



gray

Television • Digital • Mobile

Gray Television, Inc. Investor Presentation

NYSE:GTN

March 2020

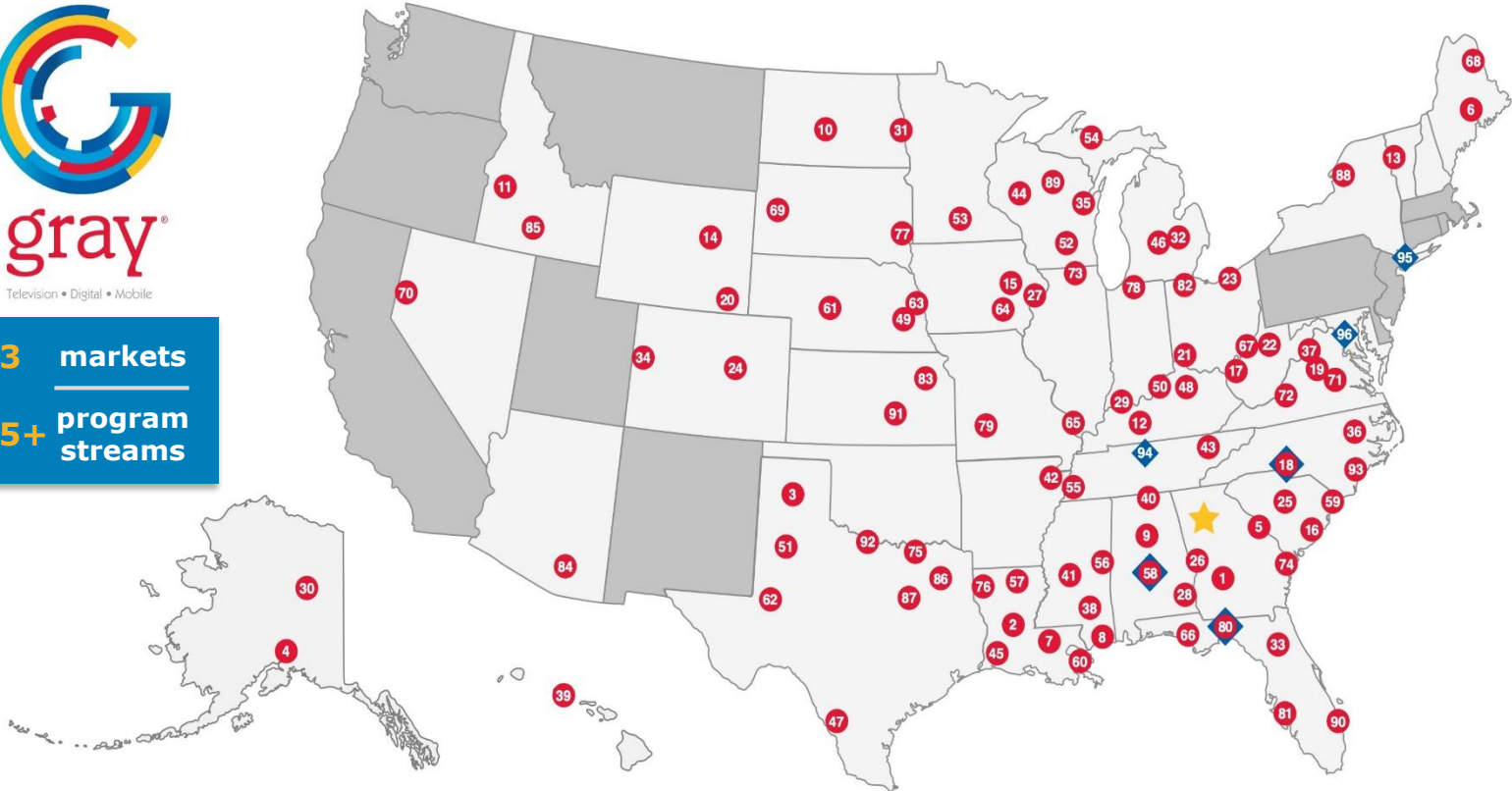
Updated for December 31, 2019 Financial Information

