

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 21, 2018 (May 21, 2018)

**Gray Television, Inc.**

(Exact name of registrant as specified in its charter)

Georgia

(State or other jurisdiction  
of incorporation)

001-13796

(Commission File Number)

58-0285030

(IRS employer  
Identification No.)

4370 Peachtree Road, Atlanta GA

(Address of principal executive offices)

30319

(Zip Code)

404-504-9828

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ( see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## Item 7.01 - Regulation FD Disclosure

Gray Television, Inc. (the “Company”) adopted 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”) in the first quarter of 2018, with the impact thereof not being material to the Company’s financial statements included in its Quarterly Report on Form 10-Q for the quarter ended March 31, 2018. On May 21, 2018, the Company published on its corporate website selected unaudited historical operating data for the three month and year-to-date periods ended March 31, June 30, September 30, and December 31, 2017, 2016, 2015 and 2014, giving effect to the adoption of ASU 2017-07. A copy of such selected unaudited historical operating data is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Also, beginning on May 21, 2018, the Company intends to meet from time to time and make presentations to prospective investors. A copy of the slides that may be used in connection with and/or referenced in such meetings is furnished as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

The information set forth under this item 7.01 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, except as may be expressly set forth by specific reference in such filing.

## Item 9.01 - Financial Statements and Exhibits

<u>Number</u>	<u>Name</u>
99.1	<a href="#">Unaudited selected historical operating data</a>
99.2	<a href="#">Prospective investor meeting slides</a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**GRAY TELEVISION, INC.**

Date: May 21, 2018

By:           /s/ James C. Ryan            
Name: James C. Ryan  
Title: Executive Vice President and  
Chief Financial Officer

**Gray Television, Inc.**  
**Selected Operating Data (Unaudited)**  
(in thousands)

## As Reported Basis

	2017						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
Revenue (less agency commissions):							
Local (including internet/digital/mobile)	\$ 102,597	\$ 117,917	\$ 110,033	\$ 120,714	\$ 220,514	\$ 330,547	\$ 451,261
National	24,814	30,981	31,027	31,995	55,795	86,822	118,817
Political	1,321	3,708	4,005	7,464	5,029	9,034	16,498
Retransmission consent	67,573	69,371	70,150	69,509	136,944	207,094	276,603
Other	7,156	4,704	3,762	3,927	11,860	15,622	19,549
<b>Total revenue</b>	<b>\$ 203,461</b>	<b>\$ 226,681</b>	<b>\$ 218,977</b>	<b>\$ 233,609</b>	<b>\$ 430,142</b>	<b>\$ 649,119</b>	<b>\$ 882,728</b>

Operating expenses before depreciation,  
amortization and gain or loss on disposal of  
assets, net:

Broadcast:							
Payroll, programming and other <sup>(1)</sup>	\$ 101,291	\$ 99,925	\$ 104,809	\$ 115,192	\$ 201,216	\$ 306,025	\$ 421,217
Retransmission	32,265	33,758	34,733	35,590	66,023	100,756	136,346
<b>Total broadcast expenses</b>	<b>\$ 133,556</b>	<b>\$ 133,683</b>	<b>\$ 139,542</b>	<b>\$ 150,782</b>	<b>\$ 267,239</b>	<b>\$ 406,781</b>	<b>\$ 557,563</b>
Corporate and administrative <sup>(1)</sup>	\$ 7,710	\$ 8,432	\$ 8,330	\$ 7,117	\$ 16,142	\$ 24,472	\$ 31,589

	2016						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
Revenue (less agency commissions):							
Local (including internet/digital/mobile)	\$ 89,354	\$ 104,727	\$ 102,172	\$ 107,083	\$ 194,081	\$ 296,253	\$ 403,336
National	22,079	26,070	25,426	24,776	48,149	73,575	98,351
Political	9,655	9,649	22,272	48,519	19,304	41,576	90,095
Retransmission consent	47,269	50,549	51,096	51,965	97,818	148,914	200,879
Other	5,366	5,638	3,524	5,276	11,004	14,528	19,804
<b>Total revenue</b>	<b>\$ 173,723</b>	<b>\$ 196,633</b>	<b>\$ 204,490</b>	<b>\$ 237,619</b>	<b>\$ 370,356</b>	<b>\$ 574,846</b>	<b>\$ 812,465</b>

Operating expenses before depreciation,  
amortization and gain or loss on disposal of  
assets, net:

Broadcast:							
Payroll, programming and other <sup>(1)</sup>	\$ 86,198	\$ 93,349	\$ 95,625	\$ 102,138	\$ 179,547	\$ 275,172	\$ 377,310
Retransmission	22,338	23,950	25,058	26,338	46,288	71,346	97,684
<b>Total broadcast expenses</b>	<b>\$ 108,536</b>	<b>\$ 117,299</b>	<b>\$ 120,683</b>	<b>\$ 128,476</b>	<b>\$ 225,835</b>	<b>\$ 346,518</b>	<b>\$ 474,994</b>
Corporate and administrative <sup>(1)</sup>	\$ 15,670	\$ 8,520	\$ 7,217	\$ 8,912	\$ 24,190	\$ 31,407	\$ 40,319

See last page of exhibit for note

**Gray Television, Inc.**  
**Selected Operating Data (Unaudited)**  
(in thousands)

As Reported Basis

	2015						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
<b>Revenue (less agency commissions):</b>							
Local (including internet/digital/mobile)	\$ 74,865	\$ 83,091	\$ 83,972	\$ 94,543	\$ 157,956	\$ 241,928	\$ 336,471
National	17,767	18,949	20,889	23,505	36,716	57,605	81,110
Political	1,159	2,197	4,594	9,213	3,356	7,950	17,163
Retransmission consent	36,251	36,909	39,329	39,468	73,160	112,489	151,957
Other	3,261	2,318	2,318	2,758	5,579	7,897	10,655
<b>Total revenue</b>	<b>\$ 133,303</b>	<b>\$ 143,464</b>	<b>\$ 151,102</b>	<b>\$ 169,487</b>	<b>\$ 276,767</b>	<b>\$ 427,869</b>	<b>\$ 597,356</b>

<b>Operating expenses before depreciation, amortization and gain or loss on disposal of assets, net:</b>							
<b>Broadcast:</b>							
Payroll, programming and other <sup>(1)</sup>	\$ 69,227	\$ 69,099	\$ 80,949	\$ 83,598	\$ 138,326	\$ 219,275	\$ 302,873
Retransmission	16,949	16,978	17,972	18,366	33,927	51,899	70,265
<b>Total broadcast expenses</b>	<b>\$ 86,176</b>	<b>\$ 86,077</b>	<b>\$ 98,921</b>	<b>\$ 101,964</b>	<b>\$ 172,253</b>	<b>\$ 271,174</b>	<b>\$ 373,138</b>
<b>Corporate and administrative <sup>(1)</sup></b>	<b>\$ 6,828</b>	<b>\$ 6,428</b>	<b>\$ 10,022</b>	<b>\$ 11,032</b>	<b>\$ 13,256</b>	<b>\$ 23,278</b>	<b>\$ 34,310</b>

