REFINITIV

DELTA REPORT

10-Q

GTN - GRAY TELEVISION INC

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1355
CHANGES	178
DELETIONS	599
ADDITIONS	578

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2023 March 31, 2024 or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from __________ to __________ . For the transition period from __________ to __________ .

Commission file number number: 1-13796

Gray Television, Inc.

(Exact name of registrant as specified in its charter)

Georgia	58-0285030
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
4370 Peachtree Road, NE, Atlanta, Georgia	30319
(Address of principal executive offices)	(Zip code)

(404) 504-9828

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions definition of "large accelerated filer," "accelerated filer," filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one).

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐	Smaller reporting company ☐
Emerging growth company ☐	

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐
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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's issuer's classes of common stock, as of the latest practicable practical date.

Common Stock (No Par Value)	Class A Common Stock (No Par Value)
87,263,755 90,294,783 shares outstanding as of November 3, 2023 May 3, 2024	8,191,073 8,842,764 shares outstanding as of November 3, 2023 May 3, 2024

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GRAY TELEVISION, INC.

PART 33FINANCIAL INFORMATION I.

PART I.FINANCIAL INFORMATION Financial Statements

Item 1.Financial Statements

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(in millions)

	September 30, 2023	**December 31, 2022**	March 31, 2024	December 31, 2023
Assets:				
Current assets:				
Cash	$ 21	$ 61	$ 134	$ 21
Accounts receivable, less allowance for credit losses of $31 and $16, respectively	339	650		
Accounts receivable, less allowance for credit losses of $16 and $17, respectively			362	342
Current portion of program broadcast rights, net	27	27	12	18
Income tax refund receivable	21	22		
Income tax refunds receivable			21	21
Prepaid income taxes	34	43	14	18
Prepaid and other current assets	53	54	58	48
Total current assets	495	857	601	468
Property and equipment, net	1,610	1,466	1,590	1,601
Operating leases right of use asset	77	75		
Operating lease right of use asset			71	75
Broadcast licenses	5,320	5,331	5,320	5,320
Goodwill	2,643	2,663	2,643	2,643
Other intangible assets, net	462	636	384	415
Investments in broadcasting, production and technology companies	101	104		
Deferred pension asset	9	5		
Investment in broadcasting, production and technology companies			86	85
Deferred pension assets			18	17
Other	18	15	22	16
Total assets	$ 10,735	$ 11,152	$ 10,735	$ 10,640

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(in millions except for share data)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Liabilities and stockholders' equity:				
Current liabilities:				
Accounts payable	$ 26	$ 55	$ 36	$ 23
Employee compensation and benefits	82	98	77	110
Accrued interest	92	60	93	63
Accrued network programming fees	39	39	39	37
Other accrued expenses	44	50	50	57
Federal and state income taxes	12	15	56	22
Current portion of program broadcast obligations	28	29	12	20
Deferred revenue	51	24	22	23
Dividends payable	14	14	14	14
Current portion of operating lease liabilities	11	10	10	11
Current portion of long-term debt	15	15	15	15
Total current liabilities	414	409	424	395
Long-term debt, less current portion and deferred financing costs	6,171	6,440		
Long-term debt, less current portion and less deferred financing costs			6,139	6,145
Program broadcast obligations, less current portion	1	1	1	1
Deferred income taxes	1,397	1,454	1,353	1,359
Operating lease liabilities, less current portion	70	68	65	69
Other	30	14	53	50
Total liabilities	8,083	8,386	8,035	8,019
Commitments and contingencies (Note 10)				
Commitments and contingencies (Note 9)				
Series A Perpetual Preferred Stock, no par value; cumulative; redeemable; designated 1,500,000 shares, issued and outstanding 650,000 shares, at each date and $650 aggregate liquidation value, at each date	650	650		
Series A Perpetual Preferred Stock, no par value; cumulative; redeemable; designated 1,500,000 shares, issued and outstanding 650,000 shares at each date and $650 aggregate liquidation value, at each date			650	650
Stockholders' equity:				

Common stock, no par value; authorized 200,000,000 shares, issued 107,179,827 shares and 105,104,057 shares, respectively outstanding 87,263,755 shares and 85,467,271 shares, respectively	1,172	1,150		
Class A common stock, no par value; authorized 25,000,000 shares, issued 10,413,993 shares and 9,675,139 shares, respectively outstanding 8,191,073 shares and 7,544,415 shares, respectively	46	45		
Common stock, no par value; authorized 200,000,000 shares, issued 110,636,360 shares and 107,179,827 shares, respectively, and outstanding 90,349,144 shares and 87,227,481 shares, respectively			1,187	1,174
Class A common stock, no par value; authorized 25,000,000 shares, issued 11,237,386 shares and 10,413,993 shares, respectively, and outstanding 8,842,764 shares and 8,162,266 shares, respectively			52	50
Retained earnings	1,114	1,242	1,151	1,084
Accumulated other comprehensive loss, net of income tax benefit	(17)	(12)		
Accumulated other comprehensive loss			(23)	(23)
	2,315	2,425	2,367	2,285
Treasury stock at cost, common stock, 19,916,072 shares and 19,636,786 shares, respectively	(281)	(278)		
Treasury stock at cost, class A common stock, 2,222,920 shares and 2,130,724 shares, respectively	(32)	(31)		
Treasury stock at cost, common stock, 20,287,216 shares and 19,952,346 shares, respectively			(284)	(282)
Treasury stock at cost, Class A common stock, 2,394,622 shares and 2,251,727 shares, respectively			(33)	(32)
Total stockholders' equity	2,002	2,116	2,050	1,971
Total liabilities and stockholders' equity	$ 10,735	$ 11,152	$ 10,735	$ 10,640

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(in millions, except for per share data)

	Three Months Ended September 30,		**Nine Months Ended September 30,**		Three Months Ended March 31,	
	2023	**2022**	**2023**	**2022**	2024	2023
Revenue (less agency commissions):						
Revenue (less agency commissions)						
Broadcasting	$ 783	$ 889	$ 2,363	$ 2,548	$ 799	$ 779
Production companies	20	20	54	56	24	22
Total revenue (less agency commissions)	803	909	2,417	2,604	823	801
Operating expenses before depreciation, amortization, impairment and loss (gain) on disposal of assets, net:						

Operating expenses before depreciation, amortization and loss on disposal of assets, net:						
Broadcasting	557	537	1,664	1,595	583	555
Production companies	18	16	88	56	21	59
Corporate and administrative	23	27	79	80	28	26
Depreciation	36	33	106	96	36	35
Amortization of intangible assets	48	52	147	156	31	49
Impairment of goodwill and other intangible assets	43	-	43	-		
(Gain) loss on disposal of assets, net	(6)	(1)	20	(6)		
Loss on disposal of assets, net					-	10
Operating expenses	719	664	2,147	1,977	699	734
Operating income	84	245	270	627	124	67
Other expense:						
Miscellaneous expense, net	(10)	(1)	(13)	(3)		
Other income (expense):						
Miscellaneous income (expense), net					110	(2)
Interest expense	(111)	(94)	(324)	(254)	(115)	(104)
Loss from early extinguishment of debt	-	-	(3)	-		
(Loss) income before income taxes	(37)	150	(70)	370		
Loss on early extinguishment of debt					-	(3)
Income (loss) before income taxes					119	(42)
Income tax expense (benefit)	3	42	(3)	101	31	(11)
Net (loss) income	(40)	108	(67)	269		
Net income (loss)					88	(31)
Preferred stock dividends	13	13	39	39	13	13
Net (loss) income attributable to common stockholders	$ (53)	$ 95	$ (106)	$ 230		
Net income (loss) attributable to common stockholders					$ 75	$ (44)
Basic per share information:						
Net (loss) income attributable to common stockholders	$ (0.57)	$ 1.04	$ (1.15)	$ 2.47		
Weighted-average shares outstanding	93	91	92	93		
Net income (loss) attributable to common stockholders					$ 0.80	$ (0.48)
Weighted average common shares outstanding					94	92
Diluted per share information:						
Net (loss) income attributable to common stockholders	$ (0.57)	$ 1.03	$ (1.15)	$ 2.47		
Weighted-average shares outstanding	93	92	92	93		
Net income (loss) attributable to common stockholders					$ 0.79	$ (0.48)
Weighted average common shares outstanding					95	92
Dividends declared per common share	$ 0.08	$ 0.08	$ 0.24	$ 0.24	$ 0.08	$ 0.08

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

(in millions)

	Three Months Ended
	March 31,

	2024	2023
Net income (loss)	$ 88	$ (31)
Other comprehensive loss:		
Adjustment - fair value of interest rate caps	-	(15)
Income tax benefit	-	(4)
Other comprehensive loss, net	-	(11)
Comprehensive income (loss)	$ 88	$ (42)

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)

(in millions, except for number of shares)

	Class A Common Stock		**Common Stock**		**Retained**	**Class A Treasury Stock**		**Common Treasury Stock**		**Accumulated Other Comprehensive**	
	Shares	**Amount**	**Shares**	**Amount**	**Earnings**	**Shares**	**Amount**	**Shares**	**Amount**	**Loss**	**Total**
Balance at December 31, 2022	9,675,139	$ 45	105,104,057	$ 1,150	$ 1,242	(2,130,724)	$ (31)	(19,636,786)	$ (278)	$ (12)	$ 2,116
Net loss	-	-	-	-	(31)	-	-	-	-	-	(31)
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(7)	-	-	-	-	-	(7)
Adjustment to fair value of interest rate cap	-	-	-	-	-	-	-	-	-	(11)	(11)
Issuance of common stock:											
401(k) Plan	-	-	819,898	9	-	-	-	-	-	-	9
2022 Equity and Incentive Compensation Plan:											
Restricted stock awards	25,022	-	12,227	-	-	(92,196)	(1)	(129,636)	(2)	-	(3)

Restricted stock unit awards	-	-	247,953	-	-	-	-	(80,622)	(1)	-	(1)
Stock-based compensation	-	-	-	2	-	-	-	-	-	-	2
Balance at March 31, 2023	9,700,161	$ 45	106,184,135	$ 1,161	$ 1,191	(2,222,920)	$ (32)	(19,847,044)	$ (281)	$ (23)	$ 2,061
Balance at December 31, 2023	10,413,993	$ 50	107,179,827	$ 1,174	$ 1,084	(2,251,727)	$ (32)	(19,952,346)	$ (282)	$ (23)	$ 1,971
Net income	-	-	-	-	88	-	-	-	-	-	88
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(8)	-	-	-	-	-	(8)
Adjustment to fair value of interest rate cap	-	-	-	-	-	-	-	-	-	-	-
Issuance of common stock:											
401(k) Plan	-	-	1,765,444	9	-	-	-	-	-	-	9
2022 Equity and Incentive Compensation Plan:											
Restricted stock awards	823,393	-	1,126,296	-	-	(142,895)	(1)	(146,470)	(1)	-	(2)
Restricted stock unit awards	-	-	564,793	-	-	-	-	(188,400)	(1)	-	(1)
Stock-based compensation	-	2	-	4	-	-	-	-	-	-	6
Balance at March 31, 2024	11,237,386	$ 52	110,636,360	$ 1,187	$ 1,151	(2,394,622)	$ (33)	(20,287,216)	$ (284)	$ (23)	$ 2,050

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(in millions)

	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
Operating activities				
Net income (loss)	$	88	$	(31)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation		36		35
Amortization of intangible assets		31		49
Amortization of deferred loan costs		3		4
Amortization of restricted stock awards		6		2
Amortization of program broadcast rights		7		10
Payments on program broadcast obligations		(8)		(11)
Deferred income taxes		(6)		8
Loss on disposal of assets, net		-		10
Gain on sale of investment		(110)		-
Loss on early extinguishment of debt		-		3
Other		(2)		5
Changes in operating assets and liabilities:				
Accounts receivable, net		(20)		317
Income tax receivable or prepaid		4		(21)
Other current assets		(10)		9
Accounts payable		13		(15)
Employee compensation, benefits and pension cost		(33)		(34)
Accrued network fees and other expenses		5		41
Accrued interest		30		27
Income taxes payable		34		3
Deferred revenue		-		1
Net cash provided by operating activities		68		412
Investing activities				
Purchases of property and equipment		(34)		(110)
Proceeds from asset sales		7		8
Proceeds from sale of investment		110		-
Reimbursement of development costs		-		11
Investments in broadcast, production and technology companies		(3)		(4)
Net cash provided by (used in) investing activities		80		(95)
Financing activities				
Proceeds from borrowings on long-term debt		50		50
Repayments of borrowings on long-term debt		(54)		(349)
Payment of common stock dividends		(8)		(7)
Payment of preferred stock dividends		(13)		(13)
Deferred and other loan costs		(7)		-

Payment for taxes related to net share settlement of equity awards	(3)	(3)
Net cash used in financing activities	(35)	(322)
Net increase (decrease) in cash	113	(5)
Cash at beginning of period	21	61
Cash at end of period	$ 134	$ 56

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (Unaudited)

(in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Net (loss) income	$ (40)	$ 108	$ (67)	$ 269
Other comprehensive (loss):				
Adjustment - fair value of interest rate caps	(3)	-	(7)	-
Income tax benefit	(1)	-	(2)	-
Other comprehensive loss, net	(2)	-	(5)	-
Comprehensive (loss) income	$ (42)	$ 108	$ (72)	$ 269

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

(in millions, except for number of shares)

	Class A Common Stock		Common Stock		Retained Earnings	Class A Treasury Stock		Common Treasury Stock		Accumulated Other Comprehensive Loss	Total
	Shares	**Amount**	**Shares**	**Amount**		**Shares**	**Amount**	**Shares**	**Amount**		
Balance at December 31, 2021	9,424,691	$ 39	104,286,324	$ 1,127	$ 869	(1,998,179)	$ (28)	(16,747,268)	$ (223)	$ (27)	$ 1,757
Net income	-	-	-	-	62	-	-	-	-	-	62
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(8)	-	-	-	-	-	(8)
Issuance of common stock:											