National Footprint



gray[®]
Television • Digital • Mobile

93 markets
515+ program streams



- | | | | | |
|--|---|---|---|--|
| 1 Albany, GA (154) WALB, WGCW | 22 Cincinnati, OH (37) WXIX | 41 Jackson, MS (95) WLBT | 61 North Platte, NE (209) KNOP, KNPL, KIIT | 81 Tampa-St. Pete (Sarasota), FL (12) WWSB |
| 2 Alexandria, LA (178) KALB | 22 Clarksburg, WV (173) WDTV, WVFX | 42 Jonesboro, AR (183) KAIT | 62 Odessa, TX (145) KOSA, KCWO, KTL | 82 Toledo, OH (80) WTVG |
| 3 Amarillo, TX (132) KFDA, KEYU | 23 Cleveland, OH (19) WOIO, WUAB | 43 Knoxville, TN (61) WVLT, WBXX | 63 Omaha, NE (71) WOWT | 83 Topeka, KS (144) WIBW |
| 4 Anchorage, AK (151) KTUU, KYES | 24 Colorado Springs, CO (85) KKTU | 44 La Crosse - Eau Claire, WI (129) WEAU | 64 Ottumwa, IA (201) KYOU | 84 Tucson, AZ (65) KOLD |
| 5 Augusta, GA (108) WRDW, WAGT | 25 Columbia, SC (75) WIS | 45 Lake Charles, LA (170) KPLC | 65 Paducah, KY - Cape Girardeau, MO (84) KFVS | 85 Twin Falls, ID (191) KMTV, KSVT |
| 6 Bangor, ME (159) WABI | 26 Columbus, GA (130) WTVM | 46 Lansing, MI (112) WILX | 66 Panama City, FL (149) WJHG, WPCP | 86 Tyler, TX (114) KLTU, KTRT |
| 7 Baton Rouge, LA (94) WAFB, WBXH | 27 Davenport, IA (103) KWQC | 47 Laredo, TX (184) KGNS, KYLX, KXNU | 67 Parkersburg, WV (193) WTAR, WIYE, WOVA | 87 Waco, TX (82) KWTX, KBTX, KNCT |
| 8 Biloxi-Gulfport, MS (155) WLOX | 28 Dothan, AL (171) WTVY, WRGX | 48 Lexington, KY (64) WKYT, WYMT | 68 Presque Isle, ME (206) WAGM, WWPI | 88 Watertown, NY (181) WVNY, WVNY |
| 9 Birmingham, AL (44) WBRC | 29 Evansville, IN (105) WFIE | 49 Lincoln, NE (107) KOLN, KSNB, KGIN, KCWH | 69 Rapid City, SD (169) KOTA, KEVN, KHSD, KSGW | 89 Wausau, WI (134) WSAW, WZAW |
| 10 Bismarck, ND (146) KFYR, KMOT, KQCD, KUMY | 30 Fairbanks, AK (203) KTVF, KXDF, KFXX | 50 Louisville, KY (48) WAVE | 70 Reno, NV (104) KOLO | 90 West Palm Beach, FL (36) WFLX |
| 11 Boise, ID (102) KNIN | 31 Fargo, ND (116) KVLV, KXJB | 51 Lubbock, TX (142) KCBD | 71 Richmond, VA (54) WWBT, WUPV | 91 Wichita, KS (72) KWCH, KSCW, KBSD, KBSL, KBSH |
| 12 Bowling Green, KY (177) WBKO | 32 Flint, MI (77) WJRT | 52 Madison, WI (81) WMTV | 72 Roanoke, VA (69) WDBJ, WZBJ | 92 Wichita Falls, TX (147) KSWO, KKTM |
| 13 Burlington, VT (96) WCAX, WYCI | 33 Gainesville, FL (156) WCJB | 53 Mankato, MN (198) KEYC, KMNF | 73 Rockford, IL (138) WIFR | 93 Wilmington, NC (127) WECT |
| 14 Casper, WY (199) KCWY | 34 Grand Junction, CO (188) KKCO, KJCT | 54 Marquette, MI (180) WLUC | 74 Savannah, GA (89) WTOG | 18 Charlotte, NC Raycom Sports |
| 15 Cedar Rapids, IA (90) KCRG | 35 Green Bay, WI (67) WBAY | 55 Memphis, TN (51) WMC | 75 Sherman, TX (158) KXII, KXIP | 58 Montgomery, AL Operations, Shared Services |
| 16 Charleston, SC (91) WCSC | 36 Greenville, NC (100) WITN | 56 Meridian, MS (190) WTOG | 76 Shreveport, LA (86) KSLA | 80 Tallahassee, FL Operations, Shared Services |
| 17 Charleston-Huntington, WV (74) WSAZ, WQCW | 37 Harrisonburg, VA (175) WHSV, WSVF, WSVW | 57 Monroe, LA (140) KNOE | 77 Sioux Falls, SD (113) KSFY, KDLT, KPRY, KDLV | 94 Nashville, TN RTM Studios, Circle Media |
| 18 Charlotte, NC (21) WBTV | 38 Hattiesburg, MS (167) WDAM | 58 Montgomery, AL (122) WFSB | 78 South Bend, IN (98) WNDU | 95 New York, NY Tupelo Raycom |
| 19 Charlottesville, VA (182) WVIR | 39 Honolulu, HI (66) KHNL, KGMB, KHBC, KOGG | 59 Myrtle Beach, SC (97) WMBF | 79 Springfield, MO (73) KYTY, KSPR, K17DL, KYCW | 96 Washington, DC Gray DC Bureau, Full Court Press |
| 20 Cheyenne, WY (196) KGWN, KCHY, KSTF | 40 Huntsville, AL (78) WAFF | 60 New Orleans, LA (50) WVUE | 80 Tallahassee, FL (109) WCTV, WFXU | ★ Atlanta, GA Gray Corporate Headquarters |

