



gray

Television • Digital • Mobile

Gray Television, Inc. Investor Presentation

NYSE:GTN

November 2019

Updated for September 30, 2019 Financial Information

Leading the Industry with the Highest Quality Portfolio of Local Television Stations



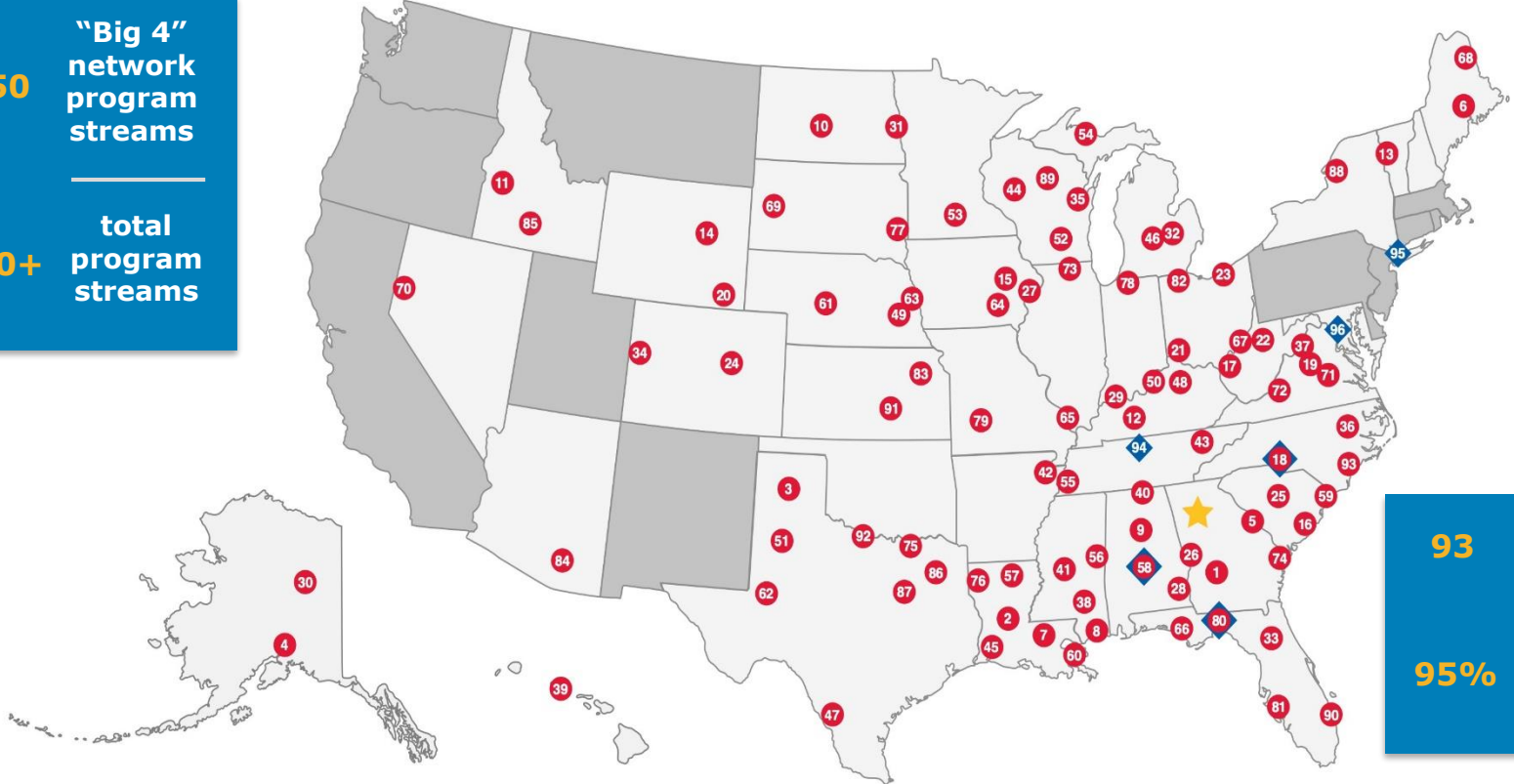
NOTES: Financial data reflects results “as reported” except where “Combined Historical Basis” (or “CHB”) is noted. Revenue is presented net of agency commissions. Ratings data derived from Comscore, Inc. (“Comscore”). “Completed Transactions” includes all acquisitions or dispositions completed as of September 30, 2019, except for the acquisition of KDLT, which closed on September 25, 2019. See Glossary at end for definitions.

If Appendix is not included, see full presentation located at www.gray.tv for Non-GAAP Reconciliations.

Gray Television's National Footprint

150 "Big 4" network program streams

400+ total program streams



93 markets

95% markets with #1 or #2 ranked TV station

- 1 Albany, GA (154) **WALB, WGCW**
- 2 Alexandria, LA (178) **KALB**
- 3 Amarillo, TX (132) **KFDA, KEYU**
- 4 Anchorage, AK (151) **KTUU, KYES**
- 5 Augusta, GA (108) **WRDW, WAGT**
- 6 Bangor, ME (159) **WABI**
- 7 Baton Rouge, LA (94) **WAFB, WBXH**
- 8 Biloxi-Gulfport, MS (155) **WLOX**
- 9 Birmingham, AL (44) **WBRC**
- 10 Bismarck, ND (146) **KFYR, KMOT, KQCD, KUMY**
- 11 Boise, ID (102) **KNIN**
- 12 Bowling Green, KY (177) **WBKO**
- 13 Burlington, VT (96) **WCAX, WYCI***
- 14 Casper, WY (199) **KCWY**
- 15 Cedar Rapids, IA (90) **KCRG**
- 16 Charleston, SC (91) **WCSC**
- 17 Charleston-Huntington, WV (74) **WSAZ, WQCW**
- 18 Charlotte, NC (21) **WBTV**
- 19 Charlottesville, VA (182) **WVIR**
- 20 Cheyenne, WY (196) **KGWN, KCHY, KSTF**

