



gray

Television • Digital • Mobile

Gray Television, Inc. Investor Presentation

NYSE:GTN

May 2021

Updated for March 31, 2021 Financial Information



Gray Announces Two Acquisitions Transforming It Into the Nation's Second Largest Broadcaster

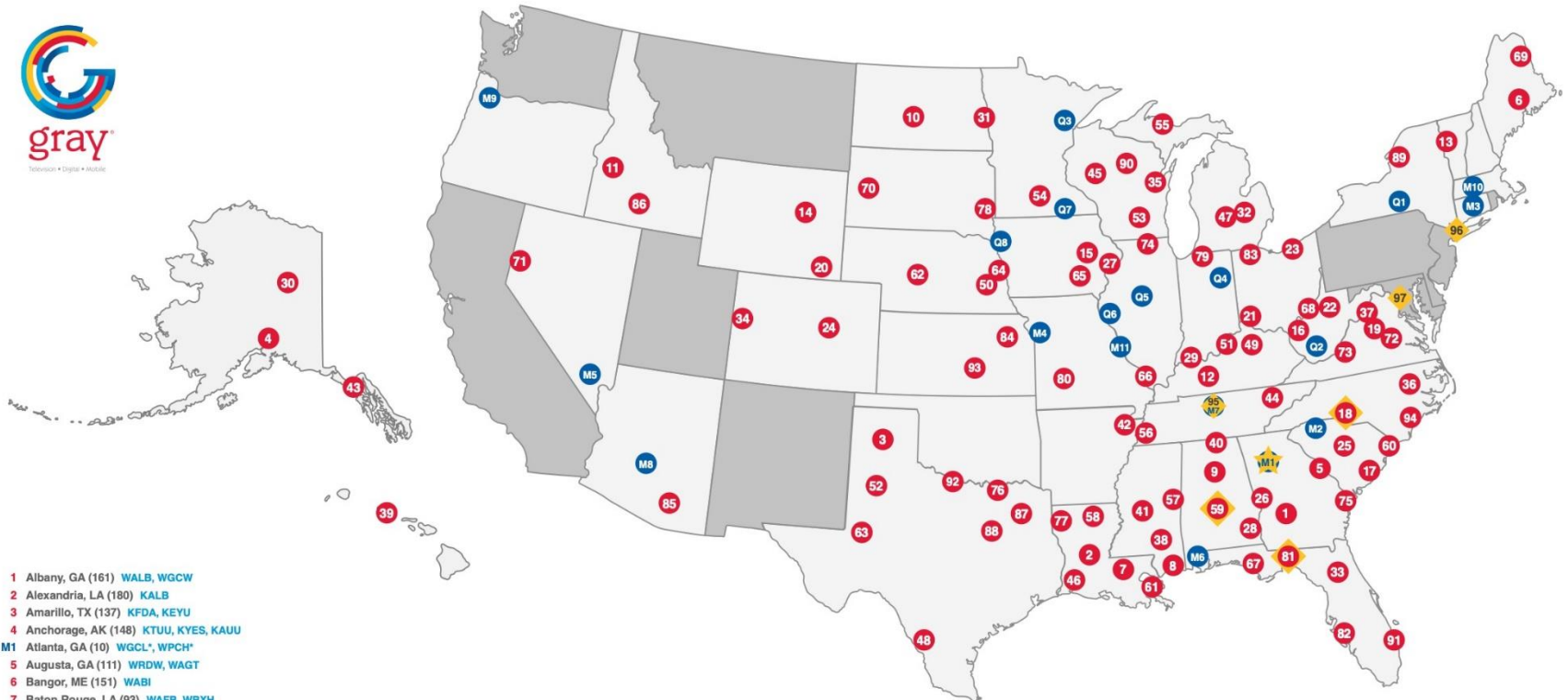
113

TV markets reaching
36% US TVHH

89%

Markets with #1/#2
Ranked Stations

Gray Television's New National Footprint



- 1 Albany, GA (161) WALB, WGCW
- 2 Alexandria, LA (180) KALB
- 3 Amarillo, TX (137) KPDA, KEYU
- 4 Anchorage, AK (148) KTUU, KYES, KAUU
- M1 Atlanta, GA (10) WGCL*, WPCH*
- 5 Augusta, GA (111) WRDW, WAGT
- 6 Bangor, ME (151) WABI
- 7 Baton Rouge, LA (93) WAFB, WBXH
- 8 Biloxi-Gulfport, MS (153) WLOX
- Q1 Binghamton, NY (158) WBNG*
- 9 Birmingham, AL (50) WBRC
- 10 Bismarck, ND (143) KFYR, KMOT, KQCD, KUMV
- Q2 Bluefield-Beckley, WV (162) WVVVA*
- 11 Boise, ID (102) KNIN
- 12 Bowling Green, KY (179) WBKO
- 13 Burlington, VT (85) WCAX, WYCI
- 14 Casper, WY (200) KCWY
- 15 Cedar Rapids, IA (92) KCRG
- 16 Charleston, SC (88) WCSC
- 17 Charleston-Huntington, WV (74) WSAZ, WQCW
- 18 Charlotte, NC (23) WBTV
- 19 Charlottesville, VA (189) WVMR
- 20 Cheyenne, WY (195) KGWN, KSTF
- 21 Cincinnati, OH (34) WXIX
- 22 Clarksburg, WV (176) WDTV, WVF3
- 23 Cleveland, OH (19) WOIO, WUAB
- 24 Colorado Springs, CO (86) KKTV
- 25 Columbia, SC (79) WIS
- 26 Columbus, GA (129) WTVM
- 27 Davenport, IA (101) KWQC
- 28 Dothan, AL (175) WTVY, WRGX

- Q3 Duluth, MN (136) KBJR*, KDLH*, KRII
- 29 Evansville, IN (107) WFIE
- 30 Fairbanks, AK (203) KTVF, KXDF, KFXF
- 31 Fargo, ND (120) KVLV, KXJB
- 32 Flint, MI (64) [WJRT], WNEM*
- Q4 Ft. Wayne, IN (104) WPTA,* WISE*
- 33 Gainesville, FL (160) WCJB
- 34 Grand Junction, CO (181) KKCO, KJCT
- 35 Green Bay, WI (65) WBAY
- 36 Greenville, NC (98) WITN
- M2 Greenville-Spartanburg, SC (37) WHNS*
- 37 Harrisonburg, VA (171) WHSV, WSVF, WSVW
- M3 Hartford, CT (30) WFSB*
- 38 Hattiesburg, MS (168) WDAM
- 39 Honolulu, HI (66) KHNL, KGMB, KFVE, KOGG, KSIX
- 40 Huntsville, AL (81) WAFF
- 41 Jackson, MS (97) WLBT
- 42 Jonesboro, AR (183) KAIT
- 43 Juneau, AK (207) KATH, KYEX, KSCT, KUBD
- M4 Kansas City, MO (31) KCTV*, KSMO*
- 44 Knoxville, TN (60) WVLT, WBXX
- 45 La Crosse-Eau Claire, WI (123) WEAU
- 46 Lake Charles, LA (170) KPLC

- 47 Lansing, MI (108) WILX
- 48 Laredo, TX (185) KGNS, KYLX, KXNU
- M5 Las Vegas, NV (39) KVVU*
- 49 Lexington, KY (67) WKYT, WYMT
- 50 Lincoln, NE (114) KOLN, KSNB, KGIN, KCWH, KNHL
- 51 Louisville, KY (49) WAVE
- 52 Lubbock, TX (142) KCBD, KLCW, KXTQ, KMYL
- 53 Madison, WI (80) WMTV
- 54 Mankato, MN (198) KEYC, KMNF
- 55 Marquette, MI (177) WLUC
- 56 Memphis, TN (52) WMC
- 57 Meridian, MS (190) WTOK
- M6 Mobile, AL (64) WALA*
- 58 Monroe, LA (145) KNOE
- 59 Montgomery, AL (119) WSFA
- 60 Myrtle Beach, SC (89) WMBF
- M7 Nashville, TN (29) WSMV*
- 61 New Orleans, LA (51) WVUE
- 62 North Platte, NE (209) KNOP, KNPL, KIIT
- M4 Odessa, TX (150) KOSA, KCWO, KTLK, KWWT
- 64 Omaha, NE (72) WOWT
- 65 Ottumwa, IA (201) KYOU
- 66 Paducah, KY-Cape Girardeau, MO (91) KFVS

