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GTN Limited

FY24 Results Presentation

Release Date 27th August

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Today's Presenters

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Section 01 >

GTN Company Overview and Business Model

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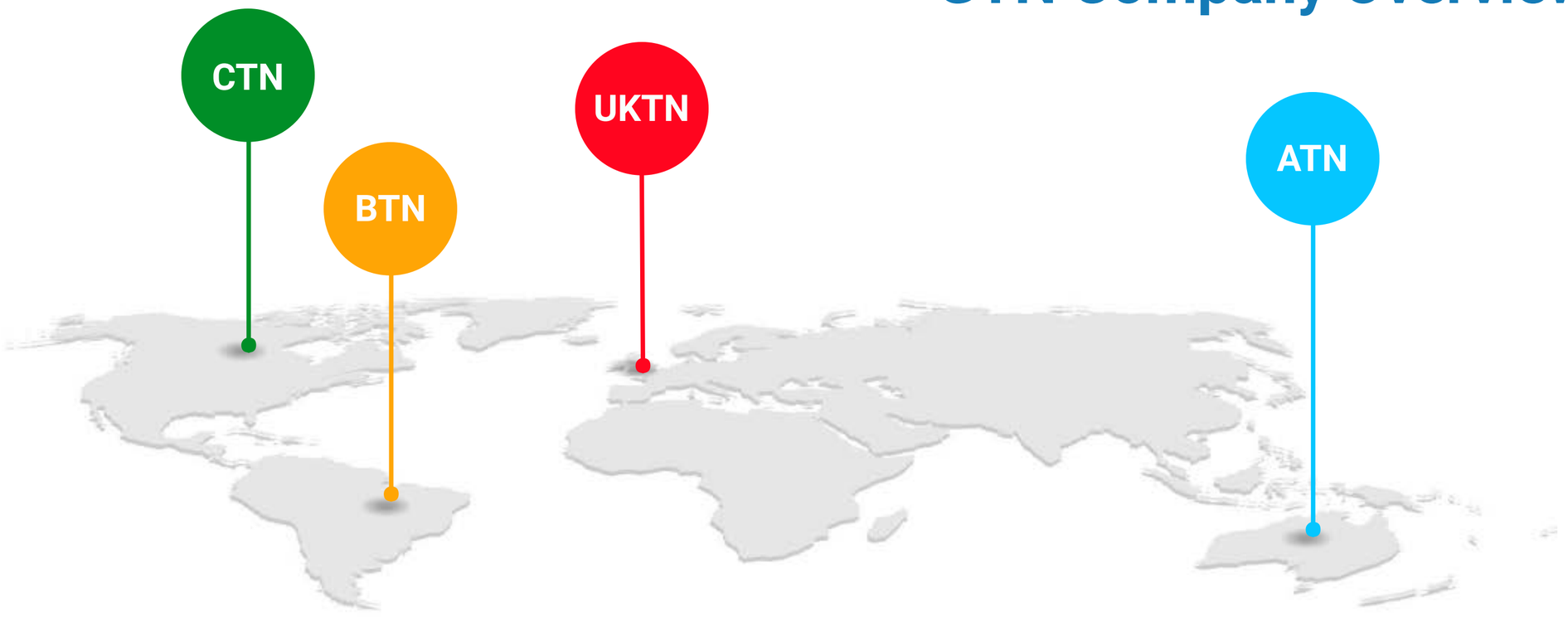
GTN Company Overview



GTN currently operates in Australia, Canada, the United Kingdom and Brazil, four of the 10 largest advertising markets in the world. GTN began operations in Australia in 1997 and has selectively and successfully expanded into other attractive markets. **GTN provides a broad reach advertising platform that enables advertisers to reach large audiences frequently and effectively**.

GTN is one of the largest suppliers of traffic information reports to radio stations in its operating geographies. In exchange for providing these reports and cash compensation in most instances, GTN receives commercial advertising spots adjacent to traffic, news and information reports from its large network of radio and television stations. The spots are bundled together by GTN and sold to advertisers on a national, regional or specific market basis.

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GTN’s advertising platform provides advertisers with high impact campaigns because advertisements are ideally placed during peak audience times and are aired frequently across large audiences. GTN’s advertisements are short in duration, adjacent to engaging information reports and are often read live on the air by well-known radio and television personalities. This product is designed to create high audience engagement and high recall among listeners, leading to a high return on investment for advertisers.