Power of A Strong Portfolio

#1

#2

86/93 markets
With #1 or #2 ranked
local television station

2018 Broadcast Revenue Per Television Household

\$78.28

\$64.13

\$56.50

\$55.79

\$48.00

\$41.14



Meredith

Sinclair

TEGNA

Nexstar + Tribune

Scripps

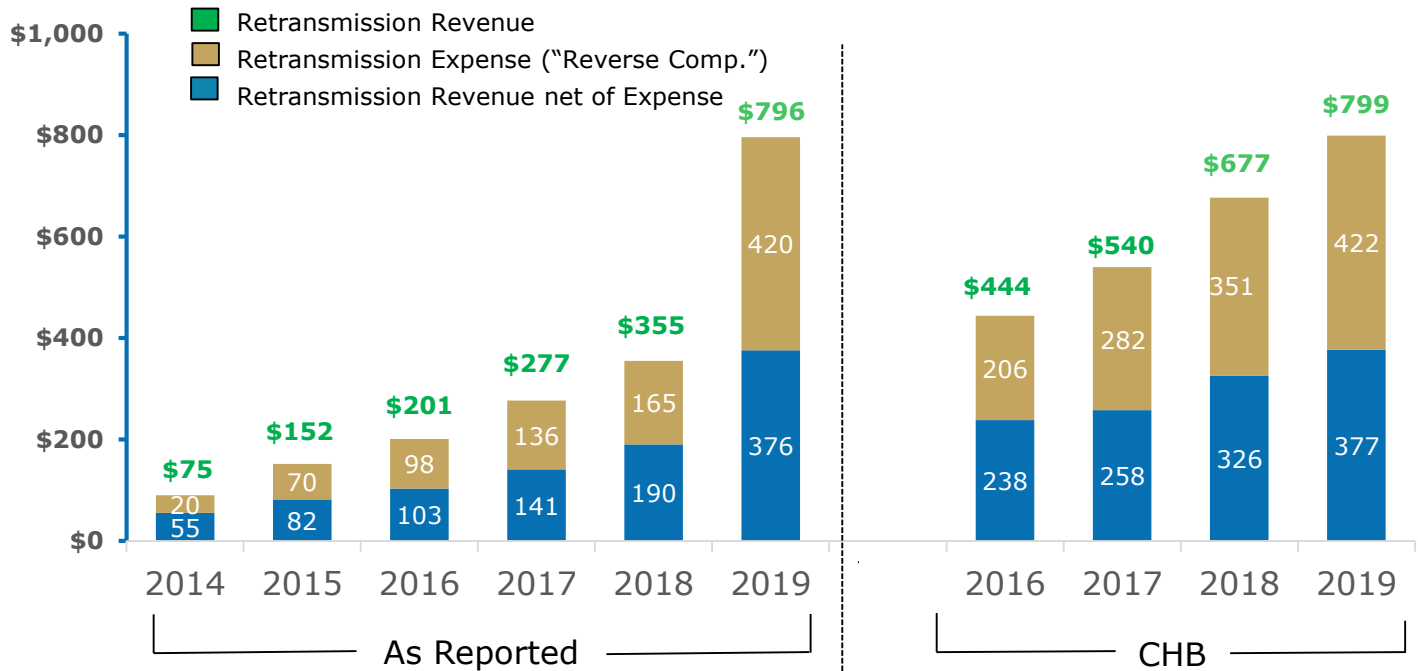
2018 Broadcast Revenue
2018 TV Households

2018 Broadcast Revenue	\$2,081	\$846	\$2,715	\$2,207	\$4,765	\$917
2018 TV Households	26.6	13.2	48.0	39.6	99.3	22.3

Revenue per company filings shown in millions of dollars. TV Household estimates from Comscore shown in millions. Gray data is CHB for all transactions completed as of 1/2/19. Meredith is based on calendar year ended 12/31/19; fiscal year ends 6/30.

Strong Network and Distribution Positions

Retransmission Revenue (\$ in millions)