401(k) Plan	-	-	307,885	7	-	-	-	-	-	-	7
2017 Equity and Incentive											
Compensation Plan:											
Restricted stock awards	250,448	-	333,382	-	-	(103,738)	(2)	(138,959)	(3)	-	(5)
Restricted stock unit awards	-	-	108,921	-	-	-	-	(32,958)	(1)	-	(1)
Stock-based compensation	-	2	-	3	-	-	-	-	-	-	5
Balance at March 31, 2022	9,675,139	$ 41	105,036,512	$ 1,137	$ 910	(2,101,917)	$ (30)	(16,919,185)	$ (227)	$ (27)	$ 1,804
Net income	-	-	-	-	99	-	-	-	-	-	99
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(8)	-	-	-	-	-	(8)
Issuance of common stock:											
2017 Equity and Incentive											
Compensation Plan:											
Restricted stock awards	-	-	67,545	-	-	-	-	(17,463)	-	-	-
Repurchase of common stock	-	-	-	-	-	-	-	(2,646,193)	(50)	-	(50)
Stock-based compensation	-	2	-	4	-	-	-	-	-	-	6
Balance at June 30, 2022	9,675,139	$ 43	105,104,057	$ 1,141	$ 988	(2,101,917)	$ (30)	(19,582,841)	$ (277)	$ (27)	$ 1,838
Net income	-	-	-	-	108	-	-	-	-	-	108
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(7)	-	-	-	-	-	(7)
Stock-based compensation	-	1	-	5	-	-	-	-	-	-	6
Balance at September 30, 2022	9,675,139	$ 44	105,104,057	$ 1,146	$ 1,076	(2,101,917)	$ (30)	(19,582,841)	$ (277)	$ (27)	$ 1,932

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Unaudited)

(in millions, except for number of shares)

										Accumulated	

	Class A Common Stock		Common Stock		Retained	Class A Treasury Stock		Common Treasury Stock		Other Comprehensive	
	Shares	Amount	Shares	Amount	Earnings	Shares	Amount	Shares	Amount	Loss	Total
Balance at December 31, 2022	9,675,139	$ 45	105,104,057	$ 1,150	$ 1,242	(2,130,724)	$ (31)	(19,636,786)	$ (278)	$ (12)	$ 2,116
Net loss	-	-	-	-	(31)	-	-	-	-	-	(31)
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(7)	-	-	-	-	-	(7)
Adjustment to fair value of interest rate cap, net of tax	-	-	-	-	-	-	-	-	-	(11)	(11)
Issuance of common stock:											
401(k) Plan	-	-	819,898	9	-	-	-	-	-	-	9
2017 Equity and Incentive											
Compensation Plan:											
Restricted stock awards	25,022	-	12,227	-	-	(92,196)	(1)	(129,636)	(2)	-	(3)
Restricted stock unit awards	-	-	247,953	-	-	-	-	(80,622)	(1)	-	(1)
Stock-based compensation	-	-	-	2	-	-	-	-	-	-	2
Balance at March 31, 2023	9,700,161	$ 45	106,184,135	$ 1,161	$ 1,191	(2,222,920)	$ (32)	(19,847,044)	$ (281)	$ (23)	$ 2,061
Net income	-	-	-	-	4	-	-	-	-	-	4
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(7)	-	-	-	-	-	(7)
Adjustment to fair value of interest rate cap, net of tax	-	-	-	-	-	-	-	-	-	8	8
Issuance of common stock:											
2017 Equity and Incentive											
Compensation Plan:											
Restricted stock awards	713,832	-	995,692	-	-	-	-	(69,028)	-	-	-
Stock-based compensation	-	-	-	7	-	-	-	-	-	-	7
Balance at June 30, 2023	10,413,993	$ 45	107,179,827	$ 1,168	$ 1,175	(2,222,920)	$ (32)	(19,916,072)	$ (281)	$ (15)	$ 2,060

Net loss	-	-	-	-	(40)	-	-	-	-	-	(40)
Preferred stock dividends	-	-	-	-	(13)	-	-	-	-	-	(13)
Common stock dividends	-	-	-	-	(8)	-	-	-	-	-	(8)
Adjustment to fair value of interest rate cap, net of tax	-	-	-	-	-	-	-	-	-	(2)	(2)
Stock-based compensation	-	1	-	4	-	-	-	-	-	-	5
Balance at September 30, 2023	10,413,993	$ 46	107,179,827	$ 1,172	$ 1,114	(2,222,920)	$ (32)	(19,916,072)	$ (281)	$ (17)	$ 2,002

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(in millions)

	Nine Months Ended September 30,	
	2023	**2022**
Operating activities:		
Net (loss) income	$ (67)	$ 269
Adjustments to reconcile net (loss) income to net cash provided by		
Operating activities:		
Depreciation	106	96
Amortization of intangible assets	147	156
Amortization of deferred loan costs	10	12
Amortization of stock-based compensation	14	17
Amortization of program broadcast rights	29	36
Payments on program broadcast obligations	(30)	(37)
Deferred income taxes	(57)	(4)
Loss (gain) on disposal of assets, net	20	(6)
Loss from early extinguishment of debt	3	-
Impairment of investments	8	-
Impairment of goodwill and other intangible assets	43	-
Other	11	2
Changes in operating assets and liabilities:		
Accounts receivable, net	311	9
Income taxes receivable or prepaid	9	(22)
Other current assets	3	1
Accounts payable	(29)	(20)
Employee compensation, benefits and pension cost	(16)	(5)
Accrued network fees and other expenses	1	10
Accrued interest	32	34

Income taxes payable	(2)	(2)
Deferred revenue	19	50
Net cash provided by operating activities	565	596
Investing activities:		
Acquisitions of businesses and broadcast licenses, net of cash acquired	(7)	(53)
Proceeds from sale of television stations	6	-
Purchases of property and equipment	(288)	(298)
Proceeds from Repack reimbursement (Note 1)	-	7
Proceeds from asset sales	31	2
Reimbursement of development costs	11	-
Investments in broadcast, production and technology companies	(11)	(16)
Other	(1)	(4)
Net cash used in investing activities	(259)	(362)
Financing activities:		
Proceeds from borrowings on long-term debt	225	-
Repayments of borrowings on long-term debt	(506)	(161)
Repurchase of common stock	-	(50)
Payments of common stock dividends	(22)	(23)
Payments of preferred stock dividends	(39)	(39)
Payments of taxes related to net share settlement of equity awards	(4)	(6)
Net cash used in financing activities	(346)	(279)
Net decrease in cash	(40)	(45)
Cash at beginning of period	61	189
Cash at end of period	$ 21	$ 144

See notes to condensed consolidated financial statements.

GRAY TELEVISION, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (UNAUDITED)

1. Basis of Presentation

The accompanying condensed consolidated balance sheet of Gray Television, Inc. (and its consolidated subsidiaries, except as the context otherwise provides,“Gray,” the “Company,” “we,” “us,” and “our”) as of December 31, 2022, 2023, which was derived from the Company’s audited financial statements as of December 31, 2022, 2023, and our accompanying unaudited condensed consolidated financial statements as of September 30, 2023 March 31, 2024 and for the three and nine-month periods ended September 30, 2023 March 31, 2024 and 2022, 2023, have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to those rules and regulations, although we believe that the disclosures made are adequate to make the information not misleading. In our opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation have been included. We manage our business on the basis of two operating segments: broadcasting and production companies. Unless otherwise indicated, all station rank, in-market share and television household data herein are derived from reports prepared by The Nielsen Company, LLC (“Nielsen”) and/or Comscore, Inc. (“Comscore”). While we believe this data to be accurate and reliable, we have not independently verified such data nor have we ascertained the underlying assumptions relied upon therein, and cannot guarantee the accuracy or completeness of such data. For further information, refer to the consolidated financial statements and footnotes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022 2023 (the “2022 2023 Form 10-K”). Our financial condition as of, and operating results for the three and nine-months ended September 30, 2023, March 31, 2024, are not necessarily indicative of the financial condition or results that may be expected for any future interim period or for the year ending December 31, 2023. 2024.

Overview. We are a multimedia company headquartered in Atlanta, Georgia. We are the nation's largest owner of top-rated local television stations and digital assets in the United States. Our television stations serve 113 114 television markets that collectively reach approximately 36 percent of US television households. This portfolio includes 80 79 markets with the top-rated television station and 102 markets with the first and/or second highest rated television station. We also own video program companies Raycom Sports, Tupelo Media Group, PowerNation Studios, as well as the studio production facilities Assembly Atlanta and Third Rail Studios.

Investments in Broadcasting, Production and Technology Companies. We have investments in several television, production and technology companies. We account for all material investments in which we have significant influence over the investee under the equity method of accounting. Upon initial investment, we record equity method investments at cost. The amounts initially recognized are subsequently adjusted for our appropriate share of the net earnings or losses of the investee. We record any investee losses up to the carrying amount of the investment plus advances and loans made to the investee, and any financial guarantees made on behalf of the investee. We recognize our share in earnings and losses of the investee as miscellaneous expense, income (expense), net in our consolidated statements of operations. Investments are also increased by contributions made to and decreased by the distributions from the investee. We evaluate The Company evaluates equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may be impaired.

Investments in non-public businesses that do not have readily determinable pricing, and for which we do the Company does not have control or do does not exert significant influence, are carried at cost less impairments, if any, plus or minus changes in observable prices for those investments. Gains or losses resulting from changes in the carrying value of these investments are included as miscellaneous expense, income (expense), net in our consolidated statements of operations. These investments are reported together as a non-current asset on our consolidated balance sheets.

BMI Investment Proceeds. On February 8, 2024, we received $110 million from the sale of our investment in Broadcast Music, Inc. ("BMI"). These proceeds are included in miscellaneous income (expense), net, in our condensed consolidated statement of operations.

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Use of Estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Our actual results could differ materially from these estimated amounts. Our most significant estimates are our allowance for credit losses in receivables, valuation of goodwill and intangible assets, amortization of program rights and intangible assets, pension costs, income taxes, employee medical insurance claims, useful lives of property and equipment and contingencies.

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Earnings Per Share. We compute basic earnings per share by dividing net income available to common stockholders by the weighted-average number of common shares outstanding during the relevant period. The weighted-average number of common shares outstanding does not include restricted shares. These shares, although classified as issued and outstanding, are considered contingently returnable until the restrictions lapse and, in accordance with U.S. GAAP, are not included in the basic earnings per share calculation until the shares vest. Diluted earnings per share is computed by including all potentially dilutive common shares, including restricted shares, in the diluted weighted-average shares outstanding calculation, unless their inclusion would be antidilutive.

The following table reconciles basic weighted-average common shares outstanding to diluted weighted-average common shares outstanding for the three and nine-month periods -months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
Weighted-average shares outstanding-basic	93	91	92	93
Common stock equivalents for stock options and restricted stock	-	1	-	-
Weighted-average shares outstanding-diluted	93	92	92	93

	Three Months Ended March 31, 2024	2023
Weighted-average common shares outstanding-basic	94	92
Common stock equivalents for stock options and restricted stock	1	-
Weighted-average common shares outstanding-diluted	95	92

Accumulated Other Comprehensive Loss. Our accumulated other comprehensive loss balances as of September 30, 2023 March 31, 2024 and December 31, 2022, 2023, consist of adjustments to our pension liability and changes in the fair value of our interest rate caps cap, each net of tax. Our comprehensive income (loss) for the three-months ended March 31, 2024 and 2023 consisted of our net income (loss) and recognition of the initial fair value adjustment related to our interest rate cap, and the related income tax effects. Our comprehensive income for the nine-month periods ended September 30, 2023 and 2022 consisted of the adjustment of the fair value of our interest rate caps, net of tax, and net income. benefit. As of September 30, 2023 March 31, 2024 and December 31, 2022 2023 the balances were as follows (in millions):

	September 30, 2023	**December 31, 2022**	March 31, 2024	December 31, 2023
Accumulated balances of items included in accumulated other comprehensive loss:				
Items included in accumulated other comprehensive loss:				
Adjustment to pension liability	$ (16)	$ (16)	$ (7)	$ (7)
Adjustment to fair value of interest rate caps	(7)	-	(23)	(23)
Income tax benefit	(6)	(4)	(7)	(7)
Accumulated other comprehensive loss	$ (17)	$ (12)	$ (23)	$ (23)

Property and Equipment. Property and equipment are carried at cost, or in the case of acquired businesses, at fair value. Depreciation is computed principally by the straight-line method. The following table lists the components of property and equipment by major category (dollars in millions):

	September 30, 2023	**December 31, 2022**	**Estimated Useful Lives (in years)**	**March 31, 2024**	**December 31, 2023**	**Estimated Useful Lives (in years)**
Property and equipment, net:						
Property and equipment:						
Land	$ 335	$ 290		$ 366	$ 368	
Buildings and improvements	677	477	7 to 40	873	868	7 to 40
Equipment	1,041	1,027	3 to 20	1,087	1,082	3 to 20
Construction in progress	318	362		94	81	
	2,371	2,156		2,420	2,399	
Accumulated depreciation	(761)	(690)		(830)	(798)	
Total property and equipment, net	$ 1,610	$ 1,466		$ 1,590	$ 1,601	

Maintenance, repairs and minor replacements are charged to operations as incurred; major replacements and betterments are capitalized. The cost of any assets divested, sold or retired and the related accumulated depreciation are removed from the accounts at the time of disposition, and any resulting gain or loss is reflected in income or expense for the period.

