

Fiscal 2020 **Third Quarter Earnings** **Conference Call**

Friday, June 26, 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 third quarter ended May 31, 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.

Q3 F2020 Overview

Notable Developments

- Maintained business continuity and delivered news and information to Canadians as an essential service
- Worked with Industry in Canada to embrace common audience segments
- Reached more Canadians resulting in growth on digital platforms like STACKTV
- Deepened our relationships with studio partners
- Secured a strong programming schedule for the 2020/2021 broadcast year
- Achieved meaningful audience share gains for Television and Radio
- Secured impressive content sales

Financial Overview

- As witnessed by other broadcasters globally, COVID significantly impacted advertising revenues
- Disciplined approach taken to immediately review all costs and reduce expenses
- Benefitted from multi-year focus on increasing financial flexibility, creating sufficient liquidity to withstand short-term challenges
- Prioritized spending and investments to maintain momentum on advancing strategic priorities

Audience Growth on New Platforms

STACKTV

[adult swim]

SHOW
CASE



TELETOON

HGTV



H
HISTORY

NATIONAL
GEOGRAPHIC

SLICE

Global



Treehouse

Uptake of STACKTV is exceeding our expectations

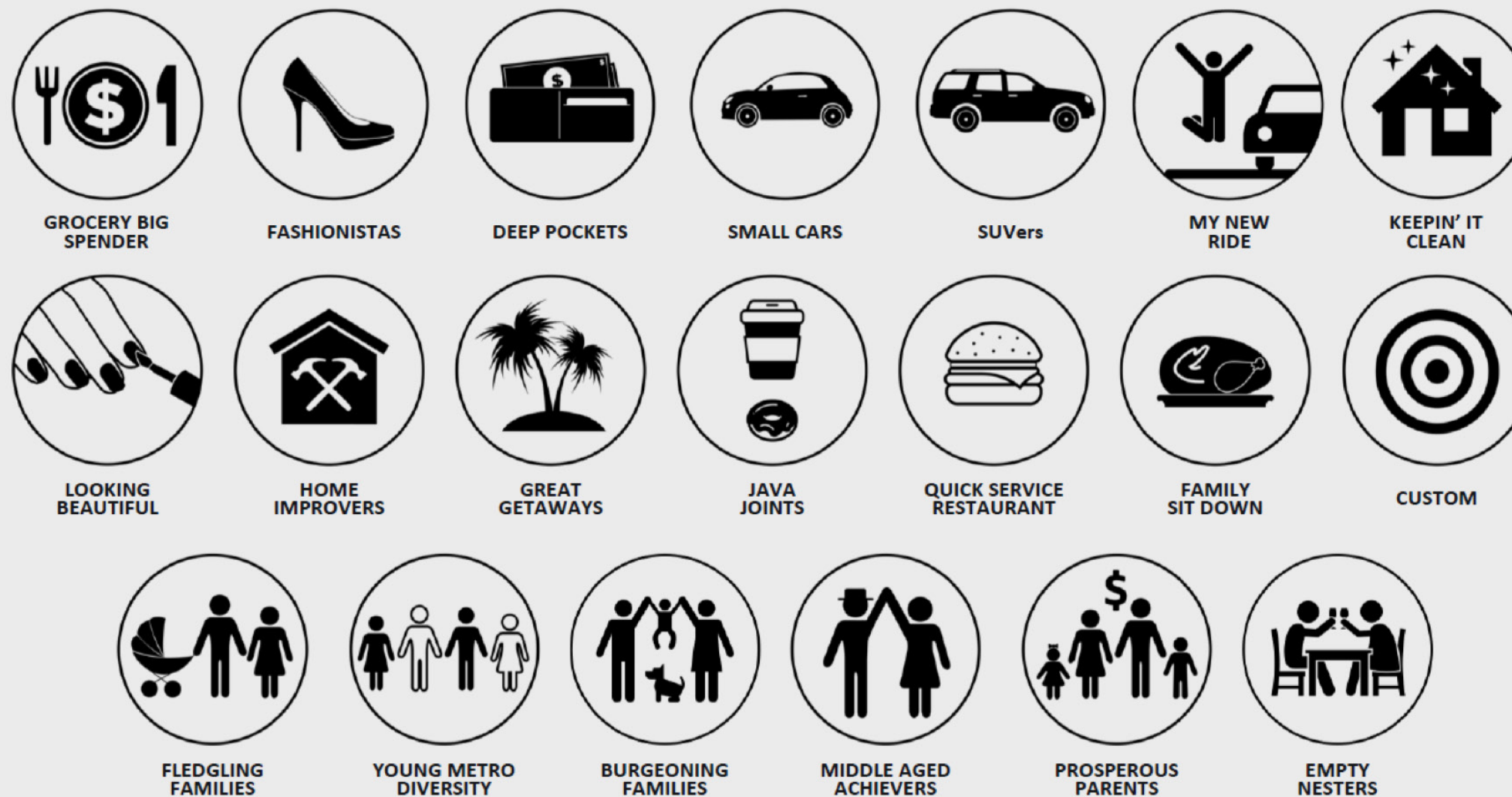
Audiences are Rediscovering Television



Significant audience growth on Corus portfolio

Industry Solution Provides Targeting at Scale

19 common audience segments



Marquee Peacock Originals Coming to Canada

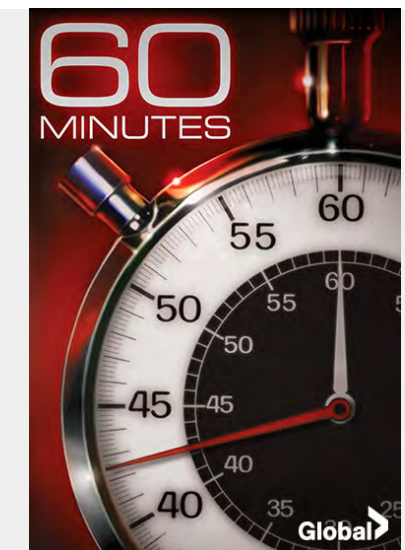
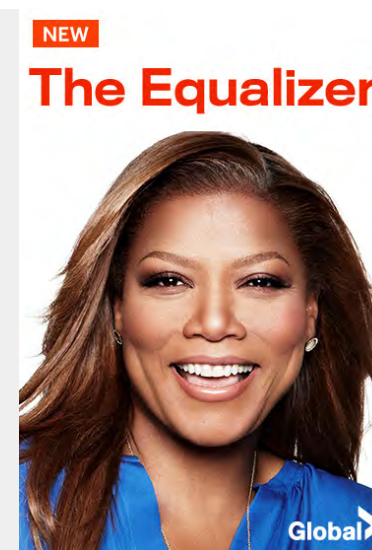
A peacock Original

- Announced exclusive deal with NBCUniversal for originals from Peacock
- Full rights including stacking across all of our platforms
- Huge slate of original content