**MVPD
Subscribers
Renewal
Schedule**

56% - 2020

24% - 2021

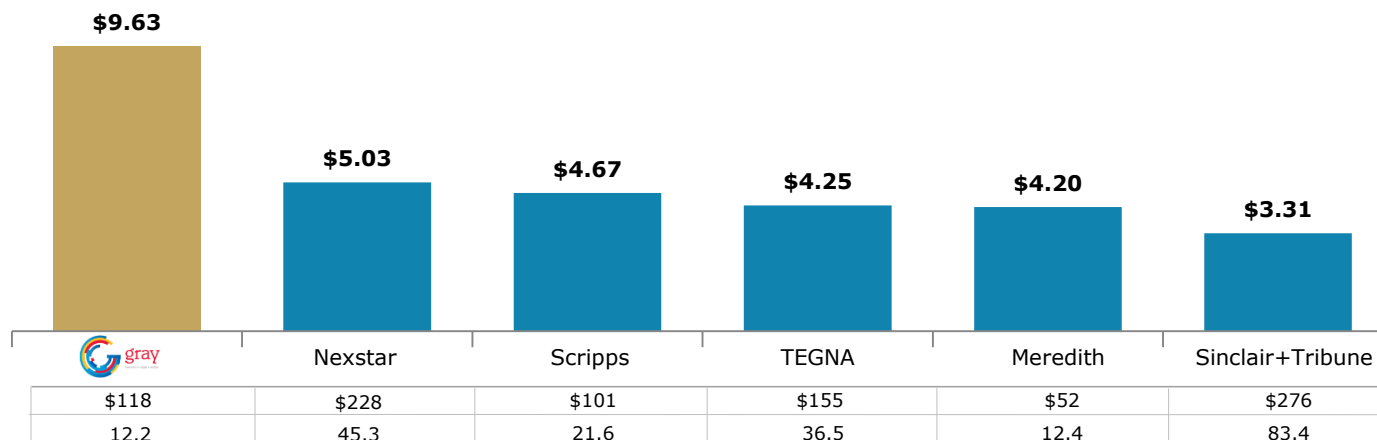
20% - 2022

**Long-term
network
affiliation
agreements**



Well Positioned for Political Revenue

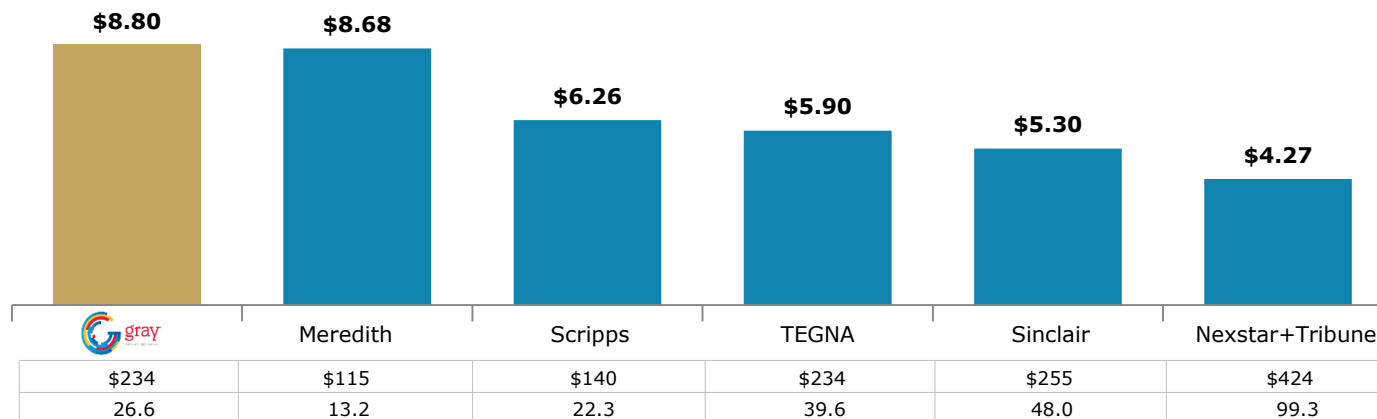
2016 Political Revenue Per TV Household



2016 Political Revenue
2016 TV Households

Revenue per company filings shown in millions of dollars. TV Household estimates from Comscore shown in millions. Gray data is CHB for all transactions completed as of 12/31/16. Meredith is based on calendar year ended 12/31/16; fiscal year ends 6/30. Nexstar is shown pro forma for Media General acquisition.

2018 Political Revenue Per TV Household



2018 Political Revenue
2018 TV Households

Revenue per company filings shown in millions of dollars. TV Household estimates from Comscore shown in millions. Gray data is CHB for all transactions completed as of 12/31/18. Meredith is based on calendar year ended 12/31/18; fiscal year ends 6/30. Nexstar/Tribune is shown on a combined basis prior to announced divestitures.

2019-20 Presents Attractive Opportunity

Campaigns & Elections

POLITICAL AD SPENDING EXPECTED TO HIT \$10B IN 2020

© Jun 5, 2019 By C&E Staff

Gray Television Political Advertising Revenue

2016 CHB:	\$186 million
2017 CHB:	\$31 million
2018 CHB:	\$235 million
2019 CHB:	\$68 million
2020 Guide:	\$250-\$275 million

Gray's Local News Stations Located Throughout the Most Competitive Political Areas in 2020

February 2020 Presidential Nominating Contests

Gray Stations in All Four Races – IA, NH, NV and SC

2020 Presidential Election

Gray Stations in 12 of 13 Lean or Toss-Up Electoral College Contests (per Cook Political Report) - AZ, FL, GA, IA, ME-02, MI, MN, NE-02, NH, NC, OH, WI

2020 Gubernatorial Races

Gray Stations in 7 of 11 States with Races – IN, MO, NC, ND, NH, VT, and WV.

2020 Senate Races

Gray Stations in All 8 Most Competitive Races (per Cook Political Report) - AL, AZ, CO, GA, KS, ME, MI, NC and TX

2020 House Races

*All Districts, All Markets
16 Districts with No Incumbent Running
12 Districts that voted for Trump in 2016 with Democrat Representatives in 2020*

Successful Digital Ventures



Significant Growth for Gray's O&O Digital Platforms in 2019 over 2018 (CHB Basis):

- ↑ **20% Increase in Sessions**
- ↑ **31% Increase in Video Plays**
- ↑ **32% Increase in Unique Viewers**

Gray Surpassed 100 Million Unique Monthly Viewers Across All Platforms in December 2019

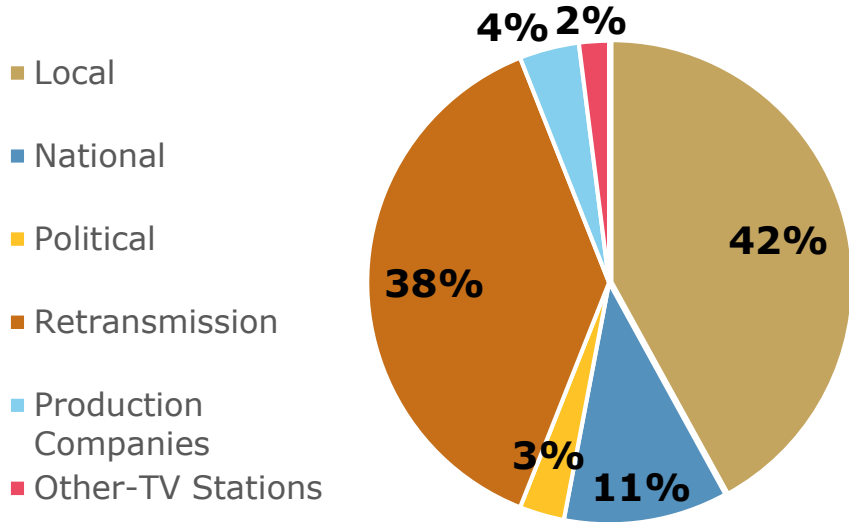


- **Premion delivers brand-safe CTV and OTT impressions at scale, with full transparency for advertisers, across 125+ premium networks**
- **Gray is a minority owner of Premion and is rolling out Premion's inventory to all of Gray's stations during 2020**

