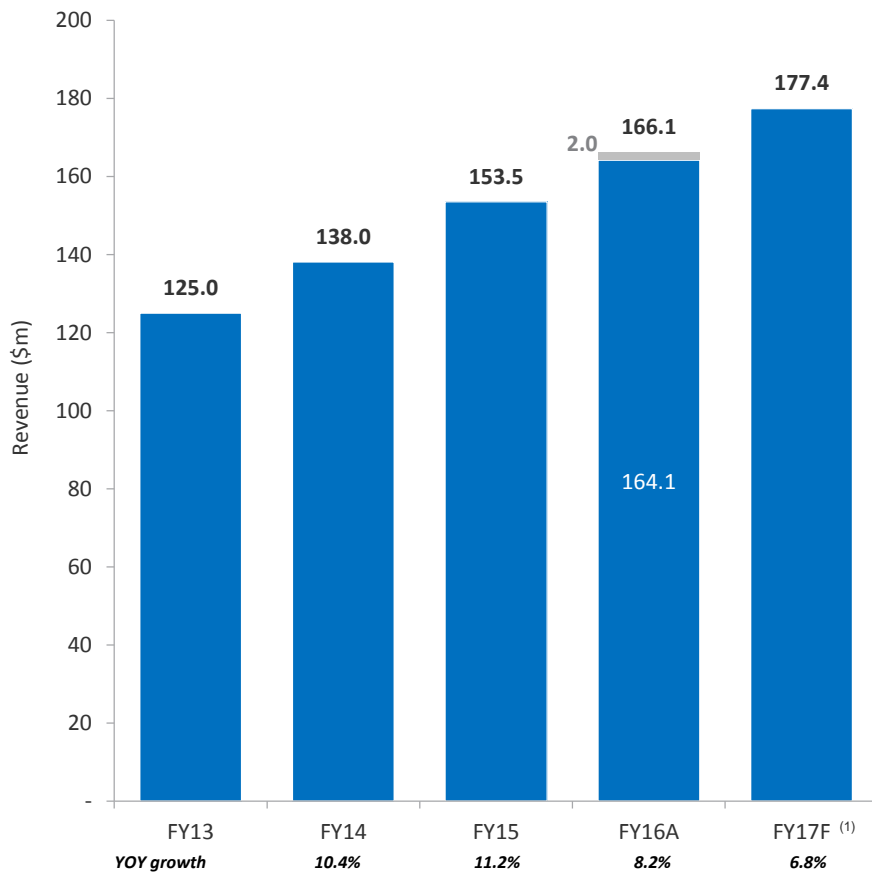
Group financial performance



Key revenue drivers

GTN group revenue exceeded FY16 Prospectus forecast by \$2.0m (+1.2%) and was up 8.2% year on year

GTN revenue profile



(1) Consistent with FY17 forecast provided in IPO prospectus.

Commentary

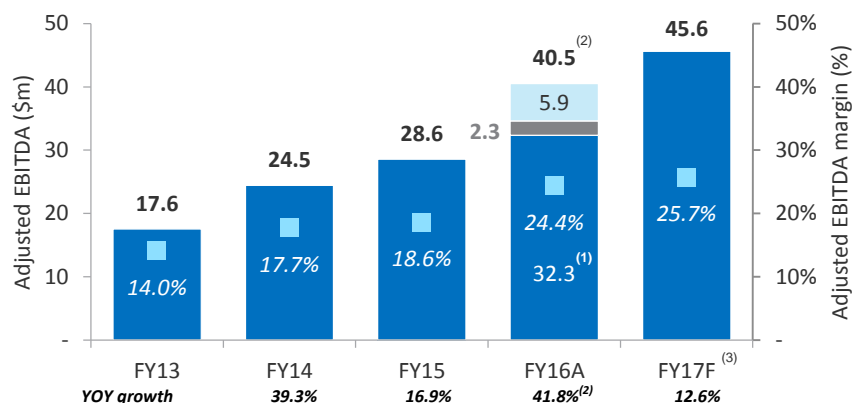
- Revenue growth led by Australia and Canada, both of which exceeded FY16 Prospectus forecast by 4%
 - United Kingdom exceeded revenue in local currency but was impacted by unfavourable foreign exchange movements
- Canada (+12%), United Kingdom (+9%) and Australia (+8%) contributed to 8% overall growth compared to FY15
 - All geographies exceeded FY15 revenue in local currency

 = above/below FY16 prospectus forecast

Key earnings drivers

GTN group Pro forma Adjusted EBITDA exceeded FY16 Prospectus forecast by \$2.3m (+7.1%). FY16 Pro forma NPATA was \$18.8m, exceeding Prospectus forecast by ~\$3.0m (+18.7%)