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In April 2017, We incurred costs to build public infrastructure within the Federal Communications Commission (“FCC”) began Assembly Atlanta project. Pursuant to our Purchase and Sale Agreement with the process Doraville Community Improvement District (the “CID”), we receive cash reimbursements for the transfer of requiring certain television stations specific infrastructure projects to change channels and/or modify their transmission facilities (“Repack”). the CID and for other construction costs previously incurred. During the first quarter of 2024 and 2023, we received a total of $5 million and $26 million, respectively, in cash proceeds from the CID. The majority following table lists the type of our costs associated with Repack qualify for capitalization, rather than expense. Upon receipt of funds reimbursing us for our Repack costs, we record those proceeds as a component of our (gain) loss on disposal of assets, net. received (dollars in millions):

	Three Months Ended March 31,	
	2024	2023
Proceeds from asset sold	$ 5	$ 6
Proceeds received in advance of asset sale	-	9
Total proceeds received for asset transfer to CID	5	15
Proceeds for reimbursement of development costs	-	11
Total proceeds received from CID	$ 5	$ 26

The following tables provide additional information related to (loss) gain loss on disposal of assets, net included in our condensed consolidated statements of operations and purchases of property and equipment included in our condensed consolidated statements of cash flows (in millions):

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2023	**2022**	**2023**	**2022**
(Loss) gain on disposal of assets, net:				
Proceeds from sale of fixed assets	$ 9	$ -	$ 31	$ 2
Proceeds from FCC - Repack	-	2	-	7
Net book value of assets disposed	(26)	(1)	(51)	(3)
Non-cash loss on divestitures	13	-	(1)	-
Securitization Facility	8	-	-	-
Other	2	-	1	-
Total	$ 6	$ 1	$ (20)	$ 6
Purchase of property and equipment:				
Recurring purchases - operations			$ 78	$ 118
Assembly Atlanta project			210	179
Repack			-	1
Total			$ 288	$ 298

	Three Months Ended March 31,	
	2024	2023
Loss on disposal of assets, net:		
Proceeds from disposal of assets	$ (7)	$ (8)

Net book value of assets disposed	7	9
Discount - Securitization Facility	-	9
Total	$ -	$ 10
Purchase of property and equipment:		
Recurring purchases - operations	$ 19	$ 19
Assembly Atlanta development	15	91
Total	$ 34	$ 110

Accounts Receivable and Allowance for Credit Losses. We record accounts receivable from sales and service transactions in our condensed consolidated balance sheets at amortized cost adjusted for any write-offs and net of allowance for credit losses. We are exposed to credit risk primarily through sales of broadcast and digital advertising with a variety of direct and agency-based advertising customers, retransmission consent agreements with multichannel video program distributors and program production sales and services.

Our allowance for credit losses is an estimate of expected losses over the remaining contractual life of our receivables based on an ongoing analysis of collectability, historical collection experience, current economic and industry conditions and reasonable and supportable forecasts. The allowance is calculated using a historical loss rate applied to the current aging analysis. We may also apply additional allowance when warranted by specific facts and circumstances. We generally write off accounts account receivable balances when the customer files for bankruptcy or when all commonly used methods of collection have been exhausted.

As of September 30, 2023, our allowance for credit losses includes a reserve of $17 million for the full amount owed to us by Diamond Sports Group, LLC (“Diamond”), as of that date, as a result of Diamond, a counterparty to certain contracts with us, commencing voluntary Chapter 11 bankruptcy proceedings on March 14, 2023.

On February 23, 2023, we, certain of our subsidiaries and a wholly-owned special purpose subsidiary (the “SPV”), entered into a three-year $300 million revolving accounts receivable securitization facility (the “Securitization Facility”) with Wells Fargo Bank, N.A., as administrative agent, and certain third-party financial institutions (the “Purchasers”). The Securitization Facility permits the SPV to draw up to a total of $300 million, subject to the outstanding amount of the receivables pool and other factors. The Securitization Facility matures on February 23, 2026, and is subject to customary termination events related to transactions of this type. The sale of receivables from the SPV is accounted for in the Company’s financial statements as a "true-sale" under Accounting Standards Codification ("ASC") Topic 860.

Under the Securitization Facility, the SPV sells to the Purchasers certain receivables, including all rights, title, and interest in the related receivables (“Sold Receivables”). The parties intend that the conveyance of accounts receivables to the Purchasers, for the ratable benefit of the Purchasers will constitute a purchase and sale of receivables and not a pledge for security. The SPV has guaranteed to each Purchaser the prompt payment of Sold Receivables, and to secure the prompt payment and performance of such guaranteed obligations, the SPV has granted a security interest to the Purchasers in all assets of the SPV. In our capacity as servicer under the Securitization Facility, we are responsible for administering and collecting receivables and have made customary representations, warranties, covenants and indemnities. We do not record a servicing asset or liability since the estimated fair value of the servicing of the receivables approximates the servicing income. We also provided a performance guarantee for the benefit of the Purchasers.

The Securitization Facility is subject to interest charges, at the adjusted one-month Secured Overnight Financing Rate (“SOFR”SOFR”) plus a margin (100 basis points) on the amount of the outstanding facility. The SPV was required to pay an upfront fee and a commitment fee in connection with the Securitization Facility. Servicing fee income recognized during the nine three-months ended September 30, March 31, 2023, was not material. The SPV is a separate legal entity with its own separate creditors who will be entitled to access the SPV’s assets before the assets become available to us. As a result, the SPV’s assets are not available to pay our creditors or any of our subsidiaries, although collections from the receivables in excess of amounts required to repay the Purchasers under the Securitization Facility and other creditors of the SPV may be remitted to us.

The proceeds of the Securitization Facility are classified as operating activities in our Condensed Consolidated Statement of Cash Flows. Cash received from collections of Sold Receivables is used by the SPV to fund additional purchases of receivables on a revolving basis or to return all or any portion of outstanding capital of the Purchasers. Subsequent collections on the pledged receivables, which have not been sold, will be classified as operating cash flows at the time of collection.

The amount sold to the Purchasers was $300 million at each of September 30, March 31, 2024 and December 31, 2023, which was derecognized from the Condensed Consolidated Balance Sheets. As collateral against sold receivables, the SPV maintains a certain level of unsold receivables, which was $250 million $307 million and $296 million at September 30, 2023. March 31, 2024 and December 31, 2023, respectively. Total receivables sold under the Securitization Facility were $550 million for $607 million and $597 million in the quarterthree-months ended September 30, 2023. March 31, 2024 and 2023, respectively. Pursuant to the Securitization Facility, we recognized a charge of $8 million $9 million in the three-months ended March 31, 2023,and the charge recognized in the three-months ended March 31, 2024 was not nine-month period that represents material. These charges represented the discount on the accounts receivable balance transferred to the SPV. This discount is included in our loss on disposal of assets in our Condensed Consolidated Statements of Operations.

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The following table provides a roll-forward of the allowance for credit losses. The allowance is deducted from the amortized cost basis of accounts receivable in our condensed consolidated balance sheets (in millions):

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Beginning balance	$ 16	$ 16	$ 17	$ 16
Provision for credit losses	17	(3)	-	15
Amounts written off	(2)	(1)	(1)	-
Ending balance	$ 31	$ 12	$ 16	$ 31

Recent Accounting Pronouncements. On In July 26, November 2023, the Securities and Exchange Commission Financial Accounting Standards Board ("SEC" FASB") adopted new rules issued Accounting Standards Update ("ASU") 2023-07,*Segment Reporting (Topic 280), Improvements to enhance and standardize disclosures regarding cybersecurity risk management, strategy, governance, and incidents by public companies that are subject to the reporting requirements of the Securities Exchange Act of 1934. Specifically, the new rules require current disclosure about material cybersecurity incidents. Reportable Segment Disclosures.* The purpose of the new rules is this amendment was to require periodic improve disclosures about a registrant's processes related to assess, identify, and manage material cybersecurity risks, management's role in assessing and managing material cybersecurity risks, and the board of directors' oversight of cybersecurity risks. reportable segments. The amendments related to in this ASU are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Currently we do not expect that the implementation of these rules became effective on September 5, 2023. The new rules changes will require us to provide additional disclosures in our annual report on Form 10-K and additional reporting requirements if and when a reportable incident occurs.

Implementation of ASC 848, Reference Rate Reform. On March 17, 2023, we amended the 2019 Senior Credit Facility and transitioned the variable rate on our 2019 Term Loan C from 1-month LIBOR to 1-month SOFR. We elected to apply the optional expedient in ASC 848, in connection with the amendment that enabled us to consider the amendment as a non-significant contract modification of the existing debt agreement. Additionally, for our 2021 Term Loan, we transitioned to the fallback language within the credit agreement and transitioned from 1-month LIBOR to 1-month SOFR as of March 31, 2023. As a result, the amendment to our 2019 Term Loan and fallback to SOFR in our 2021 Term Loan did not have a material impact to effect on our financial statements.

In December 2023, the FASB issued ASU 2023-09,*Income Taxes (Topic 740), Improvements to Income Tax Disclosures.* The purpose of this amendment was to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. Currently we do not expect that the implementation of these changes will have a material effect on our financial statements.

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In addition to the accounting standards described above, certain amounts in the condensed consolidated balance sheets and condensed consolidated statements of cash flows have also been reclassified to conform to the current presentation.

2. Revenue

Revenue Recognition. We recognize revenue when we have completed a specified service and effectively transferred the control of that service to a customer in return for an amount of consideration we expect to be entitled to receive. The amount of revenue recognized is determined by the amount of consideration specified in a contract with our customers. We have elected to exclude taxes assessed by a governmental authority on transactions with our customers from our revenue. Any unremitted balance is included in current liabilities on our balance sheets. sheet.

Deferred Revenue. We record a deposit liability deferred revenue for cash deposits received from our customers that are to be applied as payment once the performance obligation arises and is satisfied. These deposits are recorded as deposit liabilities deferred revenue on our balance sheets. sheet as advertising deposit liabilities. When we invoice our customers for completed performance obligations, we are unconditionally entitled to receive payment of the invoiced amounts. Therefore, we record invoiced amounts in accounts receivable on our balance sheets. sheet. We generally require amounts payable under advertising contracts with our political advertising customers to be paid for in advance. We record the receipt of this cash as a an advertising deposit liability. Once the advertisement has been broadcast, the revenue is earned, and we record the revenue and reduce the balance in this deposit liability account. We recorded $12 million $13 million of revenue in the nine three-months ended September 30, 2023 March 31, 2024 that was included in the advertising deposit liability balance as of December 31, 2022. 2023. We also record other deposit liabilities for cash received in advance for other arrangements, for which revenue is as earned in future periods.

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The deposit liability balance is included in following table presents our deferred revenue on our condensed consolidated balance sheets. The deposit liability balance was $16 million and $12 million as of September 30, 2023 and December 31, 2022, respectively. by type (in millions):

	March 31, 2024		December 31, 2023	
Advertising deposit liabilities	$	12	$	13
Other deposit liabilities		10		10
Total deferred revenue	$	22	$	23

Disaggregation of Revenue. Revenue from our production companies segment is generated through our direct sales channel. Revenue from our broadcasting broadcast and other segment is generated through both our direct and advertising agency intermediary sales channels. The following table presents our revenue from contracts with customers disaggregated by type of service and sales channel (in millions):

	Three Months Ended September 30,				**Nine Months Ended September 30,**			
	2023		**2022**		**2023**		**2022**	
Market and service type:								
Advertising:								
Core	$	363	$	359	$	1,099	$	1,090
Political		26		144		46		260
Total advertising		389		503		1,145		1,350
Retransmission consent		378		368		1,167		1,143
Production companies		20		20		54		56
Other		16		18		51		55
Total revenue	$	803	$	909	$	2,417	$	2,604
Sales channel:								
Direct	$	547	$	528	$	1,664	$	1,616
Advertising agency intermediary		256		381		753		988
Total revenue	$	803	$	909	$	2,417	$	2,604

3. Acquisition and Divestiture

On May 1, 2023, we and Marquee Broadcasting, Inc. ("Marquee") completed transactions in which we sold television station KNIN (FOX) in the Boise, Idaho market (DMA 102) for $6 million, and purchased television station WPGA (MeTV) in the Macon, Georgia market (DMA 126) for $6 million.

The following table summarizes the preliminary values of the assets acquired of WPGA (in millions):

Property and equipment	$	2
Broadcast licenses		4
Total	$	6

These amounts are based upon management's preliminary estimate of the fair values using valuation techniques including income, cost and market approaches. In determining the preliminary fair value of the acquired assets, the fair values were determined based on, among other factors, expected future revenue and cash flows, expected future growth rates, and estimated discount rates.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Market and service type:		
Broadcast advertising:		
Core advertising	$ 372	$ 357
Political	27	8
Total advertising	399	365
Retransmission consent	381	395
Production companies	24	22
Other	19	19
Total revenue	$ 823	$ 801
Sales Channel:		
Direct	$ 556	$ 558
Advertising agency intermediary	267	243
Total revenue	$ 823	$ 801

Property and equipment are recorded at their fair value and are being depreciated over their estimated useful lives ranging from 3 to 40 years.

In this transaction an immaterial amount of goodwill was acquired.

The sale of television station KNIN resulted in a loss on disposal of $14 million.