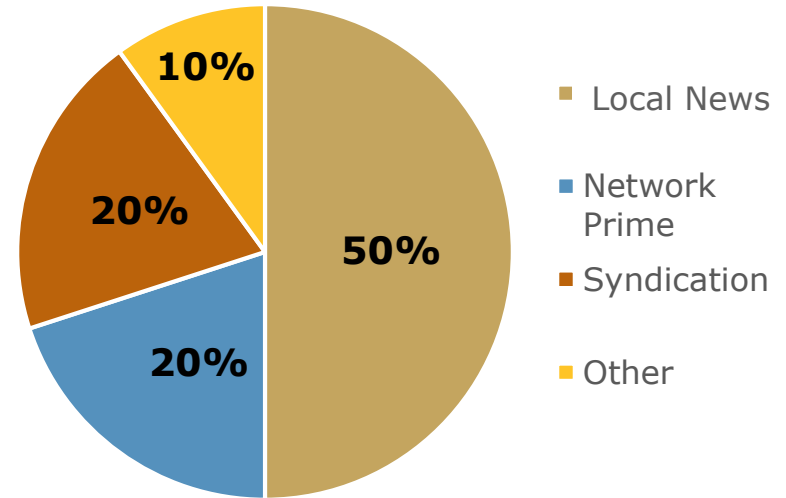


Diversified Revenue

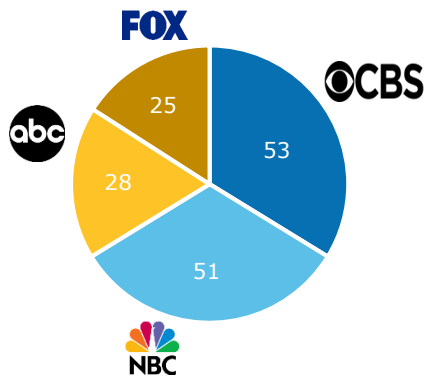
2019 CHB Revenues



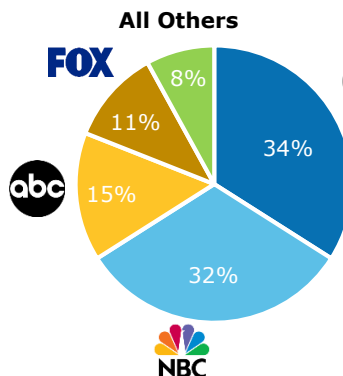
Approximate Advertising Revenue Contributors



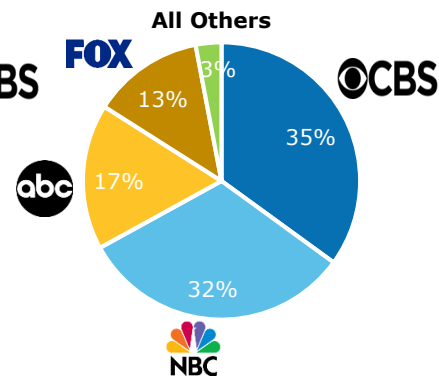
2019 Big 4 Affiliate Revenue



2019 CHB Revenues



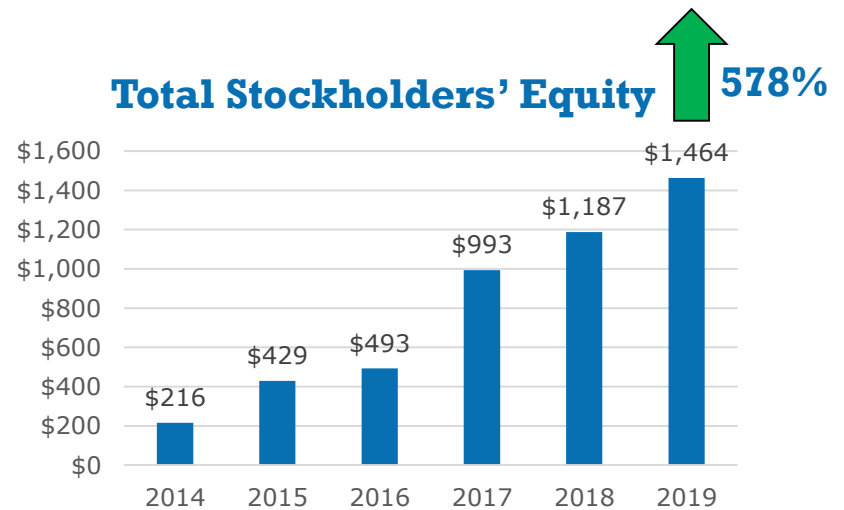
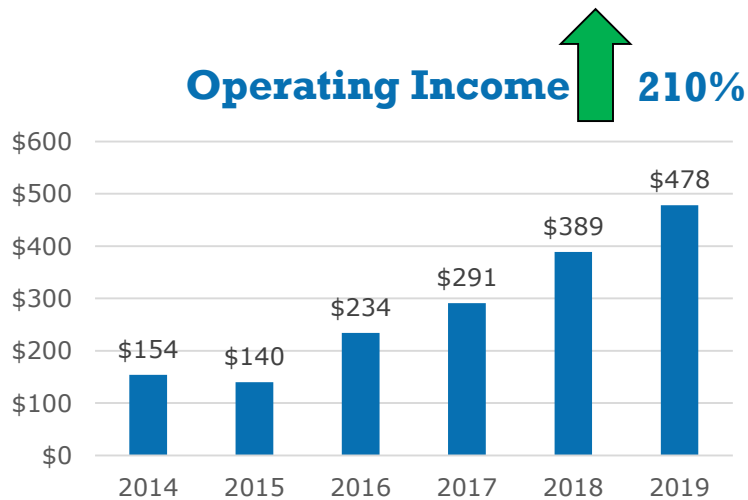
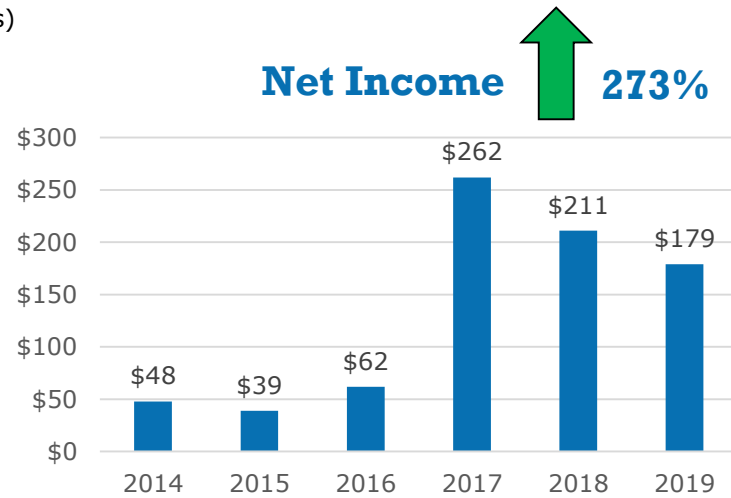
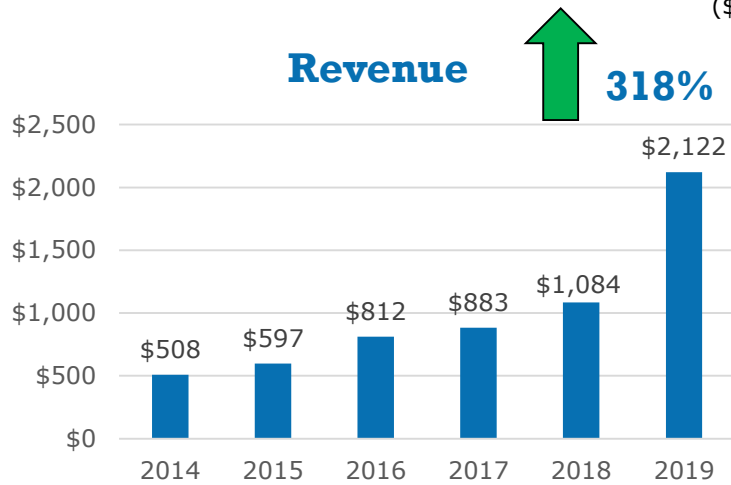
2019 CHB Broadcast Cash Flow