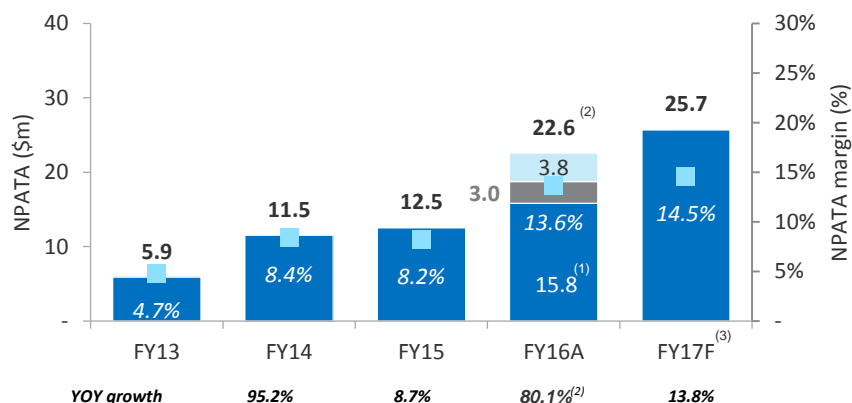
GTN Pro Forma Adjusted EBITDA profile



Commentary

- Main driver of out-performance was revenue exceeding Prospectus forecast
- Operating model generates high contribution margin on incremental revenue

GTN NPATA profile



Commentary

- Revenue also the key driver of NPATA over-performance vs. Prospectus forecast

■ = Additional 7 months impact of SCA contract
 ■ = above/below FY16 prospectus forecast

(1) Includes only 5 months impact of Southern Cross Austereo Affiliate Contract; (2) Includes a full year adjustment for the Southern Cross Austereo Affiliate Contract (i.e. Impact for the additional 7 months); (3) Consistent with FY17 forecast provided in IPO prospectus.

Strong liquidity position

Strong liquidity position with cash of \$49.1 million, overall net debt of \$50.9m

Historical balance sheet (30 June 2016)

Current assets	(\$'000's)
Cash and cash equivalents	49,063
Trade and other receivables	33,625
Other current assets	1,890
Total current assets	84,578
Non-current assets	
Property, plant and equipment	6,485
Intangible assets	70,678
Goodwill	92,716
Deferred tax assets	-
Other assets	99,099
Total non-current assets	268,978
Total assets	353,556
Current liabilities	
Trade and other payables	27,258
Deferred revenue	544
Current tax liabilities	2,320
Financial liabilities	-
Provisions	855
Total current liabilities	30,977
Non-current liabilities	
Trade and other payables	68
Financial liabilities	96,806
Deferred tax liabilities	10,237
Derivatives	-
Other liabilities	72
Provisions	452
Total non-current liabilities	107,635
Total liabilities	138,612
Equity	
Share Capital	378,948
Reserves	6,706
Accumulated losses	(170,710)
Total equity	214,944

Summary Pro forma cash flow

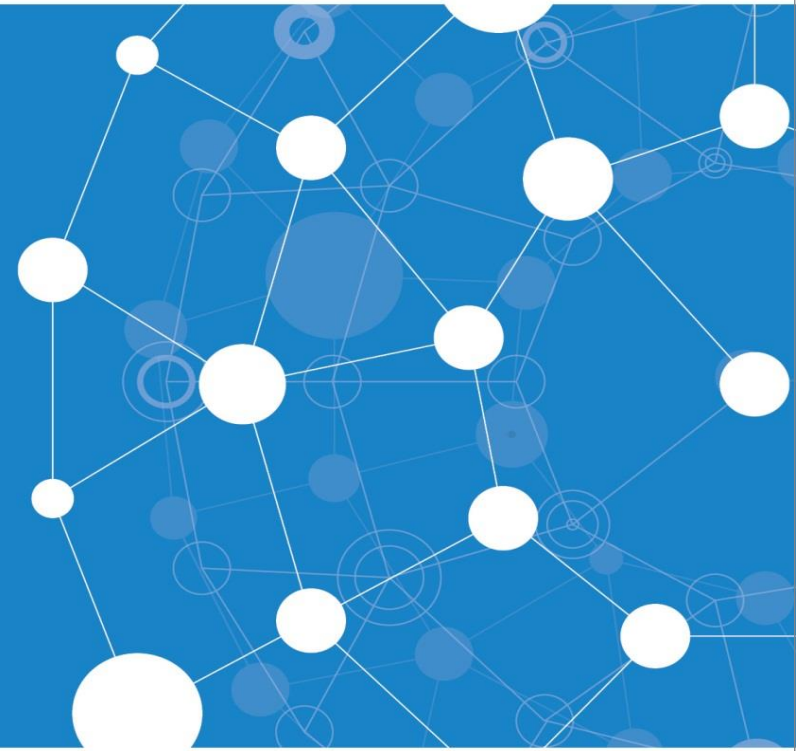
\$m	FY16 (Actual)	FY16 (Prospectus)
Adjusted EBITDA	34.6	32.3
Non-cash items in Adjusted EBITDA	0.2	0.2
Change in working capital	(4.8)	(4.7)
Impact of new Southern Cross Austereo Affiliate Contract	2.0	1.9
Operating free cash flow before capital expenditure	32.0	29.8
Capital expenditure	(2.3)	(1.7)
Southern Cross Austereo prepayment	-	-
Net free cash flow before financing, tax and dividends	29.7	28.1