- 67 Panama City, FL (139) WJHG, WPCP
- 68 Parkersburg, WV (192) WTAP, WIYE, WOVA
- Q5 Peoria, IL (118) WEEK*
- M8 Phoenix, AZ (13) KPHO*, KTVK*
- M9 Portland, OR (25) KPTV*, KPDX*
- 69 Presque Isle, ME (206) WAGM, WWPI
- Q6 Quincy, IL (172) WGEM*
- 70 Rapid City, SD (173) KOTA, KEVN, KHSD, KSGW
- 71 Reno, NV (109) KOLO
- 72 Richmond, VA (54) WWBT, WUPV
- 73 Roanoke, VA (76) WDBJ, WZBJ
- 74 Rockford, IL (132) WIFR
- Q7 Rochester, MN-Mason City, IA (156) KTTC*
- 75 Savannah, GA (87) WTOG
- 76 Sherman, TX (163) KXII, KXIP
- 77 Shreveport, LA (96) KSLA
- Q8 Sioux City, IA (147) KTVI*
- 78 Sioux Falls, SD (115) KSFY, KDLT, KPRY, KDLV
- 79 South Bend, IN (94) WNDU, WSJV*
- M10 Springfield, MA (116) WGGB*, WSHM*
- 80 Springfield, MO (70) KYTV, KSPR, K17DL, KYCW
- M11 St. Louis, MO (21) KMOV*
- 81 Tallahassee, FL (113) WCTV, WFXU

- 82 Tampa-St. Pete (Sarasota), FL (15) WWSB
- 83 Toledo, OH (78) WTVG
- 84 Topeka, KS (140) WIBW
- 85 Tucson, AZ (75) KOLD
- 86 Twin Falls, ID (93) KMTV, KSVT
- 87 Tyler, TX (112) KLTU, KTRT
- 88 Waco, TX (95) KWTX, KBTX, KNCT
- 89 Watertown, NY (174) WWNV, WNYF
- 90 Wausau, WI (134) WSAW, WZAW, WYOW*
- 91 West Palm Beach, FL (41) WFLX
- 92 Wichita, KS (68) KWCH, KSCW, KBSD, KBSL, KBSH
- 93 Wichita Falls, TX (154) KSWO, KKTM
- 94 Wilmington, NC (124) WECT
- 18 Charlotte, NC Raycom Sports
- 59 Montgomery, AL Operations, Shared Services
- 81 Tallahassee, FL Operations, Shared Services
- 95 Nashville, TN RTM Studios, Circle Media
- 96 New York, NY Tupelo Raycom
- 97 Washington, DC Gray DC Bureau, Full Court Press
- ★ Atlanta, GA Gray Corporate Headquarters, Swirl Films

*Pending Acquisition

Two Excellent Acquisitions

Combination Highlights⁽¹⁾

- 79 #1 Rated TV Stations
- \$3.1 Billion in 2019/2020 CHB Blended Revenue
- Combined Quincy + Meredith is anticipated to be approximately 50% accretive to blended 2021/2022 FCF
- Highest CHB OCF⁽²⁾ / TVHH in the Industry

Source: Company filings, Nielsen and Comscore

- (1) Gives effect to all other pending acquisitions and required regulatory divestitures
- (2) Combined Historical Basis Operating Cash Flow as defined in the Senior Credit Agreement is equivalent to the presentation of Adj. EBITDA

February 1: Gray to Acquire Quincy Media

- On February 1, 2021, Gray announced its acquisition of Quincy Media, Inc. for \$925 million in cash. On April 29, 2021, Gray announced the divestiture of 10 of Quincy's stations in seven overlap markets to Allen Media Broadcasting, LLC for \$380 million.
- Acquisition to add 8 new markets, each with the #1 or #2 ranked television station. Closing expected in Q3 2021, following expected receipt of regulatory and other approvals
- Purchase price represents a multiple of 6.9x '19/'20 EBITDA including \$23 million of expected year-1 annualized synergies.

May 3: Gray to Acquire Meredith Local Media Group

- On May 3, 2021, Gray announced its agreement to acquire Meredith Corporation's Local Media Group for \$2.7 billion in cash. Gray will divest one of its currently owned television stations in the companies' only overlap market.
- Acquisition to add 11 new markets, including the #1 or #2 ranked television station in 8 markets. Closing expected in Q4 2021, following receipt of regulatory and other approvals.
- Purchase price represents a multiple of 7.9x '19/'20 operating cash flow including \$55 million of expected year-1 annualized synergies.

Combined Company Snapshot

(\$ in Millions)	Gray + Quincy ⁽¹⁾	Meredith Local Media Group (RemainCo)	Gray + RemainCo	Pro Forma Impact
Financial Profile				
2019 / 2020 CHB Blended Net Revenue	\$2,372	\$770	\$3,141	↑ 32%
2019 / 2020 CHB Blended OCF	\$889	\$286	\$1,230 ⁽²⁾	↑ 38%
% Margin	37%	37%	39%	
Scale				
Markets	101	12	113	↑ 12%
Gross TV Household Reach	25.0%	11.2%	36.2%	
Asset Quality				
Markets with #1 / #2 Ranked Stations	93	8	101	↑ 9%
2018 CHB Political Revenue	\$262	\$135	\$397	↑ 52%
2020 CHB Political Revenue	\$473	\$219	\$692	↑ 46%
2020 CHB Gross Retransmission Revenue	\$904	\$366	\$1,270	↑ 41%
Big 4 Network Affiliated Channels				

Source: Nielsen and Comscore

Note: RemainCo financial information compiled from unaudited financial statements of Local Media Group

(1) Pro forma for the divestiture of Quincy's seven overlap markets and Gray's station in Flint, MI; includes \$23 million of synergies