- 21 Cincinnati, OH (37) **WXIX**
- 22 Clarksburg, WV (173) **WDTV, WVF3**
- 23 Cleveland, OH (19) **WOIO, WUAB**
- 24 Colorado Springs, CO (85) **KKTV**
- 25 Columbia, SC (75) **WIS**
- 26 Columbus, GA (130) **WTVM**
- 27 Davenport, IA (103) **KWQC**
- 28 Dothan, AL (171) **WTVY, WRGX**
- 29 Evansville, IN (105) **WFIE**
- 30 Fairbanks, AK (203) **KTVF, KXDF, KF3F**
- 31 Fargo, ND (116) **KVLY, KXJB**
- 32 Flint, MI (77) **WJRT**
- 33 Gainesville, FL (156) **WCJB**
- 34 Grand Junction, CO (188) **KKCO, KJCT**
- 35 Green Bay, WI (67) **WBAY**
- 36 Greenville, NC (100) **WITN**
- 37 Harrisonburg, VA (175) **WHSV, WSVF, WSVW**
- 38 Hattiesburg, MS (167) **WDAM**
- 39 Honolulu, HI (66) **KHNL, KGMB, KHCB, KOGG**
- 40 Huntsville, AL (78) **WAFF**

- 41 Jackson, MS (95) **WLBT**
- 42 Jonesboro, AR (183) **KAJT**
- 43 Knoxville, TN (61) **WVLT, WBXX**
- 44 La Crosse - Eau Claire, WI (129) **WEAU**
- 45 Lake Charles, LA (170) **KPLC**
- 46 Lansing, MI (112) **WLXL**
- 47 Laredo, TX (184) **KGNS, KYLX, KXNU**
- 48 Lexington, KY (64) **WKYT, WYMT**
- 49 Lincoln, NE (107) **KOLN, KSNB, KGIN, KCWH**
- 50 Louisville, KY (48) **WAVE**
- 51 Lubbock, TX (142) **KCBD**
- 52 Madison, WI (81) **WMTV**
- 53 Mankato, MN (198) **KEYC, KMNF**
- 54 Marquette, MI (180) **WLUC**
- 55 Memphis, TN (51) **WMC**
- 56 Meridian, MS (190) **WTOK**
- 57 Monroe, LA (140) **KNOE**
- 58 Montgomery, AL (122) **WSFA**
- 59 Myrtle Beach, SC (97) **WMBF**
- 60 New Orleans, LA (50) **WWUE**

- 61 North Platte, NE (209) **KNOP, KNPL, KIIT**
- 62 Odessa, TX (145) **KOSA, KCWO, KTLF**
- 63 Omaha, NE (71) **WOWT**
- 64 Ottumwa, IA (201) **KYOU**
- 65 Paducah, KY - Cape Girardeau, MO (84) **KFVS**
- 66 Panama City, FL (149) **WJHG, WPCP**
- 67 Parkersburg, WV (193) **WTAR, WIVE, WOVA**
- 68 Presque Isle, ME (206) **WAGM, WWPI**
- 69 Rapid City, SD (169) **KOTA, KEVN, KHSD, KSGW**
- 70 Reno, NV (104) **KOLO**
- 71 Richmond, VA (54) **WWBT, WUPV**
- 72 Roanoke, VA (69) **WDBJ, WZB3**
- 73 Rockford, IL (138) **WIFR**
- 74 Savannah, GA (89) **WTOG**
- 75 Sherman, TX (158) **KXII, KXIP**
- 76 Shreveport, LA (86) **KSLA**
- 77 Sioux Falls, SD (113) **KSFY, KDLT, KPRY, KDLY**
- 78 South Bend, IN (98) **WNDU**
- 79 Springfield, MO (73) **KYTV, KSPR, K17DL, KYCW**
- 80 Tallahassee, FL (109) **WCTV, WFXU**

- 81 Tampa-St. Pete (Sarasota), FL (12) **WWSB**
- 82 Toledo, OH (80) **WTVG**
- 83 Topeka, KS (144) **WIBW**
- 84 Tucson, AZ (65) **KOLD**
- 85 Twin Falls, ID (191) **KMVT, KSVT**
- 86 Tyler, TX (114) **KLTV, KTRE**
- 87 Waco, TX (82) **KWTX, KBTX, KNCT**
- 88 Watertown, NY (181) **WNNY, WNYF**
- 89 Wausau, WI (134) **WSAW, WZAW**
- 90 West Palm Beach, FL (36) **WFLX**
- 91 Wichita, KS (72) **KWCH, KSCW, KBSD, KBSL, KBSH**
- 92 Wichita Falls, TX (147) **KSWO, KKTM**
- 93 Wilmington, NC (127) **WECT**
- 18 Charlotte, NC **Raycom Sports**
- 58 Montgomery, AL **Operations, Shared Services**
- 80 Tallahassee, FL **Operations, Shared Services**
- 94 Nashville, TN **RTM Studios, Circle Media**
- 95 New York, NY **Tupelo Raycom**
- 96 Washington, DC **Gray DC Bureau, Full Court Press**
- ★ Atlanta, GA **Gray Corporate Headquarters**

Recognized Industry Leader



Top Ranked Stations

**All-Day Ratings for
All US TV Stations
November 2018**

**#1 Ranked ABC Station
#1 Ranked CBS Station
#1 Ranked NBC Station**

**3 of the Top 4 stations
6 of the Top 10 stations
17 of the Top 25 stations
20 of the Top 50 stations**

Top Ranked 6PM Local Newscasts

**Newscast Ratings for
All US TV Stations
November 2018**

**#1 Ranked ABC Station
#1 Ranked CBS Station
#1 Ranked NBC Station**

**3 of the Top 3 stations
6 of the Top 10 stations
13 of the Top 20 stations
27 of the Top 50 stations**

2019

**NAB Leadership
Foundation's Service
to America Awards:
Winner, Small Market
Category, and 5 of 6
Finalists in Medium
and Small Market
Categories**

**57 Regional Edward
R. Murrow Awards**

**Two First Place,
2019 Headliner
Awards**

**Three Sigma Delta Chi
Awards, Society of
Professional
Journalists**

Gray + Raycom: A Highly Complimentary Combination



Selected Highlights of transaction, which closed effective January 2, 2019:

- Doubled the size of Gray from roughly \$1 billion to more than \$2 billion in annual net revenue; increased 17/18 average Free Cash Flow by over 66%
- Brought Gray into larger markets including Tampa/St. Petersburg, Charlotte, Cleveland, Cincinnati, West Palm Beach and Birmingham
- Expanded Gray's reach in political battleground markets in FL, AZ, OH, VA, NC, and SC
- Secured \$85 million of expected year-1 annualized synergies
- Provided new diversification into sports, events, and video production businesses
- Provided scale needed to launch a new nationally syndicated weekly political show, a new 24/7 premier multicast and OTT network, and new programming content for local stations
- Purchase price represented a multiple of ~7.8x blended '17 / '18E CHB OCF, including the expected \$85 million of year-1 annualized synergies and \$136 million estimated NPV of Raycom's NOLs