Consistent Growth (As Reported Basis)



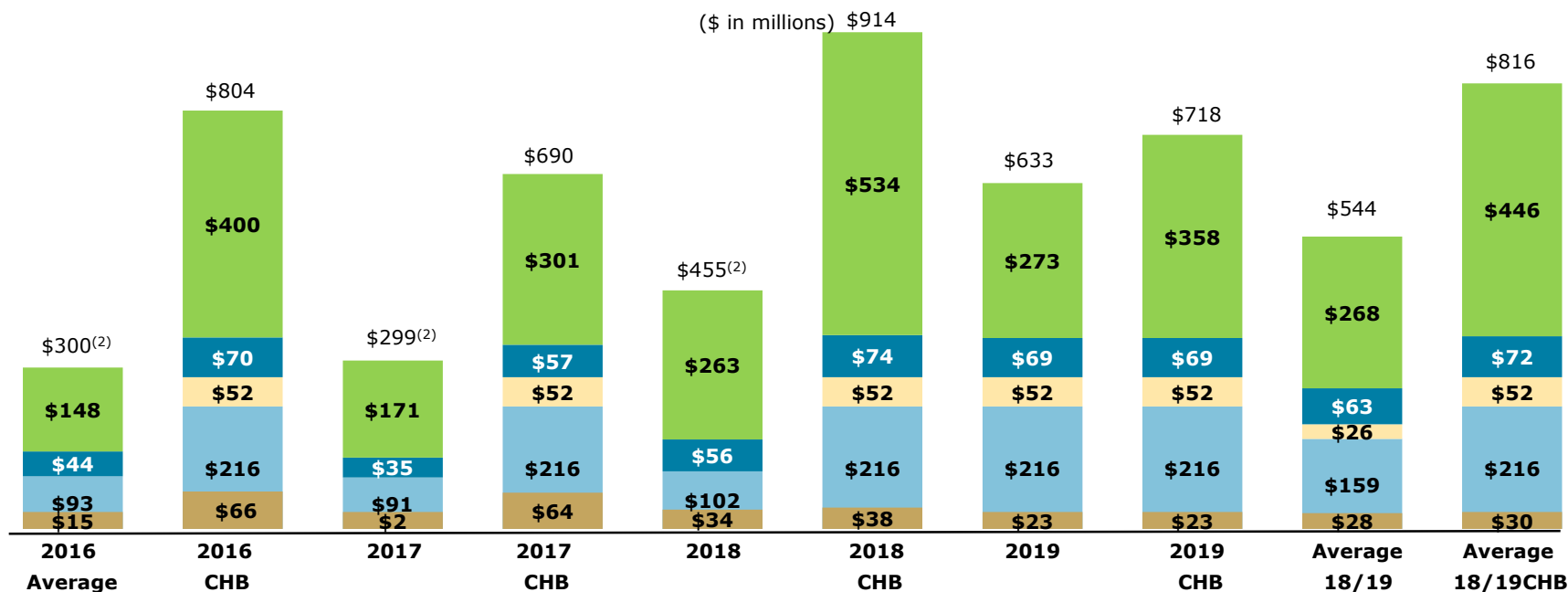
(\$ in millions)



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	2018/2019 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 \$2.83 \$4.45
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 49% 55%