Commentary

- Net debt \$50.9 million
- Pro forma total gearing ratio for FY16 of 1.5x (based on Net debt / FY16 Pro forma Adjusted EBITDA)

Section 03

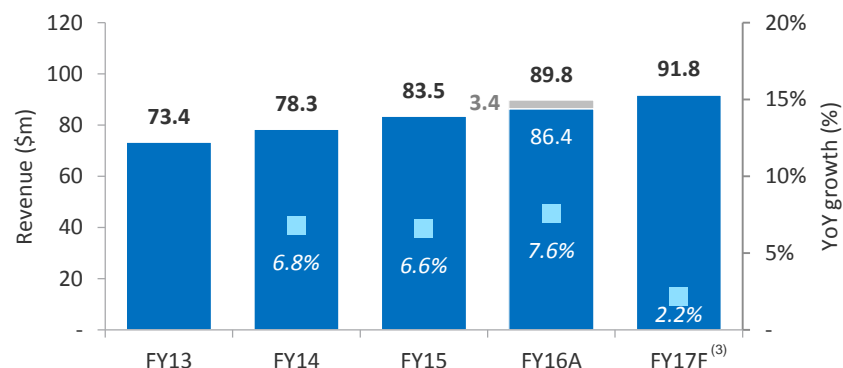
Financial performance by operating segment



Australia (ATN)

Australia continues to show strong growth. Higher than expected 7.6% YoY growth in revenue driven by higher than expected sell-out rate and spots inventory

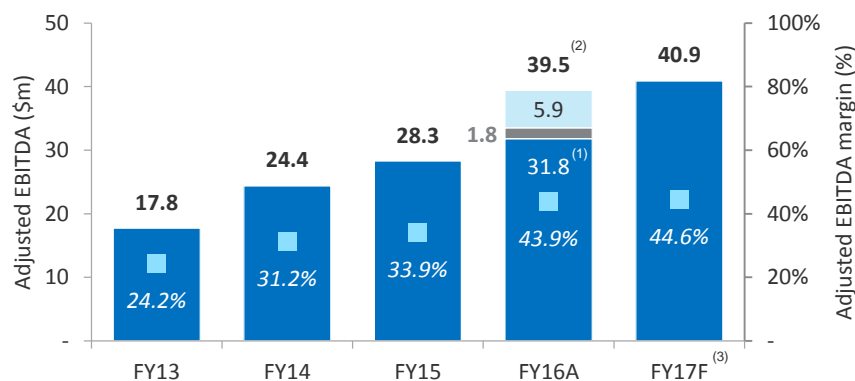
Revenue profile



Commentary

- Australia continues to generate above market revenue growth
- Southern Cross prepayment and intangible amortization means cash generation will exceed NPAT

Adjusted EBITDA profile



Operational KPIs

	FY2016 Actual	FY2016 Prospectus	vs. 2015	vs. Prospectus
Radio spots inventory ('000s) ⁽⁴⁾	789	750	7.2%	5.2%
Radio sell-out rate (%) ⁽⁵⁾	81%	80%	4.0% pts	1.0% pts
Average radio spot rate (AUD) ⁽⁶⁾	133	138	(6.3%)	(3.6%)

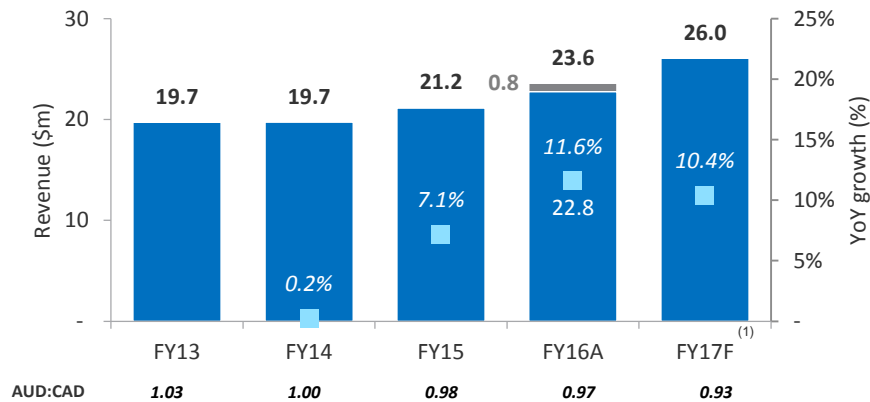
- = Additional 7 months impact of SCA contract
- = above/below FY16 prospectus forecast

(1) Includes only 5 months impact of Southern Cross Austereo Affiliate Contract; (2) Includes a full year adjustment for the Southern Cross Austereo Affiliate Contract (i.e. Impact for the additional 7 months); (3) Consistent with FY17 forecast provided in IPO prospectus; (4) Available radio advertising spots adjacent to traffic, news and information reports; (5) The number of radio spots sold as a percentage of the number of radio spots available. (6) Average price per radio spot sold net of agency commission.