	2014						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
<b>Revenue (less agency commissions):</b>							
Local (including internet/digital/mobile)	\$ 57,083	\$ 63,884	\$ 69,460	\$ 83,586	\$ 120,967	\$ 190,427	\$ 274,013
National	13,348	14,826	16,158	20,626	28,174	44,332	64,958
Political	2,792	8,616	22,029	48,538	11,408	33,437	81,975
Retransmission consent	16,117	17,659	19,674	21,444	33,776	53,450	74,894
Other	1,957	2,264	4,381	3,692	4,221	8,602	12,294
<b>Total revenue</b>	<b>\$ 91,297</b>	<b>\$ 107,249</b>	<b>\$ 131,702</b>	<b>\$ 177,886</b>	<b>\$ 198,546</b>	<b>\$ 330,248</b>	<b>\$ 508,134</b>

<b>Operating expenses before depreciation, amortization and gain or loss on disposal of assets, net:</b>							
<b>Broadcast:</b>							
Payroll, programming and other <sup>(1)</sup>	\$ 56,226	\$ 61,563	\$ 67,700	\$ 79,978	\$ 117,789	\$ 185,489	\$ 265,467
Retransmission	3,945	4,234	5,259	6,185	8,179	13,438	19,623
<b>Total broadcast expenses</b>	<b>\$ 60,171</b>	<b>\$ 65,797</b>	<b>\$ 72,959</b>	<b>\$ 86,163</b>	<b>\$ 125,968</b>	<b>\$ 198,927</b>	<b>\$ 285,090</b>
<b>Corporate and administrative <sup>(1)</sup></b>	<b>\$ 6,484</b>	<b>\$ 9,833</b>	<b>\$ 5,253</b>	<b>\$ 7,569</b>	<b>\$ 16,317</b>	<b>\$ 21,570</b>	<b>\$ 29,139</b>

See last page of exhibit for note

**Gray Television, Inc.**  
**Selected Operating Data (Unaudited)**  
(in thousands)

Combined Historical Basis<sup>(2)</sup>

	2017						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
<b>Revenue (less agency commissions):</b>							
Local (including internet/digital/mobile)	\$ 109,096	\$ 119,757	\$ 110,033	\$ 120,714	\$ 228,853	\$ 338,886	\$ 459,600
National	27,091	31,948	31,027	31,995	59,039	90,066	122,061
Political	1,346	3,723	4,005	7,464	5,069	9,074	16,539
Retransmission consent	70,215	69,938	70,150	69,509	140,153	210,303	279,812
Other	5,435	3,947	3,762	3,927	9,382	13,143	17,069
<b>Total revenue</b>	<b>\$ 213,183</b>	<b>\$ 229,313</b>	<b>\$ 218,977</b>	<b>\$ 233,609</b>	<b>\$ 442,496</b>	<b>\$ 661,472</b>	<b>\$ 895,081</b>
<b>Operating expenses before depreciation, amortization and gain or loss on disposal of assets, net:</b>							
<b>Broadcast:</b>							
Payroll, programming and other <sup>(1)</sup>	\$ 109,437	\$ 102,323	\$ 104,809	\$ 115,192	\$ 211,760	\$ 316,569	\$ 431,760
Retransmission	34,268	34,227	34,733	35,590	68,495	103,227	138,818
<b>Total broadcast expenses</b>	<b>\$ 143,705</b>	<b>\$ 136,550</b>	<b>\$ 139,542</b>	<b>\$ 150,782</b>	<b>\$ 280,255</b>	<b>\$ 419,796</b>	<b>\$ 570,578</b>
Corporate and administrative <sup>(1)</sup>	\$ 7,710	\$ 8,432	\$ 8,330	\$ 7,117	\$ 16,142	\$ 24,472	\$ 31,589

	2016						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
<b>Revenue (less agency commissions):</b>							
Local (including internet/digital/mobile)	\$ 110,190	\$ 119,764	\$ 114,796	\$ 120,812	\$ 229,954	\$ 344,750	\$ 465,562
National	28,547	31,261	30,112	29,493	59,808	89,920	119,413
Political	14,770	11,218	28,181	63,369	25,988	54,169	117,538
Retransmission consent	55,529	56,024	56,928	58,002	111,553	168,481	226,483
Other	5,469	3,903	3,781	3,852	9,372	13,153	17,005
<b>Total revenue</b>	<b>\$ 214,505</b>	<b>\$ 222,170</b>	<b>\$ 233,798</b>	<b>\$ 275,528</b>	<b>\$ 436,675</b>	<b>\$ 670,473</b>	<b>\$ 946,001</b>
<b>Operating expenses before depreciation, amortization and gain or loss on disposal of assets, net:</b>							
<b>Broadcast:</b>							
Payroll, programming and other <sup>(1)</sup>	\$ 110,272	\$ 106,218	\$ 107,811	\$ 116,806	\$ 216,490	\$ 324,301	\$ 441,107
Retransmission	27,126	27,159	27,965	29,624	54,285	82,250	111,874
<b>Total broadcast expenses</b>	<b>\$ 137,398</b>	<b>\$ 133,377</b>	<b>\$ 135,776</b>	<b>\$ 146,430</b>	<b>\$ 270,775</b>	<b>\$ 406,551</b>	<b>\$ 552,981</b>
Corporate and administrative <sup>(1)</sup>	\$ 15,670	\$ 8,520	\$ 7,217	\$ 8,912	\$ 24,190	\$ 31,407	\$ 40,319

See last page of exhibit for notes

**Gray Television, Inc.**  
**Selected Operating Data (Unaudited)**  
(in thousands)

**Combined Historical Basis<sup>(2)</sup>**

	2015						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
<b>Revenue (less agency commissions):</b>							
Local (including internet/digital/mobile)	\$ 107,486	\$ 119,452	\$ 113,776	\$ 126,298	\$ 226,938	\$ 340,714	\$ 467,012
National	29,641	31,785	32,175	33,648	61,426	93,601	127,249
Political	1,372	2,939	5,535	12,088	4,311	9,846	21,934
Retransmission consent	45,524	46,423	47,983	48,660	91,947	139,930	188,590
Other	5,201	3,845	3,754	4,014	9,046	12,800	16,814
<b>Total revenue</b>	<b>\$ 189,224</b>	<b>\$ 204,444</b>	<b>\$ 203,223</b>	<b>\$ 224,708</b>	<b>\$ 393,668</b>	<b>\$ 596,891</b>	<b>\$ 821,599</b>
<b>Operating expenses before depreciation, amortization and gain or loss on disposal of assets, net:</b>							
<b>Broadcast:</b>							
Payroll, programming and other <sup>(1)</sup>	\$ 104,956	\$ 104,813	\$ 111,961	\$ 115,711	\$ 209,769	\$ 321,730	\$ 437,441
Retransmission	20,477	20,671	21,551	23,101	41,148	62,699	85,800
<b>Total broadcast expenses</b>	<b>\$ 125,433</b>	<b>\$ 125,484</b>	<b>\$ 133,512</b>	<b>\$ 138,812</b>	<b>\$ 250,917</b>	<b>\$ 384,429</b>	<b>\$ 523,241</b>
<b>Corporate and administrative <sup>(1)</sup></b>	<b>\$ 6,828</b>	<b>\$ 6,428</b>	<b>\$ 10,022</b>	<b>\$ 11,032</b>	<b>\$ 13,256</b>	<b>\$ 23,278</b>	<b>\$ 34,310</b>

