

**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) March 2, 2021

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, NE, Atlanta, Georgia
(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock (no par value)	GTN.A	New York Stock Exchange
common stock (no par value)	GTN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company 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.

Item 7.01. Regulation FD Disclosure.

Beginning on March 2, 2021, Gray Television, Inc. intends to meet from time to time and make presentations to prospective investors. Exhibit 99.1 provides a copy of the slides that may be used in connection with and/or referenced in such meetings. Exhibit 99.1 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 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.

(d) Exhibits.

99.1 [Prospective Investor Meeting Slides](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

March 2, 2021

By: /s/ James C. Ryan

Name: James C. Ryan

Title: Executive Vice President and Chief Financial Officer



gray
Television • Digital • Mobile

Gray Television, Inc. Investor Presentation

NYSE:GTN

March 2021

Updated for December 31, 2020 Financial Information

4370 Peachtree Road, NE, Atlanta, GA 30319 | P 404.504.9828 | F 404.261.9607 | www.gray.tv

GRAY TELEVISION, INC.



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 December 31, 2020. See Glossary at end for definitions. If Appendix is not included, see full presentation located at www.gray.tv for Non-GAAP Reconciliations.

Gray to Acquire Quincy Media, Inc. for \$925 Million



Pro Forma Company Highlights

102 Markets
25.4% of U.S. TV Households

#1 ranked TV station in 77 markets
#1/#2 ranked TV station in 93 markets

Transaction Overview

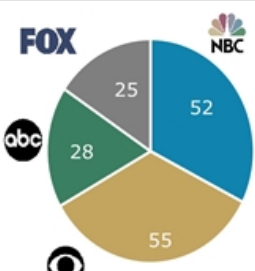
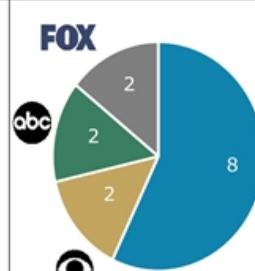
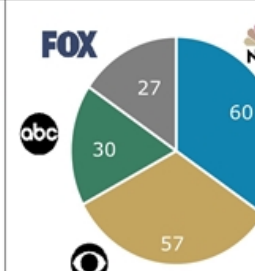
- On February 1, 2021, Gray announced its agreement to acquire Quincy Media, Inc. for \$925 million in cash
- Acquisition includes the #1 television station in 7 markets, the #2 station in a ninth market, and an additional station in an existing Gray market. Quincy will divest its newspapers prior to the Gray closing.
- To facilitate prompt regulatory approvals, Gray will divest TV stations in six overlap markets in which Gray also owns full-power TV stations
- Anticipated transaction closing in Q2 2021 or Q3 2021, subject to receipt of regulatory and other approvals
- Purchase price represents a multiple of 6.9x '19/'20 EBITDA including \$23 million of expected year-1 annualized synergies comprised of three roughly equal components: (a) net retransmission revenue, (b) vendor contracts and workflow efficiencies, and (c) elimination of Quincy's corporate costs, net of incremental shared services and corporate costs.

Financing

- \$925 million incremental Term Loan D commitment.
- Depending on market conditions, Gray may undertake other forms of debt financing to fund all or a portion of the purchase price.
- Pro forma net first lien and net total leverage at 12/31/21 (post-divestitures) is estimated to be 1.4x and 4.0x, respectively, compared to 1.2x and 3.95x, respectively, for Gray standalone as of 12/31/20

Combined Company Snapshot

(\$ in Millions, except metrics per TV HH)

	Gray	Quincy (Post-Divestitures)	Gray + Quincy
Financial Profile			
2020A / 2021E Blended Net Revenue	\$2,318	\$153	\$2,471
2020A / 2021E Blended EBITDA	\$808	\$49	\$880 ⁽¹⁾
% Margin	35%	32%	36%
Scale			
Markets	94	10	102 ⁽²⁾
Gross TV Household Reach (Comscore 2020)	24.3%	1.6%	25.4% ⁽²⁾
Asset Quality			
Markets with #1 / #2 Ranked Stations (Comscore 2020)	85	9	93 ⁽³⁾
2020A Political Revenue / Pol. Rev. / TV HH	\$430 / \$17.57	\$40 / \$25.01	\$470 / \$18.34
2020A Gross Retransmission Revenue / GRR / TV HH	\$867 / \$35.46	\$53 / \$33.07	\$920 / \$35.93 ⁽⁴⁾
Big 4 Network Affiliated Channels			