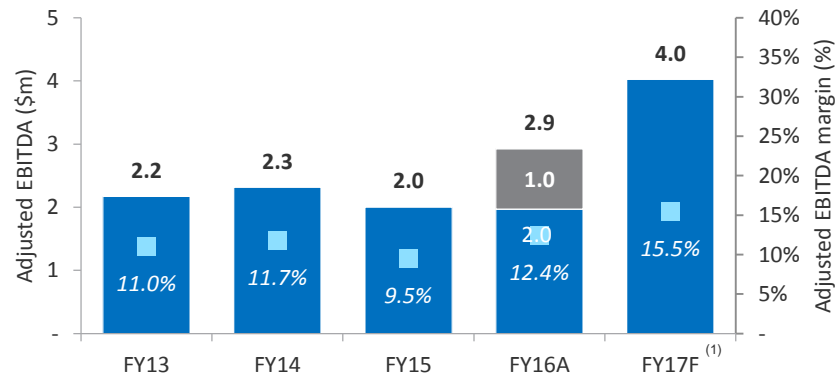
Canada (CTN)

CTN continues to develop its affiliate network. Higher than expected revenue and Adjusted EBITDA driven by spots inventory and average spot rate

Revenue profile



Adjusted EBITDA profile



Commentary

- Solidification of affiliate line-up over FY15 has led to a highly desirable network for advertising and strong revenue growth
- High contribution margin as most affiliates under contract through FY17

Operational KPIs

	FY2016 Actual	FY2016 Prospectus	vs. 2015	vs. Prospectus
Radio spots inventory ('000s) ⁽²⁾	558	550	4.5%	1.5%
Radio sell-out rate (%) ⁽³⁾	59%	58%	(1.0%) pts	1.0% pts
Average radio spot rate (CAD) ⁽⁴⁾	64	61	8.5%	4.9%

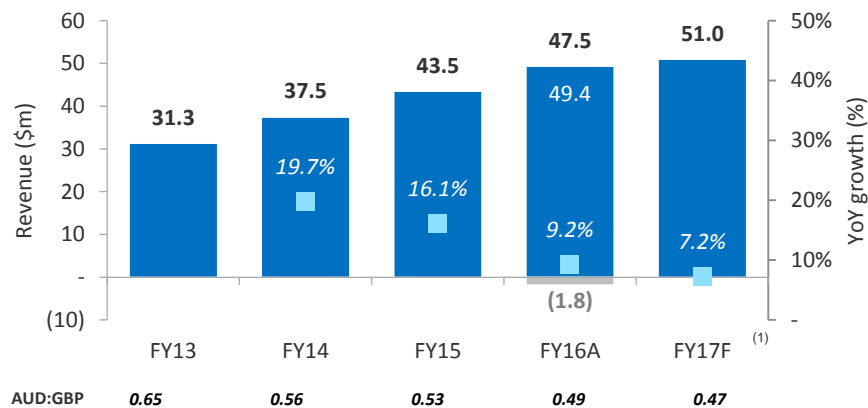
 = above/below FY16 Prospectus forecast

(1) Consistent with FY17 forecast provided in IPO prospectus; (2) Available radio advertising spots adjacent to traffic, news and information reports; (3) The number of radio spots sold as a percentage of the number of radio spots available; (4) Average price per radio spot sold net of agency commission.

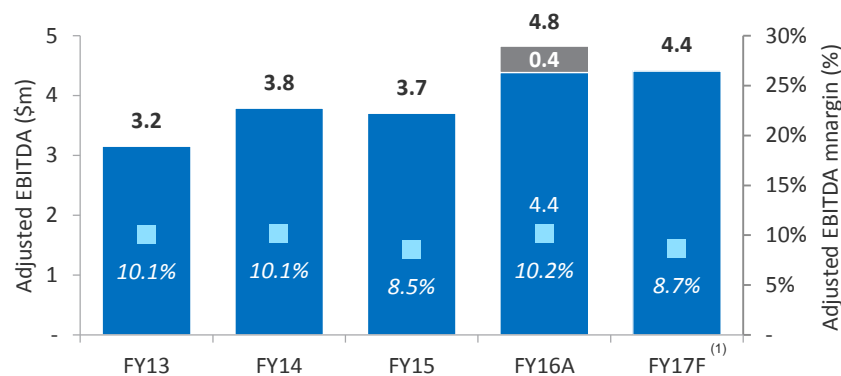
United Kingdom (UKTN)

UK operations experienced no material impact on demand following Brexit. Prospectus forecast was met in local currency but was impacted unfavourably by the lower GBP