4. 3. Long-term Debt

As of September 30, 2023 March 31, 2024 and December 31, 2022, 2023, long-term debt consisted of obligations under our 2019 Senior Credit Facility Agreement (as defined below), our 5.875% senior notes due 2026 (the "2026 Notes"), our 7.0% senior notes due 2027 (the "2027 Notes"), our 4.75% senior notes due 2030 (the "2030 Notes") and our 5.375% notes due 2031 (the "2031 Notes"), as follows (in millions):

	September 30, 2023	**December 31, 2022**	March 31, 2024	December 31, 2023
Long-term debt:				
2019 Senior Credit Facility:				

2017 Term Loan (matures February 7, 2024)	$ -	$ 295		
2019 Senior Credit Agreement:				
2019 Term Loan (matures January 2, 2026)	1,190	1,190	1,190	1,190
2021 Term Loan (matures December 1, 2028)	1,474	1,485	1,466	1,470
Revolving Credit Facility	25	-		
2026 Notes (matures July 15, 2026)	700	700	700	700
2027 Notes (matures May 15, 2027)	750	750	750	750
2030 Notes (matures October 15, 2030)	800	800	800	800
2031 Notes (matures November 15, 2031)	1,300	1,300	1,300	1,300
Total outstanding principal, including current portion	6,239	6,520	6,206	6,210
Unamortized deferred loan costs - 2017 Term Loan	-	(4)		
Unamortized deferred loan costs - 2019 Term Loan	(17)	(21)	(13)	(12)
Unamortized deferred loan costs - 2021 Term Loan	(4)	(4)	(4)	(4)
Unamortized deferred loan costs - 2024 Revolving Credit Facility			(6)	(2)
Unamortized deferred loan costs - 2026 Notes	(3)	(4)	(2)	(3)
Unamortized deferred loan costs - 2027 Notes	(6)	(7)	(5)	(6)
Unamortized deferred loan costs - 2030 Notes	(10)	(11)	(9)	(10)
Unamortized deferred loan costs - 2031 Notes	(15)	(16)	(14)	(14)
Unamortized premium - 2026 Notes	2	2	1	1
Less current portion	(15)	(15)	(15)	(15)
Long-term debt, less current portion and deferred financing costs	$ 6,171	$ 6,440		
Long-term debt, less deferred financing costs			$ 6,139	$ 6,145
Borrowing availability under Revolving Credit Facility	$ 469	$ 496	$ 619	$ 494

Revolving Credit Facility. On February 16, 2024, we entered into a second amendment (the “Second Amendment”) of our Senior Credit Agreement. The Second Amendment, among other things, (i) increased the aggregate commitments under the existing $500 million Revolving Credit Facility by $125 million, resulting in aggregate commitments under the Revolving Credit Facility of $625 million and (ii) extended the maturity date of a $552.5 million tranche of the Revolving Credit Facility to December 31, 2027 (subject to a springing maturity in certain circumstances set forth in the Second Amendment), with a remaining non-extending tranche of the Revolving Credit Facility of $72.5 million maturing on December 1, 2026 (subject to a springing maturity in certain circumstances set forth in the Second Amendment). Borrowings under the Revolving Credit Facility bear interest, at our option, at either the SOFR rate or the Base Rate, in each case, plus an applicable margin. As of September 30, 2023, the interest rate on the balance outstanding under the Revolving credit facility was 9.5%. Because of their relationship to the interest rate caps, described below, borrowings under the 2021 Term Loan and 2019 Term Loan bear interest at the 1-month SOFR rate, plus applicable margin. As of September 30, 2023, March 31, 2024, the interest rate on the balance outstanding under the 2021 Term Loan and the 2019 Term Loan were 8.4% and 7.9%, respectively. A portion of the Revolving Credit Facility matures on January 2, 2026, with the remainder maturing on December 1, 2026.

Interest Rate Caps. On February 23, 2023, we entered into two interest rate caps pursuant to an International Swaps and Derivatives Association ("ISDA") Master Agreement with two counterparties, Wells Fargo Bank, NA and Truist Bank, respectively. At September 30, 2023, March 31, 2024, the caps have a combined notional value of approximately $2.6 billion and mature on December 31, 2025. At inception, the The interest rate caps protect the us against adverse fluctuations in interest rates by reducing our its exposure to variability in cash flows on a portion of our variable-rate debt. We designated the interest rate caps as cash flow hedges of our risk of changes in our cash flows attributable to changes in 1-month LIBOR above 5% SOFR on our outstanding variable-rate debt in accordance with ASC 815. On March 29, 2023, in conjunction with the amended credit facility, we transitioned the contractually specified rate on the interest rate caps from 1-month LIBOR to 1-month Term SOFR. Effective with the amended interest rate caps, we are hedging variability in cash flows related to future interest payments when SOFR exceeds the caps of 4.97% and 5.015%. We elected to apply the optional expedient in ASC 848, Reference Rate Reform, in connection with transitioning its interest rate caps from LIBOR to Term SOFR that enabled us to consider the new swaps a continuation of the existing contracts. As a result, the transition did not have an impact on our hedge accounting or a material impact to our financial statements.

The interest rate caps, as amended, effectively limit the annual interest charged on our 2021 2019 Term Loan and our 2019 2021 Term Loan to a maximum of 1-month Term SOFR of 4.97% and 5.015%. We are required to pay aggregate fees in connection with the interest rate caps of approximately $34 million that is due and payable at maturity on December 31, 2025. On the initial designation date, we recognized an asset and corresponding liability for the deferred premium payable equal to $34 million. The asset is amortized into interest expense straight-line over the term of the hedging relationship. The At March 31, 2024, the recorded value of the asset was $27 million $21 million, net of accumulated amortization, at September 30, 2023. amortization. At September 30, March 31, 2024 and December 31, 2023, the fair value of the derivative liability was $7 million $23 million. We present the deferred premium, the asset, and the fair value of the derivative, net within other non-current liabilities in our condensed consolidated balance sheets.

The ISDA Master Agreement, together with its related schedules, contain customary representations, warranties and covenants. The interest rate caps were not entered into for speculative trading purposes. Changes in the fair value of the interest rate caps are reported as a component of other comprehensive income. Actual gains and losses are reclassified into earnings in the same period or periods during which the hedged transaction affects earnings and are presented in the same income statement line item as the earnings effect of the hedged transaction. Gains and losses on the derivative instrument representing hedge components excluded from the assessment of effectiveness are recognized currently in earnings and are presented in the same line of the income statement for the hedged item. We recognized $7 million $3 million and $1 million of amortization expense for the asset during the nine three-months ended September 30, March 31, 2024 and 2023, respectively, which is included as a component of cash flows from operating activities in our condensed consolidated statement of cash flows. Cash flows received from the counterparties pursuant to the interest rate caps are included as components of cash flows from financing activities in our condensed consolidated statements of cash flows. Prior to During the amended hedge designation date, LIBOR was less than 5%. three Further, SOFR was greater than -months ended 4.97% March 31, 2024, and 5.015% from the amended designation date of the hedging relationship through September 30, 2023; therefore, we received $2 million of cash payments from the counterparties that we reclassified as reductions of interest expense from the interest rate caps in our condensed consolidated statement of operations. During the three-months ended March 31, 2023, SOFR was less than 4.97% and 5.015%, therefore, we did not receive any cash payments from the counterparties and, thus, we did notreclassify to reduce any amounts into interest expense from the interest rate caps in our condensed consolidated statement of operations.

For all of our interest bearing obligations, we made interest payments of approximately $284 million $75 million and $212 million $78 million during the nine three-months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. During the nine three-months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, we capitalized $20 million less than $1 million and $4 million $6 million and of interest payments respectively, related to the Assembly Atlanta project.

As of September 30, 2023, March 31, 2024, the aggregate minimum principal maturities of our long term long-term debt for the remainder of 2023 2024 and the succeeding 5 five years were as follows (in millions):

Year	Minimum Principal Maturities						Minimum Principal Maturities					
	2019 Senior Credit Facility	**2026 Notes**	**2027 Notes**	**2030 Notes**	**2031 Notes**	**Total**	2019 Senior Credit Agreement	2026 Notes	2027 Notes	2030 Notes	2031 Notes	Total
Remainder of 2023	$ 4	$ -	$ -	$ -	$ -	$ 4						
2024	15	-	-	-	-	15						
Remainder of 2024							$ 11	$ -	$ -	$ -	$ -	$ 11
2025	15	-	-	-	-	15	15	-	-	-	-	15
2026	1,230	700	-	-	-	1,930	1,205	700	-	-	-	1,905
2027	15	-	750	-	-	765	15	-	750	-	-	765
2028	1,410	-	-	-	-	1,410	1,410	-	-	-	-	1,410
2029							-	-	-	-	-	-
Thereafter	-	-	-	800	1,300	2,100	-	-	-	800	1,300	2,100
Total	$ 2,689	$ 700	$ 750	$ 800	$ 1,300	$ 6,239	$ 2,656	$ 700	$ 750	$ 800	$ 1,300	$ 6,206

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As of September 30, 2023, March 31, 2024, there were no significant restrictions on the ability of Gray Television, Inc.'s our subsidiaries to distribute cash to Gray us or to the guarantor subsidiaries. The 2019 Senior Credit Facility Agreement contains affirmative and restrictive covenants with which we must comply. The 2026 Notes, the 2027 Notes, the 2030 Notes and the 2031 Notes also include covenants with which we must comply. As of September 30, 2023 March 31, 2024 and December 31, 2022, 2023, we were in compliance with all required covenants under all our debt obligations.

In the nine-months ended September 30, 2023, we paid the required principal reductions of $11 million of our 2021 Term Loan and voluntarily pre-paid the $295 million outstanding principal balance of our 2017 Term Loan.

5. 4. Fair Value Measurement

We measure certain assets and liabilities at fair value, which are classified by the FASB Codification within the fair value hierarchy as level 1, 2, or 3, on the basis of whether the measurement employs observable or unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's own assumptions and consider information about readily available market participant assumptions.

- Level 1: Quoted prices for identical instruments in active markets
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The use of different market assumptions or methodologies could have a material effect on the fair value measurement.

The carrying amounts of accounts receivable, prepaid and other current assets, accounts payable, employee compensation and benefits, accrued interest, other accrued expenses, and deferred revenue approximate fair value at both September 30, 2023 March 31, 2024 and December 31, 2022. 2023.

As At each of September 30, 2023 March 31, 2024 and December 31, 2022, 2023 the carrying amount of our long-term debt was $6.2 billion and $6.5 billion, respectively, and the . The fair value of our long-term debt at March 31, 2024 and December 31, 2023 was $5.3 billion and $5.7 billion $5.6 billion, respectively. The fair value of our long-term debt is based on observable estimates provided by third party financial professionals as of each date, and as such is classified within Level 2 of the fair value hierarchy.

The fair value of our interest rate caps are based on observable estimates provided by the counterparties and, as such, are classified within Level 2 of the fair value hierarchy. At each of March 31, 2024 and December 31, 2023, the fair value of the interest caps was a liability of $23 million and is recorded as an other non-current liability in our condensed consolidated balance sheets.

6. 5. Stockholders' Equity

We are authorized to issue 245 million shares in total of all classes of stock consisting of 25 million shares of Class A common stock, 200 million shares of common stock, and 20 million shares of "blank check" preferred stock for which our Board of Directors has the authority to determine the rights, powers, limitations and restrictions. The rights of our common stock and Class A common stock are identical, except that our Class A common stock has 10 votes per share and our common stock has one vote per share.

Our common stock and Class A common stock are entitled to receive cash dividends if declared, on an equal per-share basis. The Board of Directors declared a quarterly cash dividend of $0.08 per share on our common stock and Class A common stock to shareholders of record on each of March 15, June 15, 2024 and September 15, 2023,and 2022, payable on the last business day of March June, 28, 2024 and September, 2023 March 31, 2023. The total dividend paid was $8 million and $7 million during the three-month periods ending March 31, 2024 and 2022. 2023, The total common stock and Class A common stock dividends declared and paid during each of the nine-month periods ended September 30, 2023 and 2022 was $22 million and $23 million, respectively.

Under our various employee benefit plans, we may, at our discretion, issue authorized and unissued shares, or previously issued shares held in treasury, of our Class A common stock or common stock. As of September 30, March 31, 2024, we had reserved 4 million shares and 1 million shares of our common stock and Class A common stock, respectively, for future issuance under various employee benefit plans. As of December 31, 2023, we had reserved 7.3 million 5 million shares and 2.1 million 2 million shares of our common stock and Class A common stock, respectively, for future issuance under various employee benefit plans.

7. 6. Retirement Plans

The components of our net periodic pension benefit are included in miscellaneous (expense) income net (expense) in our condensed consolidated statements statement of operations. During the nine three-months ended September 30, March 31, 2024 and 2023,the amount recorded as a benefit was not material. material, and we did not make a contribution to our defined benefit pension plan. During the remainder of nine 2024,-months ended September 30, 2023, we contributed expect to contribute $4 million to this plan.

During the nine three-month period -months ended September 30, 2023, March 31, 2024, we contributed $20 million $8 million in matching cash contributions, and shares of our common stock valued at approximately $9 million for our 2022 2023 discretionary profit-sharing contributions, to the 401(k) Plan. plan. The discretionary profit-sharing contribution was recorded as an expense in 2022 2023 and accrued as of December 31, 2022. 2023. Based upon employee participation as of September 30, 2023, during During the remainder of 2023, 2024, we expect to contribute approximately $5 million $28 million of matching cash contributions to this plan.

8. 7. Stock-based Compensation

We recognize compensation expense for stock-based payment awards made to our employees, consultants and directors. The following table provides our Our current stock-based compensation plan is the 2022 Equity and Incentive Compensation Plan (the "2022 EICP"). Our stock-based compensation expense and related income tax benefit for the three and nine-month periods -months ended September 30, 2023 March 31, 2024 and 2022 2023, respectively (in millions): .

	Three Months Ended September 30,		**Nine Months Ended September 30,**		Three Months Ended March 31,	
	2023	**2022**	**2023**	**2022**	2024	2023
Stock-based compensation expense, gross	$ 5	$ 6	$ 14	$ 17	$ 6	$ 2
Income tax benefit at our statutory rate associated with share-based compensation	(1)	(2)	(4)	(4)		
Income tax benefit at our statutory rate associated with stock-based compensation					(2)	(1)
Stock-based compensation expense, net	$ 4	$ 4	$ 10	$ 13	$ 4	$ 1

All shares of common stock and Class A common stock and common underlying Restricted stock, underlying outstanding restricted stock units and performance awards are counted as issued at target levels under the 2022 EICP for purposes of determining the number of shares available for future issuance.