Source: Company filings and projections, Comscore and BIA Investing in Television Market Report

(1) Includes \$23 million of estimated Year 1 annual EBITDA synergies

(2) Gray has existing stations in South Bend, IN and Rockford, IL

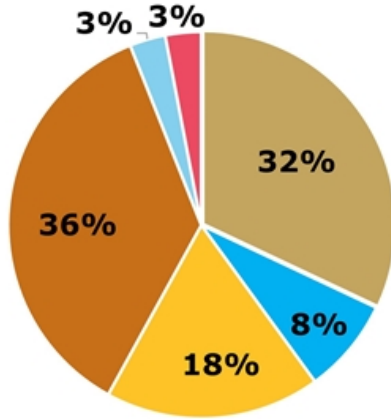
(3) Gray's existing station in Rockford, IL is ranked #2

(4) Prior to retransmission synergies

Diversified Revenue

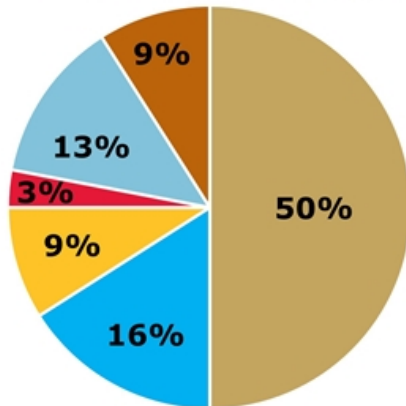
2020 Revenues

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

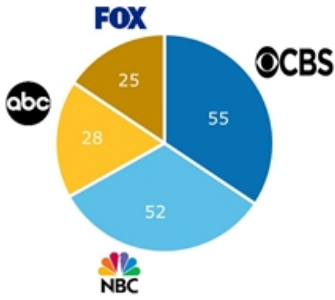


Approximate Advertising Revenue Contributions 2019-2020

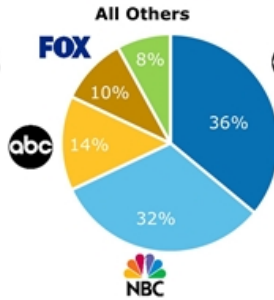
- Local News
- Network Prime
- Network News
- Network Sports
- Syndication
- Other



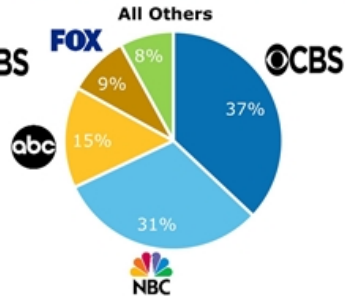
2020 Big 4 Affiliates



2020 Revenues



2020 Broadcast Cash Flow



Well Positioned for Political Revenue

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

2021 Gubernatorial Races (2)

Gray Stations in 3 VA markets.

2022 Gubernatorial Races (37)

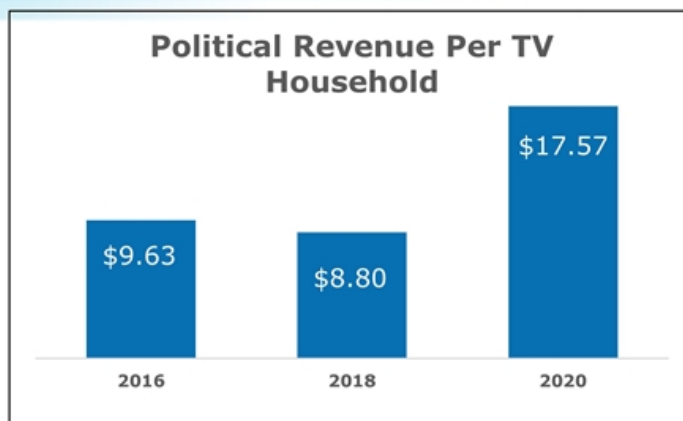
Gray stations in 28 states: AK, AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, KS, ME, MI, MN, NE, NH, NY, NV, OH, OK, SC, SD, TN, TX, VT, WI, WY