Revenue profile



Adjusted EBITDA profile



Commentary

- UK continues to be a solid contributor of EBITDA and cash to the Company
- UKTN has suffered no material reduction in demand as a result of the UK's decision to leave the European Union and does not expect that this will have a material impact on revenue in local currency
- Brexit likely to result in continued unfavourable currency exchange rates compared to forecast and historic

Operational KPIs

	FY2016 Actual	FY2016 Prospectus	vs. 2015	vs. Prospectus
Total radio Impacts ⁽²⁾ available ('000) ⁽³⁾	18,885	18,658	2.2%	1.2%
Radio sell-out rate (%) ⁽⁴⁾	94%	93%	1.0% pts	1.0% pts
Average radio net Impact rate (GBP) ⁽⁵⁾	1.3	1.3	-%	-%

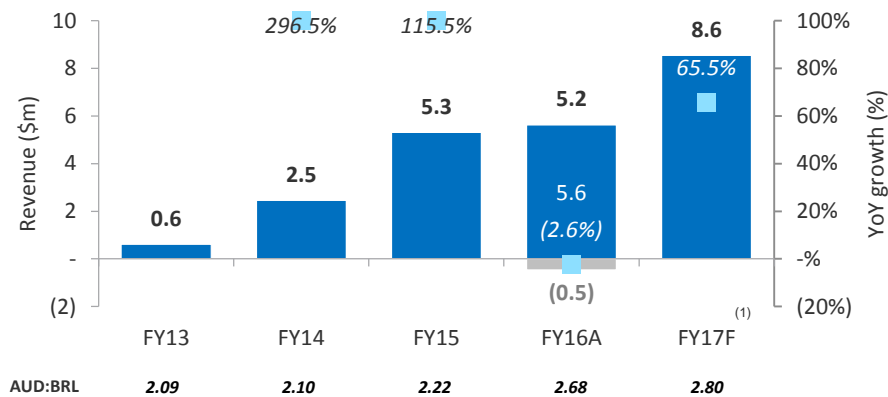
■ = above/below FY16 Prospectus forecast

(1) Consistent with FY17 forecast provided in IPO prospectus; (2) An impact is a thousand listener impressions; (3) The UK market measures inventory and volumes based on impacts instead of spots; (4) The number of impressions sold as a percentage of the number of impressions available; (5) Average price per radio impact sold net of agency commission.

Brazil (BTN)

Brazilian operations still focused on building a strong network to strengthen the product offering for BTN's advertising clients

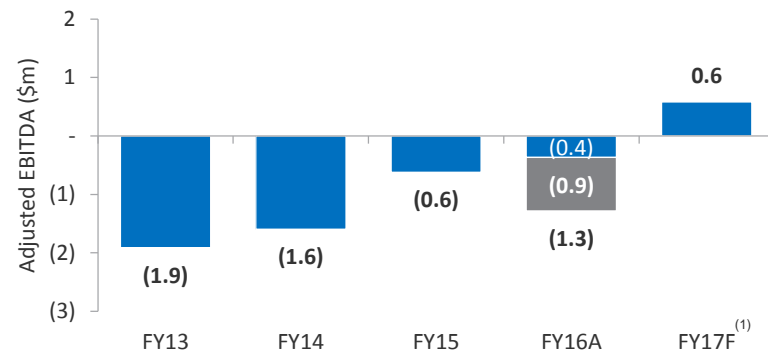
Revenue profile



Commentary

- Brazil revenue negatively impacted by the weakening of the Brazilian Real (revenue up 16.5% over FY15 in local currency)
- EBITDA negatively impacted by revenue shortfall and additional investments in the market
- Company believes taking advantage of opportunities in a down market will position it even stronger for the future

Adjusted EBITDA profile



Operational KPI's

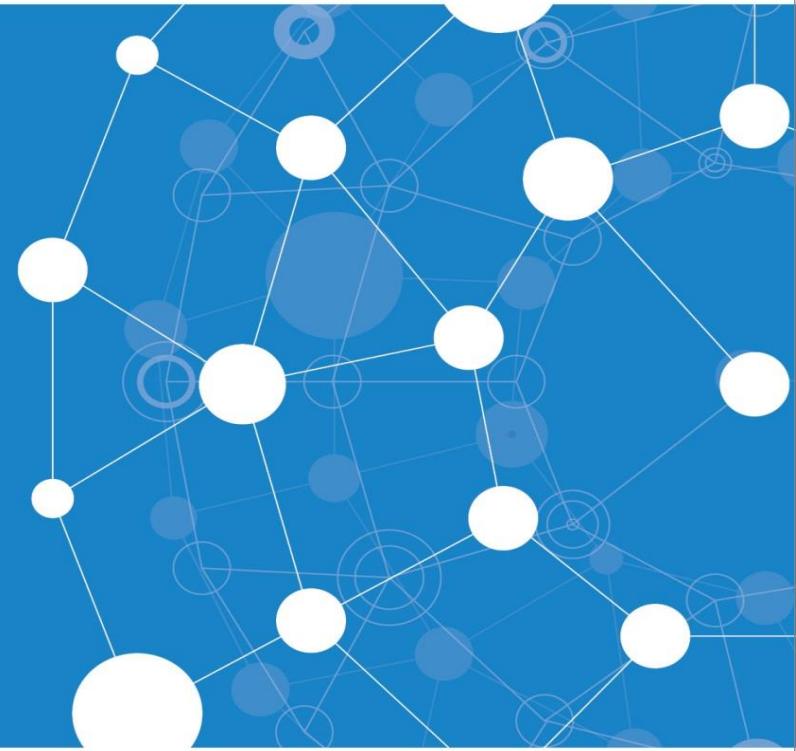
	FY2016 Actual	FY2016 Prospectus	vs. 2015	vs. Prospectus
Radio spots inventory ('000s) ⁽²⁾	110	92	18.3%	19.6%
Radio sell-out rate (%) ⁽³⁾	45%	60%	(7.0%) pts	(15.0%) pts
Average radio spot rate (BRL) ⁽⁴⁾	273	281	5.8%	(2.8%)

