

Fiscal 2020 **Second Quarter Earnings** **Conference Call**

Wednesday, April 1, 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 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 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 the general market conditions and general outlook for the industry, interest 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; failure to meet covenants under our senior credit facility; epidemics, pandemics or other public health crises, including the current outbreak of novel coronavirus ("COVID-19") 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 second quarter ended February 29, 2020 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 others should carefully consider the foregoing factors and other uncertainties and potential events. Unless otherwise specified, all forward-looking information in this document speaks as of the date of this document. 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.

Strong Commitment to News



National, Local, TV, Radio and Digital

Diligent Focus on Business Continuity

Corus' Priorities in a COVID-19 Environment

- Top priority is employee health and safety
- Acted swiftly to implement measures recommended by public health authorities
- Business continuity plan in place to ensure minimal disruption for audiences and customers

Industry Impacts

- Total TV viewing up 10%¹
- Advertising demand and content production negatively impacted by COVID-19 situation

Corus Response to COVID-19

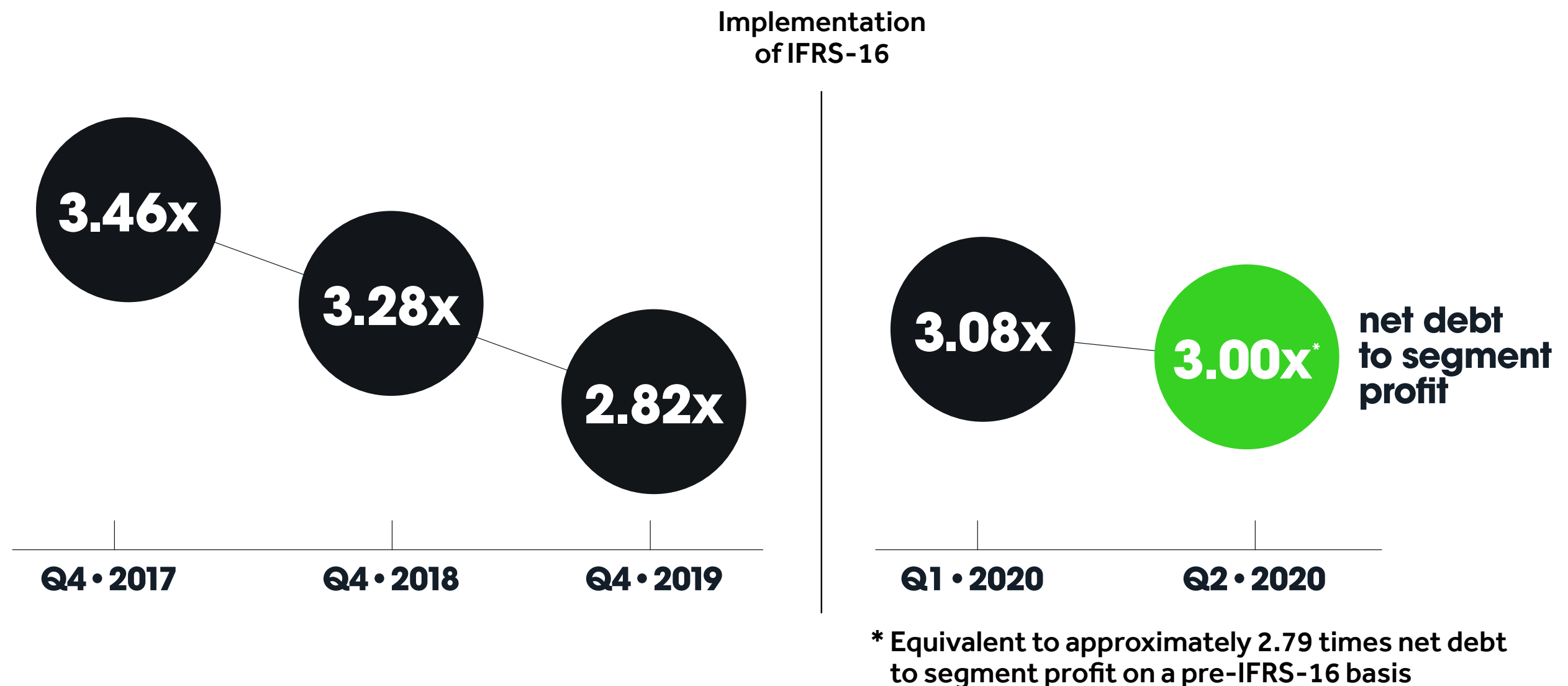
- Strong commitment to local and national news coverage
- Viewership up significantly across Corus portfolio, particularly for News content
- Free previews offered for many Corus networks to support viewers
- Actively engaging with advertising customers and partners
- Implementing new programming strategies

Solid Financial Position

- Increased financial flexibility as a result of de-leveraging efforts
- Immediate steps taken to reduce cost structure

1 Source: Numeris PPM Data, Total Canada, AMA(000), live+sameday playback, March 16/20-March 29, 2020 vs. SP'20 STD Prior to Covid-19 pandemic announcements (Dec 30/19-Mar 8/20)

Significant Progress on De-leveraging



Leverage returning to long-term objective target of below 3.0 times net debt to segment profit

Q2 Fiscal 2020 Consolidated Results

- Consolidated revenue of \$376 million
- Consolidated segment profit^{1,2} of \$116 million
- Consolidated segment profit margin of 31%
- Net income attributable to shareholders of \$18.5 million (\$0.09 per share basic)
- Free cash flow of \$65.1 million^{1,2}

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 Second Quarter 2020 Report to Shareholders.

2 Segment profit for the three months ended February 29, 2020 was impacted by the adoption of the new accounting standard, IFRS 16 - Leases, effective September 1, 2019. This has resulted in an increase in segment profit for the quarter of approximately \$3.4 million and an increase in free cash flow of approximately \$4.2 million. Further discussion of this can be found in the Impact of New Accounting Policies section of the Second Quarter 2020 Report to Shareholders.

Q2 Fiscal 2020 Television Results

- Segment revenues were down 2%, or flat when adjusted for the disposition of TLN
- Advertising revenues were down 6%, or down 5% proforma TLN
- Subscriber revenues were down 2%, or up 1% proforma TLN
- Merchandising, distribution and other revenues were \$24.9 million, up 50%
- Segment profit¹ was up 2%, or up 3% proforma TLN
- Segment profit margin¹ of 33%, up compared to 32% in 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 Second Quarter 2020 Report to Shareholders.

Q2 Fiscal 2020 Radio Results

- Segment revenues of \$28.2 million
- Segment profit¹ of \$4.6 million
- Segment profit margin¹ of 16% was comparable 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 Second Quarter 2020 Report to Shareholders.

COVID-19: Managing in the New World

Key Near-Term Priorities

- Ensure the safety and well-being of our team
- Robust business continuity plan is in place
- Provide reliable news and information to communities across Canada
- Serve the needs of our audiences and customers
- Operate with strong financial discipline

Remembering JR Shaw



“To be successful, you need the vision of an eagle and the work ethic of a plow horse. These traits do not come easy; they require endless practice and constant learning.”

JR Shaw (1934 - 2020)
Founder, Corus Entertainment

Fiscal 2020

Second Quarter Earnings Conference Call

Wednesday, April 1, 2020 | 8 a.m. ET

Q&A