Power of A Strong Portfolio

#1

#2

87/93 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

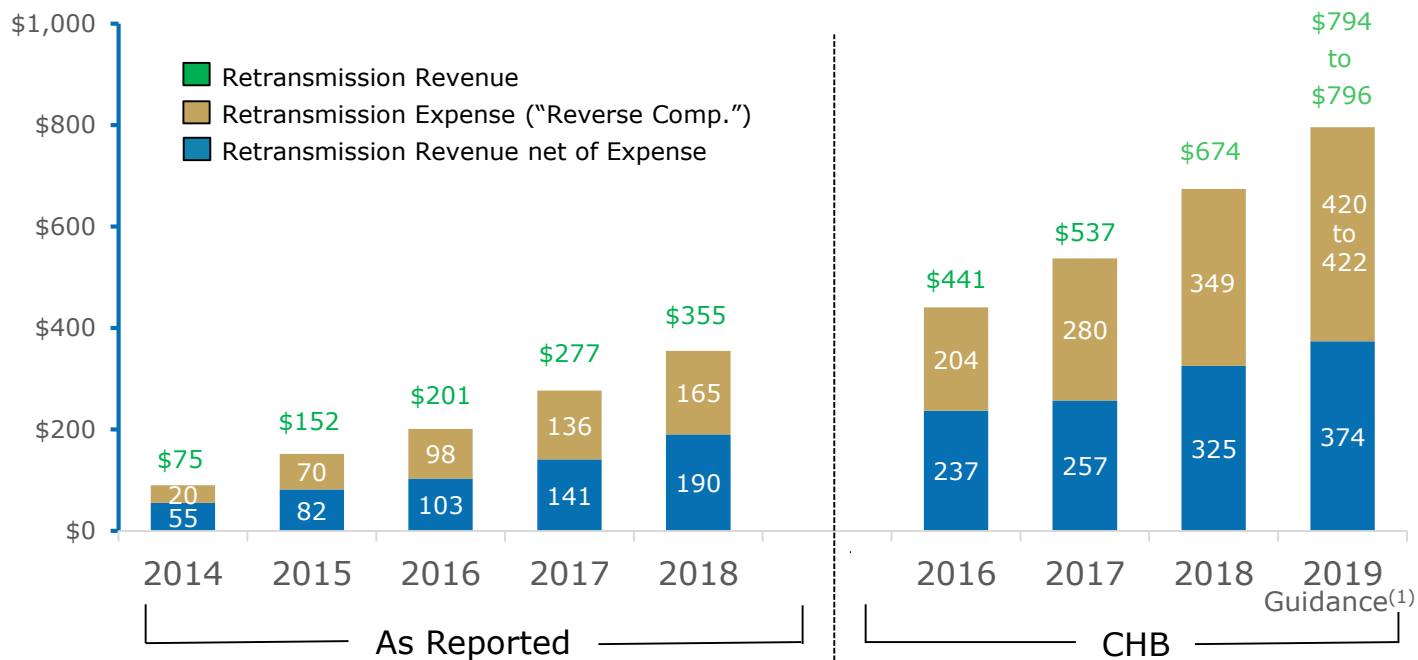
2018 Broadcast Revenue
2018 TV Households

	\$2,081	\$846	\$2,715	\$2,207	\$4,765	\$917
	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. 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.

Strong Network and Distribution Positions

Retransmission Revenue (\$ in millions)



**MVPD
Subscribers
Renewal
Schedule**

22% at YE 2019

56% at YE 2020

22% at YE 2021

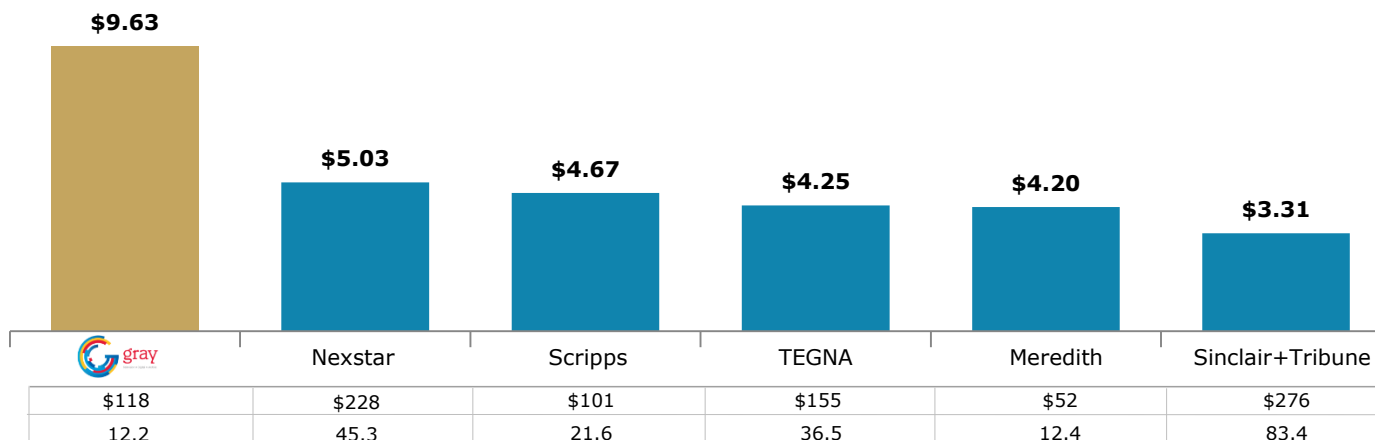
**Long-term
network
affiliation
agreements**



(1) Estimated full year 2019, as of the date of this presentation.