■ = above/below FY16 Prospectus forecast

(1) Consistent with FY17 forecast provided in IPO prospectus; (2) Available radio advertising spots adjacent to traffic, news and information reports; (3) The number of radio spots sold as a percentage of the number of radio spots available; (4) Average price per radio spot sold net of agency commission.

Section 04

Update on growth strategy and outlook



GTN growth strategy

GTN continues to pursue a number of channels to drive both organic and inorganic growth

Key milestones



CTN has added Rogers Calgary to station line-up effective July 2016

- Takes Calgary market audience penetration from 85% to 95%
- Not included in FY17 Prospectus forecast



GTN continues to evaluate the decision to exercise its option acquire Radiate

- Radiate Media operates a leading radio advertising platform in the United States and holds an affiliate agreement with the second largest broadcaster in the United States
- With a large existing footprint, the acquisition of Radiate Media represents an exciting opportunity for GTN to meaningfully expand its North American presence and make a disciplined entry into the largest media market in the world
- Terms of the option held by GTN are as follows:
 - Acquisition price – USD \$15m
 - Option expiry – 30 September 2016, extendable to 31 December 2016 at the option of GTN (for a nominal sum)
- Management continues to undertake due diligence in respect to the acquisition
- No final decision on whether to exercise its option will be made until completion of due diligence

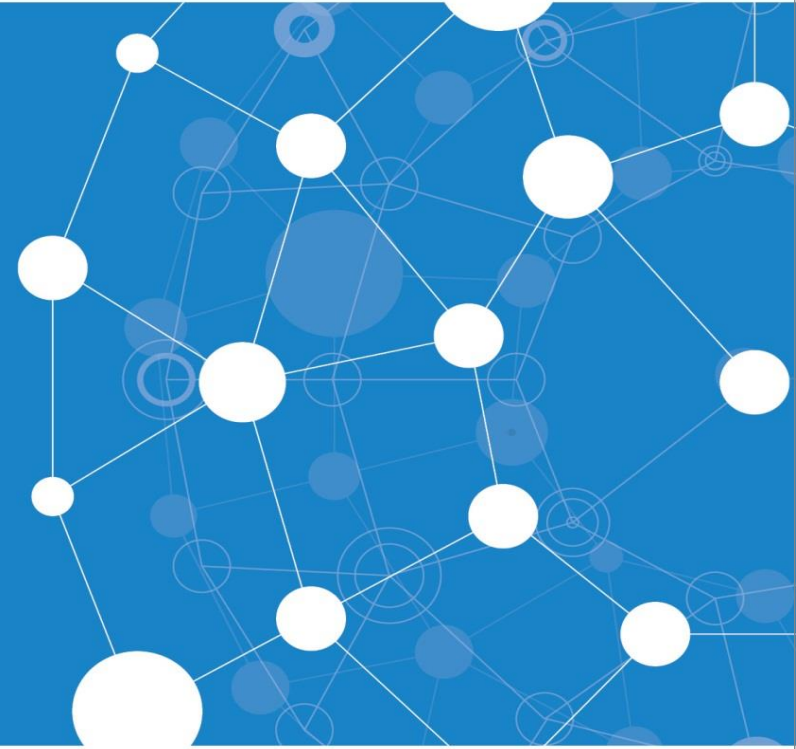
Outlook for FY17

GTN affirms the FY17 forecast provided in the IPO Prospectus and will continue to pursue growth across its operating geographies

- ➔ GTN affirms the FY17 forecast as per its IPO Prospectus assuming the continuation of current market conditions, including no further adverse movements in FX rates
- ➔ The business will continue to execute its growth strategy in each of its operating regions
- ➔ GTN will continue to conduct due diligence in respect to the option to acquire Radiate Media and will provide an update to the market once a decision with respect to the option has been made

