

Fiscal 2018 **Fourth Quarter and** **Year-End Earnings** **Conference Call**

Friday, October 19, 2018 | 10 a.m. ET



Safe Harbour Disclosure Forward-looking Statements

This presentation contains forward-looking information and should be read subject to the following cautionary language:

To the extent any statements made in this presentation contains information that is not historical, these statements are forward-looking statements and may be forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking information"). These forward-looking statements relate to, among other things, our objectives, goals, strategies, intentions, plans, estimates and outlook, including advertising, distribution, merchandise and subscription revenues, operating costs and tariffs, taxes and fees, and can generally be identified by the use of the words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances may be considered forward-looking information. Although Corus believes that the expectations reflected in such forward-looking information are reasonable, such information involves assumptions and risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied with respect to the forward-looking information, including, without limitation, factors and assumptions regarding general market conditions and general outlook for the industry, interests rates, stability of the advertising, distribution, merchandise and subscription markets, operating and capital costs and tariffs, taxes and fees, our ability to source desirable content and our capital and operating results being consistent with our expectations. Actual results may differ materially from those expressed or implied in such information. Important factors that could cause actual results to differ materially from these expectations include, among other things: our ability to attract and retain advertising revenues; audience acceptance of our television programs and cable networks; our ability to recoup production costs, the availability of tax credits and the existence of co-production treaties; our ability to compete in any of the industries in which we do business; the opportunities (or lack thereof) that may be presented to and pursued by us; conditions in the entertainment, information and communications industries and technological developments therein; changes in laws or regulations or the interpretation or application of those laws and regulations; our ability to integrate and realize anticipated benefits from our acquisitions and to effectively manage our growth; our ability to successfully defend ourselves against litigation matters arising out of the ordinary course of business; and changes in accounting standards. Additional information about these factors and about the material assumptions underlying any forward-looking information may be found under the heading "Risks and Uncertainties" in the Management's Discussion and Analysis for the year ended August 31, 2017 and the fourth quarter ended August 31, 2018 and under the heading "Risk Factors" in our Annual Information Form. Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to Corus, investors and other should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this presentation speaks as of the date of this presentation. Unless otherwise required by applicable securities laws, Corus disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, events or circumstances that arise after the date thereof or otherwise.

Fiscal 2018 Financial Highlights

- Record free cash flow of \$349 million
- Despite lower TV advertising revenues, delivered relatively flat consolidated revenue and improved segment profit margin of 35%
- Demonstrated strong operating discipline and diligent cost control
- Steady progress made on delevering

Fiscal 2018 Operational Achievements

Broadened audience reach across platforms

premium
VOD



**Global
NEWS**
Globalnews.ca

so.da

CURIOUS
CAST

Fiscal 2018 Operational Achievements

Enhanced suite of advanced advertising solutions and data analytics



**Audience-Based
Buying**



**Dynamic Ad
Insertion**

cynch[®]

