

Fiscal 2020 **First Quarter Earnings** **Conference Call**

Friday, January 10, 2020 | 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 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, 2019 and the first quarter ended November 30, 2019 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.

Key Q1 Fiscal 2020 Highlights

\$468
million
consolidated revenue

\$184
million
consolidated segment profit

\$53
million
free cash flow

Optimizing Our Powerful Portfolio

34

specialty channels



39

radio stations



15

conventional stations



original content



multi-platform



Own More Content



Backyard Builds



\$ave my Reno



Island of Bryan

Investing for the Future



STACKTV

Q1 Fiscal 2020 Consolidated Results

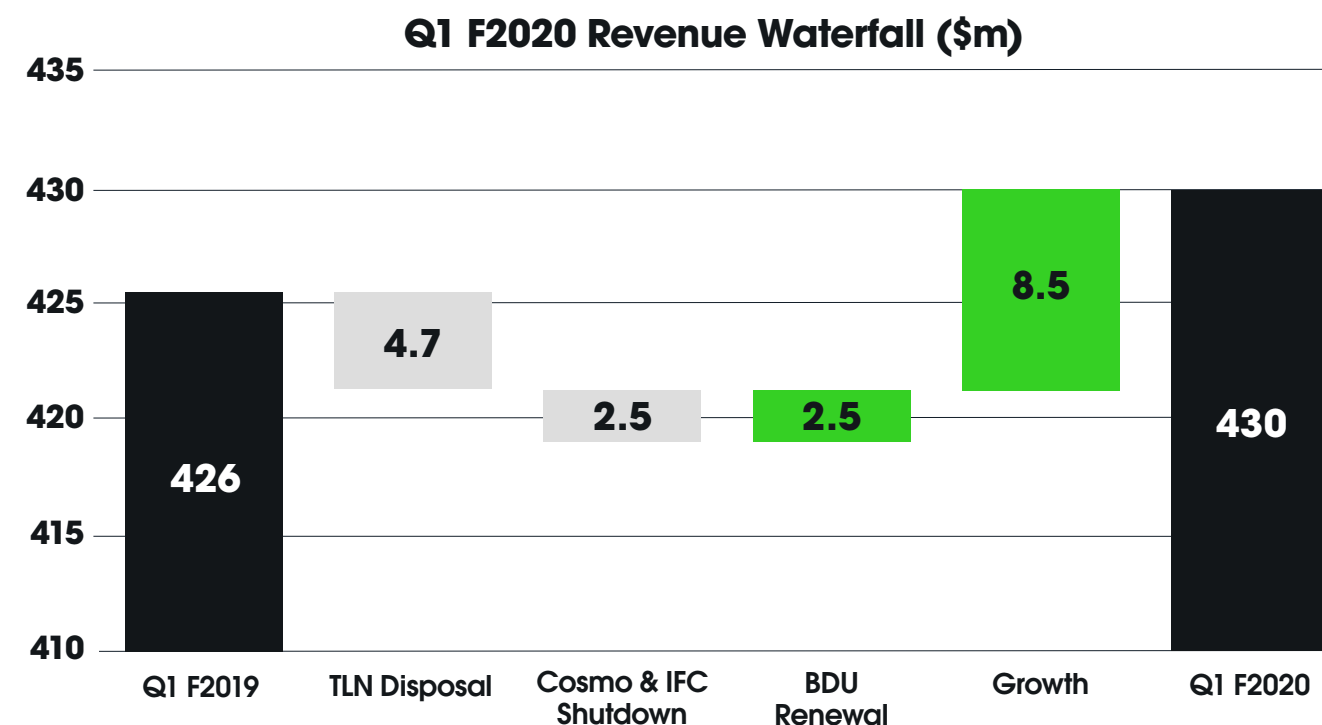
- Consolidated revenue of \$468 million
- Consolidated segment profit^{1,2} of \$184 million
- Consolidated segment profit margin¹ of 39%
- Net income attributable to shareholders of \$78.1 million (\$0.37 per share basic)
- Net debt to segment profit^{1,2} leverage of 3.08 times due to implementation of IFRS 16 - *Leases*
- Free cash flow^{1,2} of \$53.0 million

¹ Segment profit, segment profit margin and free cash flow do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS"). The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions, explanations and reconciliations see discussion under the Key Performance Indicators section of the First Quarter 2020 Report to Shareholders.