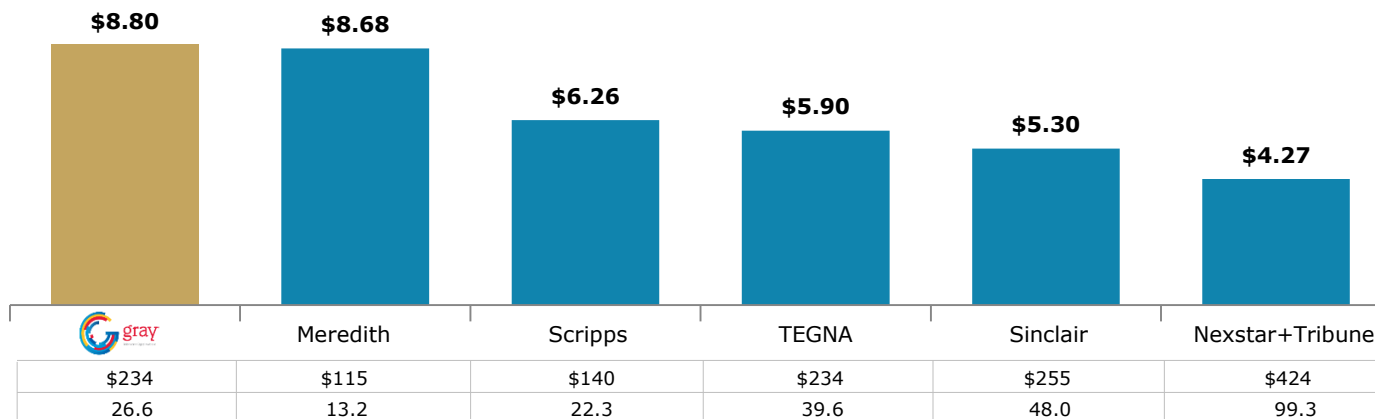
Well Positioned for Political Revenue

2016 Political Revenue Per TV Household



Revenue per company filings shown in millions of dollars. TV Household estimates from Comscore shown in millions. Gray data is CHB. 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



Revenue per company filings shown in millions of dollars. TV Household estimates from Comscore shown in millions. Gray data is CHB. 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

POLITICO

2020 ELECTIONS

Trump's general election brawl to drive record advertising

Advertising Analytics, a political ad-tracking firm, projects a total of \$6 billion in TV and digital video advertising in 2019 and 2020.

By ELENA SCHNEIDER | 07/02/2019 05:03 AM EDT

2019-20: Gray Serves Most of the Most Competitive Political Markets

2019 Gubernatorial Races

Gray Stations in All Three Races – KY, LA, MS

February 2020 Presidential Nominating Contests

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

2020 Presidential Election

Gray Stations in 13 of 14 Lean or Toss-Up Electoral College Contests (per Cook Political Reports) - AZ, CO, 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. (Two states have two races.)

2020 34 Senate Races

Gray Stations in All 9 Most Competitive Races (per CNBC.com) - AL, AZ, CO, GA, ME, MI, NH, NC and TX

2020 535 House Races

All Markets

Successful Digital Media Initiatives

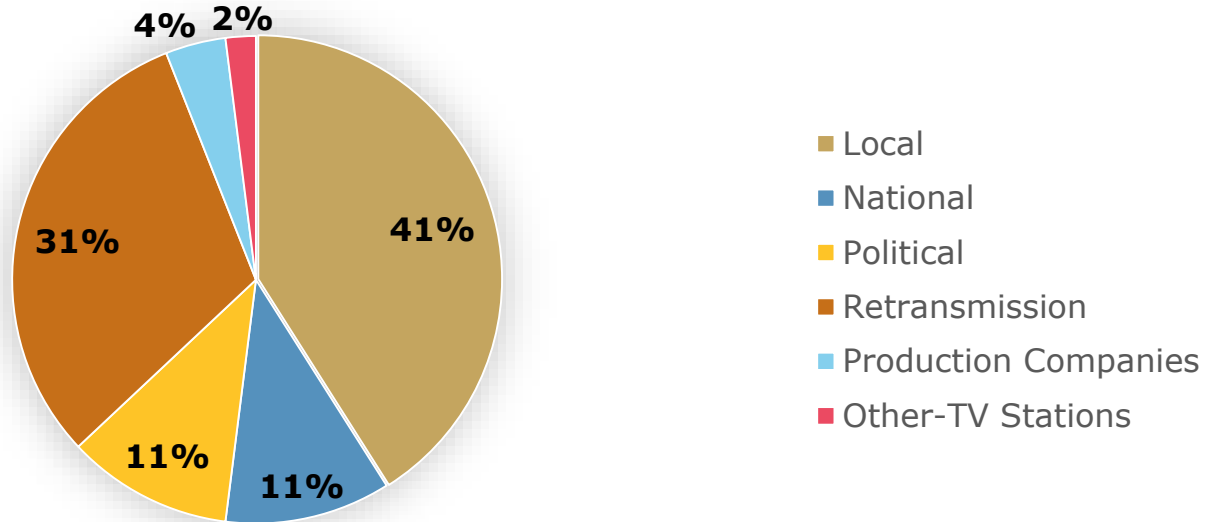
Third Quarter 2019:

- ✓ **Over 2.4 Billion** Pageviews across Desktop, Mobile and App Platforms
- ✓ **Over 88 Million** Average Monthly Web Users
- ✓ **Over 112 Million** Video Plays Across All Digital Platforms