2022 US Senate Races (34)

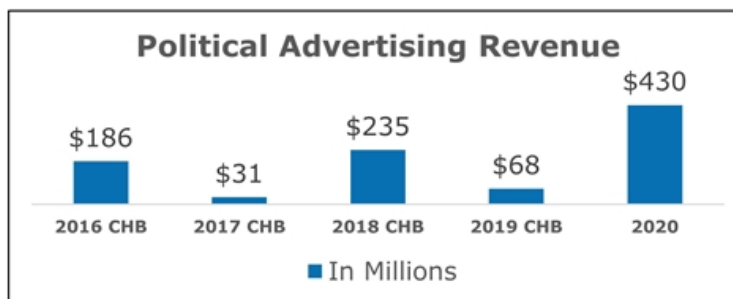
Gray stations in 27 states: AK, AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MO, NC, ND, NY, OH, OK, VT, NH, NV, SC, SD, WI

2022 House Races

All Districts, All Markets



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



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

Strong Network and Distribution Positions



MVPD Subscribers Year-End Renewal Schedule

55% - 2020
(and 2023)

25% - 2021
(and 2024)

20% - 2022
(and 2025)

2021



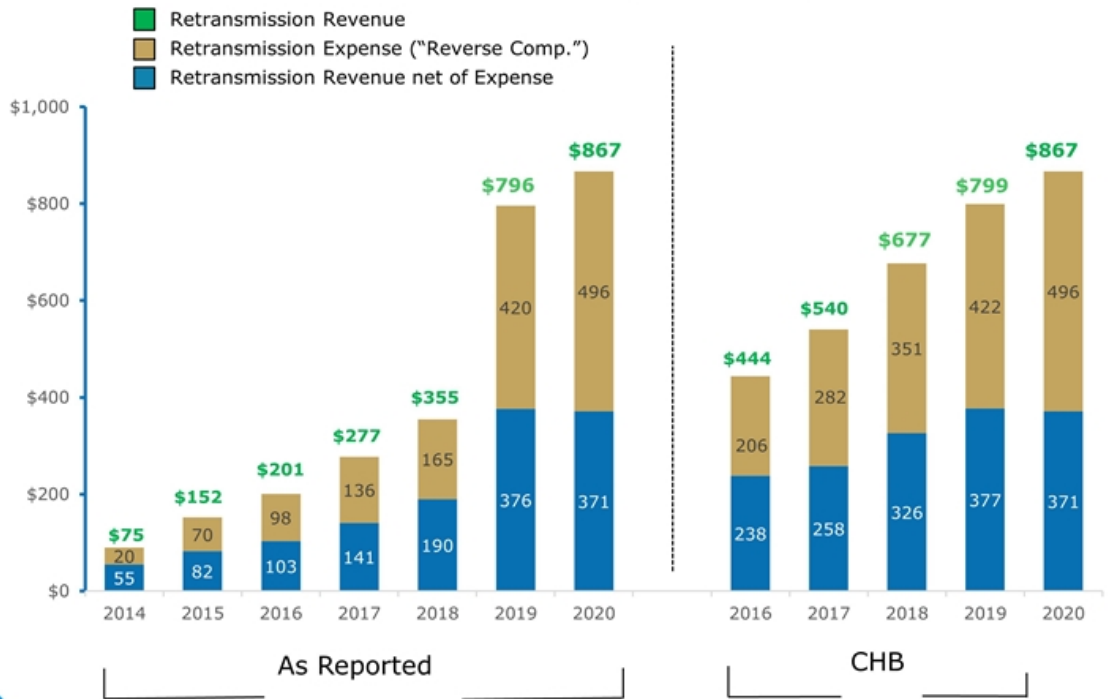
2022



2023



Retransmission Revenue (\$ in millions)



Successful Digital Ventures



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

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

1.1 BILLION MONTHLY AGGREGATE USERS IN 2020



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

PREMION
ONE SOLUTION. EVERY ADVANTAGE.