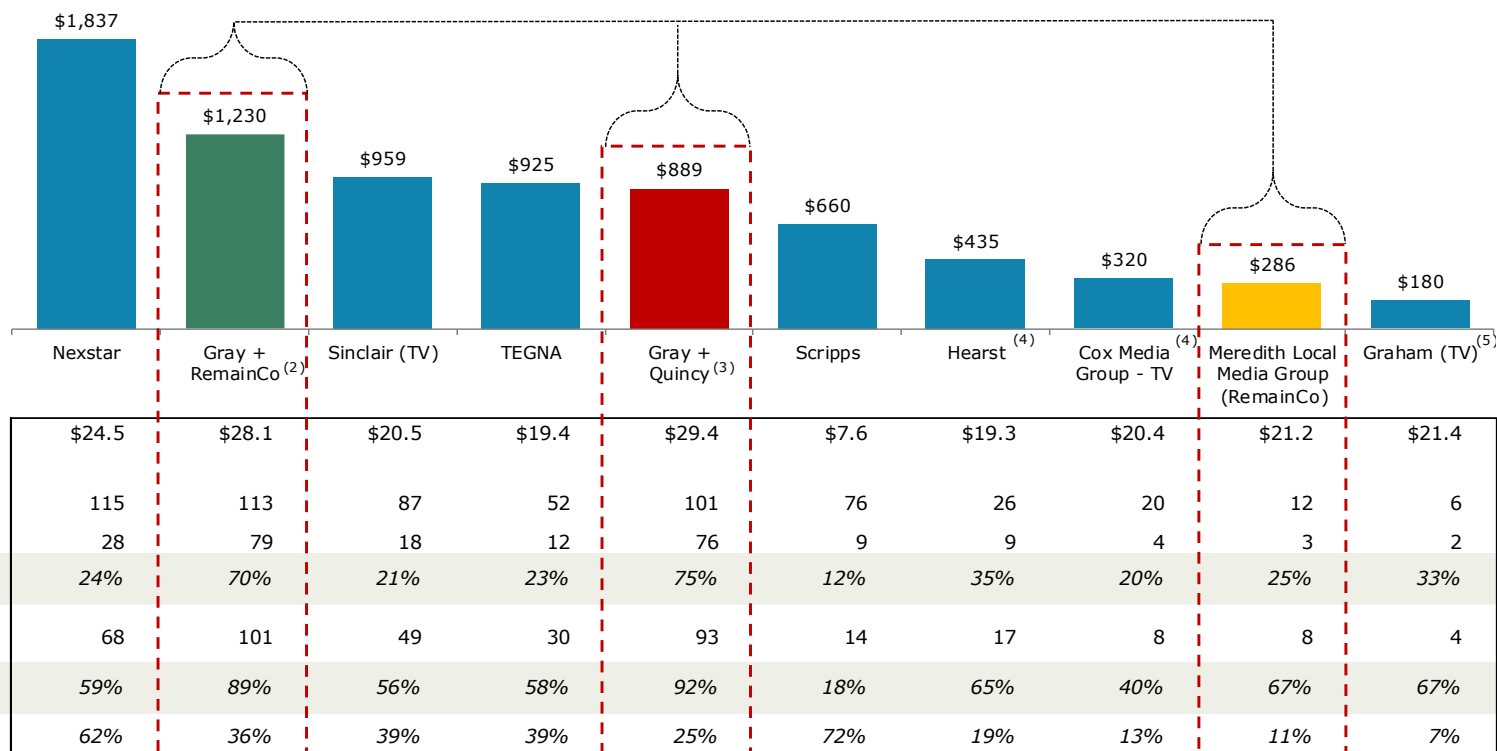
(2) Includes \$55 million of synergies

Gray Will be the Second Largest TV Broadcast Group with the Highest Quality Assets



2019 / 2020 CHB Blended Adj. EBITDA⁽¹⁾

TV Broadcast Affiliate Group Owners



Financial

Adj. EBITDA / TVHH

Operational

Markets

1 Rated Stations

% Markets with #1 Rated Stations

Markets with #1 / #2 Rated Stations

% Markets with #1 / #2 Rated Stations

% Nielsen TVHH

Source: Company filings, Wall Street research, BIA Investing in Television Market Report, Nielsen and Comscore

Note: Dollars in millions, except Adj. EBITDA / TV household; RemainCo financial information compiled from unaudited financial statements of Local Media Group

(1) Adj. EBITDA for Gray is Operating Cash Flow as defined in the Senior Credit Agreement

(2) Includes \$55 million of synergies

(3) Pro forma for the divestiture of Quincy's seven overlap markets and Gray's station in Flint, MI; includes \$23 million of synergies

(4) EBITDA estimates are derived from 2019 BIA revenue and extrapolate '19A/'20E based on peer revenue growth and average peer EBITDA margin

(5) Based on 2020 broadcast revenue of \$525 million and extrapolated based on estimated television peer revenue growth and '19A/'20A EBITDA margin for Graham's broadcast segment



An Industry Leading Power

The following data is for
Gray Television, Inc.

BEFORE

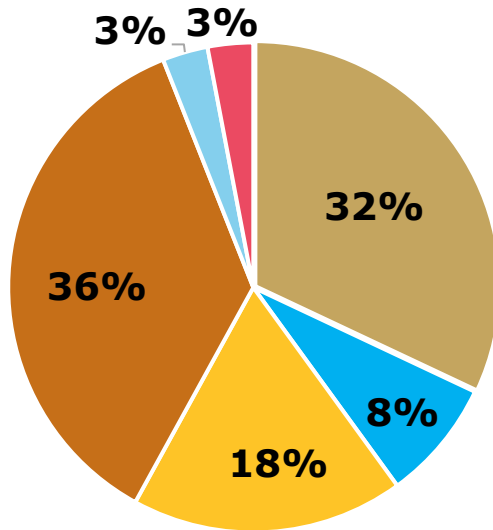
giving effect to the pending
Quincy and Meredith
Acquisitions.

Diversified Revenue



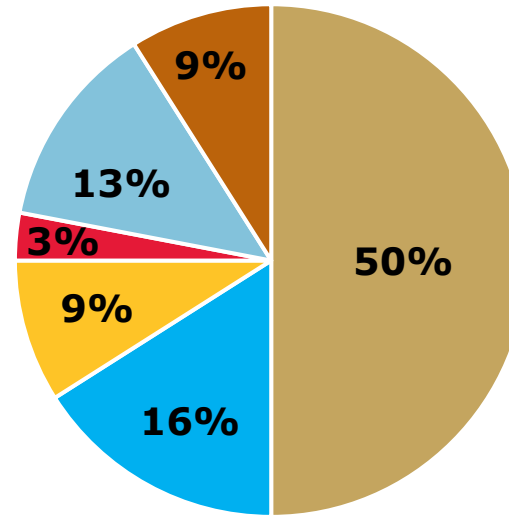
2020 Revenues

- Local
- National
- Political
- Retransmission
- Production Companies
- Other-TV Stations

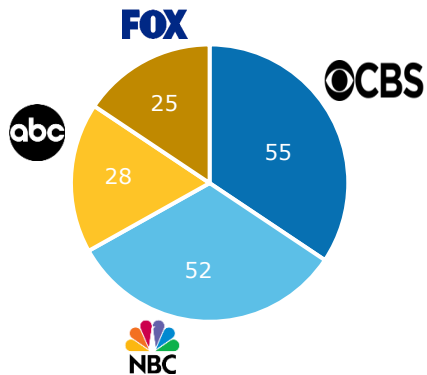


Approximate Advertising Revenue Contributions 2019-2020

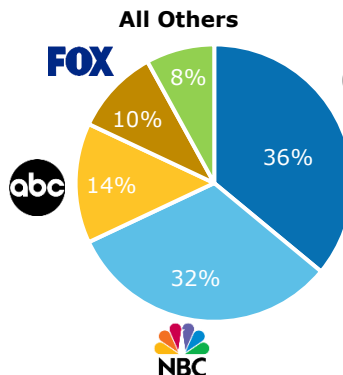
- Local News
- Network Prime
- Network News
- Network Sports
- Syndication
- Other



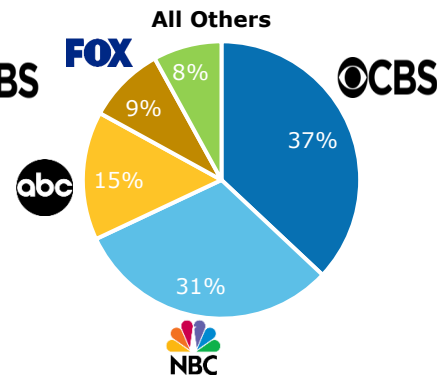
2020 Big 4 Affiliates



2020 Revenues



2020 Broadcast Cash Flow



Well Positioned for Political Revenue

Gray's Local News Stations Serve the Most Competitive Political Areas

2021 Gubernatorial Races (2)

Gray Stations in 4 VA markets.