Fiscal 2018 Operational Achievements

Strategic investments in Own More Content revenue diversification strategy



Fiscal 2018 Operational Achievements

Strategic investments in Own More Content revenue diversification strategy



Fire Masters



Big Food Bucket List



Salvage Kings

corus.
STUDIOS

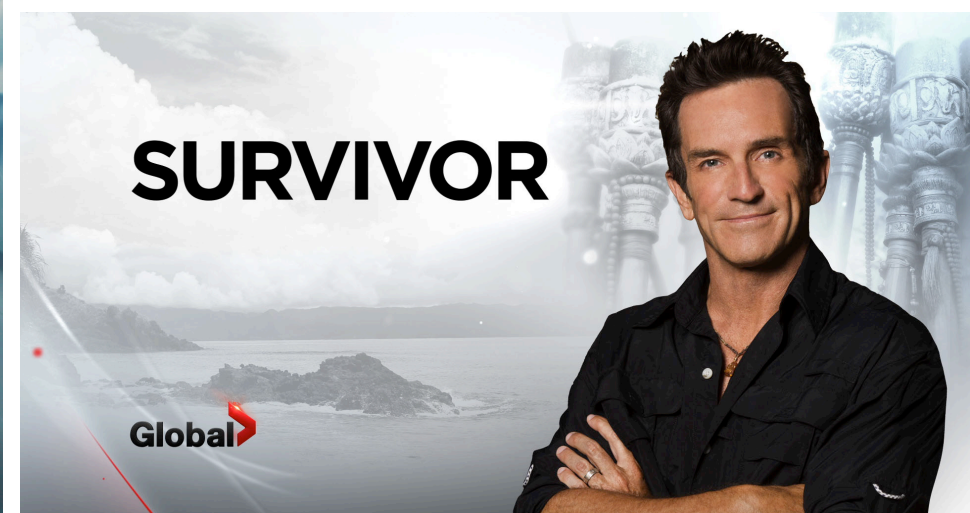
Fiscal 2018 Operational Achievements

Leverage the Power of Local



Fiscal 2018 Operational Achievements

Strong Line-up of New and Returning Series on Global



In premiere week, Corus owned 11 of the top 20 series for both total viewers and adults 25-54 including *New Amsterdam*, the #1 series in all key demos and the most watched new series for total viewers, *FBI*.

Source: Numeris PPM Data, Total Canada, Premiere week 2018 (Sept24-30/2018) - confirmed data, Ranker based on Cdn Conv Com Eng stns, total viewers = 2+, key demos = A25-54, W25-54, A18-49, W18-49



Fiscal 2018 Fourth Quarter and Year-End Results

- Free cash flow¹ of \$349 million for the year, up from \$293 million last year
- Consolidated revenues decreased 1% for the quarter and 2% for the year
- Consolidated segment profit¹ was up 6% for the quarter and flat for the year
- Consolidated segment profit margin¹ of 30% for the quarter and 35% for the year
- Net income attributable to shareholders of \$34 million (\$0.16 per share basic) for the quarter and net loss attributable to shareholders of \$785 million (\$3.77 loss per share basic) for the year
- Adjusted basic earnings per share¹ of \$0.19 per share for the quarter and \$1.14 per share for the year

¹ Segment profit, segment profit margin, adjusted basic earnings per share, and free cash flow do not have standardized meanings prescribed by IFRS. The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the Fourth Quarter 2018 Report to Shareholders.

Fiscal 2018 Fourth Quarter and Year-End Results

TELEVISION

- Segment revenues were flat in Q4 2018 and decreased 2% for the year
- Advertising revenues decreased 4% in both Q4 2018 and for the year
- Subscriber revenues increased 1% in Q4 2018 and were flat for the year
- Merchandising, distribution and other revenues increased 19% in Q4 2018 and 6% for the year
- Segment profit¹ increased 1% in Q4 2018 and decreased 4% for the year
- Segment profit margin¹ of 32% in Q4 2018 and 36% for the year, compared to 31% and 37%, respectively in the prior year comparable periods

¹ Segment profit and segment profit margin do not have standardized meanings prescribed by IFRS. The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the Fourth Quarter 2018 Report to Shareholders.

Fiscal 2018 Fourth Quarter and Year-End Results

RADIO

- Segment revenues decreased 2% in Q4 2018 and 1% for the year
- Segment profit¹ increased 2% in both Q4 2018 and for the year
- Segment profit margin¹ of 25% in Q4 2018 and 27% for the year, compared to 24% and 26%, respectively in the prior year comparable periods

¹ Segment profit and segment profit margin do not have standardized meanings prescribed by IFRS. The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions and explanations, see discussion under the Key Performance Indicators section of the Fourth Quarter 2018 Report to Shareholders.

Fiscal 2019: Continued Strategic Discipline

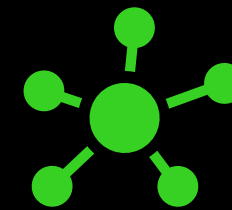
Strategic Priorities



**own and control
more content**



**engage our
audiences**



**expand into new
and adjacent
markets**

Building Long-Term Stability and Resilience

- ✓ Measured strategic investments to diversify revenues
 - Own More Content strategy - Nelvana and Corus Studios
 - Growth initiatives include So.da, CuriousCast and Toon Boom
 - Expanded advanced advertising solutions and data analytics
- ✓ Broaden reach across platforms to monetize audiences
 - Leverage brands, content and talent on new platforms
 - Opportunity from potential entry of virtual multi-channel video programming distributors or vMVPDs into Canadian market
- ✓ Continuously rationalize operating model
- ✓ Strong free cash flow and margins
 - Steady progress toward leverage target of 3.0x net debt to segment profit
 - Goal is to achieve future financial flexibility

Fiscal 2018

**Fourth Quarter and Year-End
Earnings Conference Call**

Friday, October 19, 2018 | 10 a.m. ET

Q&A