Business Model

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Section 02 >

Key Business Highlights

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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

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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

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GTN's global advertising platform is a combination of

established, market leading businesses and large newer market opportunities

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

Section 03 >

Group Financial Performance

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Adjusted EBITDA increased 15% to $22.3m

due to revenue growth and effective cost management

Commentary:

- Group revenue increased 4% compared to FY23
  - Revenue increase driven by strong performances in Brazil and the UK
  - Australia and Canada revenue decreased after an improved FY23 performance
- Group Adjusted EBITDA increased 15% due to revenue growth and effective cost management in ATN
  - Adjusted EBITDA increased 35% ex Drones and transition costs for CFO/EVP Legal departure costs
  - Group NPAT and NPATA increased due to revenue growth, effective cost management in ATN and reduced income tax

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

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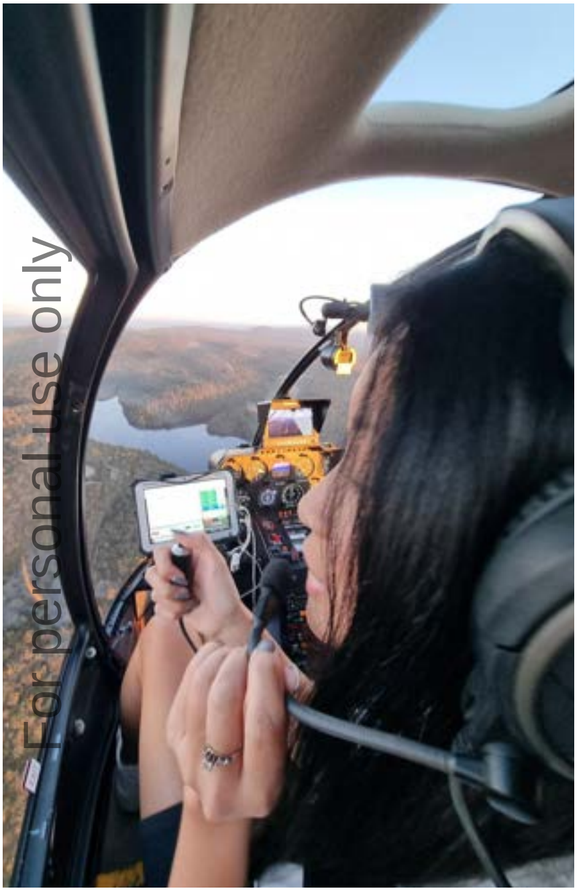
Section 04 >

Financial Performance by Operating Segment



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ATN

ATN segment Adjusted EBITDA improved 20%

to $21.4m AUD compared to FY23

(3.1)%

ATN revenue performance

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

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BTN

BTN posted a robust 42% increase in revenue

The largest increase of the Group

+42.0%

BTN revenue performance (AUD)

+33.0%

BTN revenue performance (BRL)

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

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CTN

CTN had a challenging FY24

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

CTN revenue performance (AUD)

(10.7)%

CTN revenue performance (CAD)

(12.0)%

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

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UKTN

UKTN Segment Adjusted EBITDA improved 52%

to $3.4m AUD compared to FY23

UKTN revenue performance (AUD)

+20.5%

UKTN revenue performance (GBP)

+12.2%

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

Section 05 >

Operating Model and Capital Management

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Management continues to focus on maintaining business infrastructure, maximising revenue and effectively managing operating expenses while exploring growth opportunities