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

(1) Interest expense 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



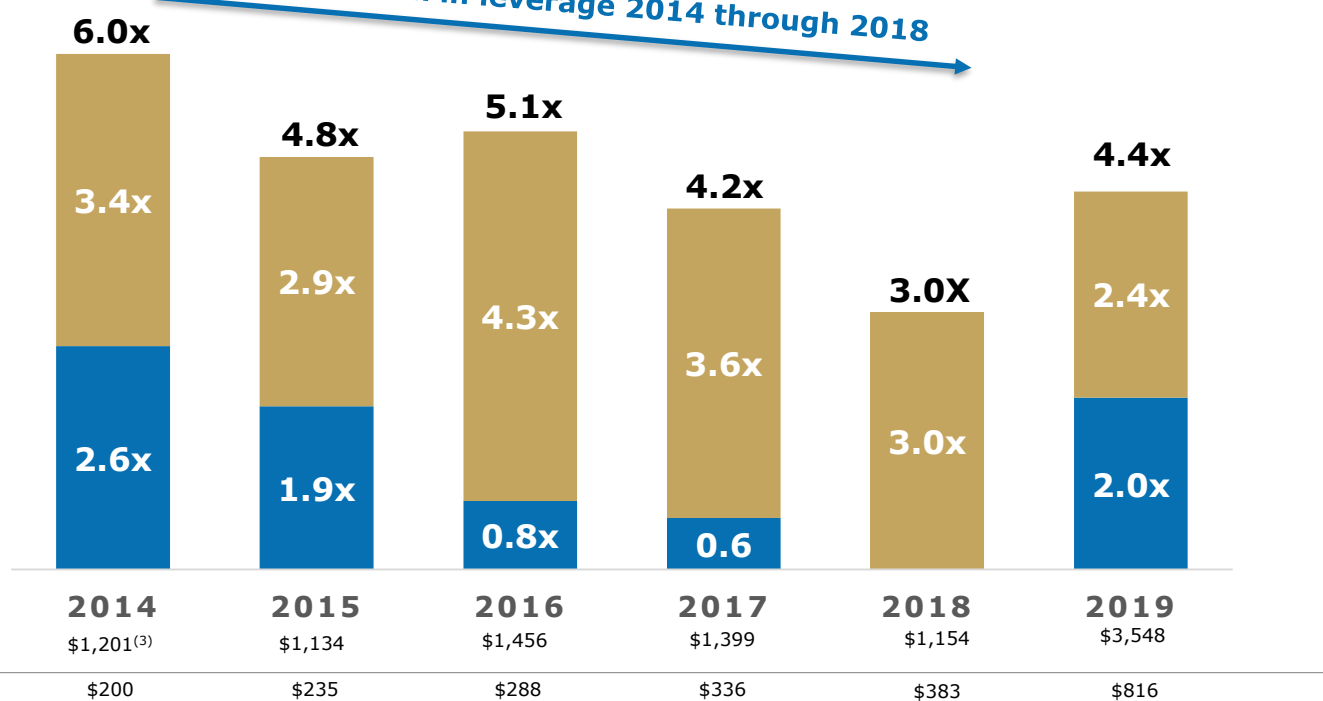
Financial Leverage Net of All Cash (As Reported Basis)

**Guidance
YE 2020 Net
Leverage Ratio:**

3.7x – 3.8x

Projected total debt
(excluding preferred
stock) net of all cash,
assuming no M&A or
capital returns to
shareholders, on trailing
8-quarter basis

3.0x reduction in leverage 2014 through 2018



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, total debt netting all cash includes \$10 million in undrawn letters of credit

(4) Last eight quarter average OCF as calculated in the applicable quarterly compliance certificate

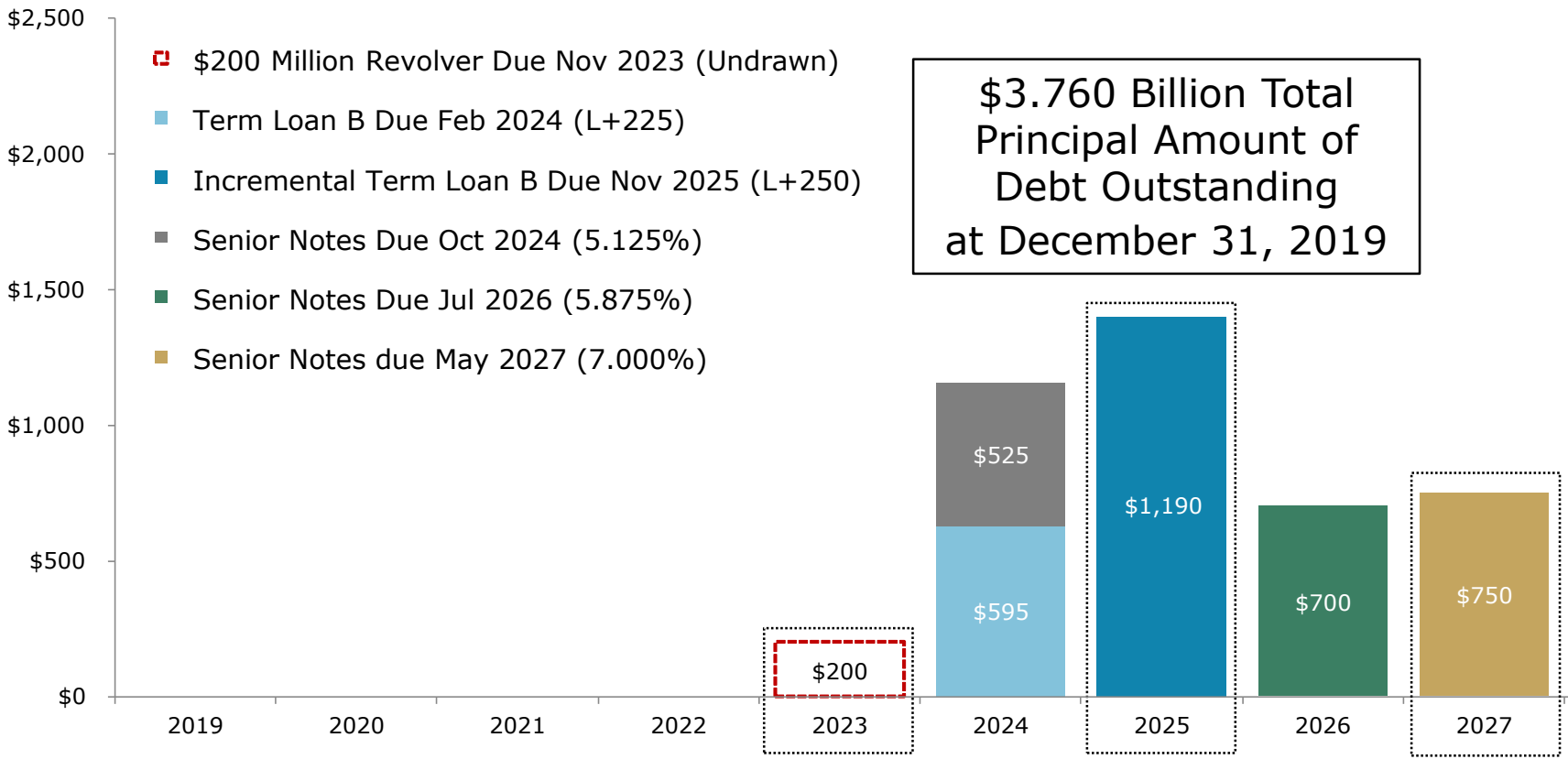
■ **Secured Debt Netting All Cash⁽¹⁾ / OCF⁽²⁾**