A summary of restricted common stock and Class A common stock common stock and restricted stock units activity activities for the nine three-month periods - months ended September 30, 2023 March 31, 2024 and 2022 2023, respectively, is as follows:

	Nine Months Ended				Three Months Ended March 31,			
	September 30, 2023		September 30, 2022		2024		2023	
	Number of Shares	Weighted-average Grant Date Fair Value Per Share	Number of Shares	Weighted-average Grant Date Fair Value Per Share	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Restricted stock - common:								
Outstanding - beginning of period (1)	997,745	$ 20.62	1,035,728	$ 19.69				
Restricted common stock:								
Outstanding - beginning of period					1,467,936	$ 12.17	997,745	$ 20.62
Granted(1)	1,007,919	$ 8.15	400,927	$ 21.68	1,126,296	8.10	12,227	12.04
Vested	(461,953)	$ 20.27	(341,918)	$ 19.03	(307,276)	13.78	(257,355)	20.21
Outstanding - end of period (1)	1,543,711	$ 12.58	1,094,737	$ 20.62				
Outstanding - end of period					2,286,956	$ 9.95	752,617	$ 20.62
Restricted stock - Class A common:								
Outstanding - beginning of period (1)	677,238	$ 19.36	720,421	$ 18.22				
Restricted Class A common stock:								
Outstanding - beginning of period					1,148,233	$ 12.37	677,238	$ 19.36
Granted(1)	738,854	$ 8.34	250,448	$ 20.52	823,393	8.25	25,022	13.30
Vested	(203,986)	$ 18.76	(229,758)	$ 16.99	(318,733)	13.17	(203,986)	18.76
Outstanding - end of period (1)	1,212,106	$ 12.74	741,111	$ 19.38				
Outstanding - end of period					1,652,893	$ 10.16	498,274	$ 19.30
Restricted stock units - common stock:								
Outstanding - beginning of period	274,145	$ 23.60	125,247	$ 19.02	587,168	$ 11.50	274,145	$ 23.60
Granted	587,168	$ 11.50	259,079	$ 23.87	1,229,390	5.72	587,168	11.50
Vested	(247,953)	$ 23.64	(108,921)	$ 19.03	(564,793)	11.50	(247,953)	23.64
Forfeited	(26,192)	$ 23.15	(1,260)	$ 19.05	(22,375)	11.50	(26,192)	23.15
Outstanding - end of period	587,168	$ 11.50	274,145	$ 23.60	1,229,390	$ 5.72	587,168	$ 11.50

(1) For awards subject to future performance conditions, amounts assume target performance.

9. 8. Leases

As a Lessee. We determine if an arrangement is a lease at its inception. We lease land, facilities and equipment from third parties primarily through operating leases. Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. We generally use our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments, because the implicit rate of the lease is generally not known. Right-of-use ("ROU") assets related to our operating lease liabilities are measured at lease commencement inception based on the initial measurement of the lease liability, plus any prepaid lease payments and less any lease incentives. Our lease terms that are used in determining our operating lease liabilities at lease commencement inception may include options to extend or terminate the leases when it is reasonably certain that we will exercise such options. We amortize our ROU assets as operating lease expense generally on a straight-line basis over the lease term and classify both the lease amortization and imputed interest as operating expenses. We have lease agreements with lease and non-lease components, and in such cases, we generally account for the components separately with only the lease component included in the calculation of the ROU right of use asset and lease liability.

We have operating leases that primarily relate to certain of our facilities, data centers and vehicles. As of September 30, 2023, March 31, 2024, our operating leases for assets leased from third parties substantially have remaining terms of one year to 99 years, some of which include options to extend and/or terminate the leases. We do not recognize lease assets and lease liabilities for any lease with an original lease term of less than one year.

Cash flow movements related to our lease activities for assets leased from third parties are included in other assets and accounts payable and other liabilities as presented in net cash provided by operating activities in our condensed consolidated statement of cash flows for the nine three-months ended September 30, March 31, 2024 and 2023.

As of September 30, 2023, March 31, 2024, the weighted-average weighted average remaining term of our operating leases was approximately 9.1 9 years. The weighted-average weighted average discount rate used to calculate the values associated with our operating leases was 6.55% 6.56%. The table below describes the nature of lease expense and classification of operating lease expense recognized in our operating expenses in the three and nine-months ended September 30, 2023 March 31, 2024 and 2022, 2023 respectively (in millions):

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Lease expense						
Operating lease expense	$ 4	$ 4	$ 13	$ 13	$ 4	$ 4
Short-term lease expense	1	1	4	2	1	1
Total lease expense	$ 5	$ 5	$ 17	$ 15	$ 5	$ 5

The maturities of operating lease liabilities as of September 30, 2023, March 31, 2024, for the remainder of 2023 2024 and the succeedingfive years were as follows (in millions):

Year ending December 31,	Operating Leases		Operating Leases
Remainder of 2023	$ 4		
2024	15		
Remainder of 2024		Remainder of 2024	$ 11
2025	14	2025	14
2026	12	2026	12
2027	11	2027	11
2028		2028	8
Thereafter	53	Thereafter	45
Total lease payments	109	Total lease payments	101
Less: Imputed interest	(28)	Less: Imputed interest	(26)

Present value of lease liabilities	$ 81	Present value of lease liabilities $ 75

As a Lessor. We lease or sublease our owned or leased production facilities, land, towers and office space through operating leases with third parties. Payments received associated with these leases consist of fixed and variable payments. Fixed payments are received for the rental of space including fixed rate rent escalations over the applicable term of the lease agreements. Variable payments are received for short-term rental of space, variable rent escalations and reimbursement of operating costs related to the asset leased or subleased.

We recognize revenue from fixed payments on a straight-line basis over the applicable term of the lease agreements, whose lives range between one and 15 years.The excess of straight-line revenue recognized over the fixed payments received is recorded as deferred rent receivable in other assets on our condensed consolidated balance sheets. The deferred rent receivable balance was $7 million and $6 million as of March 31, 2024 and December 31, 2023, respectively. We recognize revenue from variable payments each period as earned.

Cash flow activities related to our lease activities for assets we lease to third parties are included in other assets and accounts receivable as presented in net cash provided by operating activities in our condensed consolidated statement of cash flows.

The following table describes the nature of our lease revenue and classification of operating lease revenue recognized in the three-months ended March 31, 2024 and 2023 (in millions):

	Three Months Ended March 31,	
	2024	2023
Operating lease revenue:		
Fixed lease revenue	$ 5	$ -
Variable lease revenue	4	4
Total operating lease revenue	$ 9	$ 4

The following table presents our future minimum rental receipts for non-cancelable leases and subleases as of March 31, 2024 (in millions):

Year ending **December 31,**	
Remainder of 2024	$ 14
2025	19
2026	20
2027	20
2028	20
Thereafter	229
Total lease receipts	$ 322

10. 9. Commitments and Contingencies

We are and expect to continue to be subject to legal actions, proceedings and claims that arise in the normal course of our business. In the opinion of management, the amount of ultimate liability, if any, with respect to these actions, proceedings and claims will not materially affect our financial position, results of operations or cash flows, although legal proceedings are subject to inherent uncertainties, and unfavorable rulings or events could have a material adverse impact on our financial position, results of operations or cash flows.

11. 10. Goodwill and Intangible Assets

Several years ago, our Raycom Sports subsidiary sublicensed certain Atlantic Coast Conference (“ACC”) football and basketball games from ESPN to Fox Sports that were assumed by Diamond Sports Group, LLC (“Diamond”) upon its acquisition of Fox Sports. In March 2023, Diamond sought bankruptcy protection.

On July 7, 2023, the bankruptcy court granted the request of Diamond (supported by us) for the early rejection, and therefore the termination, of the ACC sports rights agreements. On July 13, 2023, The CW Network ("CW") announced that it had entered into an agreement with Raycom Sports for a similar package of sports rights related to the ACC games that had been included in the now-terminated agreement with Diamond. Concurrently, Raycom Sports and ESPN modified their license agreement to correspond with the terms of The CW sublicense agreement. The new agreements mitigate a portion of the losses caused by Diamond's rejection of its ACC sports rights agreement with Raycom Sports. As a result of the bankruptcy filings and these new July 2023 agreements, our production companies segment recorded a non-cash charge of $43 million, for impairment of goodwill and other intangible assets.

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A summary of changes in our goodwill and other intangible assets, on a net basis, for the nine-months ended September 30, 2023 is as follows (in millions):

	Net Balance at December 31, 2022	Acquisitions And Adjustments, Net	Impairments	Amortization	Net Balance at September 30, 2023
Broadcast licenses	$ 5,331	$ (11)	$ -	$ -	$ 5,320
Goodwill	2,663	(4)	(16)	-	2,643
Finite-lived intangible assets	636	-	(27)	(147)	462
Total intangible assets net of accumulated amortization	$ 8,630	$ (15)	$ (43)	$ (147)	$ 8,425

A summary of the changes in our goodwill, on a gross basis, for the nine-months ended September 30, 2023, is as follows (in millions):

	As of December 31, 2022	Acquisitions And Adjustments, Net	Impairments	As of September 30, 2023
Goodwill, gross	$ 2,762	$ (4)	$ -	$ 2,758
Accumulated goodwill impairment	(99)	-	(16)	(115)
Goodwill, net	$ 2,663	$ (4)	$ (16)	$ 2,643

As of September 30, 2023 March 31, 2024 and December 31, 2022, 2023, our intangible assets and related accumulated amortization consisted of the following (in millions):

	As of September 30, 2023			As of December 31, 2022			As of March 31, 2024			As of December 31, 2023		
	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Intangible assets not currently subject to amortization:												
Broadcast licenses	$ 5,374	$ (54)	$ 5,320	$ 5,385	$ (54)	$ 5,331	$ 5,374	$ (54)	$ 5,320	$ 5,374	$ (54)	$ 5,320
Goodwill	2,643	-	2,643	2,663	-	2,663	2,643	-	2,643	2,643	-	2,643
	$ 8,017	$ (54)	$ 7,963	$ 8,048	$ (54)	$ 7,994	$ 8,017	$ (54)	$ 7,963	$ 8,017	$ (54)	$ 7,963
Intangible assets subject to amortization:												

Network affiliation agreements	$ 216	$ (116)	$ 100	$ 218	$ (88)	$ 130	$ 216	$ (134)	$ 82	$ 216	$ (126)	$ 90
Other finite lived intangible assets	992	(630)	362	1,055	(549)	506						
Other finite-lived intangible assets							992	(690)	302	992	(667)	325
	$ 1,208	$ (746)	$ 462	$ 1,273	$ (637)	$ 636	$ 1,208	$ (824)	$ 384	$ 1,208	$ (793)	$ 415
Total intangibles	$ 9,225	$ (800)	$ 8,425	$ 9,321	$ (691)	$ 8,630						
Total intangible assets							$ 9,225	$ (878)	$ 8,347	$ 9,225	$ (847)	$ 8,378

Amortization expense for the nine three-month periods -months ended September 30, 2023 March 31, 2024 and 2022 2023 was $147 million $31 million and $156 million $49 million, respectively. Based on the current amount of intangible assets subject to amortization, as of September 30, 2023, we expect that amortization expense for the remainder of 2023 2024 would will be approximately $47 million $93 million, and, for the succeeding five years, amortization expense will be approximately as follows: 2024, $125 million; 2025, $113 million; 2026, $83 million; 2027, $47 million; and 2028, $13 million; and 2029, $3 million. If and when acquisitions and dispositions occur in the future, actual amounts may vary materially from these estimates.

12. 11. Income Taxes

For the three and nine-month periods -months ended September 30, 2023 March 31, 2024 and 2022, 2023, our income tax expense and effective income tax rates were as follows (dollars in millions):

	Three Months Ended September 30,		**Nine Months Ended September 30,**		Three Months Ended March 31,	
	2023	**2022**	**2023**	**2022**	2024	2023
Income tax expense (benefit)	$ 3	$ 42	$ (3)	$ 101	$ 31	$ (11)
Effective income tax rate	(8%)	28%	4%	27%	26%	26%

We estimate our differences between taxable income or loss and recorded income or loss on an annual basis. Our tax provision for each quarter is based upon these full year projections, which are revised each reporting period. These projections incorporate estimates of permanent differences between U.S. GAAP income or loss and taxable income or loss, state income taxes and adjustments to our liability for unrecognized tax benefits to adjust our statutory Federal income tax rate of 21% to our effective income tax rate. For the nine three-month period -months ended September 30, 2023, March 31, 2024, these estimates increased or decreased our statutory Federal income tax rate to our effective income tax rate of 4% 26% as follows: state income taxes that added 3%,4%; permanent differences between added 1%; restricted stock differences resulted in an increase of 2% and changes in our U.S. GAAP income and taxable income reduced our rate by 7% and discrete items further reduced our rate by 13% reserves for uncertain tax positions resulted in a decrease of 2%. For the nine three-month period -months ended September 30, 2022, March 31, 2023, these estimates increased or decreased increased our statutory Federal income tax rate to our effective income tax rate of 27% 26% as follows: a result of state income taxes that added 5%, permanent differences between our U.S. GAAP income and taxable income added 1%.

During the nine first-months ended quarter of September 30, 2023, 2024,we made $43 million of no material federal and or state income tax payments, net of refunds. payments. During the remainder of 2023, 2024, we anticipate making income tax payments (before deducting refunds) within a range of approximately $5 million $195 million to $9 million $215 million. As of September 30, 2023, March 31, 2024, we have an aggregate of approximately $344 million $282 million of various state operating loss carryforwards, of which we expect that approximately one-third will be utilized. We expect that approximately $217 million of these state net operating loss carryforwards $201 million will not be utilized due to section 382 limitations and those that will expire prior to utilization. After applying our state effective tax rate, this amount is included in our valuation allowance for deferred tax assets.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, contains modifications on the limitation of business interest for tax years beginning in 2019 and 2020, and permits net operating loss ("NOL") carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. During 2020, we carried back certain net operating losses resulting in a refund of $21 million $23 million, excluding including interest, that is currently outstanding. was collected in the second quarter of 2024.