Appendix A

Reconciliation of financial information



Annual Pro Forma and Statutory Income Statement FY2013-FY2017F

Pro Forma Historical Results for FY2013 – FY2017

A\$'000s	Pro Forma Historical Results			Pro Forma Result			Statutory Result		
	FY2013	FY2014	FY2015	FY2016A	FY2016F	FY2017F	FY2016A	FY2016F	FY2017F
Revenues	125,004	138,049	153,484	166,136	164,142	177,353	166,136	164,142	177,353
Network operations and station compensation	(82,391)	(85,916)	(93,950)	(101,919)	(102,659)	(106,885)	(101,919)	(102,659)	(106,885)
Selling, general and administrative expenses	(25,050)	(27,666)	(30,936)	(33,152)	(32,683)	(33,296)	(46,726)	(46,467)	(33,296)
Net FX losses on borrowings	-	-	-	-	-	-	(5,461)	(8,895)	-
Operating expenses	(107,441)	(113,582)	(124,886)	(135,071)	(135,342)	(140,181)	(154,106)	(158,021)	(140,181)
EBITDA	17,563	24,467	28,598	31,065	28,800	37,172	12,030	6,121	37,172
Interest income on SCA Supply Agreement	-	-	-	3,581	3,542	8,472	3,581	3,542	8,472
Adjusted EBITDA	17,563	24,467	28,598	34,646	32,342	45,644	15,611	9,663	45,644
Depreciation	(2,645)	(2,485)	(2,494)	(2,549)	(2,365)	(2,633)	(2,549)	(2,365)	(2,633)
Amortisation	(20,353)	(20,743)	(20,897)	(17,382)	(17,628)	(6,456)	(17,382)	(17,628)	(6,456)
Adjusted EBIT	(5,435)	1,239	5,207	14,715	12,349	36,555	(4,320)	(10,330)	36,555
Other interest income	358	463	514	244	307	286	244	307	286
Interest expense	(6,827)	(5,822)	(5,162)	(5,164)	(5,532)	(5,695)	(8,160)	(7,915)	(5,695)
Net profit/(loss) before tax	(11,904)	(4,120)	559	9,795	7,124	31,146	(12,236)	(17,938)	31,146
Tax (expense)/benefit	2,742	755	(3,523)	(4,043)	(3,831)	(10,027)	(4,998)	(5,921)	(10,027)
NPAT	(9,162)	(3,365)	(2,964)	5,753	3,293	21,119	(17,234)	(23,859)	21,119
Amortisation (tax effected)	15,075	14,907	15,511	13,013	12,522	4,603	13,013	12,522	4,603
NPATA	5,913	11,542	12,547	18,766	15,815	25,722	(4,221)	(11,337)	25,722

Reconciliation of pro forma to statutory results

Pro forma adjustments to the Actual Historical Results and Statutory Forecast Results

A\$'000s	FY2013	FY2014	FY2015	FY2016A	FY2016F	FY2017F
Statutory NPAT	(19,606)	(1,464)	(18,169)	(17,234)	(23,859)	21,119
1 Pro forma impact of historical divestment	3,085	-	-	-	-	-
2 IPO transaction costs expensed	-	-	583	6,755	6,129	-
3 Public company costs	(782)	(782)	(782)	(717)	(717)	-
4 Net interest adjustment	-	-	-	2,996	2,383	-
5 Unrealised foreign exchange (gains)/losses	9,825	(3,234)	17,287	5,461	8,895	-
6 Offer related remuneration adjustments	423	189	627	6,901	7,727	-
7 Other adjustments	1,057	1,182	1,880	635	645	-
8 Tax effect of pro forma adjustments	(3,164)	744	(4,390)	956	2,090	-
Pro forma NPAT	(9,162)	(3,365)	(2,964)	5,753	3,293	21,119

Annual cash flow statement

Cash Flows for FY2013 – FY2017

A\$'000s	Pro forma Historical Cash Flows			Pro Forma Cash Flows			Statutory Cash Flows		
	FY2013	FY2014	FY2015	FY2016A	FY2016F	FY2017F	FY2016A	FY2016F	FY2017F
Adjusted EBITDA	17,563	24,467	28,598	34,646	32,342	45,644	15,611	9,663	45,644
Non-cash items in Adjusted EBITDA	221	221	221	203	221	221	5,291	9,278	221
Change in working capital	6,149	(863)	3,122	(4,842)	(4,689)	(1,402)	(4,842)	(4,689)	(1,402)
Impact of new Southern Cross Austereo Affiliate Contract	-	-	-	1,956	1,934	3,524	1,956	1,934	3,524
Operating free cash flow before capital expenditure	23,933	23,825	31,941	31,963	29,808	47,987	18,016	16,186	47,987
Capital expenditure	(2,433)	(2,474)	(4,066)	(2,270)	(1,700)	(2,500)	(2,270)	(1,700)	(2,500)
Southern Cross Austereo prepayment	-	-	-	-	-	-	(100,000)	(100,000)	-
Net free cash flow before financing, tax and dividends	21,500	21,351	27,875	29,693	28,108	45,487	(84,254)	(85,514)	45,487
Net interest paid				(4,400)	(4,677)	(4,931)	(6,926)	(5,696)	(4,931)
Taxes paid				(7,937)	(8,117)	(11,103)	(6,838)	(6,496)	(11,103)
IPO transaction costs (capitalised to equity)				-	-	-	(3,355)	(4,612)	-
Proceeds from issue of Shares				-	-	-	83,997	83,997	-
Net proceeds from (repayment of) senior debt facilities				-	-	-	45,317	42,393	-
Repurchase of Bill Yde Partnership interests				-	-	-	(3,406)	(3,600)	-
Net cash flow before dividends				17,356	15,314	29,453	24,535	20,472	29,453