² Segment profit, free cash flow and net debt to segment profit leverage for the three months ended November 30, 2019 was impacted by the adoption of the new accounting standard, International Financial Reporting Standard IFRS 16 - *Leases*, effective September 1, 2019. This has resulted in an increase in segment profit and free cash flow of approximately \$3.4 million and \$3.9 million, respectively, for the quarter. The increase to net debt in the net debt to segment profit calculation reflects increased debt for lease liabilities of \$156.6 million but does not include a full twelve months of segment profit under IFRS 16 - *Leases*. Further discussion of this can be found in the Liquidity and Capital Resources section and Impact of New Accounting Policies section of the First Quarter 2020 Report to Shareholders.

Q1 Fiscal 2020 Television Results

- Segment revenues were up 1%
- Advertising revenues increased 1%, or 2% when adjusted for the disposition of TLN
- Subscriber revenues were down 2%, but consistent excluding TLN
- Merchandising, distribution and other revenues were up \$2.6 million (15%)
- Segment profit¹ was down 3%
- Segment profit margin¹ of 42% compared to 43% in the prior year



Q1 F2020 revenue growth driven by advertising and Nelvana

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Q1 Fiscal 2020 Radio Results

- Segment revenues of \$38 million
- Segment profit of \$12 million
- Segment profit margin¹ of 32% was consistent with the prior year

¹ Segment profit and segment profit margin do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS"). The Company believes these non-IFRS measures are frequently used as key measures to evaluate performance. For definitions, explanations and reconciliations see discussion under the Key Performance Indicators section of the First Quarter 2020 Report to Shareholders.

Q1 Fiscal 2020 Capital Allocation

\$53 million of free cash flow in Q1 F2020

invest in the future

- Optimize core business
- Build for the future

pay down debt

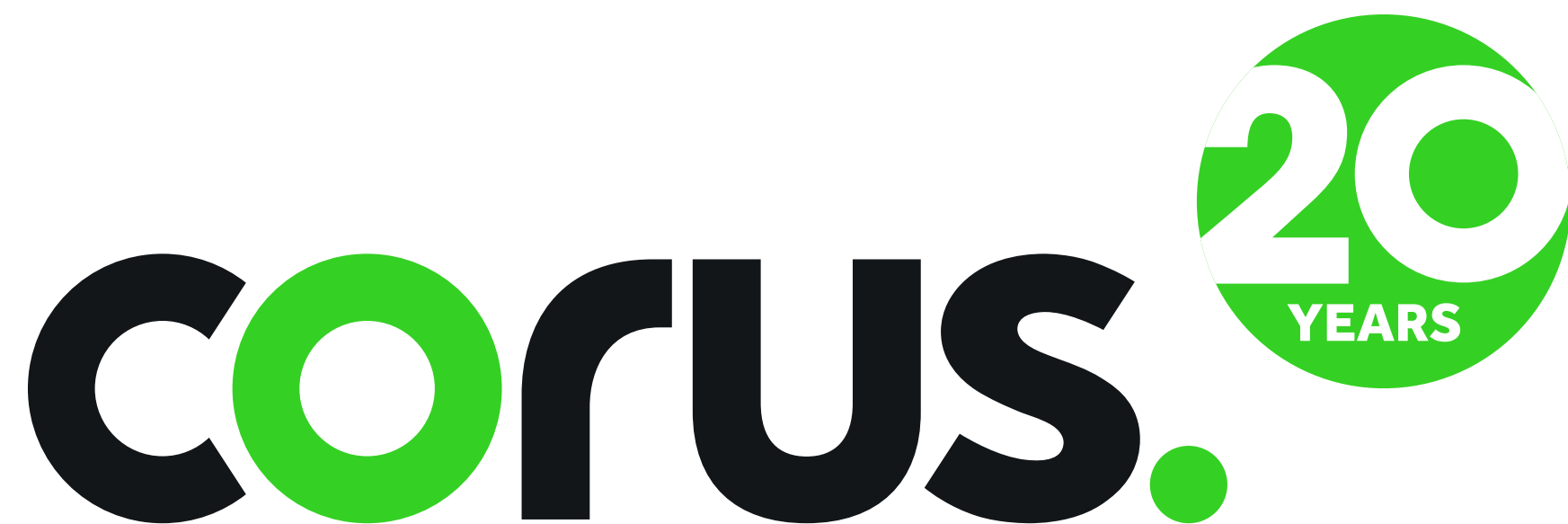
- Paid down \$49 million of bank debt in Q1 F2020

return cash to shareholders

- Dividends
 - Declared dividend of \$0.06/Class B Share for March 2020
- Share buybacks
 - At Dec. 31, 2019, have repurchased nearly 1.7 million Class B Shares

Building a Canadian Media Sector for the Future

- Adoption of common audience segments
- Improving the viewer experience and value proposition, both on linear and on demand
- Creating more revenue opportunities i.e. ad insertion on Video on Demand (VOD)
- Sharing data within the industry ecosystem



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Q&A