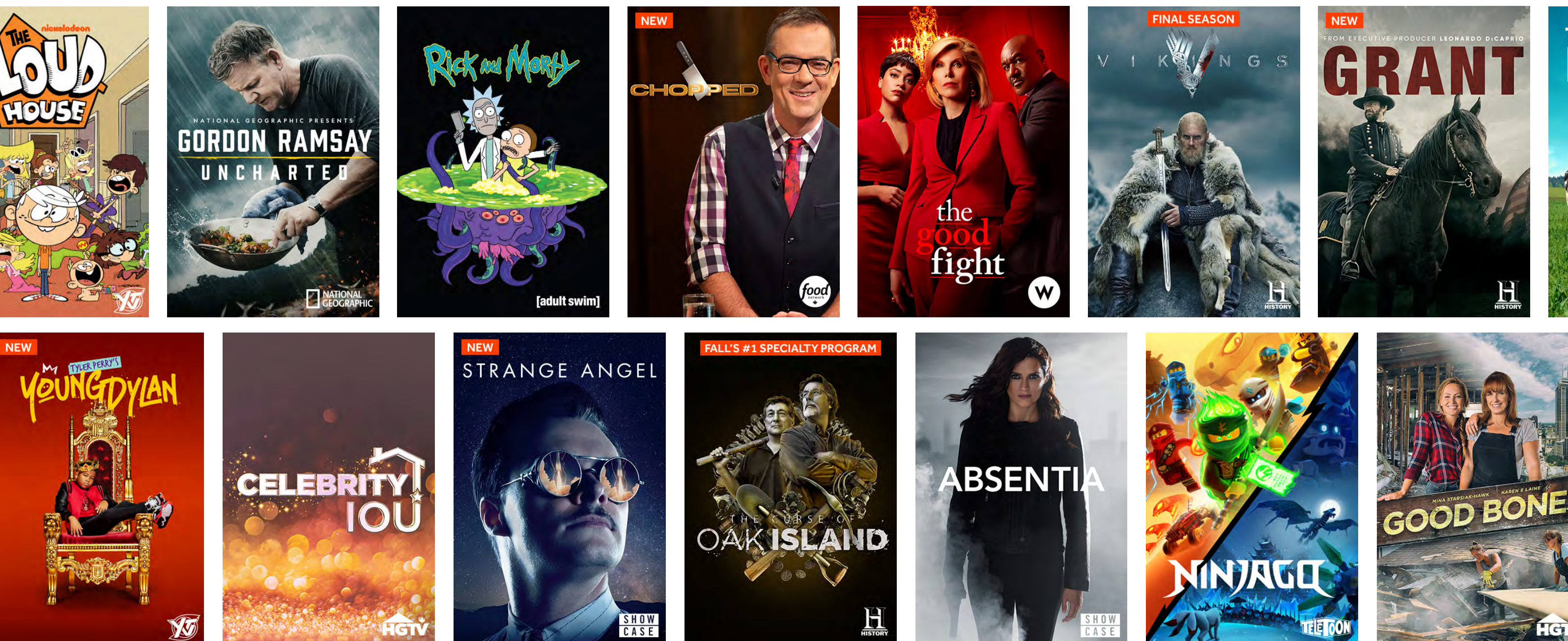
New
Series



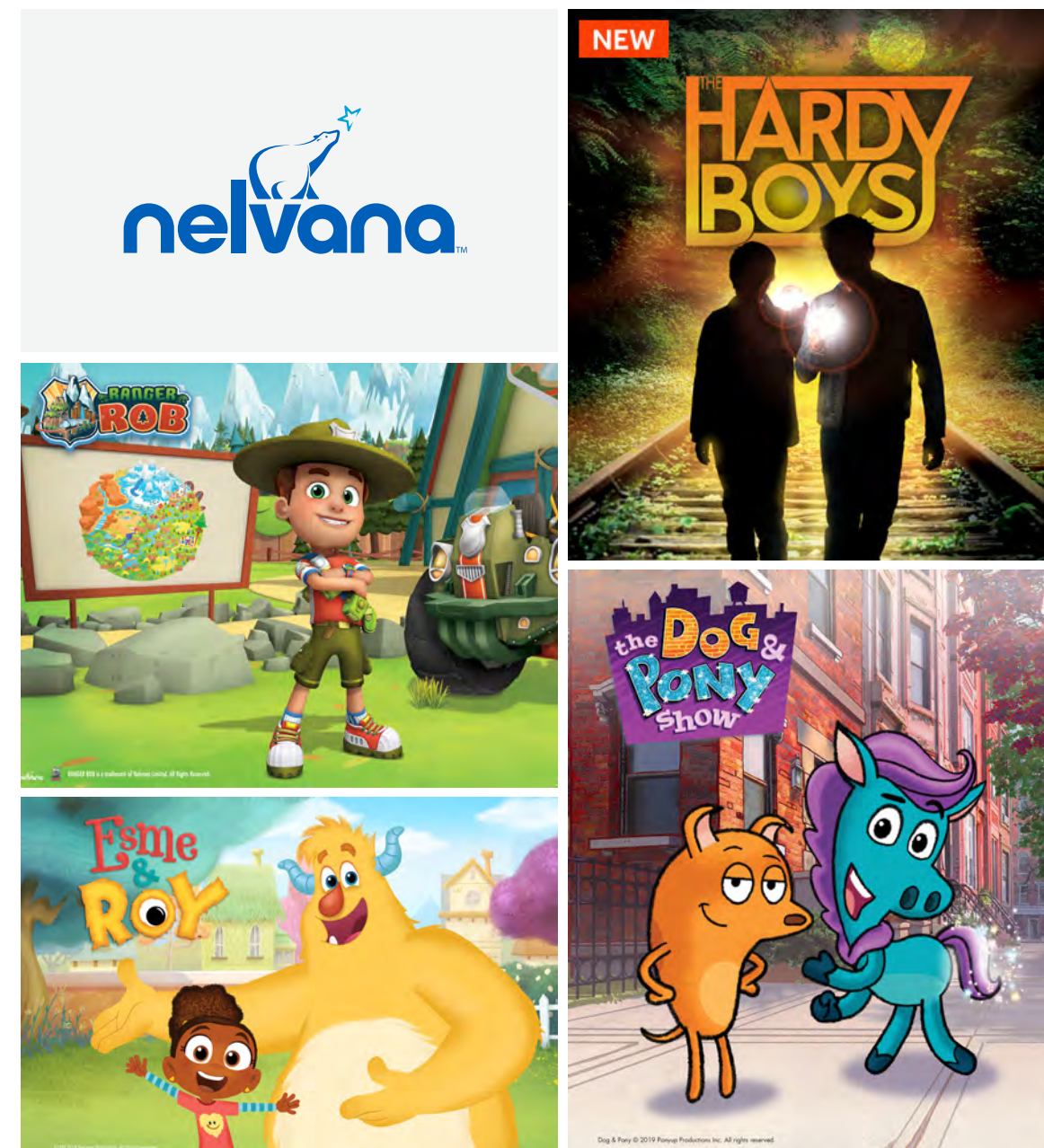
Returning
Series

Powerhouse network with strong schedule

Strong Specialty Television Line-up



Robust Production Slate



Q3 F2020 Financial Position

- Repaid \$381 million of bank debt in the past seven quarters and \$131 million of bank debt for the year-to-date
- Leverage at May 31, 2020 was 3.22 times net debt to segment profit¹
- Cash balance at May 31, 2020 was \$80 million
- Approximately \$300 million available under committed revolving credit facility, all of which could be drawn
- Financial priorities remain unchanged
- Eligible for the Canada Employment Wage Subsidy (CEWS) for April and May 2020 eligibility periods

¹ Net debt to segment profit does not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). The Company believes this non-IFRS measure is frequently used as a key measure to evaluate performance. For definitions, explanations and reconciliations see discussion under the Key Performance Indicators section of the Third Quarter 2020 Report to Shareholders.

Q3 Fiscal 2020 Consolidated Results

- Consolidated revenue of \$349 million
- Consolidated segment profit^{1,2} of \$111 million
- Consolidated segment profit margin^{1,2} of 32%
- Net loss attributable to shareholders of \$752 million (\$3.61 loss per share basic) includes non-cash impairment charges related to broadcast licenses and goodwill of \$787 million
- Free cash flow^{1,2} of \$91 million for the quarter and \$209 million for the year-to-date

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 Third Quarter 2020 Report to Shareholders.

² Segment profit for the three months ended May 31, 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 \$3.3 million, and an increase in free cash flow of approximately \$4.1 million and \$12.1 million, for the quarter and year-to-date, respectively. Further discussion of this can be found in the Impact of New Accounting Policies section of the Third Quarter 2020 Report to Shareholders.