Reconciliation of statutory to pro forma cash flows

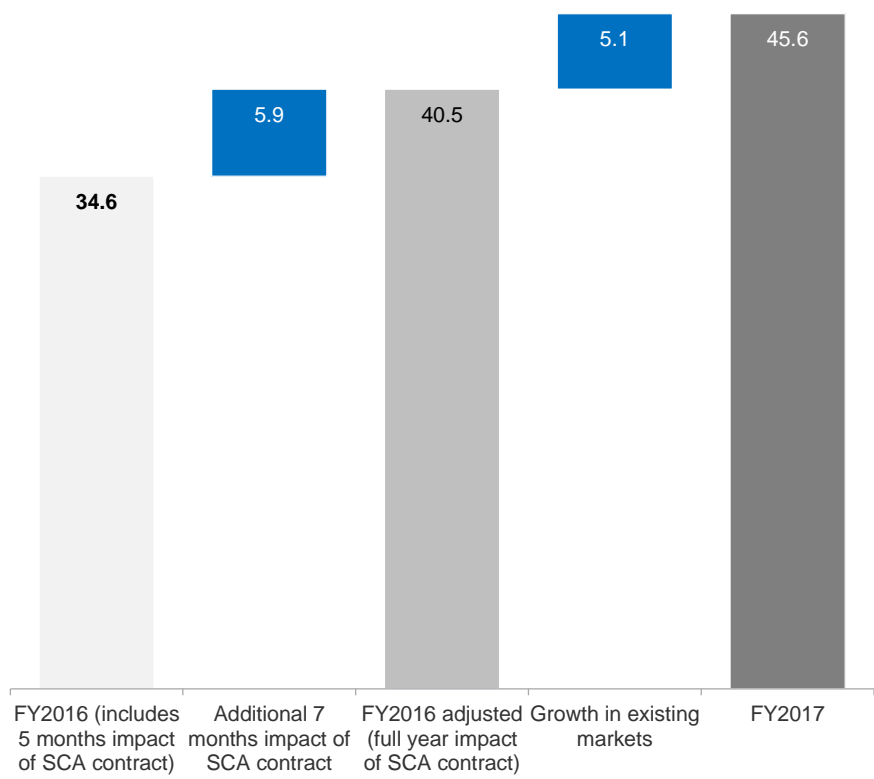
Pro forma adjustments to the Actual Historical Cash Flows and Statutory Forecast Cash Flows

A\$'000s	FY2013	FY2014	FY2015	FY2016A	FY2016F	FY2017F
Net free cash flow before financing, tax and dividends	20,358	20,958	26,195	(84,254)	(85,514)	45,487
Pro forma impact of historical divestment	867	-	-	-	-	-
IPO transaction costs expensed	-	-	583	6,755	6,129	-
Public company costs	(782)	(782)	(782)	(717)	(717)	-
Offer related remuneration adjustments	-	-	-	7,274	7,565	-
Other adjustments	1,057	1,175	1,879	635	645	-
Southern Cross Austereo prepayment	-	-	-	100,000	100,000	-
Pro forma net free cash flow before financing, tax and dividends	21,500	21,351	27,875	29,693	28,108	45,487

Impact of SCA Affiliate Contract

FY16 only includes five months of impact of SCA contract. Full year impact of the contract would add an additional \$5.9m to Adjusted EBITDA, equating to \$40.5m

Southern Cross Austereo Pro Forma Adjusted EBITDA Bridge



Commentary

- Pro forma adjustments to reflect the terms of the new Southern Cross Austereo Affiliate Contract have only been made prospectively from February 2016
 - Five months impact in FY2016
 - Full year impact in FY2017F
- Adjusting FY2016 financials for the full-year benefit of the SCA impact:
 - FY2016 Pro Forma Adjusted EBITDA would increase by \$5.9 million, to \$40.5 million
 - FY2016 Pro Forma NPATA would increase by \$3.8 million, to \$22.6 million
- The accounting treatments results in a difference in the timing of cash flows and the accounting expenses:
 - Of the \$1.9 million net accounting expense in FY16, none of this is a cash outflow in FY16
 - Of the \$4.7 million net accounting expense in FY17, \$1.1 million of this is a cash outflow in FY17