	2014						
	Three Months Ended				Year To Date Ended		
	March 31	June 30	September 30	December 31	June 30	September 30	December 31
<b>Revenue (less agency commissions):</b>							
Local (including internet/digital/mobile)	\$ 104,591	\$ 113,891	\$ 105,662	\$ 119,303	\$ 218,482	\$ 324,144	\$ 443,447
National	29,117	30,926	30,013	34,658	60,043	90,056	124,714
Political	5,537	16,517	41,110	79,548	22,054	63,164	142,712
Retransmission consent	27,826	29,445	28,515	30,188	57,271	85,786	115,974
Other	7,317	5,427	6,004	5,104	12,744	18,748	23,852
<b>Total revenue</b>	<b>\$ 174,388</b>	<b>\$ 196,206</b>	<b>\$ 211,304</b>	<b>\$ 268,801</b>	<b>\$ 370,594</b>	<b>\$ 581,898</b>	<b>\$ 850,699</b>
<b>Operating expenses before depreciation, amortization and gain or loss on disposal of assets, net:</b>							
<b>Broadcast:</b>							
Payroll, programming and other <sup>(1)</sup>	\$ 106,695	\$ 109,300	\$ 109,570	\$ 122,738	\$ 215,995	\$ 325,565	\$ 448,303
Retransmission	8,170	8,123	8,123	9,209	16,293	24,416	33,625
<b>Total broadcast expenses</b>	<b>\$ 114,865</b>	<b>\$ 117,423</b>	<b>\$ 117,693</b>	<b>\$ 131,947</b>	<b>\$ 232,288</b>	<b>\$ 349,981</b>	<b>\$ 481,928</b>
<b>Corporate and administrative <sup>(1)</sup></b>	<b>\$ 6,484</b>	<b>\$ 9,833</b>	<b>\$ 5,253</b>	<b>\$ 7,569</b>	<b>\$ 16,317</b>	<b>\$ 21,570</b>	<b>\$ 29,139</b>

(1) Amounts in 2017, 2016, 2015 and 2014 have been reclassified to give effect to 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").

(2) Due to the significant effect that our acquisitions and divestitures have had on our results of operations, and in order to provide more meaningful period over period comparisons, we present herein certain financial information on a "Combined Historical Basis." 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 stations acquired and removing the historical revenues and historical broadcast expenses of divested stations as if they had been acquired or divested, respectively, on January 1, 2014 (the beginning of the earliest period presented). Combined Historical Basis financial information reflects station acquisition and divestitures occurring between January 1, 2014 and December 31, 2017. Combined Historical Basis financial information does not reflect all purchase accounting and other adjustments required to comply with accounting principles generally accepted in the United States of America ("GAAP"), and includes certain other amounts not included, in pro forma financial information under Regulation S-X under the Securities Act.



**gray**

Television • Digital • Mobile

**Gray Television, Inc.  
Investor Presentation  
NYSE:GTN**

**May 21, 2018 Edition**

**Updated for March 31, 2018 Financial Information**

If Appendix is not included, see full presentation located at [www.gray.tv](http://www.gray.tv) for Non-GAAP Reconciliations.

4370 Peachtree Road, NE, Atlanta, GA 30319 | P 404.504.9828 | F 404.261.9607 | [www.gray.tv](http://www.gray.tv)



## Table of Contents

<b>Company Overview</b>	<b>3</b>
<b>Investment Highlights</b>	<b>7</b>
<b>Financial Overview</b>	<b>15</b>
<b>Glossary</b>	<b>21</b>

**ALL COMBINED HISTORICAL BASIS DATA PRESENTED FOR GRAY IS ADJUSTED FOR ALL COMPLETED TRANSACTIONS UNLESS OTHERWISE NOTED.**

This presentation contains certain forward looking statements that are based largely on Gray's 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 the impact of recently completed and announced transactions, 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," financial statements, and management's discussion and analysis of financial condition and results of operations sections contained therein, which reports are made publicly available via its website, [www.gray.tv](http://www.gray.tv). 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.

\*See the glossary to this presentation for the definition of certain capitalized terms used herein. Reconciliations of the company's non-GAAP measures of 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 the total leverage ratio, net of all cash are contained in the Appendix.

\*This full presentation, including the Appendix, can be found at [www.gray.tv](http://www.gray.tv) under Investor Relations -Presentations.