13. 12. Segment information

We operate The Company operates in two business segments: broadcasting and production companies. The broadcasting segment operates television stations in local markets in the U.S. The production companies segment includes production facilities and the production of television content and our productions facilities, primarily Assembly Atlanta. event content. Costs identified as other are primarily corporate and administrative expenses. The following tables present certain financial information concerning our the Company's operating segments (in millions):

		Production				Production		
As of and for the nine months ended September 30, 2023:	**Broadcasting**	**Companies**	**Other**	**Consolidated**				
As of and for the three months ended March 31, 2024:					Broadcast	Companies	Other	Consolidated
Revenue (less agency commissions)	$ 2,363	$ 54	$ -	$ 2,417	$ 799	$ 24	$ -	$ 823
Operating expenses before depreciation, amortization, impairment and loss on disposal of assets, net:	1,664	88	79	1,831				
Operating expenses before depreciation, amortization and gain on disposal of assets, net					583	21	28	632
Depreciation and amortization	241	9	3	253	62	4	1	67
Impairment of goodwill and other intangible assets	-	43	-	43				
Operating expenses					645	25	29	699
Operating income (loss)					$ 154	$ (1)	$ (29)	$ 124
Interest expense					$ -	$ -	$ 115	$ 115
Capital expenditures (excluding business combinations)					$ 19	$ 15	$ -	$ 34
Goodwill					$ 2,615	$ 28	$ -	$ 2,643
Total Assets					$ 9,850	$ 683	$ 202	$ 10,735

For the three months ended March 31, 2023:								
Revenue (less agency commissions)					$ 779	$ 22	$ -	$ 801
Operating expenses before depreciation, amortization and gain on disposal of assets, net					555	59	26	640
Depreciation and amortization					80	3	1	84
Loss on disposal of assets, net	18	2	-	20	9	1	-	10
Operating expenses	1,923	142	82	2,147	644	63	27	734
Operating income (loss)	$ 440	$ (88)	$ (82)	$ 270	$ 135	$ (41)	$ (27)	$ 67
Interest expense	$ -	$ -	$ 324	$ 324	$ -	$ -	$ 104	$ 104
Capital expenditures (excluding business combinations)	$ 83	$ 201	$ 4	$ 288	$ 19	$ 91	$ -	$ 110
Goodwill	$ 2,615	$ 28	$ -	$ 2,643				
Total assets	$ 10,014	$ 653	$ 68	$ 10,735				
For the nine months ended September 30, 2022:								
Revenue (less agency commissions)	$ 2,548	$ 56	$ -	$ 2,604				
Operating expenses before depreciation, amortization and (gain) loss on disposal of assets, net:	1,595	56	80	1,731				
Depreciation and amortization	240	10	2	252				
(Gain) loss on disposal of assets, net	(6)	-	-	(6)				
Operating expenses	1,829	66	82	1,977				
Operating income (loss)	$ 719	$ (10)	$ (82)	$ 627				
Interest expense	$ -	$ -	$ 254	$ 254				
Capital expenditures (excluding business combinations)	$ 114	$ 181	$ 3	$ 298				
As of December 31, 2022:								
As of December 31, 2023:								
Goodwill	$ 2,618	$ 45	$ -	$ 2,663	$ 2,615	$ 28	$ -	$ 2,643
Total assets	$ 10,444	$ 535	$ 173	$ 11,152				
Total Assets					$ 9,897	$ 658	$ 85	$ 10,640

13. Subsequent event

On 23 May 6, 2024,

our Board of Directors authorized us to use up to $250 million of available liquidity to repurchase our outstanding indebtedness through December 31, 2025. The extent of such repurchases, including the amount and timing of any repurchases, will depend on general market conditions, regulatory requirements, alternative investment opportunities and other considerations. This repurchase program does not require us to repurchase a minimum amount of debt, and it may be modified, suspended or terminated at any time without prior notice.

Item 2.Management's Discussion and Analysis of Financial Condition and Results of Operations

Executive Overview

Introduction. The following discussion and analysis of the financial condition and results of operations of Gray Television, Inc. and its consolidated subsidiaries (except as the context otherwise provides, "Gray," the "Company," "we," "us" or "our") should be read in conjunction with our unaudited condensed consolidated financial statements and notes thereto included elsewhere herein, as well as with our audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the "2022 "2023 Form 10-K") filed with the SEC.

Business Overview. We are a multimedia company headquartered in Atlanta, Georgia. We are the nation's largest owner of top-rated local television stations and digital assets in the United States. assets. Our television stations serve 113 114 television markets that collectively reach approximately 36 percent of US television households. This portfolio includes 80 79 markets with the top-rated television station and 102 markets with the first and/or second highest rated television station. We also own video program companies Raycom Sports, Tupelo Media Group, PowerNation Studios, as well as the studio production facilities Assembly Atlanta and Third Rail Studios.

Our operating revenues are derived primarily from broadcasting broadcast and internet advertising, retransmission consent fees and, to a lesser extent, other sources such as production of television and event programming, television commercials, tower rentals and management fees. For the nine-months three-months ended September 30, 2023 March 31, 2024 and 2022, 2023, we generated revenue of $2.4 billion $823 million and $2.6 billion, $801 million, respectively.

Revenues, Operations, Cyclicality and Seasonality. Broadcast advertising is sold for placement generally preceding or following a television station's network programming and within local and syndicated programming. Broadcast advertising is sold in time increments and is priced primarily on the basis of a program's popularity among the specific audience an advertiser desires to reach. In addition, broadcast advertising rates are affected by the number of advertisers competing for the available time, the size and demographic makeup of the market served by the station and the availability of alternative advertising media in the market area. Broadcast advertising rates are generally the highest during the most desirable viewing hours, with corresponding reductions during other hours. The ratings of a local station affiliated with a major network can be affected by ratings of network programming. Most advertising contracts are short-term, and generally run only for a few weeks.

We also sell internet advertising on our stations' websites and mobile apps. These advertisements may be sold as banner advertisements, video advertisements and other types of advertisements or sponsorships.

Our broadcast and internet advertising revenues are affected by several factors that we consider to be seasonal in nature. These factors include:

- Spending by political candidates, political parties and special interest groups increases during the even-numbered "on-year" of the two-year election cycle. This political spending typically is heaviest during the fourth quarter of such years;
- Broadcast advertising revenue is generally highest in the second and fourth quarters each year. This seasonality results partly from increases in advertising in the spring and in the period leading up to, and including, the holiday season;
- Core advertising revenue on our NBC-affiliated stations increases in certain years as a result of broadcasts of the Olympic Games; and
- Because our stations and markets are not evenly divided among the Big Four broadcast networks, our local and national core advertising revenue can fluctuate between years related to which network broadcasts the Super Bowl.

We derived a material portion of our non-political broadcast advertising revenue from advertisers in a limited number of industries, particularly the services sector, comprising financial, legal and medical advertisers, and the automotive industry. The services sector has become an increasingly important source of advertising revenue over the past few years. During the nine-months three-months ended September 30, 2023 March 31, 2024 and 2022, 2023 approximately 26% 28% and 28% 27%, respectively, of our broadcast advertising revenue (excluding political advertising revenue) was obtained from advertising sales to the services sector. During each of the nine-months three-months ended September 30, 2023 March 31, 2024 and 2022 2023 approximately 20% and 16%, respectively, 19% of our broadcast advertising revenue (excluding political advertising revenue) was obtained from advertising sales to automotive customers.

Revenue from these industries may represent a lower higher percentage of total revenue in even-numbered odd-numbered years due to, among other things, the decreased increased availability of advertising time, as a result of such years being the "on-year" "off year" of the two-year election cycle.

While our total revenues have increased in recent years as a result of our acquisitions, our revenue remains under pressure from the impact on the advertising market as a result of the COVID-19 global pandemic and from the internet as a competitor for advertising spending. We have been taking steps to mitigate the impacts of COVID-19 and we continue to enhance and market our internet websites in an effort to generate additional revenue. Our aggregate internet revenue is derived from both advertising and sponsorship opportunities directly on our websites.

Our primary broadcasting operating expenses are employee compensation, related benefits and programming costs. In addition, the broadcasting operations incur overhead expenses, such as maintenance, supplies, insurance, rent and utilities. A large portion of the operating expenses of our broadcasting operations is fixed. We continue to monitor our operating expenses and seek opportunities to reduce them where possible.

Production Company Operations. The Assembly Studios portion of our Assembly Atlanta project commenced operations in the third quarter of 2023. The studio operations are managed under an operating agreement with NBCUniversal Media, LLC ("NBCU") through which NBCU will lease and operate the new state-of-the-art studio facilities.

Please see our "Results of Operations" and "Liquidity and Capital Resources" sections below for further discussion of our operating results.

Revenue

Set forth below are the principal types of revenue, less agency commissions, earned by us for the periods indicated and the percentage contribution of each type of revenue to our total revenue (dollars in millions):

	Three Months Ended September 30,				**Nine Months Ended September 30,**				Three Months Ended March 31,			
	2023		**2022**		**2023**		**2022**		2024		2023	
	Amount	**Percent of Total**	**Amount**	**Percent of Total**	**Amount**	**Percent of Total**	**Amount**	**Percent of Total**	Amount	Percent of Total	Amount	Percent of Total
Revenue:												
Core advertising	$ 363	45 %	$ 359	39 %	$ 1,099	45 %	$ 1,090	42 %	$ 372	45 %	$ 357	45 %
Political	26	3 %	144	16 %	46	2 %	260	10 %	27	3 %	8	1 %
Retransmission consent	378	47 %	368	40 %	1,167	48 %	1,143	44 %	381	46 %	395	49 %
Production companies	20	2 %	20	2 %	54	2 %	56	2 %	24	3 %	22	3 %
Other	16	3 %	18	3 %	51	3 %	55	2 %	19	3 %	19	2 %
Total	$ 803	100 %	$ 909	100 %	$ 2,417	100 %	$ 2,604	100 %	$ 823	100 %	$ 801	100 %

Results of Operations

Three-Months Ended September 30, 2023 March 31, 2024 ("the 2023 2024 three-month period") Compared to Three-Months Ended September 30, 2022 March 31, 2023 ("the 2022 2023 three-month period")

Revenue. Total revenue decreased $106 million increased $22 million, or 12% 3%, to $803 million $823 million in the 2023 2024 three-month period. During the 2023 2024 three-month period, due primarily to the cyclical decrease in political advertising revenue: period:

- Core advertising revenue increased by $4 million or 1%; $15 million. In the 2024 three-month period, we earned approximately $18 million of net revenue from the broadcast of the Super Bowl on our 54 CBS channels compared to an aggregate of $6 million of net revenue relating to the broadcast of the Super Bowl on our 27 FOX channels during the 2023 three-month period.

- Political advertising revenue increased by $19 million, resulting primarily from 2024 being the “on-year” of the two-year election cycle.
- Retransmission consent revenue increased decreased by $10 million or 3%, $14 million due to an increase the net effect of a decrease in rates, subscriptions offset, in part, by a decrease an increase in subscribers; and rates.
  - Political advertising Production company revenue decreased increased by $118 million. $2 million in the 2024 three-month period due to the start-up of our operations at Assembly Atlanta offset, in part, by decreases in revenue at our event production businesses.

Broadcasting Expenses. Broadcasting expenses (before depreciation, amortization and gain or loss on disposal of assets) increased $20 million $28 million, or 4% 5%, to $557 million $583 million in the 2023 three-month period. During the 2023 2024 three-month period:

- Payroll broadcasting expenses increased by $10 million $20 million in the 2024 three-month period as a result of filling a large portion of our open staff positions and routine increases in compensation. Non-cash stock-based compensation was $1 million in the 2024 three-month period.
- Non-payroll broadcasting expenses increased by $10 million, $7 million primarily as a result because of increased retransmission expense, consistent with increased retransmission revenue.
- Broadcast non-cash stock-based compensation expense was approximately $1 million increases in each of the 2023 and 2022 three-month periods. sports programming expenses partially offset by decreases in syndicated film expenses.

Production company expenses. Production company operating expenses (before depreciation, amortization, impairment and gain or loss on disposal of assets) were $18 million in the 2023 three-month period, an increase of $2 million compared to the 2022 three-month period.

Corporate and Administrative Expenses. Corporate and administrative expenses (before depreciation, amortization and gain or loss on disposal of assets) decreased by $4 million, or 15%, to $23 million. During the 2023 three-month period compensation expense decreased by $2 million and professional services decreased by $1 million. Non-cash stock-based compensation expenses were $4 million in each of the 2023 and 2022 three-month periods.

Depreciation. Depreciation of property and equipment totaled $36 million and $33 million in the 2023 three-month period and the 2022 three-month period, respectively. Depreciation increased primarily due to the addition of depreciable assets.

Amortization. Amortization of intangible assets totaled $48 million and $52 million in the 2023 three-month period and the 2022 three-month period, respectively. Amortization decreased primarily due to finite-lived intangible assets becoming fully amortized.

Impairment of Goodwill and Other Intangible Assets. Several years ago, our Raycom Sports subsidiary sublicensed certain ACC football and basketball games from ESPN to Fox Sports that were assumed by Diamond upon its acquisition of Fox Sports. In March 2023, Diamond sought bankruptcy protection. On July 7, 2023, the bankruptcy court granted the request of Diamond (supported by us) for the early rejection, and therefore the termination, of the ACC sports rights agreements. On July 13, 2023, The CW announced that it had entered into an agreement with Raycom Sports for a similar package of sports rights related to the ACC games that had been included in the now-terminated agreement with Diamond. Concurrently, Raycom Sports and ESPN modified their license agreement to correspond with the terms of The CW sublicense agreement. The new agreements mitigate a portion of the losses caused by Diamond’s rejection of its ACC sports rights agreement with Raycom Sports. As a result of the bankruptcy filings and these new July 2023 agreements, our production companies segment recorded a non-cash charge of $43 million, for impairment of goodwill and other intangible assets.

Miscellaneous Expense, Net. Miscellaneous expense, net totaled $10 million and $1 million in the 2023 three-month period and the 2022 three-month period, respectively. Miscellaneous expense increased primarily due the write-off of an investment in the 2023 three-month period.

Interest Expense. Interest expense increased $17 million, or 18%, to $111 million for the 2023 three-month period compared to the 2022 three-month period. This increase was primarily attributable to the increase in average interest rates on our outstanding debt, net of the impact of our pre-payment of our outstanding 2017 Term Loan balance. The average interest rate on all of our outstanding debt increased to 6.6% in the 2023 three-month period compared to 5.3% in the 2022 three-month period. Our average outstanding debt balance was $6.3 billion and $6.7 billion during the 2023 and 2022 three-month periods, respectively.

