

Fiscal 2019 **First Quarter Earnings** **Conference Call**

Friday, January 11, 2019 | 8 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 contain 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, 2018 and the first quarter ended November 30, 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.

Q1 Fiscal 2019 Financial Highlights

- Q1 results reflect strong start to fiscal 2019
- Disciplined execution of operating plan and targeted investments to support long-term strategic priorities
- Overall revenue increase largely driven by 4% growth in television advertising
- Segment profit and margin growth demonstrate power of improved operating leverage
- Considerable progress on debt repayment and reducing leverage in the quarter

Q1 Fiscal 2019 Operational Achievements

Strong fall season on Global, with 15% increase in overall audience¹

- Corus had eight of the Top 20 programs for Adults 25-54 and nine of the Top 20 programs for Women 25-54.²
- *New Amsterdam* ranked in the Top 10 as the #1 new drama this fall.²

Great lineup of new and returning series on Global this winter



¹ Source: Numeris TV Meter, Total Canada, Fall 2018 (8/27/2018 to 11/25/2018), Mon-Su 2a-2a, AMA(000) Adults 25-54, English National Canadian Conventional English stations, Growth vs. Fall 2017 (8/28/2017 to 11/26/2017)

² Source: Numeris TV Meter, Total Canada, English National Conventional Program Rankers based on Conventional Fall 2018 (9/17/2018 to 11/25/2018) 3+ airings versus Fall 2017 (9/11/2017 to 11/26/2017) based on 4+ airings.

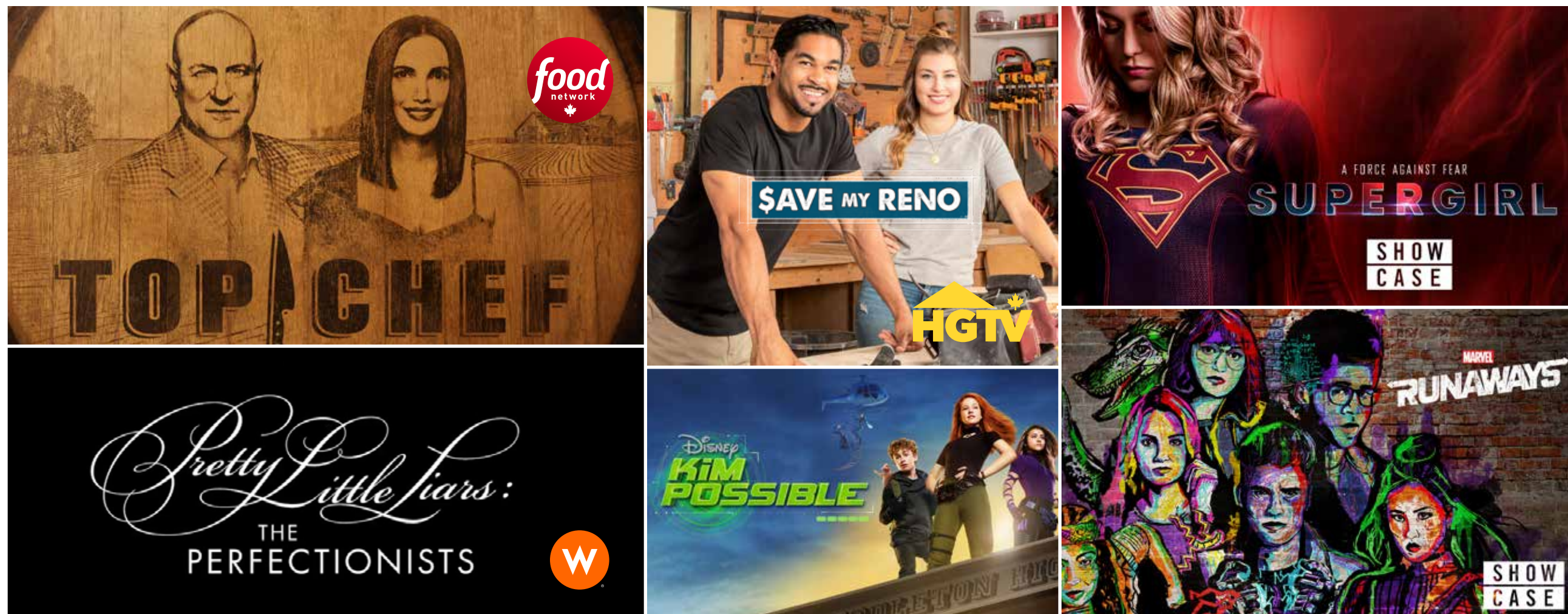


Q1 Fiscal 2019 Operational Achievements

Corus' Specialty portfolio continues to deliver

- This fall, Corus owned 13 of the Top 20 Entertainment Specialty Channels and 11 of the Top 20 Specialty programs for both Adults 25-54 and Women 25-54.¹
- The top five Kids networks were Corus networks.¹

Great lineup of new and returning shows on Specialty this winter



¹ Source: Numeris TV Meter, Total Canada, English Specialty Station and Program rankers based on Q1 (Fall) weeks 1 - 13 each year; English Canadian Commercial Specialty Station Rankers excluding sports stations; Kids network ranker based on Kids Specialty stations only (children 2-11); English Canadian Commercial Specialty Stations Program rankers based on 3+ airings, excludes sports.