# An Industry Leading Power

# High Quality, Diverse Station Group

**57**

57 markets with owned and/or operated stations

**200+**

Over 200 total program streams across 103 stations

**100+**

Over 100 "Big 4" network program streams

**24**

24 markets with two or more "Big 4" network affiliations

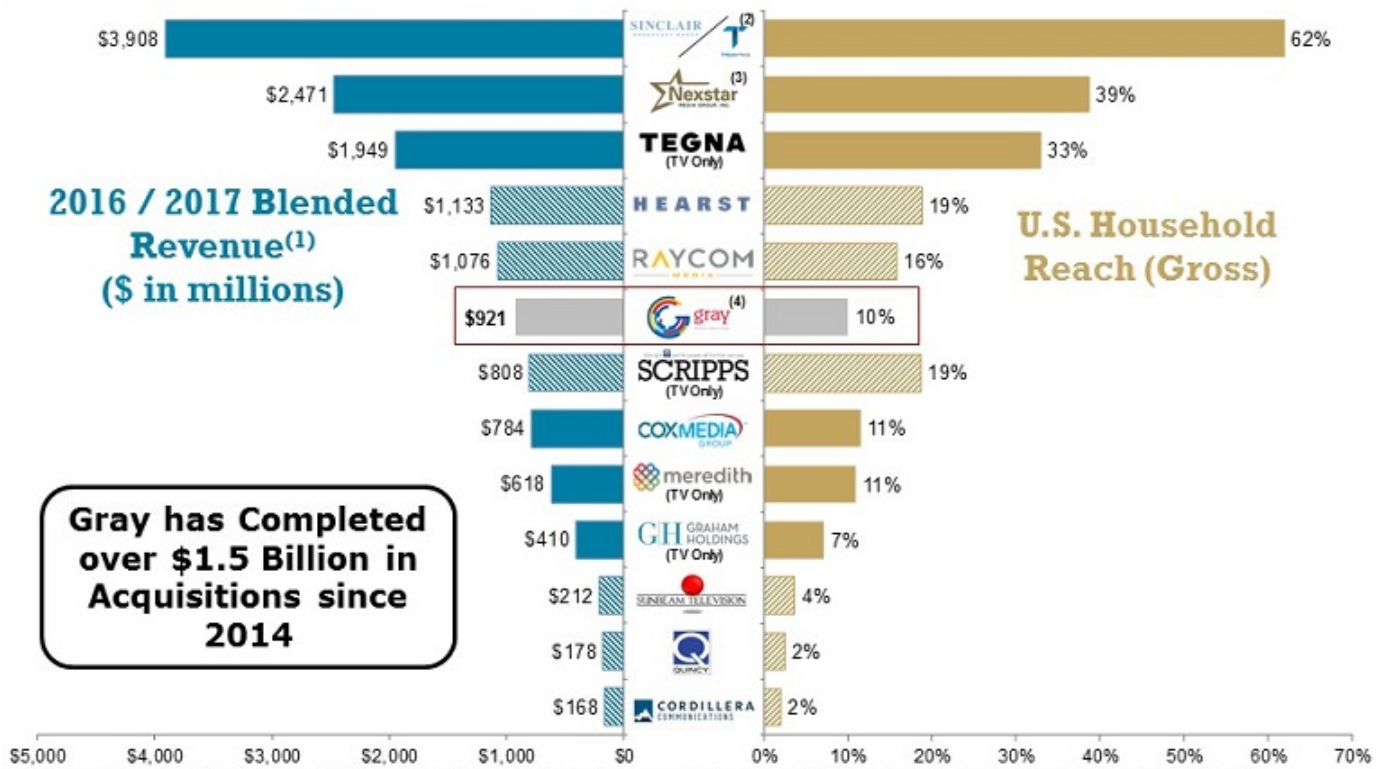
 **CBS**  
40 channels

 **NBC**  
29 channels

 **abc**  
20 channels

 **FOX**  
14 channels

# Gray Continues to Prudently Grow its Scale...



**Gray has Completed over \$1.5 Billion in Acquisitions since 2014**

Source: company filings, BIA Investing in Television 2018 1<sup>st</sup> Edition and Nielsen data; As-reported revenue numbers unless noted; Household reach pro forma for all announced and closed transactions  
 (1) Private companies (Hearst, Raycom, Cox, Sunbeam, Quincy and Cordillera) based on BIA '16/'17 blended revenue (including retransmission estimates) from O&O stations and digital subchannels  
 (2) Sinclair pro forma for acquisition of Tribune; based on combined '16/'17 revenue of \$4,634 million less \$726 million BIA advertising and retrans revenue estimate for announced divestiture of 23 stations  
 (3) Nexstar pro forma for Media General; based on reported unaudited pro forma combined '16/'17 revenue  
 (4) Gray '16/'17 blended revenue presented on a Combined Historical Basis







**Investment Highlights**

# The Importance of #1



**Price Leadership**



**Share of Market Ad \$**



**Network and News Ratings**



**Reinvest in Business**

## Highly Ranked News Franchises Drive Traffic

- Dominate local and political revenue with highly-rated news platforms
- #1 Stations can secure more than half of a market's political ad buys
- Greater purchasing power and leverage with MVPDs, programmers, and other vendors
- Deliver higher margins
- Maximize free cash flow
- Exploit best practices
- Attract and retain high quality talent
- Leverage Washington DC News Bureau



<b>#1</b>	Gray's primary stations had the <b>HIGHEST</b> average all-day DMA Household Rating (M-S 6a-2a) across ALL network and affiliate group owners
<b>#1</b>	Gray's national Household Share average exceeds all major affiliate news programs
<b>#1 or #2</b>	In ALL 57 markets in <b>OVERALL AUDIENCE RANKING</b> - #1 in 40 Markets
<b>#1 or #2</b>	In ALL 57 markets in <b>NEWS RANKING</b> - #1 in 40 Markets
<b>+96%</b>	Amount by which Gray's 6PM newscasts outperform the national average
<b>+64%</b>	Amount by which Gray's late local newscasts outperform the national average
<b>7,200</b>	Hours of original <b>LOCAL CONTENT</b> produced in November 2017

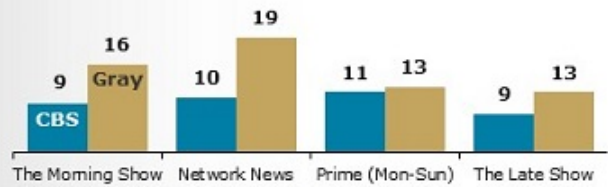


## Network Programs Over-Index on Gray's Stations

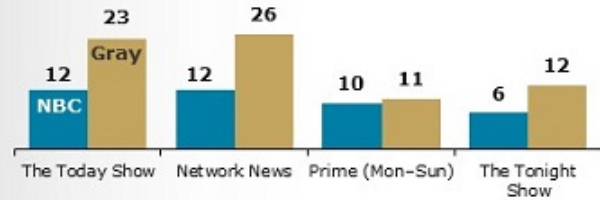
ABC, CBS, and NBC perform far better on Gray's stations than national averages across all key day-parts +



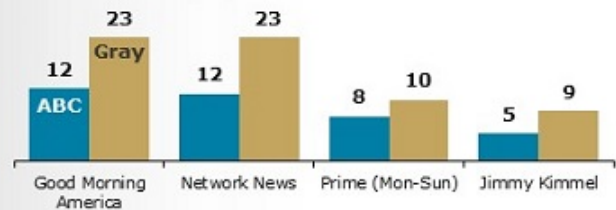
CBS vs. Gray | November '17 Household Share



NBC vs. Gray | November '17 Household Share



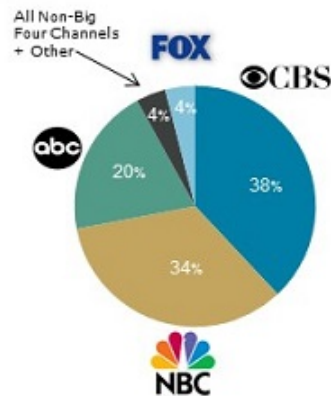
ABC vs. Gray | November '17 Household Share



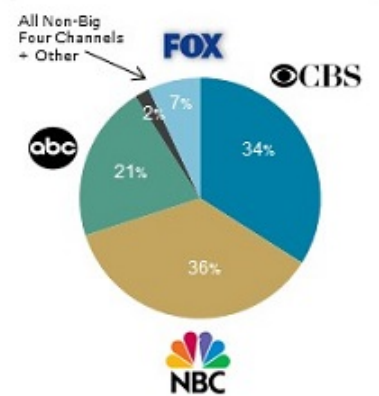
Network Gray

# Revenue Diversified Across Networks and Markets

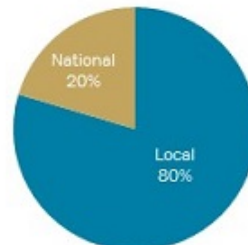
**2017 CHB Revenue by Affiliate: \$895mm**



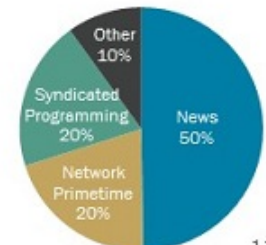
**2017 CHB BCF by Affiliate: \$332mm**



**2017 CHB Core Revenue Breakout: \$582mm**



**Approximate Revenue by Day Part<sup>(1)</sup>**



## Increasing Diversification of Revenue Sources

### 2008: As Reported

- 96% of revenue derived from advertising sales

### 2017: CHB

- 67% of revenue derived from advertising sales
- 31% of revenue derived from retransmission (subscription) fee income

(1) Approximate percentages based on WideOrbit platform 2017 estimated Gray revenues excluding retrans/other

# A Leading Beneficiary of Political Revenue

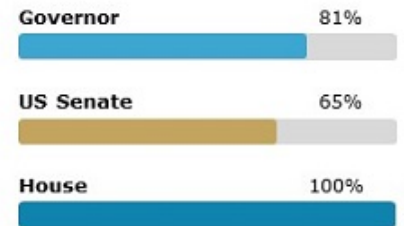
## Gray Political Revenue

(\$ in millions)