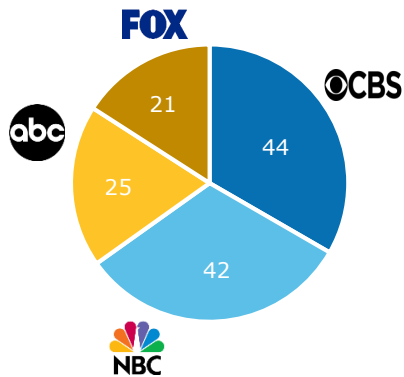


Diversified Revenue

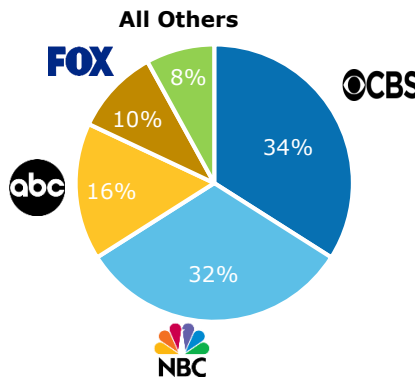
2018 CHB Revenue



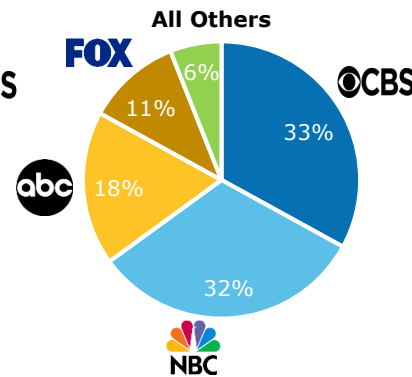
Markets



Revenues



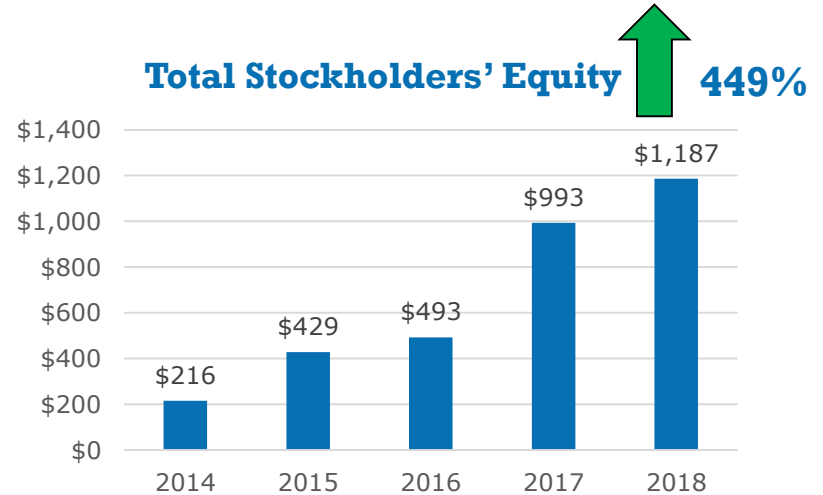
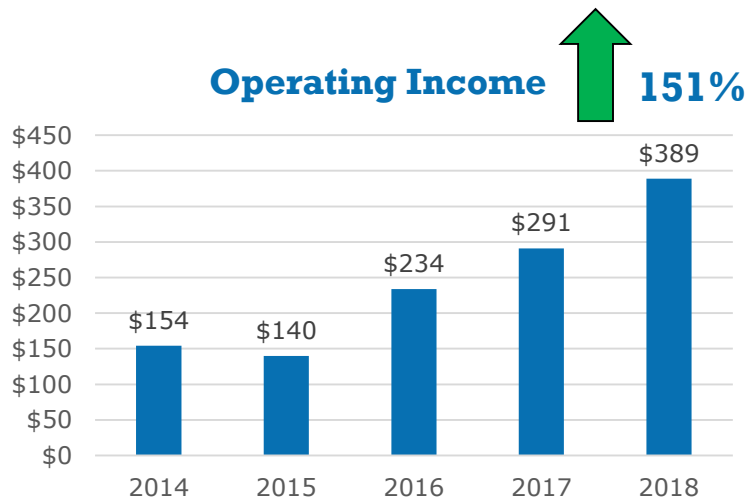
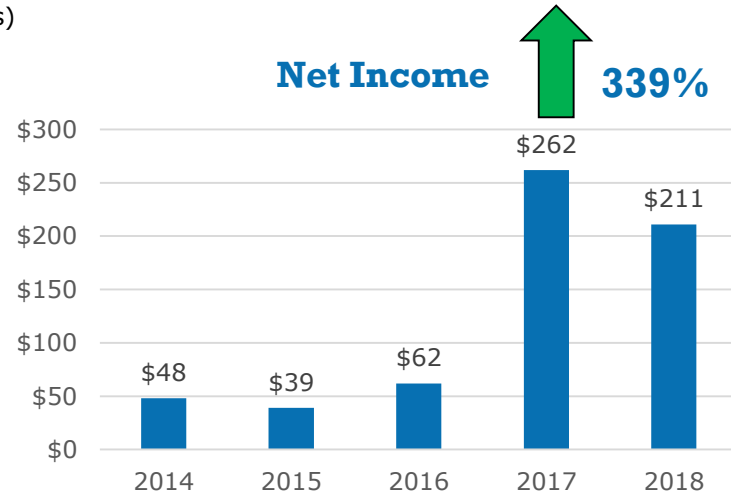
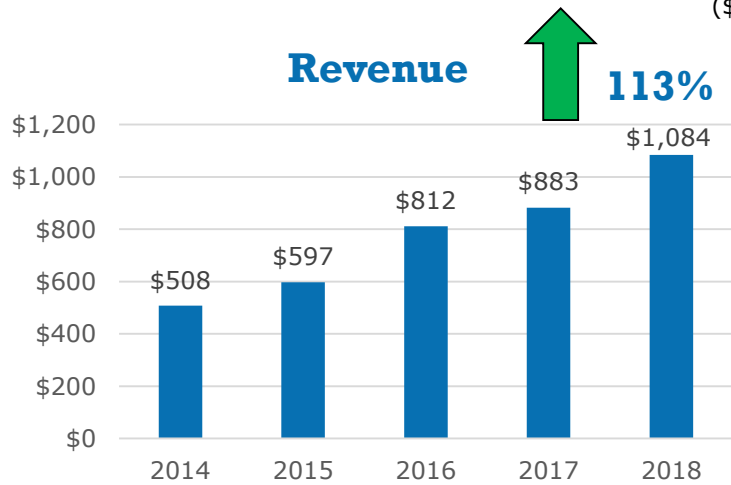
Broadcast Cash Flow



Consistent Growth from Superior Execution and Accretive Acquisitions – 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