Q1 Fiscal 2019 Operational Achievements

Corus announces new multi-platform channel deal with
Crown Media's iconic Hallmark Channel



- W Network claims top spot among specialty channels across key demos,¹ driven by the "Hallmark Channel's Countdown to Christmas", and was the #1 most watched channel in Canada on weekends,² surpassing all conventional and sports networks

1 Source: Numeris PPM Data, Oct 29/18 – Dec 23/18, confirmed data, Ind. 2+, A25-54, F25-54, A18-49, F18-49 and A18-34, AMA(000), M-Su 2a-2a, CDN COM ENG Spec + Dig, Total Canada.

2 Source: Numeris PPM Data, Oct 29/18 – Dec 23/18, confirmed data, Ind. 2+, A25-54, F25-54, A18-49, F18-49 and A18-34, AMA(000), Sa-Su 2a-2a, CDN COM ENG Spec + Dig + National Conventional Networks, Total Canada, based on 8 week average.

Q1 Fiscal 2019 Operational Achievements

Nelvana content slate is expanding, with emphasis on co-production partnerships



New "feature film quality" animated short *The Most Magnificent Thing*



Q1 Fiscal 2019 Operational Achievements

Corus Studios will produce 11 series in Fiscal 2019



Masters of Flip



Backyard Builds

corus.
STUDIOS



Rust Valley Restorers



Fire Masters

Q1 Fiscal 2019 Operational Achievements

Broadened audience reach across platforms



Q1 Fiscal 2019 Operational Achievements

Advanced advertising solutions provide meaningful value to advertisers



**Audience-Based
Buying**



**Dynamic Ad
Insertion**

cynch[®]

so.da becomes social agency for John Frieda Canada

so.da 😊

Corus' social digital agency (so.da) provides social strategy, analytics, community management and content production expertise to advertisers

Q1 Fiscal 2019 Consolidated Results

- Consolidated revenues increased to \$467 million, up 2% for the quarter
- Consolidated segment profit¹ increased to \$192 million, up 8% for the quarter
- Consolidated segment profit margin¹ of 41% for the quarter, up from 39% last year
- Net income attributable to shareholders² of \$60 million (\$0.28 earnings per share basic) for the quarter, compared to \$78 million (\$0.38 earnings per share basic last year)
- Adjusted basic earnings per share^{1,2} of \$0.33 per share for the quarter, compared to \$0.38 last year
- Free cash flow¹ of \$42 million for the quarter, compared to \$83 million last year
- Leverage reduced to 3.15 times net debt to segment profit, compared to 3.28 times at August 31, 2018

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 First Quarter 2019 Report to Shareholders.

² Net income attributable to shareholders as well as basic and diluted earnings per share for the quarter ended November 30, 2018 was impacted by a change in accounting estimate related to the useful life of the Company's television brand assets. Commencing September 1, 2018, the useful life of television brand assets was changed from indefinite life to lives ranging from three to 20 years. For the first quarter of fiscal 2019, this has resulted in an additional \$34.9 million in amortization expense in the depreciation and amortization line within the Consolidated Statement of Income and Comprehensive Income, and reduced net income attributable to shareholders by \$25.7 million (\$0.12 per share basic). Further discussion of this can be found in the Impact of New Accounting Policies and Changes in Estimates section of the First Quarter 2019 Report to Shareholders.

Q1 Fiscal 2019 Television Results

TELEVISION

- Segment revenues increased 3% for the quarter
- Advertising revenues increased 4% for the quarter
- Subscriber revenues were flat for the quarter
- Merchandising, distribution and other revenues increased 3% for the quarter
- Segment profit¹ increased 9% for the quarter
- Segment profit margin¹ of 43% in Q1 2019, compared to 41% in the prior year comparable period

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 First Quarter 2019 Report to Shareholders.

Q1 Fiscal 2019 Radio Results

RADIO

- Segment revenues decreased 2% in the quarter
- Segment profit¹ decreased 4% in the quarter
- Segment profit margin¹ of 32% in Q1 2019, consistent with the prior year comparable period

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 First Quarter 2019 Report to Shareholders.

Fiscal 2019: Continued Strategic Discipline

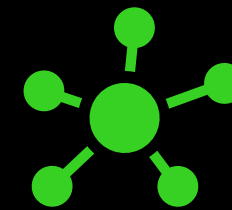
Strategic Priorities



**own and control
more content**



**engage our
audiences**



**expand into new
and adjacent
markets**

Fiscal 2019 Outlook

- Data analytics and advanced advertising initiatives gaining traction
- Arrival of new distribution platforms in Canada will provide new revenue opportunities
- Growing slate of owned content supports revenue diversification strategy
- Strong start to the year and continued focus on free cash flow advances goal to strengthen the balance sheet and create improved financial flexibility

Fiscal 2019

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Q&A