## Gray Markets with at Least One 2018 Election

**2018 is a Non-Presidential Political Year and Presents an Attractive Upside Opportunity**



Source: Company management, Company filings, The Cook Political Report  
 Note: Percentages calculated based on 45/57 markets with Gubernatorial races, 37/57 markets with Senate races, and 57/57 markets with House races

## 2016 Political Revenue Per TV Household



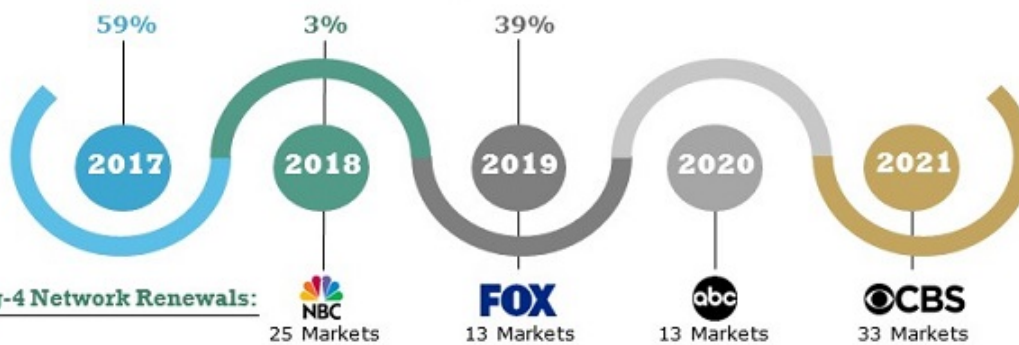
Source: company management, company filings, investor presentations, BIA Investing in Television Report 2017 2nd Edition  
 Note: Pro forma for all closed transactions; Sinclair + Tribune shown on a combined basis prior to potential regulatory divestitures  
 (1) Gray based on Combined Historical Basis revenue and TV households  
 (2) Pro forma for Media General Acquisition  
 (3) Based on calendar year ended 12/31/16; Fiscal year ends 6/30  
 (4) Sinclair pro forma for acquisition of Tribune; based on combined '15/'16 revenue and does not assume any divestitures

# Gray Excels at Retransmission Revenue

## Retransmission Revenue (\$ in millions)



## Retrans Renewals for In-Market Big-4 Subs (12/31 Expiration):



## Significant Big-4 Network Renewals:

NBC  
25 Markets

FOX  
13 Markets

abc  
13 Markets

CBS  
33 Markets

# Successful Digital Media Initiatives

## Gray Digital Media

- 3.4 billion total page views in 2017 (up **23%** over 2016)
- Mobile makes up **82%** of all digital traffic
- **300%** growth in revenue 2017 over 2016
- 60 Gray stations actively selling LocalX
- 721 avg. monthly clients
- 18 different product offerings

## LOCALX MARKETING

A Division of Gray Television, Inc

## MomsEveryday



- MomsEveryday page views have doubled since the New Site Launch
- Award winning weekly show
- Daily news content
- Unique sales and revenue opportunities

 7.5 million Facebook followers, up **17%** from Q1 2017

 2.3 million Twitter followers, up **18%** from Q1 2017, Likes=57k, Tweets=3.4 million

 1.8 million iOS downloads, up **44%** from end of year, 2016

 2.0 million Android downloads, up **17%** from end of year, 2016

 667k Roku downloads, up **52%** from end of year, 2016



All Data is on as "as reported" basis and does not include station data prior to Gray's acquisition of a station(s)



# Financial Overview

# 2015/2016/2017 Snapshot

	Combined Historical Basis Year Ended December 31				
	2017	2016	% Change 2017 to 2016	2015	% Change 2017 to 2015
Revenue (less agency commissions):					
Total	\$895,081	\$946,001	(5)%	\$821,599	9%
Political	\$16,539	\$117,538	(86)%	\$21,934	(25)%
Operating expenses (1) (2):					
Broadcast	\$570,578	\$552,981	3%	\$523,241	9%
Corporate and Administrative	\$31,589	\$40,319	(22)%	\$34,310	(8)%
Non-GAAP Cash Flow (3):					
Broadcast Cash Flow (2)	\$331,427	\$401,014	(17)%	\$327,007	1%
Broadcast Cash Flow Less Cash Corporate Expenses(2)	\$304,245	\$364,573	(17)%	\$295,817	3%
Operating Cash Flow as defined in the Senior Credit Facility	\$302,257	\$369,967	(18)%	\$300,014	1%
Free Cash Flow	\$173,772	\$213,526	(19)%	\$173,748	0%

(dollars in thousands)

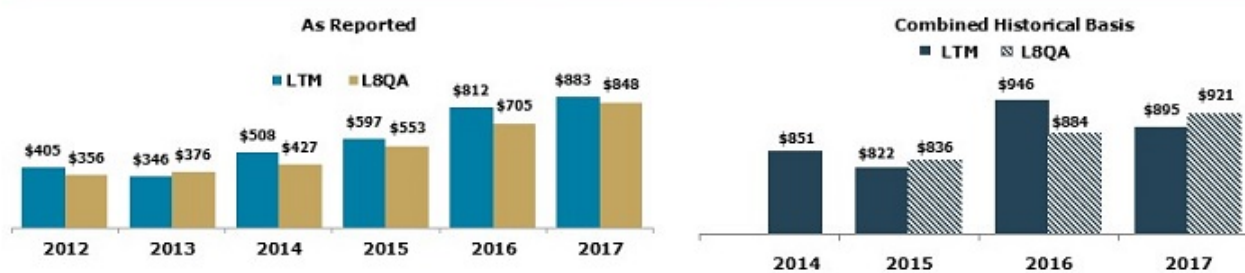
(1) Excludes depreciation, amortization, and loss on disposal of assets

(2) Amounts in 2017, 2016 and 2015 have been reclassified to give effect to the implementation of Accounting Standards Update 2017-07, Compensation-Retirement Benefits (Topic 715) - Improving the Presentation of Net Periodic Pension Costs and Net Postretirement Benefit Cost ("ASU 2017-07").

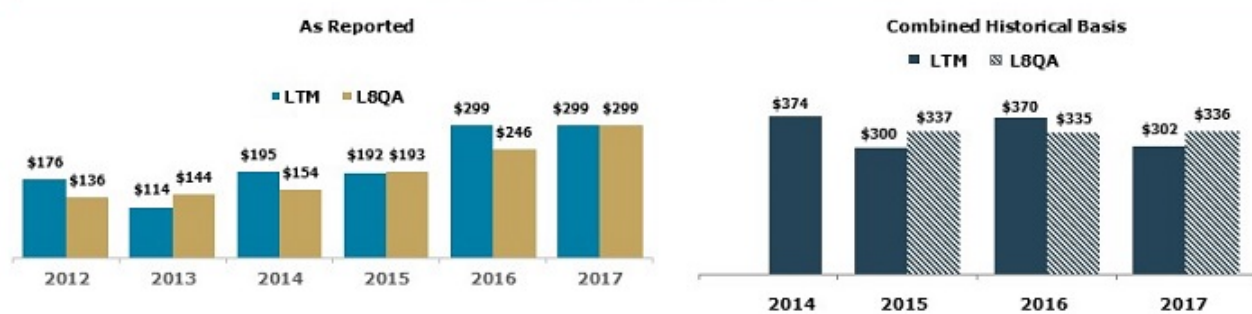
(3) See definition of non-GAAP terms and reconciliation of the non-GAAP amounts to net income in the Appendix