2022 Gubernatorial Races (37)

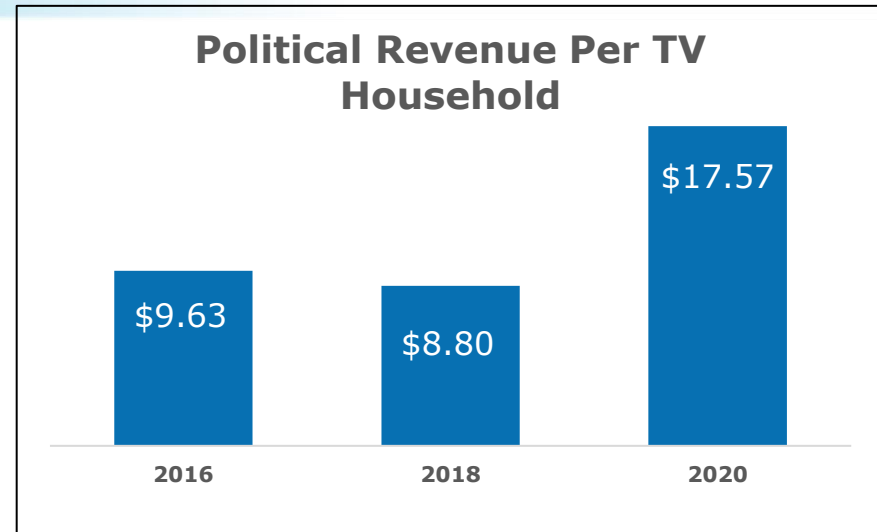
Gray stations in 28 states: AK, AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, KS, ME, MI, MN, NE, NH, NY, NV, OH, OK, SC, SD, TN, TX, VT, WI, WY

2022 US Senate Races (34)

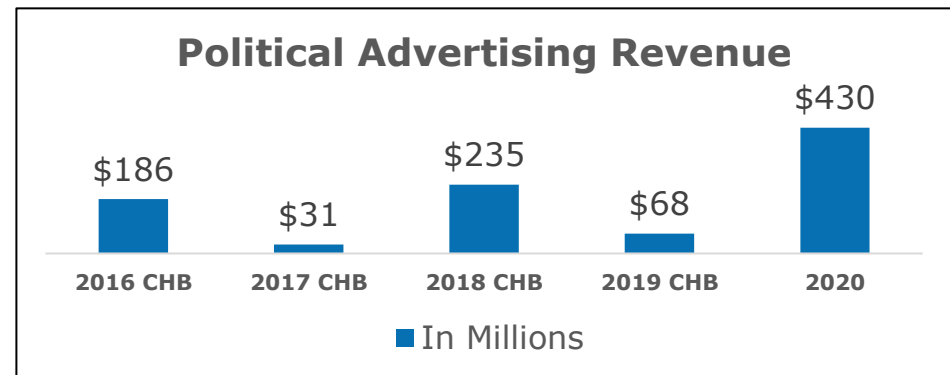
Gray stations in 27 states: AK, AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MO, NC, ND, NY, OH, OK, VT, NH, NV, SC, SD, WI

2022 House Races

All Districts, All Markets



Revenue per company filings shown in millions of dollars. TV Household estimates from Comscore. Gray data for 2016 is CHB for all transactions completed as of 12/31/16 and Gray data for 2018 is CHB for all transactions completed as of 12/31/19.



Gray data is CHB for all transactions completed as of 12/31/19.

Strong Network and Distribution Positions

MVPD Subscribers Year-End Renewal Schedule

**55% - 2020
(and 2023)**

**25% - 2021
(and 2024)**

**20% - 2022
(and 2025)**

2021



2022

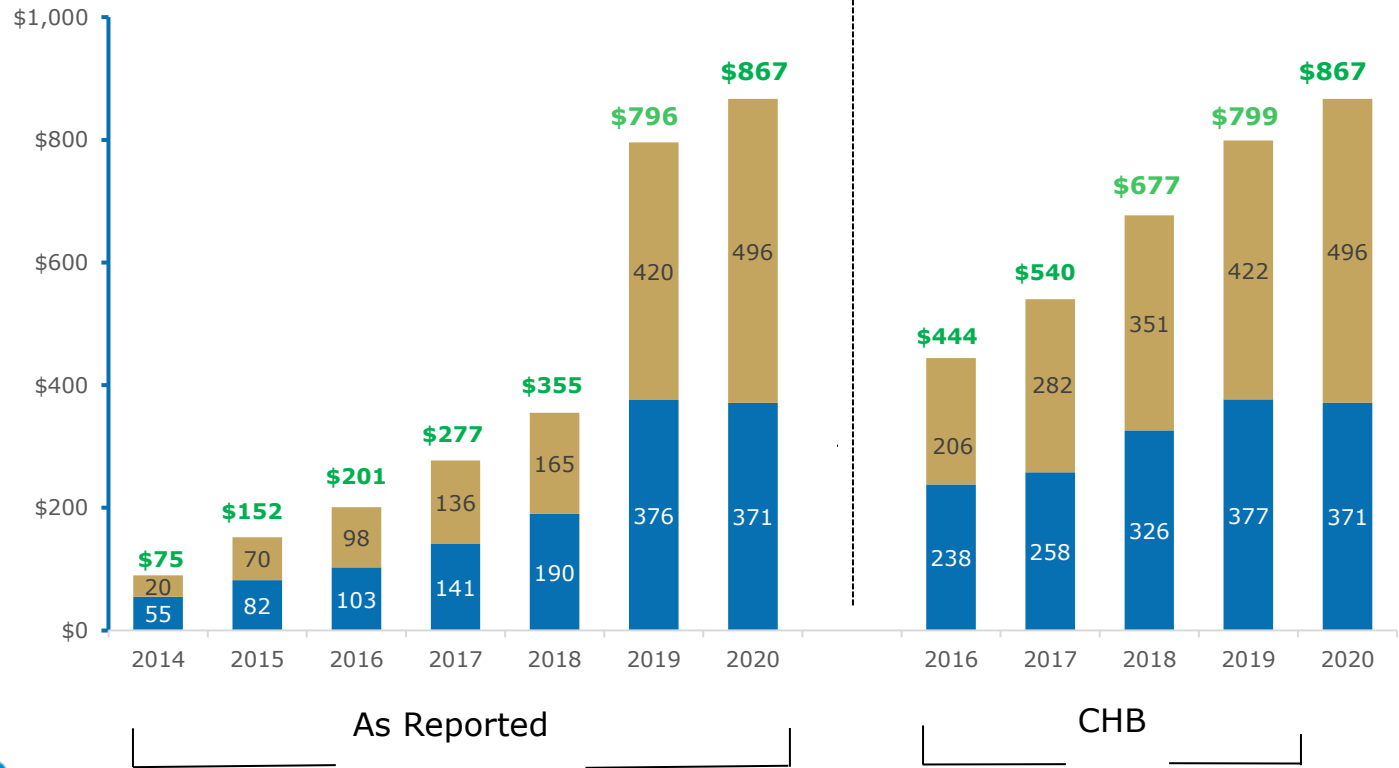


2023



Retransmission Revenue (\$ in millions)

- Retransmission Revenue
- Retransmission Expense ("Reverse Comp.")
- Retransmission Revenue net of Expense



Successful Digital Ventures



RECORD BREAKING GROWTH FOR GRAY'S PLATFORM IN 2020 OVER 2019:

- ↑ 2020 SESSIONS: +24%
- ↑ 2020 VIDEO PLAYS: +13%
- ↑ 2020 USERS: +37%
- ↑ 2020 PAGE VIEWS: +13%

1.1 BILLION MONTHLY AGGREGATE USERS IN 2020



Gray's in-house Digital Agency Servicing over 2,200 campaigns monthly.
With a suite of 15+ products and service offerings.

PREMION
ONE SOLUTION. EVERY ADVANTAGE.

Premion delivers brand-safe CTV and OTT impressions at scale, with full transparency for advertisers, across 125+ premium networks.