2017/2018 Average

FCF Per Diluted Share
\$2.04 \$4.70

FCF Per Diluted Share
\$2.32 \$3.48

FCF Per Diluted Share
\$2.96 \$5.25

FCF Per Diluted Share
\$2.67 \$4.44

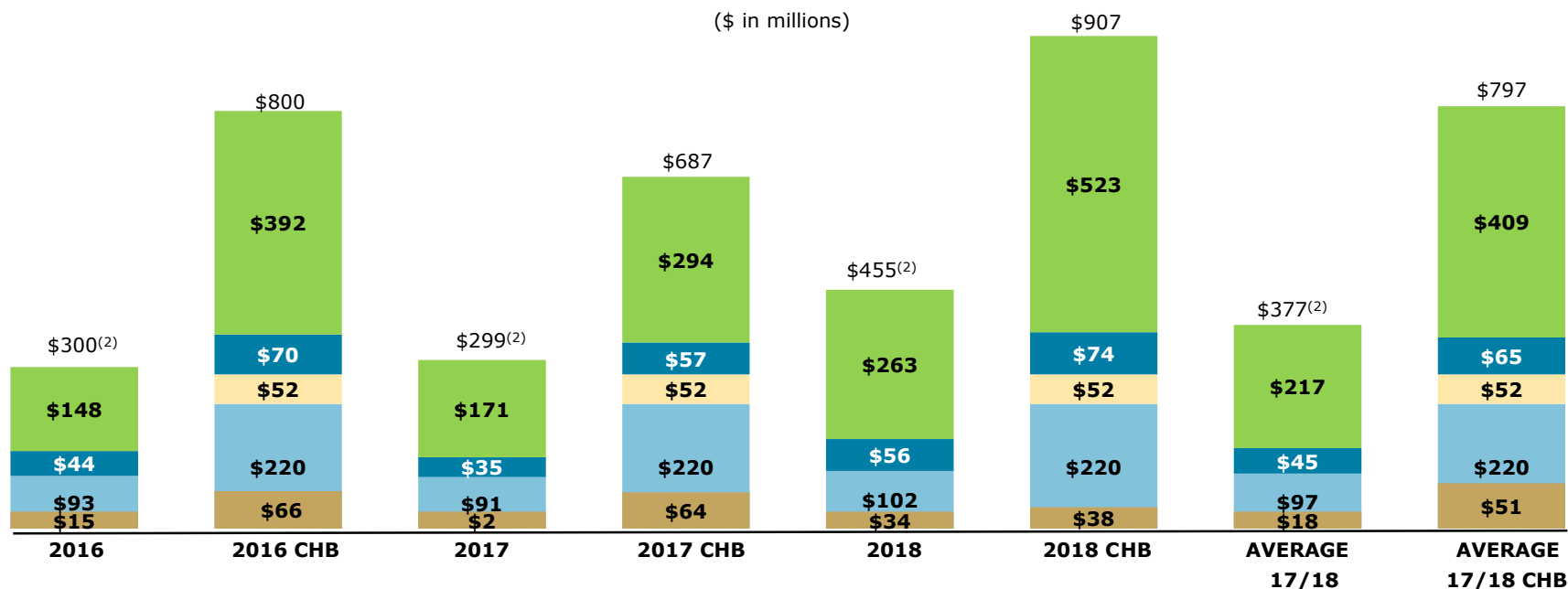
FCF as a Percentage of OCF
50% 49%

FCF as a Percentage of OCF
57% 43%

FCF as a Percentage of OCF
58% 58%

FCF as a Percentage of OCF
58% 51%

(\$ in millions)



■ 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

New Combined Scale



	As-Reported Basis				
	Nine Months Ended September 30,				
	2019	2018	% Change 2019 to 2018	2017	% Change 2019 to 2017
	(dollars in millions)				
Revenue (less agency commissions):					
Broadcast	\$ 1,481	\$ 756	96 %	\$ 649	128 %
Production companies	62	-		-	
Total revenue	<u>\$ 1,543</u>	<u>\$ 756</u>	104 %	<u>\$ 649</u>	138 %
Political advertising	\$ 30	\$ 72	(58)%	\$ 9	233 %
Operating expenses (1)(3):					
Broadcast	\$ 986	\$ 437	126 %	\$ 407	142 %
Production companies	\$ 57	\$ -		\$ -	
Corporate and administrative	\$ 83	\$ 30	177 %	\$ 24	246 %
Net income attributable to common stockholders	\$ 46	\$ 123	(63)%	\$ 96	(52)%
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow (3)	\$ 500	\$ 321	56 %	\$ 243	106 %
Broadcast Cash Flow Less Cash Corporate Expenses (3)	\$ 424	\$ 294	44 %	\$ 222	91 %
Free Cash Flow	\$ 165	\$ 165	0 %	\$ 131	26 %
Transaction related expenses included in operating expenses (4):					
Broadcast	\$ 38	\$ 3		\$ 2	
Production companies	\$ -	\$ -		\$ -	
Corporate and administrative	\$ 34	\$ 6		\$ 1	

(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.

New Combined Scale



	Combined Historical Basis				
	Nine Months Ended September 30,				
	2019	2018	% Change 2019 to 2018	2017	% Change 2019 to 2017
	(dollars in millions)				
Revenue (less agency commissions):					
Broadcast	\$ 1,483	\$ 1,479	0 %	\$ 1,331	11 %
Production companies	\$ 62	\$ 64	(3)%	\$ 60	3 %
Total revenue	<u>\$ 1,545</u>	<u>\$ 1,543</u>	0 %	<u>\$ 1,391</u>	11 %
Political advertising	\$ 29	\$ 108	(73)%	\$ 17	71 %
Operating expenses (1)(3):					
Broadcast	\$ 988	\$ 906	9 %	\$ 863	14 %
Production companies	\$ 57	\$ 57	0 %	\$ 53	8 %
Corporate and administrative	\$ 84	\$ 54	56 %	\$ 43	95 %
Non-GAAP Cash Flow (2):					
Broadcast Cash Flow	\$ 540	\$ 585	(8)%	\$ 484	12 %
Broadcast Cash Flow Less Cash Corporate Expenses (3)	\$ 463	\$ 540	(14)%	\$ 448	3 %
Operating Cash Flow as defined in our Senior Credit Facility (3)	\$ 494	\$ 603	(18)%	\$ 508	(3)%
Free Cash Flow	\$ 238	\$ 331	(28)%	\$ 231	3 %
Transaction related expenses included in operating expenses (4):					
Broadcast	\$ 38	\$ 3		\$ 2	
Production companies	\$ -	\$ -		\$ -	
Corporate and administrative	\$ 34	\$ 6		\$ 1	

(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.