# Financial Scale Continues to Increase

## Revenue (\$ in millions)



## Operating Cash Flow (\$ in millions)



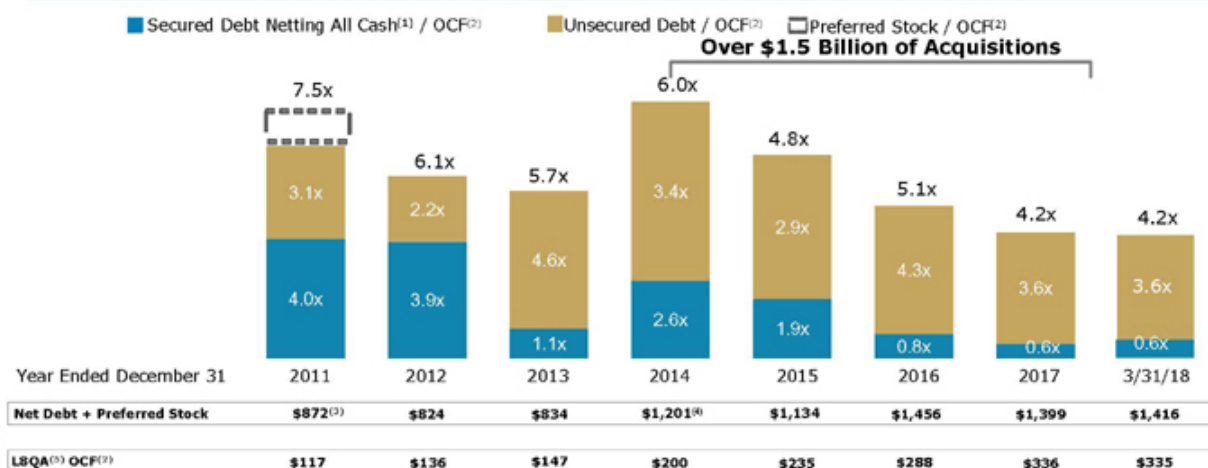


# Prudent Balance Sheet Management Leads to Deleveraging



- Gray has significantly reduced secured and total leverage from historical levels
- Gray has diversified its revenue base, allowing for significant free cash flow in both political and non-political years

## Financial Leverage Netting All Cash (\$ in millions)



(1) Secured debt netting all cash on hand as of the respective balance sheet date

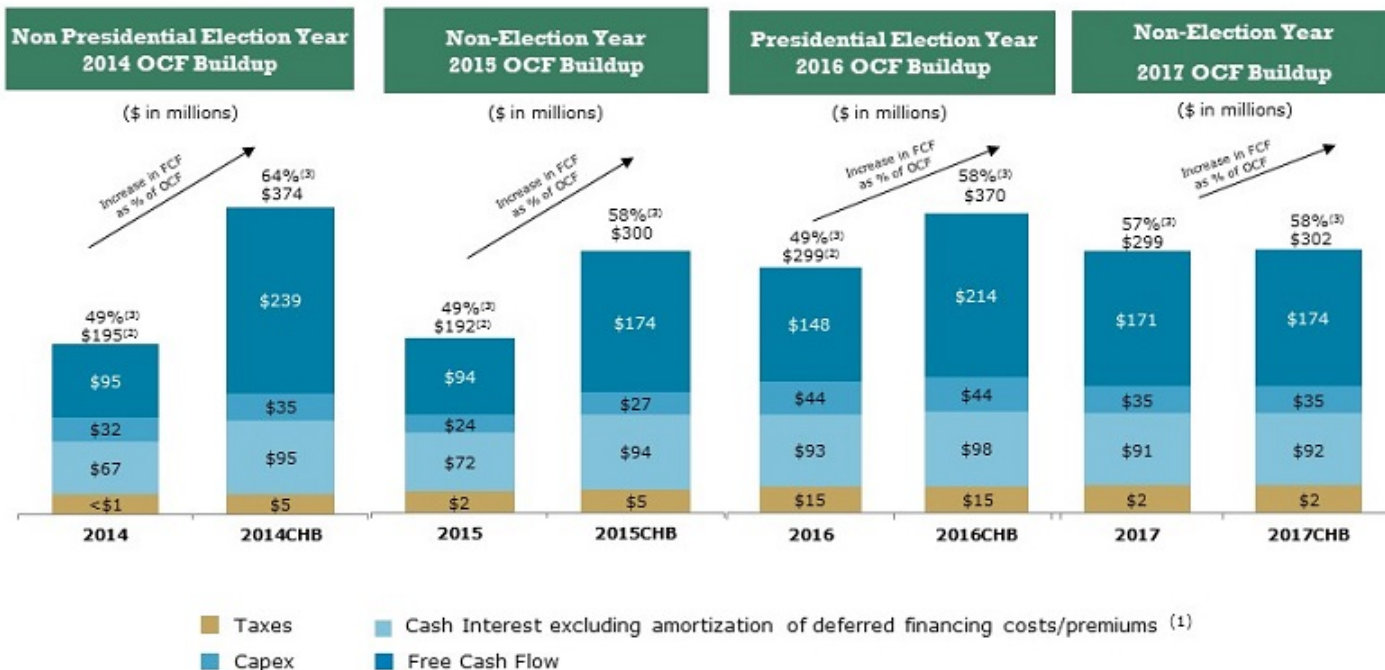
(2) Operating Cash Flow ("OCF") as defined in our senior credit facility and as used in our quarterly compliance certificates. This OCF amount includes adjustments for all transactions completed as of the respective balance sheet date

(3) For 2011, Net Debt + Preferred Stock includes preferred stock and related accrued dividends at liquidation value

(4) For 2014, Net Debt + Preferred Stock includes an undrawn \$10M Letter of Credit

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

# Robust Free Cash Flow Generation and Conversion



(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  
 (3) FCF as a percentage of OCF

# Capitalization

## Combined Historical Basis<sup>(1)</sup>

(\$ in millions)

	As of March 31, 2018	Estimated Annual Cash Interest Expense	"L8QA" or "Last Eight Quarter Average" for the period ended March 31, 2018	
			Leverage	OCF
<b>Cash</b>	\$ 443			
Debt:				
Revolving Credit Facility – Availability is \$100 Million	\$ -			
Term Loan B due 2024 – Interest rate is LIBOR + 2.25%	\$ 634	\$26.2		
<b>Total Secured Debt</b>	\$ 634		1.9	
Senior Notes due 2024 <sup>(2)</sup> – interest rate is 5.125%	\$ 525	\$26.9		
Senior Notes due 2026 <sup>(2)</sup> – interest rate is 5.875%	\$ 700	\$41.1		
<b>Total Debt</b>	\$ 1,859	\$94.2	5.5	
Less: Cash	\$ (443)			
<b>Total Debt net of cash</b>	\$ 1,416		4.2	
Blended Average Interest Rate		5.1%		
Operating Cash Flow as defined in our Senior Credit Facility ("OCF")				\$335

(1) Combined Historical Basis includes transactions closed as of March 31, 2018.

(2) Debt related to senior notes is presented at face value.