Q3 Fiscal 2020 Television Results

- Segment revenues were down 21%
- Advertising revenues decreased 31%, driven by the impact of COVID on advertising demand
- Subscriber revenues were up slightly
- Merchandising, distribution and other revenues were \$2.6 million, or 12% lower, driven by the impact of COVID on retail stores
- Expenses decreased 15% and include an estimated \$13.5 million of CEWS Funding
- Segment profit¹ was down 30%
- Segment profit margin¹ of 35%
- Non-cash goodwill impairment charge of \$673 million

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 Third Quarter 2020 Report to Shareholders.

Q3 Fiscal 2020 Radio Results

- Segment revenues of \$18 million, driven by the impact of COVID on advertising demand
- Expenses were down 29% and include an estimated \$2.7 million of CEWS funding
- Segment loss¹ of \$1.8 million
- Segment loss margin¹ of 10%
- Non-cash impairment charges on broadcast licenses of \$68 million and goodwill of \$46 million

¹ Segment profit (loss) and segment profit (loss) margin do not have standardized meanings prescribed by IFRS. The Company reports on these because they are key measures used to evaluate performance. For definitions and explanations, see the discussion under the Key Performance Indicators section of the Third Quarter 2020 Report to Shareholders.

Reasons for Optimism

- Strong fall schedule packed with premium new content
- Meaningful share shift in audiences to Corus
- Advertisers will return as the economy gradually re-opens
- Industry solution with common audience segments
- New initiatives will increase digital advertising inventory
- Impressive growth on STACKTV
- Corus' owned content slate is attracting significant interest from international markets
- Maintaining financial discipline through maximization of free cash flow, optimization of cost structure and focus on deleveraging

Fiscal 2020

Third Quarter Earnings Conference Call

Friday, June 26, 2020 | 8 a.m. ET

Q&A