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

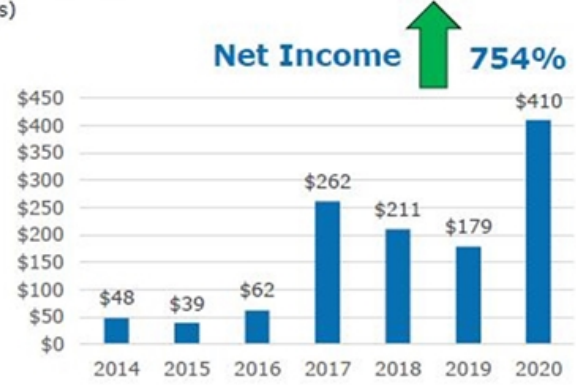
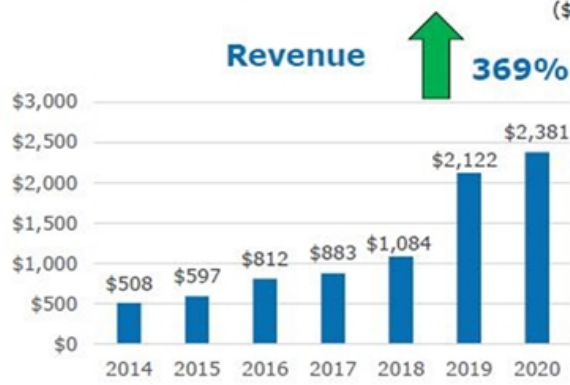
VUit
LIVE • LOCAL • FREE

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

Consistent Growth (As Reported Basis)



(\$ in millions)

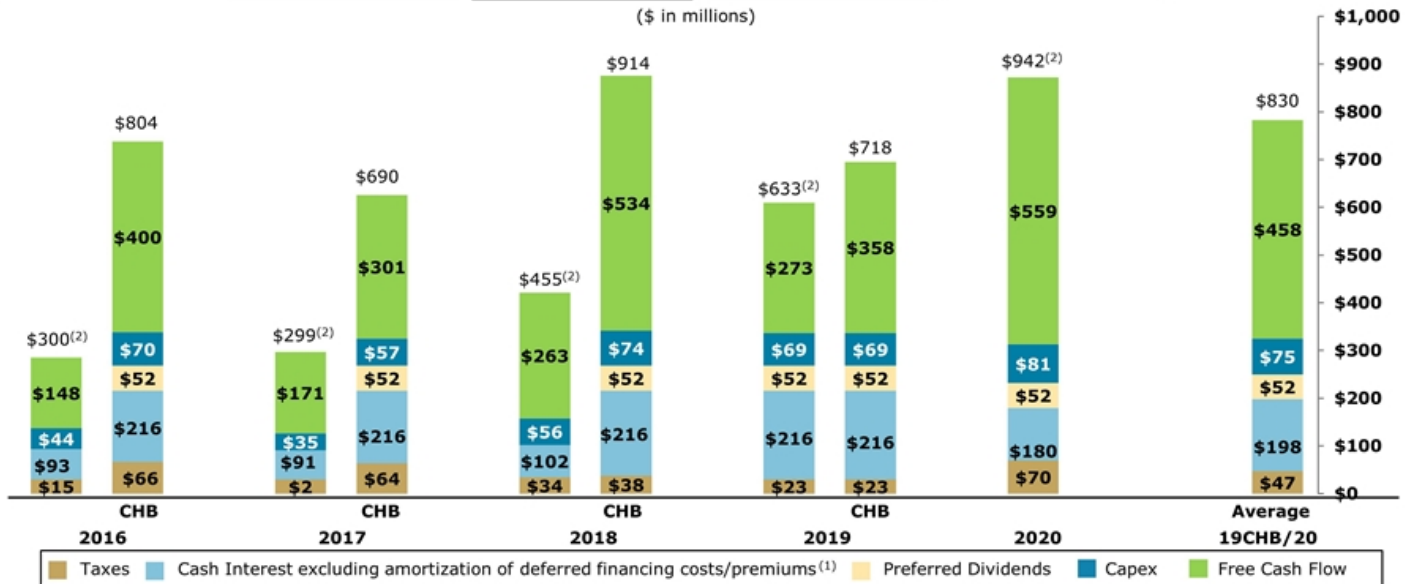


Robust Free Cash Flow Generation and Conversion



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

(\$ in millions)