Income Tax Expense. We recognized income tax expense of $3 million and $42 million in the 2023 and 2022 three-month periods, respectively. Our effective income tax rates were (8%) and 28% in the 2023 and 2022 three-month periods, respectively. We estimate our differences between taxable income or loss and recorded income or loss on an annual basis. Our tax provision for each interim period is based upon these full year projections that are revised each reporting period. These projections incorporate estimates of permanent differences between U.S. GAAP income or loss and taxable income or loss, state income taxes and adjustments to our liability for unrecognized tax benefits. For the 2023 three-month period, these estimates increased our statutory Federal income tax rate of 21% to our effective income tax rate of (8%) as follows: state income taxes added 1% and permanent differences between our U.S. GAAP income and taxable income resulted in a reduction of 12% and discrete items resulted in a reduction of 18%.

Nine-Months Ended September 30, 2023 ("the 2023 nine-month period") Compared to Nine-Months Ended September 30, 2022 ("the 2022 nine-month period")

Revenue. Total revenue decreased $187 million, or 7%, to $2.4 billion in the 2023 nine-month period from the 2022 nine-month period. During the 2023 nine-month period, due primarily to the cyclical decrease in political advertising revenue:

- Core advertising revenue increased by $9 million or 1%, despite core advertising revenue from the broadcast of the 2023 Super Bowl on our 27 FOX-affiliated stations was approximately $6 million, compared to $13 million that we earned from the broadcast of the 2022 Super Bowl and the Winter Olympics on our 56 NBC-affiliated stations;
- Retransmission consent revenue increased by $24 million or 2% due to an increase in rates, offset, in part, by a decrease in subscribers; and
- Political advertising revenue decreased by $214 million.

Broadcasting Expenses. Broadcasting expenses (before depreciation, amortization and gain or loss on disposal of assets) increased $69 million, to $1.7 billion. During the 2023 nine-month period:

- Payroll broadcasting expenses increased by $35 million as a result of routine increases in compensation.
- Non-payroll broadcasting expenses increased by $34 million primarily due to an increase in retransmission expense of $27 million.
- Broadcast non-cash stock-based compensation expense was $4 million and $3 million in the 2023 and 2022 nine-month periods, respectively.

Production Company Expenses. Production company operating expenses (before depreciation, amortization impairment and gain or loss on disposal of assets) increased by approximately $32 million were $21 million in the 2024 three-month period, a decrease of $38 million compared to $59 million in the 2023 nine-month three-month period. In the 2023 three-month period, to $88 million, compared to $56 million in the 2022 nine-month period. Production production company operating expenses included a $17 million allowance for credit losses related to the bankruptcy of Diamond Sports Group, LLC ("Diamond"), a counterparty in contracts with us and an $18 million charge to settle litigation related to the Assembly Atlanta project.

Corporate and Administrative Expenses. Corporate and administrative expenses (before depreciation, amortization and gain or loss on disposal of assets) decreased by $1 million, increased $2 million to $79 million $28 million in the 2023 nine-month period compared to the 2022 nine-month 2024 three-month period. These decreases increases were primarily the result of decreases increases in professional services costs. Non-cash non-cash stock-based compensation expenses decreased of $5 million in the 2024 three-month period, compared to $11 million $2 million in the 2023 nine-month three-month period, compared to $14 million partially offset by decreases in the 2022 nine-month period. legal and professional expenses.

Depreciation. Depreciation of property and equipment totaled $106 million $36 million for the 2024 three-month period and $96 million in $35 million for the 2023 nine-month period and the 2022 nine-month period, respectively. Depreciation increased primarily due to the addition of depreciable assets. three-month period.

Amortization Amortization.. Amortization of intangible assets totaled $147 million $31 million in the 2024 three-month period and $156 million $49 million in the 2023 nine-month period and three-month period.The decrease in amortization expense of $18 million was the 2022 nine-month period, respectively. Amortization decreased primarily due to result of finite-lived intangible assets becoming fully amortized.

Impairment amortized and the impairment of Goodwill and Other Intangible Assets. Several years ago, our Raycom Sports subsidiary sublicensed certain ACC football and basketball games from ESPN to Fox Sports that were assumed by Diamond upon its acquisition of Fox Sports. In March 2023, Diamond sought bankruptcy protection. On July 7, 2023, the bankruptcy court granted the request of Diamond (supported by us) for the early rejection, and therefore the termination, of the ACC sports rights agreements. On July 13, 2023, The CW announced that it had entered into an agreement with Raycom Sports for a similar package of sports rights finite-lived intangible assets related to the ACC games that had been included bankruptcy of Diamond in the now-terminated agreement with Diamond. Concurrently, Raycom Sports and ESPN modified their license agreement to correspond with the terms of The CW sublicense agreement. The new agreements mitigate a portion of the losses caused by Diamond's rejection of its ACC sports rights agreement with Raycom Sports. As a result of the bankruptcy filings and these new July 2023 agreements, our production companies segment recorded a non-cash charge of $43 million, for impairment of goodwill and other intangible assets. 2023.

Loss (Gain) on Disposals Disposal of Assets, Net. Net We recognized a . In the 2024 three-month period the loss on disposal of assets, of $20 million in net was not material. In the 2023 nine month three-month period, compared to a gain the loss on disposal of assets of $6 million in the 2022 nine-month period, primarily was $10 million, and included a charge related to our accounts receivable securitization totaling $9 million, representing the initial discount recognized on the accounts receivable balance transferred to the SPV upon the implementation of the accounts receivable securitization facility. We expect that the amount initially recognized will eventually be reversed at the conclusion of the facility.

Miscellaneous Income (Expense), Net. On February 8, 2024, we recorded a gain of $110 million from the sale of television station KNIN in the Boise, Idaho market, in which we recognized a loss of $14 million in the 2023 nine-month period.

Miscellaneous Expense, Net. Miscellaneous expense, net totaled $13 million and $3 million in the 2023 nine-month period and the 2022 nine-month period, respectively. Miscellaneous expense increased primarily due the write-off of an our investment in the 2023 nine-month period. BMI.

Interest Expense. Interest expense increased $70 million, or 28%, $11 million to $324 million $115 million for the 2023 nine-month 2024 three-month period compared to $104 million in the 2022 nine-month 2023 three-month period. This increase was primarily attributable to the increase increases in average interest rates on our outstanding debt, net of floating rate 2019 Senior Credit Agreement to 8.2% in the impact of our pre-payment of our outstanding 2017 Term Loan balance. The average interest rate on all of our outstanding debt increased 2024 three-month period compared to 6.5% 7.3% in the 2023 nine-month period compared to 4.8% in the 2022 nine-month three-month period. Our average outstanding total long-term debt balance was $6.3 billion $6.2 billion and $6.8 billion $6.4 billion during the 2024 and 2023 and 2022 nine-month three-month periods, respectively. Interest expense in the 2024 and 2023 three-month periods also included $3 million and $1 million, respectively, related to the non-cash amortization of fees for our interest rate cap agreement. Interest expense in the 2024 and 2023 three-month periods included $5 million and $2 million, respectively, related to the amount outstanding under the Securitization Facility representing the amount outstanding under the facility at the one-month SOFR rate plus 1%.

Loss on Early Extinguishment of debt. During the 2024 three-month period, loss on early extinguishment of debt was not material. During the 2023 three-month period, we repaid in full the $295 million balance of the 2017 Term Loan under our 2019 Senior Credit Agreement. As a result, we recorded a loss on early extinguishment of debt of $3 million, representing the unamortized balance of the related deferred financing costs of that loan.

Income Tax tax Expense (Benefit) Expense. . We During the 2024 three-month period, we recognized an income tax expense of $31 million. During the 2023 three-month period, we recognized income tax benefit of $3 million $11 million. For the 2024 three-month period and an income tax expense of $101 million in the 2023 and 2022 nine-month periods, respectively. Our three-month period, our effective income tax rates were 4% and 27% rate was 26% in the 2023 and 2022 nine-month periods, respectively. each period. We estimate our differences between taxable income or loss and recorded income or loss on an annual basis. Our tax provision for each interim period quarter is based upon these full year full-year projections that which are revised each reporting period. These projections incorporate estimates of permanent differences between U.S. GAAP income or loss and taxable income or loss, state income taxes and adjustments to our liability for unrecognized tax benefits. For the 2023 nine-month 2024 three-month period, these estimates increased our statutory federal Federal income tax rate of 21% to our effective income tax rate of 4% 26% as follows: state income taxes that added 3%, 4%; permanent differences between added 1%; restricted stock differences resulted in an increase of 2% and changes in our U.S. GAAP income and taxable income reduced our rate by 7% and discrete items further reduced our rate by 13% reserves for uncertain tax positions resulted in a decrease of 2%.

Liquidity and Capital Resources

General General.

The following table presents data that we believe is helpful in evaluating our liquidity and capital resources (in millions):

			Three Months Ended March 31,	
	Nine Months Ended September 30,			
	2023	**2022**	2024	2023
Net cash provided by operating activities	$ 565	$ 596	$ 68	$ 412
Net cash used in investing activities	(259)	(362)		
Net cash provided by (used in) investing activities			80	(95)
Net cash used in financing activities	(346)	(279)	(35)	(322)
Decrease in cash	$ (40)	$ (45)		
Net increase (decrease) in cash			$ 113	$ (5)

	As of	
	September 30, 2023	**December 31, 2022**

Cash	$	21	$	61
Long-term debt, including current portion, less deferred financing costs	$	6,186	$	6,455
Series A Perpetual Preferred Stock	$	650	$	650
Borrowing availability under Revolving Credit Facility	$	469	$	496

	As of			
	March 31, 2024		December 31, 2023	
Cash	$	134	$	21
Long-term debt, including current portion, less deferred financing costs	$	6,154	$	6,160
Series A Perpetual Preferred Stock	$	650	$	650
Borrowing availability under the Revolving Credit Facility	$	619	$	494

*Net Cash Provided By (Used In) Operating, Investing and Financing Activities.*Net cash provided by operating activities was $565 million $68 million in the 2024 three-month period compared to net cash provided by operating activities of $412 million in the 2023 nine-month period compared to $596 million in the 2022 nine-month three-month period. The decrease of $31 million $344 million was primarily due to a decrease in net income the result of $336 million offset, in part, by an increase in $305 million of cash provided from changes in working capital of $273 million and an increase in non-cash impairment charges of $51 million. The change in working capital resulted primarily from the sale of accounts receivable under our Securitization Facility. The impairment charges Facility in the 2023 nine-month three-month period, were primarily due to our $43 million impairment offset by an increase in net income of goodwill $119 million, excluding changes in non-cash charges of $48 million and other intangible assets related to the Diamond bankruptcy's effect on gain of $110 million from the value sale of our Raycom Sports subsidiary with the remaining portion of the impairment charge resulting from the write-down of an investment. investment in BMI.

Net cash used in provided by investing activities was $259 million $80 million in the 2023 nine-month 2024 three-month period compared to net cash used in investing activities of $362 million for $95 million in the 2022 nine-month 2023 three-month period. The decrease in the amount used net increase was largely due to cash decreased purchases of property and equipment and the proceeds received from a quasi-governmental authority the sale of our investment in BMI in the 2024 three-month period compared to the 2023 nine-month period related to infrastructure components of construction on the Assembly Atlanta project. In addition, in the 2022 nine-month period we used $53 million to acquire television station WKTB-TV and to acquire several FCC licenses. three-month period.

Net cash used in financing activities was approximately $346 million $35 million in the 2024 three-month period compared to $322 million in the 2023 nine-month period compared three-month period. The decrease was primarily due to net cash used in financing activities of $279 million the use, in the 2022 nine-month period. During each 2023 three-month period, of the net amount of $299 million of cash to repay $4 million of the amount outstanding under our 2021 Term Loan and to repay the $295 million balance of our 2017 Term Loan under our 2019 Senior Credit Agreement. In the 2024 three-month period we used $39 million of cash to pay dividends to holders of our preferred stock. During 2023 and 2022 nine-month periods, we used $22 million and $23 million, respectively, to pay dividends to holders of our common stock. In the 2023 nine-month period, we used a net amount of $281 million, for pre-payments and required principal reductions $4 million to repay a portion of the amount outstanding under our long-term debt. In the 2022 nine-month period we used $161 million of cash for principal reductions of our long-term debt. Also, in the 2022 nine-month period, we used $50 million to repurchase shares of our common stock on the open market. 2021 Term Loan.

Liquidity. Based on our debt outstanding as of September 30, 2023, we We estimate that we will make approximately $426 million $438 million in debt interest payments over the twelve months immediately following September 30, 2023 March 31, 2024.

Although our cash flows from operations are subject to a number of risks and uncertainties, we anticipate that our cash on hand, future cash expected to be generated from operations, borrowings from time to time under the 2019 Senior Credit Facility Agreement (or any such other credit facility agreement as may be in place at the appropriate time) and, potentially, external equity or debt financing, will be sufficient to fund any debt service obligations, estimated capital expenditures and acquisition-related obligations for the next twelve months and the forseeable future. obligations. Any potential equity or debt financing would depend upon, among other things, the costs and availability of such financing at the appropriate time. We also believe that our future cash expected to be generated from operations and borrowing availability under the 2019 Senior Credit Facility Agreement (or any such other credit facility) agreement) will be sufficient to fund our future capital expenditures and long-term debt service obligations until at least January 2, 2026, which is the maturity date of the 2019 Term Loan under the 2019 Senior Credit Facility. Agreement.

Debt *“Collateral, Covenants and Restrictions of our credit agreements”*. Our obligations under the 2019 Senior Credit Agreement are secured by substantially all of our consolidated assets, excluding real estate. In addition, substantially all of our subsidiaries are joint and several guarantors of, and our ownership interests in those subsidiaries are pledged to collateralize, our obligations under the 2019 Senior Credit Agreement. Gray Television, Inc. is a holding company, and has no material independent assets or operations. For all applicable periods, the 2026 Notes, 2027 Notes, 2030 Notes and 2031 Notes have been fully and unconditionally guaranteed, on a joint and several, senior unsecured basis, by substantially all of Gray Television, Inc.'s subsidiaries. Any subsidiaries of Gray Television, Inc. that do not guarantee the 2026 Notes, 2027 Notes, 2030 Notes and 2031 Notes are not material or are designated as unrestricted under the Senior Credit Agreement. As of September 30, 2023 March 31, 2024 and December 31, 2023, there were no significant restrictions on the ability of Gray Television, Inc.'s subsidiaries to distribute cash to Gray or to the guarantor subsidiaries.