# Glossary

<b>"Combined Historical Basis" or "CHB"</b>	<p>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, 2014 (the beginning of the earliest period presented).</p> <p>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.</p>
<b>"Completed Transactions"</b>	<p>All acquisitions or dispositions completed as of March 31, 2018.</p>
<b>"Gray" (Gray Television, Inc.)</b>	<p>A television broadcast company headquartered in Atlanta, Georgia, that owns and operates television stations and digital properties in markets throughout the United States</p>
<b>"Revenue"</b>	<p>Revenue is presented net of agency commissions.</p>



## 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.

<b>"Broadcast Cash Flow" or "BCF"</b>	Net income plus loss from early extinguishment of debt, corporate and administrative expenses, broadcast 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, less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations and network compensation revenue
<b>"Broadcast Cash Flow Less Cash Corporate Expenses"</b>	Net income 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 less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations and network compensation revenue
<b>"Free Cash Flow" or "FCF"</b>	Net income 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, amortization of deferred financing costs, any income tax expense, non-cash 401(k) expense, pension expense less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations, trade income, pension income, network compensation revenue, contributions to pension plans, amortization of original issue premium on our debt, capital expenditures (net of any insurance proceeds) and the payment of income taxes (net of any refunds received)
<b>"Operating Cash Flow" or "OCF"</b>	Defined in Gray's Senior Credit Agreement as net income 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 and pension expense less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast obligations, trade income, pension income, network compensation revenue, and cash contributions to pension plans
<b>"Total Leverage Ratio, Net of All Cash"</b>	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. 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.*

## Appendix: Non-GAAP Reconciliations

# Annual Year-Over-Year Results

## As Reported Basis

	As Reported Results Three Months Ended March 31				
	2018	2017	% Change 2018 to 2017	2016	% Change 2018 to 2016
	(dollars in thousands)				
Revenue (less agency commissions):					
Total	\$ 226,258	\$ 203,461	11 %	\$ 173,723	30 %
Political	\$ 5,775	\$ 1,321	337 %	\$ 9,655	(40)%
Operating expenses (1) (2):					
Broadcast	\$ 149,654	\$ 133,556	12 %	\$ 108,536	38 %
Corporate and administrative	\$ 8,260	\$ 7,710	7 %	\$ 15,670	(47)%
Non-GAAP Cash Flow (3):					
Broadcast Cash Flow (2)	\$ 77,684	\$ 70,379	10 %	\$ 65,926	18 %
Broadcast Cash Flow Less					
Cash Corporate Expenses (2)	\$ 70,373	\$ 63,643	11 %	\$ 51,226	37 %
Free Cash Flow	\$ 32,396	\$ 36,593	(11)%	\$ 24,215	34 %

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

(2) Amounts in 2017 and 2016 have been reclassified to give effect to the implementation of ASU 2017-07.

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



# Annual Year-Over-Year Results

## As Reported Basis

	As Reported Results Year Ended December 31				
	2017	2016	% Change 2017 to 2016	2015	% Change 2017 to 2015
	(dollars in thousands)				
Revenue (less agency commissions):					
Total	\$ 882,728	\$ 812,465	9 %	\$ 597,356	48 %
Political	\$ 16,498	\$ 90,095	(82)%	\$ 17,163	(4)%
Operating expenses (1) (2):					
Broadcast	\$ 557,563	\$ 474,994	17 %	\$ 373,138	49 %
Corporate and administrative	\$ 31,589	\$ 40,319	(22)%	\$ 34,310	(8)%
Non-GAAP Cash Flow (3):					
Broadcast Cash Flow (2)	\$ 329,056	\$ 338,938	(3)%	\$ 225,528	46 %
Broadcast Cash Flow Less					
Cash Corporate Expenses (2)	\$ 301,874	\$ 302,497	(0)%	\$ 194,338	55 %
Free Cash Flow	\$ 171,005	\$ 148,126	15 %	\$ 93,984	82 %

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

(2) Amounts in 2017, 2016 and 2015 have been reclassified to give effect to the implementation of ASU 2017-07

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

# Annual Year-Over-Year Results

## Combined Historical Basis

	Combined Historical Basis Year Ended December 31				
	2017	2016	% Change 2017 to 2016	2015	% Change 2017 to 2015
	(dollars in thousands)				
Revenue (less agency commissions):					
Total	\$ 895,081	\$ 946,001	(5)%	\$ 821,599	9 %
Political	\$ 16,539	\$ 117,538	(86)%	\$ 21,934	(25)%
Operating expenses (1) (2):					
Broadcast	\$ 570,578	\$ 552,981	3 %	\$ 523,241	9 %
Corporate and administrative	\$ 31,589	\$ 40,319	(22)%	\$ 34,310	(8)%
Non-GAAP Cash Flow (3):					
Broadcast Cash Flow (2)	\$ 331,427	\$ 401,014	(17)%	\$ 327,007	1 %
Broadcast Cash Flow Less					
Cash Corporate Expenses (2)	\$ 304,245	\$ 364,573	(17)%	\$ 295,817	3 %
Operating Cash Flow as defined in the Senior Credit Facility	\$ 302,257	\$ 369,967	(18)%	\$ 300,014	1 %
Free Cash Flow	\$ 173,772	\$ 213,526	(19)%	\$ 173,748	0 %

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

(2) Amounts in 2017, 2016 and 2015 have been reclassified to give effect to ASU 2017-07

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

# Non-GAAP Reconciliation



## As Reported Basis

<b>Non-GAAP Reconciliation</b>			
<b>Three Months Ended March 31,</b>			
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(dollars in thousands)		
Net income	\$ 19,945	\$ 10,505	\$ 8,990
Depreciation	13,694	12,629	11,126
Amortization of intangible assets	5,436	5,567	3,888
Non-cash stock-based compensation	2,157	1,338	1,284
(Gain) loss on disposal of assets, net	(821)	527	(1,648)
Miscellaneous income, net (1)	(560)	(93)	(520)
Interest expense	24,250	23,191	21,275
Loss from early extinguishment of debt	-	2,540	-
Income tax expense	6,400	7,329	6,415
Amortization of program broadcast rights	5,346	5,222	4,396
Common stock contributed to 401(k) plan excluding Corporate 401(k) plan contributions	-	7	6
Payments for program broadcast rights	(5,474)	(5,119)	(3,977)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation (1)	<u>7,311</u>	<u>6,736</u>	<u>14,700</u>
<b>Broadcast Cash Flow</b>	<b>77,684</b>	<b>70,379</b>	<b>65,926</b>
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation (1)	<u>(7,311)</u>	<u>(6,736)</u>	<u>(14,700)</u>
<b>Broadcast Cash Flow Less Cash Corporate Expenses</b>	<b>70,373</b>	<b>63,643</b>	<b>51,226</b>
Contributions to pension plans	-	(624)	(520)
Interest expense	(24,250)	(23,191)	(21,275)
Amortization of deferred financing costs	1,157	1,151	1,071
Amortization of net original issue (premium) discount on senior notes	(153)	(153)	(216)
Purchase of property and equipment	(6,280)	(3,977)	(5,531)
Income taxes paid, net of refunds	(8,451)	(256)	(140)
<b>Free Cash Flow</b>	<b><u>\$32,396</u></b>	<b><u>\$36,593</u></b>	<b><u>\$24,215</u></b>

See definition of non-GAAP terms included in the Glossary

(1) In 2017 and 2016, certain amounts have been reclassified to give effect to the implementation of ASU 2017-07.