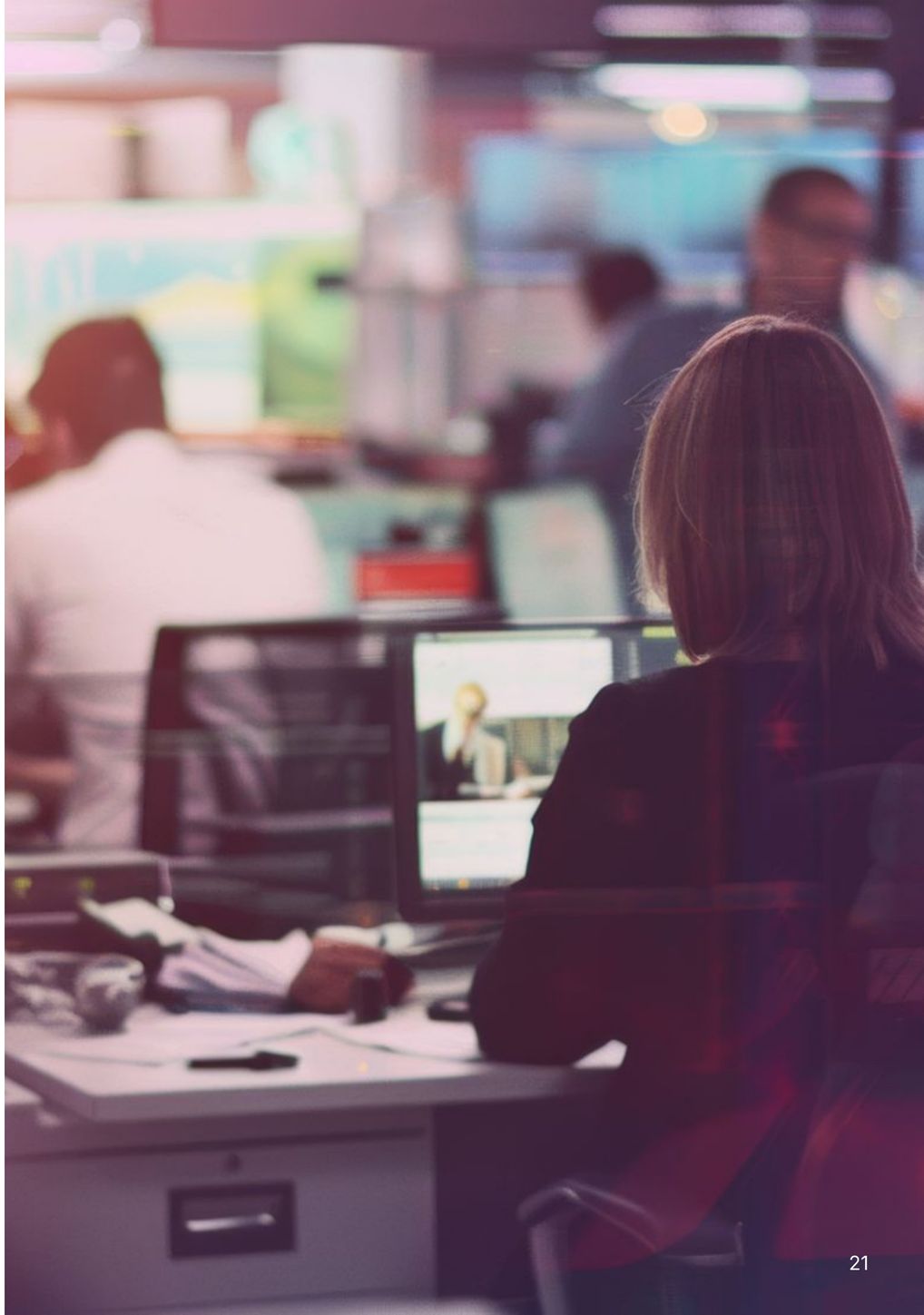
GTN Operating Model

GTN Operating Model

- Maintain affiliate networks
- Continue to focus on delivering results for our advertising clients
- Retain and develop local sales management and staff
- Continue to look for cost savings and efficiencies
- Focus on local, self-funded growth opportunities eg Brazil expansion into Recife and Florianopolis

Greater collaboration across markets

- Maintain a large supply of premium advertising inventory in all our operating regions
- Potential for global advertiser & agency co-ordination across regions.
- Global brand and values alignment
- Explore non-organic growth opportunities



Capital Management

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

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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

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

Section 06 >

Trading Update

Revenue for July and August is pacing ahead of the same period in FY24

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July/August 2024 revenue greater than 10% ahead of July/August 2023

- Australia, Brazil and the UK are delivering solid 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, 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 August 2024 are likely to be highly dependent on market conditions

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Appendix A >

Additional financial information

Reconciliation of

non-IFRS measurements back to IFRS

EBITDA, Adjusted EBITDA & NPATA

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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

Appendix B >

ATN gives back

ATN Gives Back

Cancer Chicks

Priceline Sisterhood Foundation
HELP US HELP WOMEN

HeartKids

THE PINNACLE FOUNDATION

BREAST CANCER TRIALS

SCHF Sydney Children's Hospitals Foundation

DRY JULY FOUNDATION

Clean Up

Starlight Children's Foundation

BUS STOP FILMS
INCLUSIVE FILMMAKING

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All amounts are in Australian dollars unless otherwise indicated.

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