The 2019 Senior Credit Agreement contains affirmative and restrictive covenants with which we must comply, including: (a) limitations on additional indebtedness, (b) limitations on liens, (c) limitations on the sale of assets, (d) limitations on guarantees, (e) limitations on investments and acquisitions, (f) limitations on the payment of dividends and share repurchases, (g) limitations on mergers and (h) maintenance of the First Lien Leverage Ratio while any amount is outstanding under the revolving credit facility, as well as other customary covenants for credit facilities of this type. The 2026 Notes, 2027 Notes, 2030 Notes and 2031 Notes include covenants with which we must comply which are typical for financing transactions of their nature. As of March 31, 2024 and December 31, 2023, we were in compliance with all required covenants under all of our debt obligations.”

In addition to results prepared in accordance with GAAP, “Leverage Ratio Denominator” is a metric that management uses to calculate our compliance with our financial covenants in our indebtedness agreements. This metric is calculated as specified in our Senior Credit Agreement and is a significant measure that represents the denominator of a formula used to calculate compliance with material financial covenants within the Senior Credit Agreement that govern our ability to incur indebtedness, incur liens, make investments and make restricted payments, among other limitations usual and customary for credit agreements of this type. Accordingly, management believes this metric is a very material metric to our debt and equity investors.

Leverage Ratio Denominator gives effect to the revenue and broadcast expenses of all completed acquisitions and divestitures as if they had been acquired or divested, respectively, on April 1, 2022. It also gives effect to certain operating synergies expected from the acquisitions and related financings, and adds back professional fees incurred in completing the acquisitions. Certain of the financial information related to the acquisitions, if applicable, has been derived from, and adjusted based on, unaudited, un-reviewed 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 this financial information if the acquisitions had been completed on the stated date. In addition, the presentation of Leverage Ratio Denominator as determined in the Senior Credit Agreement and the adjustments to such information, including expected synergies, if applicable, 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 of 1933. Leverage Ratio Denominator, as determined in the Senior Credit Agreement, represents an average amount for the preceding eight quarters then ended.

Our “Adjusted Total Indebtedness”, “First Lien Adjusted Total Indebtedness” and “Secured Adjusted Total Indebtedness”, in each case “Net of All Cash”, represents the amount of outstanding principal of our long-term debt, plus certain other obligations as defined in our Senior Credit Agreement, less all cash (excluding restricted cash) for the applicable amount of indebtedness.

Below is a calculation of our “Leverage Ratio”, “First Lien Leverage Ratio” and “Total Secured Leverage Ratio” as defined in our Senior Credit Agreement as of March 31, 2024:

	Eight Quarters Ended March 31, 2024 (in millions)
Net income	$ 405
Adjustments to reconcile from net income to Leverage Ratio Denominator as defined in our Senior Credit Agreement:	
Depreciation	279
Amortization of intangible assets	381
Non-cash stock-based compensation	42
Non-cash 401(k) expense	19
Loss on disposal of assets, net	22
Gain on disposal of investment, not in the ordinary course	(110)
Interest expense	830

Loss on early extinguishment of debt		3
Income tax expense		163
Impairment of investments, goodwill and other intangible assets		90
Amortization of program broadcast rights		79
Payments for program broadcast rights		(81)
Pension gain		(5)
Contributions to pension plans		(7)
Adjustments for unrestricted subsidiaries		42
Adjustments for stations acquired or divested, financings and expected synergies during the eight quarter period		(2)
Transaction Related Expenses		6
Other		1
Total eight quarters ended March 31, 2024	$	2,157
Leverage Ratio Denominator (total eight quarters ended March 31, 2024, divided by 2)	$	1,079

		March 31, 2024
		(dollars in millions)
Total outstanding principal, including current portion	$	6,206
Letters of credit outstanding		6
Cash		(134)
Adjusted Total Indebtedness, Net of All Cash	$	6,078
Leverage Ratio (maximum permitted incurrence of indebtedness is 7.00 to 1.00)		5.63
Total first lien outstanding principal	$	2,656
Cash		(134)
First Lien Adjusted Total Indebtedness, Net of All Cash	$	2,522
First Lien Leverage Ratio (maximum permitted incurrence of indebtedness is 4.00 to 1.00) (a)		2.34
Secured Adjusted Total Indebtedness	$	2,656
Cash		(134)
Secured Adjusted Total Indebtedness, Net of All Cash	$	2,522
Secured Leverage Ratio (maximum permitted incurrence of indebtedness is 5.50 to 1.00)		2.34

(a) At any time any amounts are outstanding under our revolving credit facility, our maximum First Lien Leverage Ratio cannot exceed 4.25 to 1.00.

Debt. As of March 31, 2024, long-term debt consisted of obligations under our 2019 Senior Credit Facility, Agreement, our $700 million in aggregate principal amount of senior notes due 2026, our $750 million in aggregate principal amount of senior notes due 2027, our $800 million in aggregate principal amount of senior notes due 2030 and our $1.3 billion in aggregate principal amount of senior notes due 2031. As of September 30, 2023 March 31, 2024, the 2019 Senior Credit Facility Agreement provided total commitments of $3.2 billion $3.3 billion, consisting of a $1.2 billion term loan facility, a $1.5 billion term loan facility $25 million outstanding under our Revolving Credit Facility and $469 million $619 million available under our revolving credit facility. We were in compliance with the covenants in these debt agreements at September 30, 2023 March 31, 2024.

Capital Expenditures. Excluding capital expenditures related to Assembly Atlanta, we currently expect that our routine capital expenditures will be in a range of approximately $35 million $96 million to $40 million $101 million for the remainder of 2023. 2024. In addition, we currently expect that a portion of our Assembly Atlanta capital expenditures will likely be more than offset by proceeds from Assembly Atlanta property sales and CID incentive payments for during the remainder of 2023. 2024. More specifically, we currently expect that our Assembly Atlanta construction expenditures will be in a range of $20 million to $25 million, approximately $33 million, offset by the combined proceeds from Assembly Atlanta property sales and CID incentive payments that we expect will also be in a range of $85 million to $90 million approximately $28 million for the remainder 2023. 2024. We can give no assurances of the actual proceeds to be received in the future from property sales and incentive payments, nor the timing of any such proceeds.

Completed Transaction. On May 1, 2023, we completed the transaction with Marquee Broadcasting, Inc. ("Marquee") through which we sold television station KNIN (FOX) in the Boise, Idaho market (DMA 102) for $6 million, and purchased television station WPGA (MeTV) in the Macon, Georgia market (DMA 126) for $6 million. As a result, Gray's television station portfolio now includes 102 markets with the first and/or second highest rated television station. The disposal of television station KNIN resulted in a loss of approximately $14 million in the 2023 nine-month period.

Other. We file a consolidated federal income tax return and such state and local tax returns as are required. During the 2023 nine-month period, first quarter of 2024, we made $43 million of no material federal or state income tax payments. During the remainder of 2023, 2024, we anticipate making income tax payments (excluding refunds) within a range of $5 million $195 million to $9 million $215 million. As of September 30, 2023 March 31, 2024, we have an aggregate of approximately $344 million $282 million of various state operating loss carryforwards, of which we expect that approximately $217 million $201 million will not be utilized. utilized due to section 382 limitations and those that will expire prior to utilization. After applying our state effective tax rate, this amount is included in our valuation allowance for deferred tax assets.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, contains modifications on the limitation of business interest for tax years beginning in 2019 and 2020, and permits net operating loss ("NOL") carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. During 2020, we carried back certain net operating losses resulting in refunds a refund of federal and state income taxes of $21 million $23 million, excluding including interest, that are currently outstanding. was collected in the second quarter of 2024.

During the 2023 nine-month 2024 three-month period, we contributed $4 million did not make a contribution to our defined benefit pension plan. During the remainder of 2024, we expect to contribute $4 million to this pension plan.

Off-Balance Sheet Arrangements. On February 23, 2023, we, certain of our subsidiaries and a wholly-owned special purpose subsidiary (the "SPV"), entered into a three-year $300 million revolving accounts receivable securitization facility (the "Securitization Facility") with Wells Fargo Bank, N.A., as administrative agent, for the purpose of providing additional liquidity in order to repay indebtedness under the Senior Credit Facility. The Securitization Facility permits the SPV to draw up to a total of $300 million, subject to the outstanding amount of the receivables pool and other factors. The Securitization Facility is subject to interest charges, at the one-month SOFR rate plus 100 basis points on the amount of the outstanding facility. The SPV is also required to pay an upfront fee and a commitment fee in connection with the Securitization Facility. Other than as described above, there have been no material changes with respect to our off-balance sheet arrangements from those presented in our 2022 Form 10-K.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments and estimations that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. We consider our accounting policies relating to intangible assets and income taxes to be critical policies that require judgments or estimations in their application where variances in those judgments or estimations could make a significant difference to future reported results. These critical accounting policies and estimates are more fully discussed in our 2022 2023 Form 10-K.

Cautionary Note Regarding Forward-Looking Statements

This quarterly report on Form 10-Q contains and incorporates by reference "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. Forward-looking statements are all statements other than those of historical fact. When used in this annual report, the words "believes," "expects," "anticipates," "estimates," "will," "may," "should" and similar words and expressions are generally intended to identify forward-looking statements. These forward-looking statements reflect our then-current expectations and are based upon data available to us at the time the statements are made. Forward-looking statements may relate to, among other things, the economy in general, our strategies, expected results of operations, general and industry-specific economic conditions, future pension plan contributions, future capital expenditures, future proceeds from Assembly Atlanta CID infrastructure related payments and land sales, future income tax payments, future payments of interest and principal on our long-term debt, future interest expenses under our Securitization Facility, future interest expense under our interest rate caps, assumptions underlying various estimates and estimates of future obligations and commitments, and should be considered in context with the various other disclosures made by us about our business. Readers are cautioned that any forward-looking statements, including those regarding the intent, belief or current expectations of our management, are not guarantees of future performance, results or events and involve significant risks and uncertainties, and that actual results and events may differ materially from those contained in the forward-looking statements as a result of various factors including, but not limited to, those listed in Item 1A. of our Annual Report and the other factors described from time to time in our SEC filings. The forward-looking statements included in this quarterly report are made only as of the date hereof. We undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstances.

Item 3.Quantitative and Qualitative Disclosure About Market Risk

We believe that the market risk of our financial instruments as of September 30, 2023 March 31, 2024 has not materially changed since December 31, 2022 December 31, 2023. Our market risk profile on December 31, 2022 December 31, 2023 is disclosed in our 2022 2023 Annual Report on Form 10-K.

Item 4.Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Procedures

As of the end of the period covered by this Quarterly Report, an evaluation was carried out under the supervision and with the participation of management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended. Based on this evaluation, the CEO and CFO have concluded that our controls and procedures were effective as of September 30, 2023 March 31, 2024.

Changes in Internal Control Over Financial Reporting. Reporting

There have been no changes in the Company's internal control over financial reporting during the nine-months quarter ended September 30, 2023 March 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II.OTHER INFORMATION

Item 1. Legal Proceedings

As of the date of this filing, there have been no additional material legal proceedings or material developments in the legal proceedings disclosed in Part 1, Item 3, of our Annual Report on Form 10-K for the year ended December 31, 2023. For more information, see Note 9 "Commitments and Contingencies" within the accompanying condensed consolidated financial statements.

Item 1A.Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors that affect our business and financial results that are discussed in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023. These factors could materially adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by the forward-looking statements contained in this report. There have been no material changes to such risk factors.

Item 5. Other Information

None of the Company's Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement, as defined in Item 408 of Regulation S-K, during the Company's Company's fiscal quarter ended September 30, 2023. March 31, 2024.

Item 6.Exhibits

The following exhibits are filed as part of this Quarterly Report:

Exhibit Number	Description of Document
10.1	Second Amendment to Credit Agreement, dated as of February 16, 2024, among Gray Television, Inc., the guarantors party thereto, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on February 20, 2024)
31.1	Rule 13(a) – 14(a) Certificate of Chief Executive Officer
31.2	Rule 13(a) – 14(a) Certificate of Chief Financial Officer
32.1	Section 1350 Certificate of Chief Executive Officer
32.2	Section 1350 Certificate of Chief Financial Officer
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page from Gray Television, Inc.'s Quarterly Report on Form 10-Q for the fiscal period ended September 30, 2023 March 31, 2024 has been formatted in Inline XBRL and contained in Exhibit 101.

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, thereunto duly authorized.

GRAY TELEVISION, INC.
(Registrant)

Date: November 8, 2023 May 7, 2024

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

EXHIBIT 31.1

CERTIFICATION

I, Hilton H. Howell, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gray Television, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2023 May 7, 2024

By: /s/ /s/ Hilton H. Howell, Jr.
Hilton H. Howell, Jr.
Executive Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, James C. Ryan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gray Television, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2023 May 7, 2024

By: /s/ James C. Ryan

James C. Ryan

Executive Vice President and

Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying quarterly report on Form 10-Q of Gray Television, Inc. (the "Company") for the quarterly period ended September 30, 2023 March 31, 2024 (the "Periodic Report"), the undersigned Chief Executive Officer of the Company, hereby certifies pursuant to Title 18, Section 1350 United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his individual knowledge and belief, that the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 8, 2023 May 7, 2024

/s/ Hilton H. Howell, Jr.

Hilton H. Howell, Jr.

Executive Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Gray Television, Inc. and will be retained by Gray Television, Inc. and furnished to the SEC or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying quarterly report on Form 10-Q of Gray Television, Inc. (the "Company") for the quarterly period ended September 30, 2023 March 31, 2024 (the "Periodic Report"), the undersigned Chief Financial Officer of the Company, hereby certifies pursuant to Title 18, Section 1350 United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of his individual knowledge and belief, that the Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 8, 2023 May 7, 2024

/s/ James C. Ryan

James C. Ryan

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Gray Television, Inc. and will be retained by Gray Television, Inc. and furnished to the SEC or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

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