# Non-GAAP Reconciliation



## As Reported Basis

	As Reported Basis			
	Year Ended December 31			
	2017	2016	2015	2014
	(dollars in thousands)			
Net income	\$ 261,952	\$ 62,273	\$ 39,301	\$ 48,061
Depreciation	51,973	45,923	36,712	30,248
Amortization of intangible assets	25,072	16,596	11,982	8,297
Non-cash stock-based compensation	8,304	5,101	4,020	5,012
(Gain) loss on disposal of assets, net	(74,200)	329	80	623
Miscellaneous (income) expense, net (1)	(657)	(610)	974	941
Interest expense	95,259	97,236	74,411	68,913
Loss from early extinguishment of debt	2,851	31,987	-	5,086
Income tax (benefit), expense	(68,674)	43,418	26,448	31,736
Amortization of program broadcast rights	21,033	19,001	14,960	12,871
Common stock contributed to 401(k) plan excluding corporate 401(k) plan contributions	16	29	26	25
Network compensation revenue recognized	-	-	-	(456)
Payments for program broadcast rights	(21,055)	(18,786)	(14,576)	(15,087)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation (1)	27,182	26,441	31,190	25,607
<b>Broadcast Cash Flow</b>	<b>329,056</b>	<b>338,938</b>	<b>225,528</b>	<b>221,877</b>
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation (1)	(27,182)	(26,441)	(31,190)	(25,607)
<b>Broadcast Cash Flow Less Cash Corporate Expenses</b>	<b>301,874</b>	<b>302,497</b>	<b>194,338</b>	<b>196,270</b>
Pension expense (1)	-	-	3,130	5,162
Contributions to pension plans	(3,124)	(3,048)	(5,421)	(6,770)
Interest expense	(95,259)	(97,236)	(74,411)	(68,913)
Amortization of deferred financing costs	4,624	4,884	3,194	2,970
Amortization of net original issue (premium) discount on senior notes	(610)	(779)	(863)	(863)
Purchase of property and equipment	(34,516)	(43,604)	(24,222)	(32,215)
Income taxes paid, net of refunds	(1,984)	(14,588)	(1,761)	(401)
<b>Free Cash Flow</b>	<b>\$171,005</b>	<b>\$148,126</b>	<b>\$93,984</b>	<b>\$95,240</b>

See definition of non-GAAP terms included in the Glossary

(1) In 2017, 2016, 2015 and 2014, certain amounts have been reclassified to give effect to the implementation of ASU 2017-07.

# Non-GAAP Reconciliation

## Combined Historical Basis

	<b>Combined Historical Basis</b>			
	<b>2017</b>	<b>Year Ended December 31</b>		<b>2014</b>
		<b>2016</b>	<b>2015</b>	
		(dollars in thousands)		
Net income	\$ 260,133	\$ 105,523	\$ 65,202	\$ 130,807
Depreciation	52,710	51,829	52,056	49,781
Amortization of intangible assets	25,098	17,904	19,261	16,705
Non-cash stock-based compensation	8,304	5,101	4,020	5,012
(Gain) loss on disposal of assets, net	(74,250)	595	1,736	1,055
Miscellaneous (income) expense, net (1)	(666)	284	6,806	9,567
Interest expense	95,999	102,354	96,597	97,289
Loss from early extinguishment of debt	2,851	31,987	-	5,086
Income tax (benefit), expense	(68,960)	42,225	22,394	29,344
Amortization of program broadcast rights	21,296	21,349	21,799	21,918
Common stock contributed to 401(k) plan	-	-	-	-
excluding corporate 401(k) plan contributions	16	29	26	25
Network compensation revenue recognized	-	-	-	(456)
Payments for program broadcast rights	(21,318)	(21,134)	(21,415)	(24,134)
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation (1)	27,182	36,441	31,190	25,607
Other	3,032	6,527	27,338	27,392
<b>Broadcast Cash Flow</b>	<b>331,427</b>	<b>401,014</b>	<b>327,007</b>	<b>394,998</b>
Corporate and administrative expenses excluding depreciation, amortization of intangible assets and non-cash stock-based compensation (1)	(27,182)	(36,441)	(31,190)	(25,607)
<b>Broadcast Cash Flow Less Cash Corporate Expenses</b>	<b>304,245</b>	<b>364,573</b>	<b>295,817</b>	<b>369,391</b>
Pension expense (1)	-	-	3,130	5,162
Contributions to pension plans	(3,124)	(3,048)	(5,421)	(6,770)
Other	1,136	8,442	6,488	6,176
<b>Operating Cash Flow as defined in the Senior Credit Agreement</b>	<b>302,257</b>	<b>369,967</b>	<b>300,014</b>	<b>373,959</b>
Interest expense	(95,999)	(102,354)	(96,597)	(97,289)
Amortization of deferred financing costs	4,624	4,884	3,194	3,546
Amortization of net original issue (premium) discount	-	-	-	-
senior notes	(610)	(779)	(863)	(863)
Purchase of property and equipment	(34,516)	(43,604)	(27,000)	(35,000)
Income taxes paid, net of refunds	(1,984)	(14,588)	(5,000)	(5,000)
<b>Free Cash Flow</b>	<b>\$ 173,772</b>	<b>\$ 213,526</b>	<b>\$ 173,748</b>	<b>\$ 239,353</b>

See definition of non-GAAP terms included in the Glossary

(1) In 2017, 2016, 2015 and 2014, certain amounts have been reclassified to give effect to the implementation of ASU 2017-07.

# Non-GAAP Reconciliation



	<b>Eight Quarters Ended March 31, 2018</b>
	(dollars in thousands)
<b>Operating Cash Flow as defined in the Senior Credit Agreement:</b>	
Net income	\$ 335,180
Adjustments to reconcile Net Income as reported to Operating Cash Flow as defined in our Senior Credit Facility on a Combined Historical Basis	
Depreciation	100,464
Amortization of intangible assets	43,216
Non-cash stock-based compensation	14,276
(Gain) loss on disposal of assets, net	(73,044)
Miscellaneous (income) expense, net	5
Interest expense	195,470
Loss from early extinguishment of debt	34,838
Income tax (benefit) expense	(25,271)
Amortization of program broadcast rights	40,984
Common stock contributed to 401(k) plan	39
Payments for program broadcast rights	(42,308)
Pension expense	(631)
Contributions to pension plans	(5,652)
Adjustments for stations acquired or divested, financings and expected synergies during the eight quarter period	49,025
Professional fees related to acquisitions and divestitures	<u>3,031</u>
<b>Operating Cash Flow as defined in our Senior Credit Agreement on a Combined Historical Basis</b>	<b><u>669,622</u></b>
<b>Operating Cash Flow as defined in our Senior Credit Agreement on a Combined Historical Basis, divided by two</b>	<b><u>334,811</u></b>
	<b>March 31, 2018</b>
<b>Adjusted Total Indebtedness:</b>	
Total outstanding principal, including current portion	1,858,630
Capital leases and other debt	714
Cash	<u>(443,425)</u>
<b>Adjusted Total Indebtedness, Net of All Cash</b>	<b><u>\$ 1,415,919</u></b>
<b>Total Leverage Ratio, Net of All Cash</b>	<b><u>4.23</u></b>

See definition of non-GAAP terms included in the Glossary





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