VUit
LIVE • LOCAL • FREE

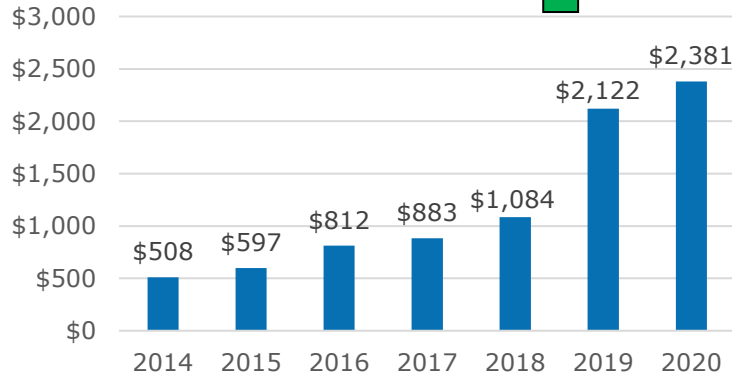
Provides a free, ad-supported national streaming service with live and on-demand video streaming channels, with both local and unique programming.

Consistent Growth (As Reported Basis)

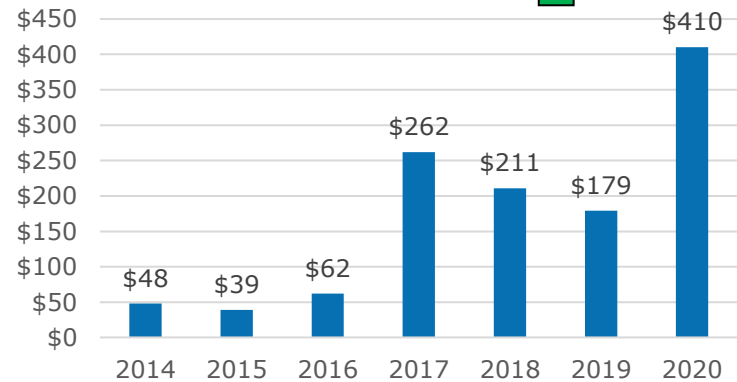


(\$ in millions)

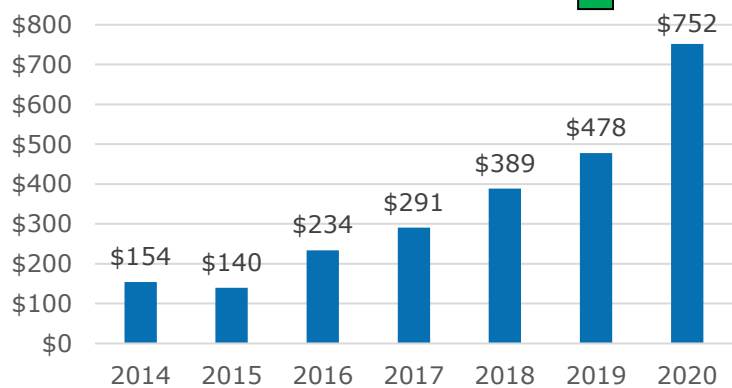
Revenue 369%



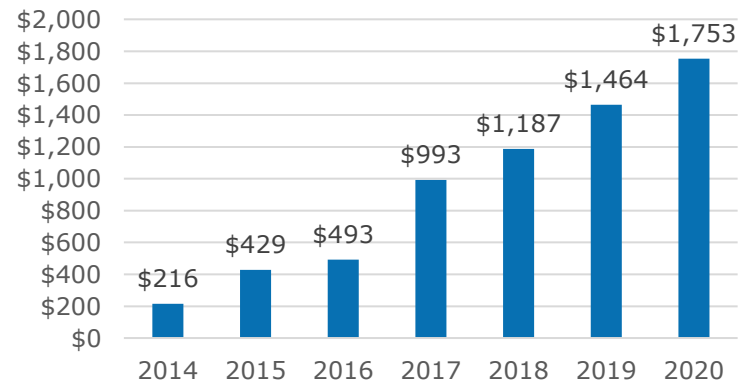
Net Income 754%



Operating Income 388%



Total Stockholders' Equity 712%

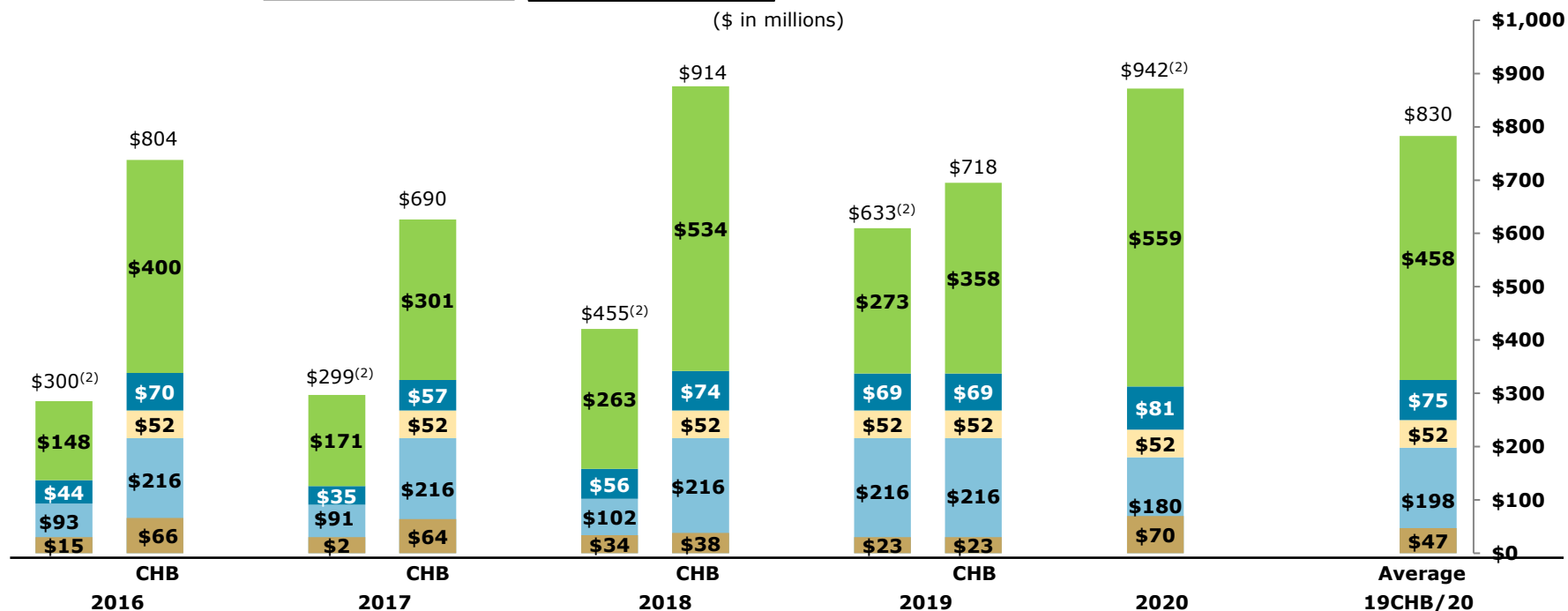


Robust Free Cash Flow Generation and Conversion



Presidential Election Year 2016 OCF Buildup	Non-Election Year 2017 OCF Buildup	Midterm Election Year 2018 OCF Buildup	Non-Election Year 2019 OCF Buildup	Presidential Election Year 2020 OCF Buildup	2019 CHB 2020 Average
FCF Per Diluted Share \$2.04 \$4.75	FCF Per Diluted Share \$2.32 \$3.53	FCF Per Diluted Share \$2.96 \$5.32	FCF Per Diluted Share \$2.72 \$3.58	FCF Per Diluted Share \$5.76	FCF Per Diluted Share \$4.65
FCF as a Percentage of OCF 49% 50%	FCF as a Percentage of OCF 57% 44%	FCF as a Percentage of OCF 58% 58%	FCF as a Percentage of OCF 43% 50%	FCF as a Percentage of OCF 59%	FCF as a Percentage of OCF 55%

(\$ in millions)



■ Taxes
 ■ Cash Interest excluding amortization of deferred financing costs/premiums ⁽¹⁾
 ■ Preferred Dividends
 ■ Capex
 ■ Free Cash Flow