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

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

Successful Integration of Acquisitions And Meaningful Deleveraging

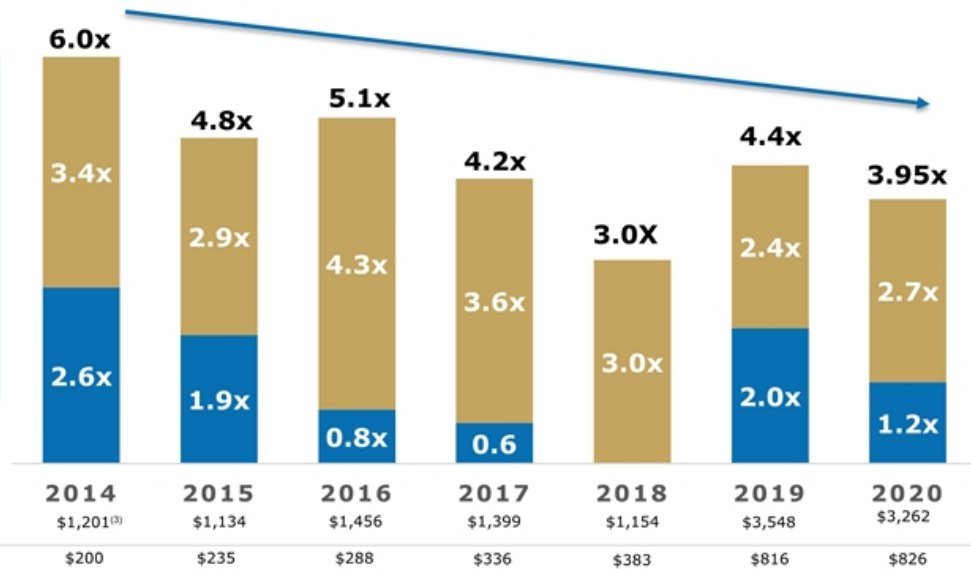


Financial Leverage Net of All Cash (As Reported Basis)

**Guidance
YE 2021⁽¹⁾ Net
Leverage Ratio:**

Approximately 4.0x

Projected total debt (excluding preferred stock) net of all cash, assuming no M&A other than the Quincy Media acquisition 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)

2014	2015	2016	2017	2018	2019	2020
\$1,201 ⁽³⁾	\$1,134	\$1,456	\$1,399	\$1,154	\$3,548	\$3,262
\$200	\$235	\$288	\$336	\$383	\$816	\$826