Successful Integration of Acquisitions And Meaningful Deleveraging

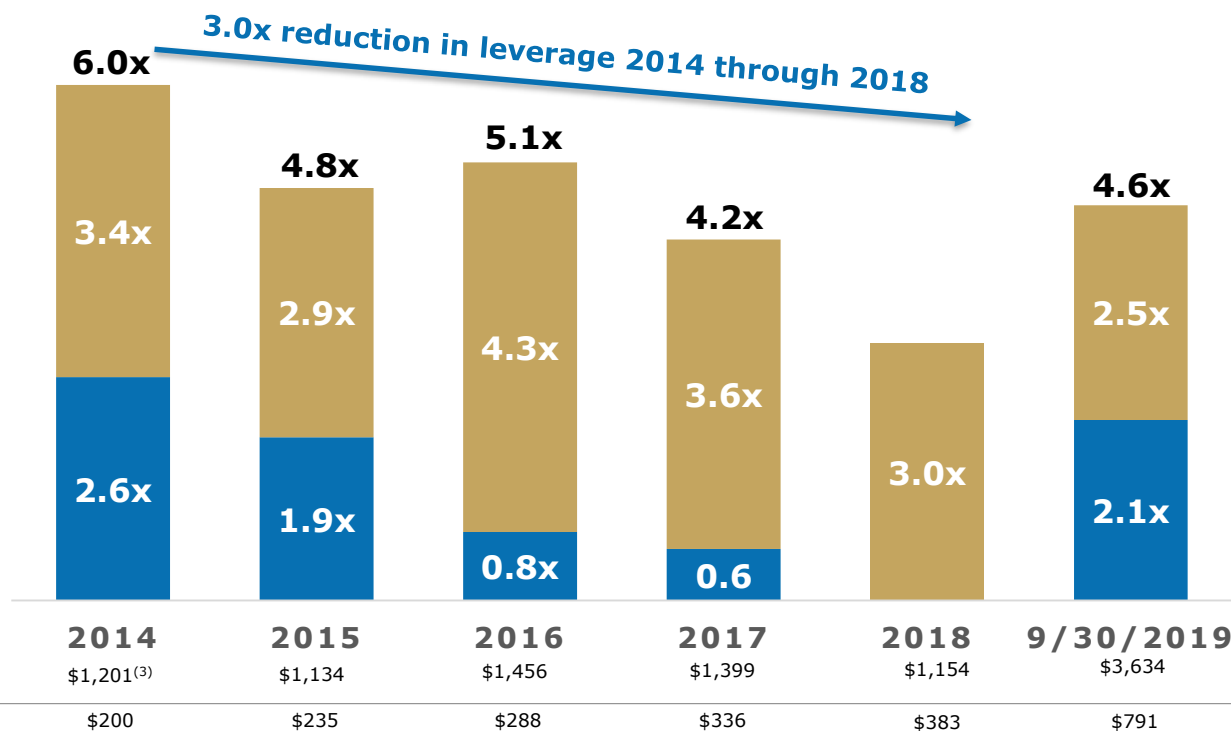


Financial Leverage Net of All Cash (As Reported Basis)

Projected L8Q Net Leverage Ratio*:

YE 2019: Lower 4.X
YE 2020: Mid 3.X

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



Year Ended December 31

Total debt netting all cash (in millions)

L8QA⁽⁴⁾ OCF⁽²⁾ (in millions)

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

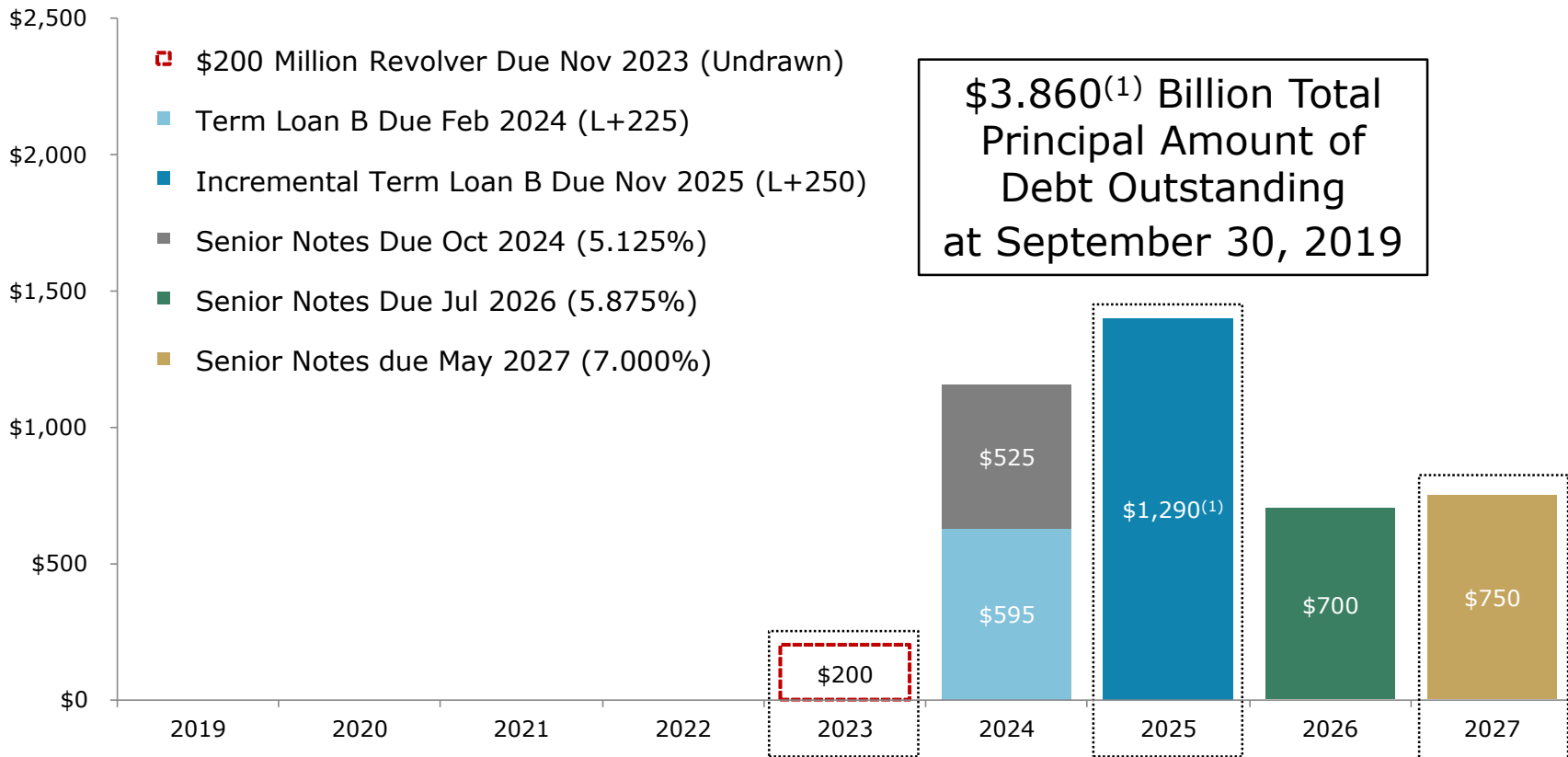
■ Secured Debt Netting All Cash⁽¹⁾ / OCF⁽²⁾

■ 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

(1) Includes \$100 Million voluntary pre-payment made November 1, 2019.