(1) CHB interest expense for 2016, 2017, 2018 and 2019 estimated with incremental indebtedness and estimated cash interest relating to acquisition debt financing as if the acquisition debt financing had occurred on the first day of the period reported

(2) As reported OCF is equal to Broadcast Cash Flow less Cash Corporate Expenses plus Pension Expense less Pension Contributions

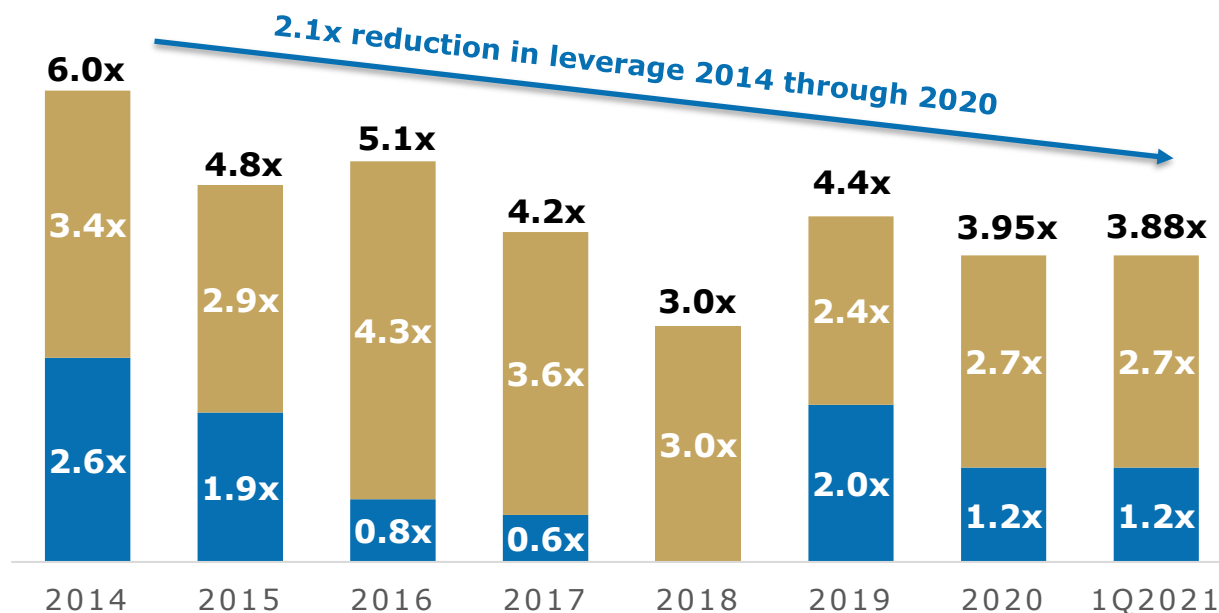
Successful Integration of Acquisitions And Meaningful Deleveraging



Financial Leverage Net of All Cash (as defined in our Senior Credit Facility)

**Guidance
YE 2021⁽¹⁾ Net
Leverage Ratio:
Approximately 5.3x**

Projected total debt (excluding preferred stock) net of all cash, assuming no M&A other than the Quincy Media and Meredith acquisitions on trailing 8-quarter basis



As of the respective period end:

Total debt netting all cash (in millions)	\$1,201 ⁽³⁾	\$1,134	\$1,456	\$1,399	\$1,154	\$3,548	\$3,262	\$3,217
LBQA ⁽⁴⁾ OCF ⁽²⁾ (in millions)	\$200	\$235	\$288	\$336	\$383	\$816	\$826	\$829

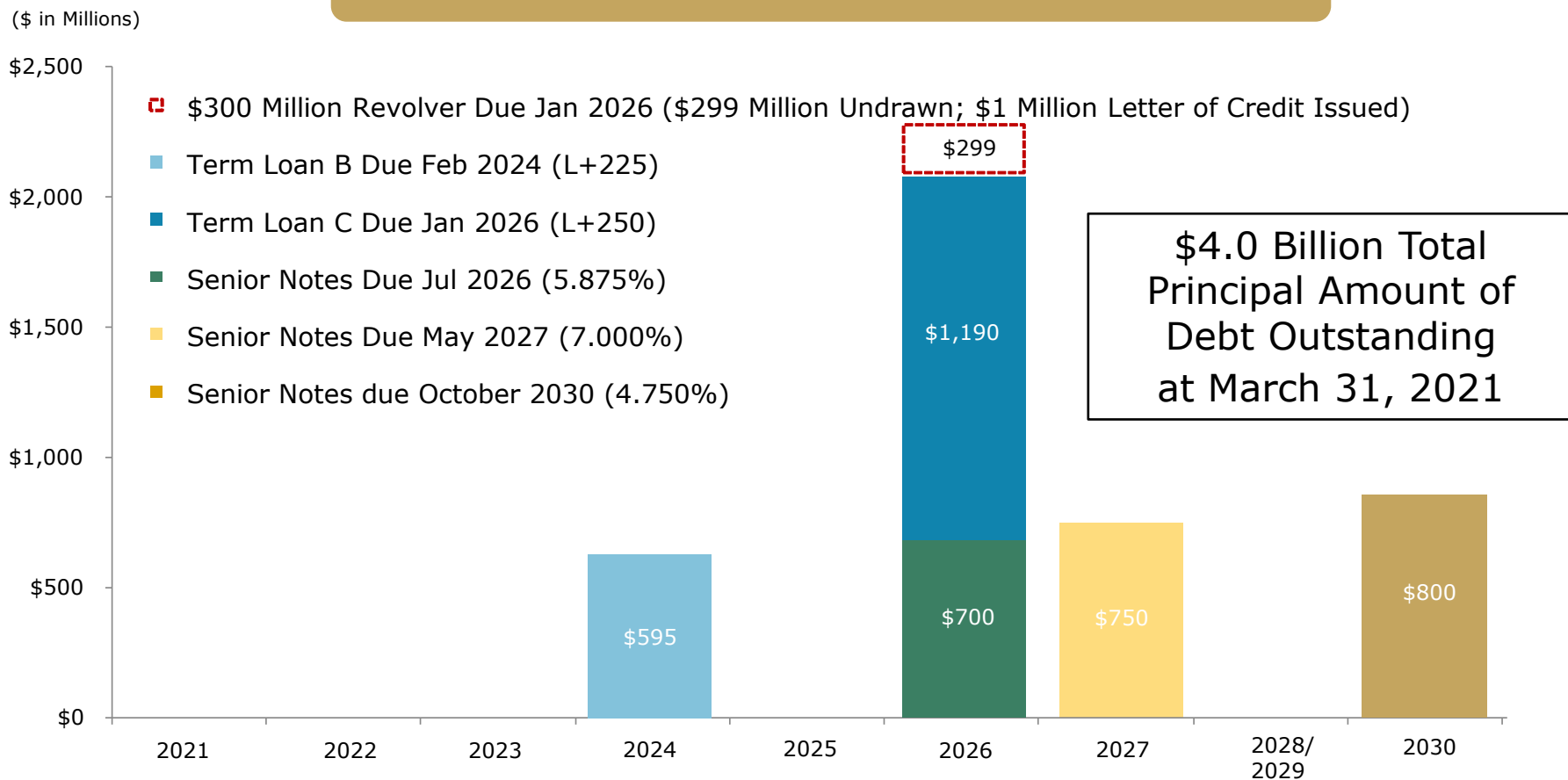
Note: Financial leverage excludes preferred stock

- (1) Secured debt netting all cash on hand as of the respective balance sheet date
- (2) Operating Cash Flow ("OCF") as defined under the existing credit agreement, which includes adjustments for all transactions completed as of the respective balance sheet dates
- (3) For 2014 and 2021, total debt netting all cash includes \$10 million and \$1 million in undrawn letters of credit, respectively
- (4) Last eight quarter average OCF as calculated in the applicable quarterly compliance certificate