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

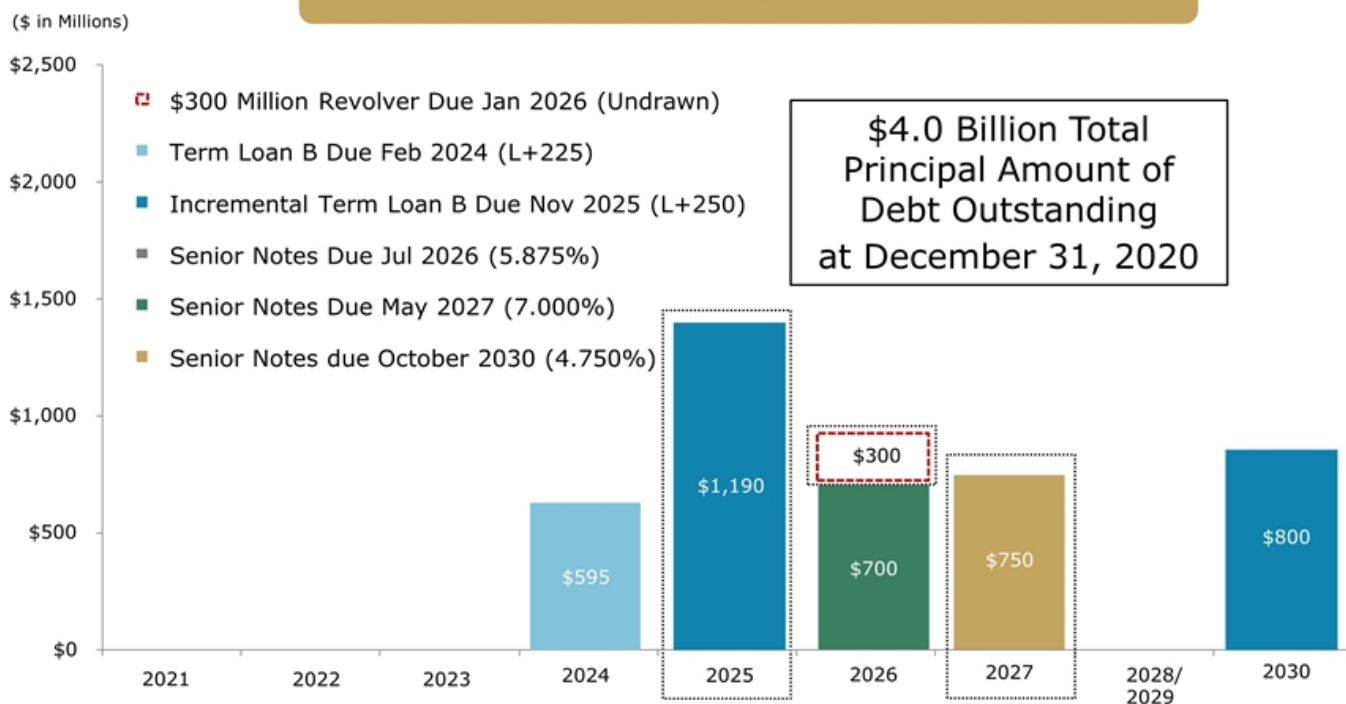
(4) Last eight quarter average OCF as calculated in the applicable quarterly compliance certificate

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

■ Unsecured Debt Netting All Cash / OCF⁽²⁾

Staggered Debt Maturity Profile

No Maturities until 2024



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

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

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

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

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



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

Non-GAAP Reconciliation

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

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

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

Non-GAAP Reconciliation

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

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

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

Reconciliation of Total Leverage Ratio (in millions)



	Eight Quarters Ended December 31, 2020	
Net income	\$	589
Adjustments to reconcile from net income to operating cash flow as defined in our Senior Credit Agreement:		
Depreciation		176
Amortization of intangible assets		220
Non-cash stock-based compensation		31
Gain on disposal of assets, net		(83)
Interest expense		418
Loss on early extinguishment of debt		12
Income tax expense		210
Amortization of program broadcast rights		77
Common stock contributed to 401(k) plan		11
Payments for program broadcast rights		(85)
Pension benefit		(1)
Contributions to pension plan		(6)
Adjustments for stations acquired or divested, financings and expected synergies during the eight quarter period		3
Transaction Related Expenses		81
Operating Cash Flow, as defined in our Senior Credit Agreement	\$	1,653
Operating Cash Flow, as defined in our Senior Credit Agreement, divided by two	\$	826
		December 31, 2020
Adjusted Total Indebtedness:		
Total outstanding principal, including current portion	\$	4,035
Cash		(773)
Adjusted Total Indebtedness, Net of All Cash	\$	3,262
Total Leverage Ratio, Net of All Cash		3.95

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 its pending acquisition of Quincy, on the terms and within the timeframe currently contemplated, any material regulatory or other unexpected requirements in connection therewith, or the inability to achieve expected synergies therefrom on a timely basis or at all, the impact of recently completed transactions, estimates of future retransmission revenue, future expenses and other future events therefrom on a timely basis or at all, estimates of future retransmission revenue, future expenses and other future events. Gray is subject to additional risks and uncertainties described in Gray's quarterly and annual reports filed with the Securities and Exchange Commission from time to time, including in the "Risk Factors," and management's discussion and analysis of financial condition and results of operations sections contained therein. Any forward looking statements in this presentation should be evaluated in light of these important risk factors. This presentation reflects management's views as of the date hereof. Except to the extent required by applicable law, Gray undertakes no obligation to update or revise any information contained in this presentation beyond the published date, whether as a result of new information, future events or otherwise.

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

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



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