■ **Unsecured Debt / OCF⁽²⁾**

Staggered Debt Maturity Profile

No Significant Maturities until 2024

(\$ in Millions)



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

As Reported Year-End



	Year Ended December 31,				
	2019	2018	% Change 2019 to 2018	2017	% Change 2019 to 2017
	(dollars in millions)				
Revenue (less agency commissions):					
Broadcast	\$ 2,035	\$ 1,084	88 %	\$ 883	130 %
Production companies	\$ 87	\$ -		\$ -	
Total revenue	\$ 2,122	\$ 1,084	96 %	\$ 883	140 %
Political	\$ 68	\$ 155	(56)%	\$ 16	325 %
Operating expenses (1)(3):					
Broadcast	\$ 1,325	\$ 596	122 %	\$ 558	137 %
Production companies	\$ 74	\$ -		\$ -	
Corporate and administrative	\$ 104	\$ 41	154 %	\$ 32	225 %
Net income	\$ 179	\$ 211	(15)%	\$ 262	(32)%
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow (3)	\$ 729	\$ 493	48 %	\$ 329	122 %
Broadcast Cash Flow Less Cash Corporate Expenses (3)	\$ 636	\$ 457	39 %	\$ 302	111 %
Free Cash Flow	\$ 273	\$ 263	4 %	\$ 171	60 %
Transaction related expenses included in operating expenses (4):					
Broadcast	\$ 45	\$ 3		\$ 3	
Production companies	\$ -	\$ -		\$ -	
Corporate and administrative	\$ 34	\$ 8		\$ 1	

Unaudited figures above.

(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) Amounts in 2017 have been reclassified for the implementation of Accounting Standards Update 2017-07, *Compensation – Retirement Benefits* (Topic 715) – *Improving the Presentation of Net Periodic Pension Cost and Net Postretirement Benefit Cost* (“ASU 2017-07”).

(4) 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.

	Year Ended December 31,				
	2019	2018	% Change 2019 to 2018	2017	% Change 2019 to 2017
	(dollars in millions)				
Revenue (less agency commissions):					
Broadcast	\$ 2,044	\$ 2,110	(3)%	\$ 1,813	13 %
Production companies	\$ 87	\$ 86	1 %	\$ 85	2 %
Total revenue	\$ 2,131	\$ 2,196	(3)%	\$ 1,898	12 %
Political	\$ 68	\$ 235	(71)%	\$ 31	119%
Operating expenses (2) (3):					
Broadcast	\$ 1,335	\$ 1,248	7 %	\$ 1,181	13 %
Production companies	\$ 74	\$ 74	0 %	\$ 71	4 %
Corporate and administrative	\$ 104	\$ 85	22 %	\$ 64	63 %
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow(3)	\$ 779	\$ 894	(13)%	\$ 666	17 %
Broadcast Cash Flow Less Cash Corporate Expenses	\$ 687	\$ 822	(16)%	\$ 612	12 %
Operating Cash Flow as Defined in our Senior Credit Agreement	\$ 718	\$ 914	(21)%	\$ 690	4 %
Free Cash Flow	\$ 358	\$ 534	(33)%	\$ 301	19 %
Transaction related expenses included in operating expenses (4):					
Broadcast	\$ 45	\$ 3		\$ 3	
Production companies	\$ -	\$ -		\$ -	
Corporate and administrative	\$ 34	\$ 14		\$ 1	

Unaudited figures above.

(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.

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

Non-GAAP Reconciliation

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

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

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	12	12	12
Amortization of net original issue discount (premium) on senior notes	(1)	(1)	(1)
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 December 31, 2019	
	\$	
Net income	\$	390
Adjustments to reconcile from net income to operating cash flow as defined in our Senior Credit Agreement:		
Depreciation		134
Amortization of intangible assets		136
Non-cash stock-based compensation		22
(Gain) loss on disposals of assets, net		(72)
Interest expense		334
Income tax expense		153
Amortization of program broadcast rights		61
Common stock contributed to 401(k) plan		9
Payments for program broadcast rights		(65)
Pension expense		(1)
Contributions to pension plans		(6)
Adjustments for stations acquired or divested, financings and expected synergies during the eight quarter period		447
Transaction Related Expenses		91
Operating Cash Flow as defined in our Senior Credit Agreement	\$	1,633
Operating Cash Flow as defined in our Senior Credit Agreement, divided by two	\$	816
		December 31, 2019
Adjusted Total Indebtedness:		
Total outstanding principal, including current portion	\$	3,760
Cash (unrestricted)		(212)
Adjusted Total Indebtedness, Net of All Cash	\$	3,548
Total Leverage Ratio, Net of All Cash		4.35

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

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 Raycom, 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 or Raycom's, as applicable, 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.



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