■ Unsecured Debt Netting All Cash / OCF⁽²⁾
■ Secured Debt Netting All Cash⁽¹⁾ / OCF⁽²⁾

Staggered Debt Maturity Profile

No Maturities until 2024



Note: For illustrative purposes, excludes Incremental Term Loan B amortization

As Reported 1Q 2021



	Three Months Ended March 31,				
	2021	2020	% Change 2021 to 2020	2019	% Change 2021 to 2019
Revenue (less agency commissions):					
Broadcasting	\$ 530	\$ 515	3 %	\$ 481	10 %
Production companies	14	19	(26)%	37	(62)%
Total revenue	<u>\$ 544</u>	<u>\$ 534</u>	2 %	<u>\$ 518</u>	5 %
Political advertising revenue	\$ 9	\$ 36	(75)%	\$ 3	200 %
Operating expenses (1):					
Broadcasting	\$ 361	\$ 335	8 %	\$ 356	1 %
Production companies	\$ 17	\$ 19	(11)%	\$ 35	(51)%
Corporate and administrative	\$ 18	\$ 15	20 %	\$ 48	(63)%
Net income (loss)	\$ 39	\$ 53	(26)%	\$ (18)	317 %
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow	\$ 168	\$ 181	(7)%	\$ 123	37 %
Broadcast Cash Flow Less					
Cash Corporate Expenses	\$ 153	\$ 168	(9)%	\$ 78	96 %
Free Cash Flow	\$ 78	\$ 85	(8)%	\$ 17	359 %
Transaction related expenses included in operating expenses (3)					
Broadcasting	\$ -	\$ -		\$ 36	
Production companies	\$ -	\$ -		\$ -	
Corporate and administrative	\$ 1	\$ -		\$ 32	

(1) Excludes depreciation, amortization and (gain) loss on disposal of assets.

(2) See definition of non-GAAP terms and a reconciliation of the non-GAAP amounts to net income included elsewhere herein.

(3) Transaction Related Expenses are incremental expenses incurred specific to acquisitions and divestitures, including but not limited to, legal and professional fees, severance and incentive compensation and contract termination fees.

As Reported Year-End



	Year Ended December 31,				
	2020	2019	% Change 2020 to 2019	2018	% Change 2020 to 2018
	(dollars in millions)				
Revenue (less agency commissions):					
Broadcasting	\$ 2,320	\$ 2,035	14 %	\$ 1,084	114 %
Production companies	61	87	(30)%	-	
Total revenue	<u>\$ 2,381</u>	<u>\$ 2,122</u>	12 %	<u>\$ 1,084</u>	120 %
Political advertising revenue	\$ 430	\$ 68	532 %	\$ 155	177 %
Operating expenses (1):					
Broadcasting	\$ 1,340	\$ 1,325	1 %	\$ 596	125 %
Production companies	\$ 52	\$ 74	(30)%	\$ -	
Corporate and administrative	\$ 65	\$ 104	(38)%	\$ 41	59 %
Net income	\$ 410	\$ 179	129 %	\$ 211	94 %
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow	\$ 999	\$ 729	37 %	\$ 493	103 %
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 945	\$ 636	49 %	\$ 457	107 %
Free Cash Flow	\$ 559	\$ 273	105 %	\$ 263	113 %
Transaction related expenses included in operating expenses (3):					
Broadcasting	\$ -	\$ 45		\$ 3	
Production companies	\$ -	\$ -		\$ -	
Corporate and administrative	\$ 1	\$ 34		\$ 8	

(1) Excludes depreciation, amortization and (gain) loss on disposal of assets.

(2) See definition of non-GAAP terms and a reconciliation of the non-GAAP amounts to net income included elsewhere herein.

(3) Transaction Related Expenses are incremental expenses incurred specific to acquisitions and divestitures, including but not limited to, legal and professional fees, severance and incentive compensation and contract termination fees.



**Appendix: Non-GAAP Reconciliations,
Disclaimers, and Definitions**

Non-GAAP Reconciliation



Reconciliation of Non-GAAP terms on As Reported Basis, in millions

	Three Months Ended		
	March 31,		
	2021	2020	2019
Net income (loss)	\$ 39	\$ 53	\$ (18)
Adjustments to reconcile from net income (loss) to			
Free Cash Flow:			
Depreciation	25	21	20
Amortization of intangible assets	26	26	29
Non-cash stock-based compensation	4	4	3
Non-cash 401(k) expense	1	-	-
Gain on disposal of assets, net	(4)	(6)	(10)
Miscellaneous expense (income), net	(1)	1	(3)
Interest expense	48	52	58
Income tax expense	15	18	3
Amortization of program broadcast rights	9	9	10
Payments for program broadcast rights	(9)	(10)	(14)
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation	15	13	45
Broadcast Cash Flow	168	181	123
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation	(15)	(13)	(45)
Broadcast Cash Flow Less Cash Corporate Expenses	153	168	78
Interest expense	(48)	(52)	(58)
Amortization of deferred financing costs	3	3	3
Preferred stock dividends	(13)	(13)	-
Common stock dividends	(8)	-	-
Purchases of property and equipment	(13)	(27)	(18)
Reimbursements of property and equipment purchases	4	6	12
Free Cash Flow	\$ 78	\$ 85	\$ 17

Non-GAAP Reconciliation



Reconciliation of Non-GAAP terms on As Reported Basis, in millions

	Year Ended December 31,			
	2020	2019	2018	2017
Net income	\$ 410	\$ 179	\$ 211	262
Adjustments to reconcile from net income to				
Free Cash Flow:				
Depreciation	96	80	54	52
Amortization of intangible assets	105	115	21	25
Non-cash stock-based compensation	16	16	7	8
Gain on disposal of assets, net	(29)	(54)	(17)	(74)
Miscellaneous expense (income), net	5	(4)	(6)	-
Interest expense	191	227	107	95
Loss on early extinguishment of debt	12	-	-	3
Income tax expense	134	76	77	(69)
Amortization of program broadcast rights	38	39	21	21
Non-cash 401(k) expense	6	5	4	-
Payments for program broadcast rights	(39)	(43)	(22)	(21)
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation	54	93	36	27
Broadcast Cash Flow (1)	999	729	493	329
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation	(54)	(93)	(36)	(27)
Broadcast Cash Flow Less Cash Corporate Expenses (1)	945	636	457	302
Contributions to pension plans	(3)	(3)	(2)	(3)
Interest expense	(191)	(227)	(107)	(95)
Amortization of deferred financing costs	11	11	5	4
Preferred stock dividends	(52)	(52)	-	-
Purchase of property and equipment	(110)	(110)	(70)	(35)
Reimbursements of property and equipment purchases	29	41	14	-
Income taxes paid, net of refunds	(70)	(23)	(34)	(2)
Free Cash Flow	\$ 559	\$ 273	\$ 263	\$ 171

(1) Amounts in 2017 have been reclassified to give effect to the implementation of ASU 2017-07.

Non-GAAP Reconciliation



Reconciliation of Non-GAAP terms on a Combined Historical Basis, in millions

	Year Ended		
	December 31,		
	2019	2018	2017
Net income	\$ 157	\$ 288	\$ 648
Adjustments to reconcile from net income to			
Free Cash Flow:			
Depreciation	81	86	86
Amortization of intangible assets	115	117	124
Non-cash stock-based compensation	16	15	14
Gain on disposal of assets, net	(35)	(7)	(155)
Miscellaneous (income) expense, net	(3)	4	1
Interest expense	227	227	227
Loss from early extinguishment of debt	-	-	5
Income tax (benefit) expense	76	74	(354)
Amortization of program broadcast rights	40	42	41
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	4	4	-
Payments for program broadcast rights	(44)	(42)	(41)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	92	72	54
Broadcast Transaction Related Expenses	45	3	3
Broadcast other adjustments	8	11	13
Broadcast Cash Flow (1)	779	894	666
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	(92)	(72)	(54)
Broadcast Cash Flow Less Cash Corporate Expenses (1)	687	822	612
Contributions to pension plans	(3)	(2)	(3)
Corporate Transaction Related Expenses	34	14	1
Synergies and other adjustments	-	80	80
Operating Cash Flow as Defined in Senior Credit Facility (1)	718	914	690
Interest expense	(227)	(227)	(227)
Amortization of deferred financing costs	11	11	11
Preferred dividends	(52)	(52)	(52)
Purchase of property and equipment	(110)	(88)	(57)
Reimbursement of purchases of property and equipment	41	14	-
Income taxes paid, net of refunds	(23)	(38)	(64)
Free Cash Flow	\$ 358	\$ 534	\$ 301

(1) Amounts in 2017 have been reclassified to give effect to the implementation of ASU 2017-07.