Appendix: Non-GAAP Reconciliations and Glossary

Non-GAAP Reconciliation



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

	Nine Months Ended		
	September 30,		
	2019	2018	2017
Net income	\$ 85	\$ 123	\$ 96
Adjustments to reconcile from net income to			
Free Cash Flow:			
Depreciation	60	41	39
Amortization of intangible assets	86	16	19
Non-cash stock based compensation	10	5	4
(Gain) loss on disposal of assets, net	(27)	(6)	(75)
Miscellaneous income, net (1)	(4)	(2)	-
Interest expense	173	74	71
Loss from early extinguishment of debt	-	-	3
Income tax expense	44	43	66
Amortization of program broadcast rights	30	16	15
Payments for program broadcast rights	(33)	(16)	(16)
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock based compensation	76	27	21
Broadcast Cash Flow (1)	500	321	243
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock based compensation	(76)	(27)	(21)
Broadcast Cash Flow Less Cash Corporate Expenses (1)	424	294	222
Contributions to pension plans	(3)	(3)	(1)
Interest expense	(173)	(74)	(71)
Amortization of deferred financing costs	9	3	3
Preferred dividends	(39)	-	-
Purchase of property and equipment	(73)	(35)	(21)
Reimbursements of property and equipment purchases	32	7	-
Income taxes paid, net of refunds	(12)	(27)	(1)
Free Cash Flow	\$ 165	\$ 165	\$ 131

(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 Combined Historical Basis, in millions

	Nine Months Ended September 30,		
	2019	2018	2017
Net income	\$ 87	\$ 163	\$ 113
Adjustments to reconcile from net income to Free Cash Flow:			
Depreciation	60	65	64
Amortization of intangible assets	86	88	96
Non-cash stock-based compensation	10	11	8
Loss on disposal of assets, net	(30)	(4)	(110)
Miscellaneous (income) expense, net	(5)	2	(1)
Interest expense	173	173	173
Loss from early extinguishment of debt	-	-	3
Income tax expense	44	39	94
Amortization of program broadcast rights	30	30	29
Payments for program broadcast rights	(33)	(30)	(29)
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation	77	45	36
Broadcast Transaction Related Expenses	38	3	2
Broadcast other adjustments	3	-	6
Broadcast Cash Flow	540	585	484
Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation	(77)	(45)	(36)
Broadcast Cash Flow Less Cash Corporate Expenses	463	540	448
Contributions to pension plans	(3)	(3)	(1)
Corporate Transaction Related Expenses	34	6	1
Synergies and other adjustments	-	60	60
Operating Cash Flow as defined in the Senior Credit Agreement	494	603	508
Interest expense	(173)	(173)	(173)
Amortization of deferred financing costs	9	9	9
Preferred dividends	(39)	(39)	(39)
Purchase of property and equipment	(73)	(45)	(34)
Reimbursement of purchases of property and equipment	32	6	-
Income taxes paid, net of refunds	(12)	(30)	(40)
Free Cash Flow	\$ 238	\$ 331	\$ 231

Non-GAAP Reconciliation



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

	Year Ended December 31,		
	2018	2017	2016
Net income	\$ 211	\$ 262	\$ 62
Adjustments to reconcile from net income to			
Free Cash Flow:			
Depreciation	54	52	46
Amortization of intangible assets	21	25	17
Non-cash stock-based compensation	7	8	5
(Gain) loss on disposals of assets, net	(16)	(74)	-
Miscellaneous income, net (1)	(7)	-	-
Interest expense	107	95	97
Loss from early extinguishment of debt	-	3	32
Income tax expense (benefit)	77	(69)	43
Amortization of program broadcast rights	21	21	19
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	4	-	-
Payments for program broadcast rights	(22)	(21)	(18)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	36	27	36
Broadcast Cash Flow (1)	493	329	339
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	(36)	(27)	(36)
Broadcast Cash Flow Less Cash Corporate Expenses (1)	457	302	303
Contributions to pension plans	(2)	(3)	(3)
Interest expense	(107)	(95)	(97)
Amortization of deferred financing costs	6	5	5
Amortization of net original issue premium on senior notes	(1)	(1)	(1)
Purchases of property and equipment	(70)	(35)	(44)
Reimbursements of property and equipment purchases	14	-	-
Income taxes paid, net of refunds	(34)	(2)	(15)
Free Cash Flow	\$ 263	\$ 171	\$ 148

(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 Combined Historical Basis, in millions

	Year Ended		
	December 31,		
	2018	2017	2016
Net income	\$ 286	\$ 601	\$ 159
Adjustments to reconcile from net income to Free Cash Flow:			
Depreciation	86	86	84
Amortization of intangible assets	117	124	129
Non-cash stock-based compensation	15	14	7
(Gain) loss on disposals of assets, net	(7)	(76)	(3)
Miscellaneous (income) expense, net	4	(32)	(2)
Interest expense	231	231	231
Loss from early extinguishment of debt	-	5	32
Income tax expense (benefit)	73	(356)	72
Amortization of program broadcast rights	41	41	41
Common stock contributed to 401(k) plan excluding corporate 401(k) contributions	4	-	-
Payments for program broadcast rights	(42)	(41)	(41)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	72	54	62
Broadcast Transaction Related Expenses	3	3	-
Broadcast other adjustments	11	9	6
Broadcast Cash Flow	894	663	777
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation	(72)	(54)	(62)
Broadcast Cash Flow Less Cash Corporate Expenses	822	609	715
Contributions to pension plans	(3)	(3)	(3)
Corporate Transaction Related Expenses	8	1	8
Synergies and other adjustments	80	80	80
Operating Cash Flow as defined in Senior Credit Agreement	907	687	800
Interest expense	(231)	(231)	(231)
Amortization of deferred financing costs	12	12	12
Amortization of net original issue premium on senior notes	(1)	(1)	(1)
Preferred dividends	(52)	(52)	(52)
Purchases of property and equipment	(88)	(57)	(70)
Reimbursements of property and equipment purchases	14	-	-
Income taxes paid, net of refunds	(38)	(64)	(66)
Free Cash Flow	\$ 523	\$ 294	\$ 392

Reconciliation of Total Leverage Ratio (in millions)



	Eight Quarters Ended September 30, 2019	
Net income	\$	461
Adjustments to reconcile from net income to operating cash flow as defined in our Senior Credit Agreement:		
Depreciation		127
Amortization of intangible assets		113
Non-cash stock-based compensation		20
(Gain) loss on disposals of assets, net		(43)
Interest expense		304
Income tax expense		(13)
Amortization of program broadcast rights		57
Common stock contributed to 401(k) plan		4
Payments for program broadcast rights		(63)
Pension expense		(1)
Contributions to pension plans		(8)
Adjustments for stations acquired or divested, financings and expected synergies during the eight quarter period		540
Transaction Related Expenses		84
Operating Cash Flow as defined in our Senior Credit Agreement	\$	1,582
Operating Cash Flow as defined in our Senior Credit Agreement, divided by two	\$	791
		September 30, 2019
Adjusted Total Indebtedness:		
Total outstanding principal, including current portion	\$	3,960
Cash		(326)
Adjusted Total Indebtedness, Net of All Cash	\$	3,634
Total Leverage Ratio, Net of All Cash		4.59

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.

Disclaimer, 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.



gray

Television • Digital • Mobile

Gray Television, Inc.
4370 Peachtree Rd., NE
Atlanta, Georgia 30319
www.gray.tv