Reconciliation of Total Leverage Ratio (in millions)



	Eight Quarters Ended March 31, 2021
Net income	\$ 648
Adjustments to reconcile from net income to Operating Cash Flow as defined in our Senior Credit Agreement:	
Depreciation	181
Amortization of intangible assets	218
Non-cash stock-based compensation	32
Gain on disposal of assets, net	(77)
Interest expense	408
Loss on early extinguishment of debt	12
Income tax expense	221
Amortization of program broadcast rights	75
Common stock contributed to 401(k) plan	12
Payments for program broadcast rights	(81)
Pension benefit	(2)
Contributions to pension plans	(6)
Adjustments for stations acquired or divested, financings and expected synergies during the eight quarter period	2
Transaction Related Expenses	15
Operating Cash Flow as defined in our Senior Credit Agreement	\$ 1,658
Operating Cash Flow as defined in our Senior Credit Agreement, divided by two	\$ 829
	March 31, 2021
Adjusted Total Indebtedness:	
Total outstanding principal, including current portion	\$ 4,035
Letters of credit outstanding	1
Cash	(819)
Adjusted Total Indebtedness, Net of All Cash	\$ 3,217
Total Leverage Ratio, Net of All Cash	3.88

Non-GAAP Terms

From time to time, Gray supplements its financial results prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") by disclosing the non-GAAP financial measures Broadcast Cash Flow, Broadcast Cash Flow Less Cash Corporate Expenses, Operating Cash Flow as defined in Gray's Senior Credit Agreement, Free Cash Flow and Total Leverage Ratio, Net of All Cash. These non-GAAP amounts are used by us to approximate the amount used to calculate key financial performance covenants contained in our debt agreements and are used with our GAAP data to evaluate our results and liquidity. These non-GAAP amounts may be provided on an As-Reported Basis as well as a Combined Historical Basis.

"Broadcast Cash Flow" or "BCF"	Net income or loss plus loss from early extinguishment of debt, non-cash corporate and administrative expenses, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses and broadcast other adjustments less any gain on disposal of assets, any miscellaneous income, any income tax benefits and payments for program broadcast rights.
"Broadcast Cash Flow Less Cash Corporate Expenses"	Net income or loss plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses and broadcast other adjustments less any gain on disposal of assets, any miscellaneous income, any income tax benefits and payments for program broadcast rights.
"Free Cash Flow" or "FCF"	Net income or loss plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses, broadcast other adjustments, certain pension expenses, Corporate Transaction Related Expenses, synergies, other adjustments and amortization of deferred financing costs less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast rights, pension income, contributions to pension plans, preferred dividends, purchase of property and equipment (net of reimbursements) and income taxes paid (net of any refunds received).
"Operating Cash Flow" or "OCF"	Defined in our Senior Credit Agreement as net income or loss plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses, broadcast other adjustments, certain pension expenses, Corporate Transaction Related Expenses, synergies and other adjustments less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast rights, pension income and contributions to pension plans.
"Total Leverage Ratio, Net of All Cash"	Our Total Leverage Ratio, Net of All Cash is determined by dividing our Adjusted Total Indebtedness, Net of All Cash by our Operating Cash Flow as defined in our Senior Credit Agreement, divided by two. Our Adjusted Total Indebtedness, Net of All Cash represents the total outstanding principal of our long-term debt, plus certain other obligations as defined in our Senior Credit Agreement, less all cash (excluding restricted cash). Our Operating Cash Flow as defined in our Senior Credit Agreement, divided by two, represents our average annual Operating Cash Flow as defined in our Senior Credit Agreement for the preceding eight quarters.

These non-GAAP terms are not defined in GAAP and our definitions may differ from, and therefore not be comparable to, similarly titled measures used by other companies, thereby limiting their usefulness. Such terms are used by management in addition to and in conjunction with results presented in accordance with GAAP and should be considered as supplements to, and not as substitutes for, net income and cash flows reported in accordance with GAAP.

Disclaimers, Definitions, and Non-GAAP Financial Data



This presentation contains certain forward looking statements that are based largely on Gray Television, Inc.'s ("Gray", "Gray Television", "GTN" or the "Company") current expectations and reflect various estimates and assumptions by Gray. These statements may be identified by words such as "estimates", "expect," "anticipate," "will," "implied," "assume" and similar expressions. Forward looking statements are subject to certain risks, trends and uncertainties that could cause actual results and achievements to differ materially from those expressed in such forward looking statements. Such risks, trends and uncertainties which in some instances are beyond Gray's control, include Gray's inability to complete the integration of our acquisition of Quincy, the inability to achieve expected synergies therefrom on a timely basis or at all, estimates of future retransmission revenue, future expenses and other future events. Gray is subject to additional risks and uncertainties described in Gray's quarterly and annual reports filed with the Securities and Exchange Commission from time to time, including in the "Risk Factors," and management's discussion and analysis of financial condition and results of operations sections contained therein. Any forward looking statements in this presentation should be evaluated in light of these important risk factors. This presentation reflects management's views as of the date hereof. Except to the extent required by applicable law, Gray undertakes no obligation to update or revise any information contained in this presentation beyond the published date, whether as a result of new information, future events or otherwise.

Combined Historical Basis reflects financial results that have been compiled by adding Gray's historical revenue and broadcast expenses to the historical revenue and broadcast expenses of the stations acquired in the completed transactions and subtracting the historical revenues and broadcast expenses of stations divested in the completed transactions as if they had been acquired or divested, respectively, on January 1, 2016 (the beginning of the earliest period presented).

Combined Historical Basis financial information does not include any adjustments for other events attributable to the completed transactions except "Broadcast Cash Flow," "Broadcast Cash Flow Less Cash Corporate Expenses," "Operating Cash Flow," "Operating Cash Flow as Defined in the Senior Credit Agreement" and "Total Leverage Ratio, Net of All Cash" each give effect to expected synergies, and "Free Cash Flow" on a Combined Historical Basis gives effect to the financings and certain expected operating synergies related to the completed transactions. "Operating Cash Flow," "Operating Cash Flow as Defined in the Senior Credit Agreement" and "Total Leverage Ratio, Net of All Cash" on a Combined Historical Basis also reflect the add-back of legal and other professional fees incurred in completing acquisitions. Certain of the Combined Historical Basis financial information has been derived from, and adjusted based on, unaudited, unreviewed financial information prepared by other entities, which Gray cannot independently verify. We cannot assure you that such financial information would not be materially different if such information were audited or reviewed and no assurances can be provided as to the accuracy of such information, or that our actual results would not differ materially from the Combined Historical Basis financial information if the completed transactions had been completed at the stated date. In addition, the presentation of Combined Historical Basis, "Broadcast Cash Flow," "Broadcast Cash Flow Less Cash Corporate Expenses," "Operating Cash Flow," "Operating Cash Flow as Defined in the Senior Credit Agreement," "Total Leverage Ratio, Net of All Cash," "Free Cash Flow," and the adjustments to such information, including expected synergies resulting from such transactions, may not comply with GAAP or the requirements for pro forma financial information under Regulation S-X under the Securities Act.

