

# **Fiscal 2021** **Fourth Quarter and** **Year-End Earnings** **Conference Call**

Friday, October 22, 2021 | 8 a.m. ET



# Cautionary Statement

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 the adoption and anticipated impact of our strategic plan, advertising and our expectations of advertising trends for fiscal 2022, distribution, merchandise and subscription revenue, operating costs and tariffs, taxes and fees, and can generally be identified by the use of words such as "believe", "anticipate", "expect", "intend", "plan", including the adoption and anticipated impact of our strategic 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, 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 including the potential impact of new competition and industry mergers and acquisitions, 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 revenue; 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 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, 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.

## Note to User:

In addition to disclosing results in accordance with International Financial Reporting Standards ("IFRS"), Corus also provides supplementary non-IFRS measures as a method of evaluating the company's performance to provide readers with a better understanding of how management views the Company's performance. Corus measures the success of its strategies using a number of key performance indicators, including segment profit and segment profit margin, free cash flow, adjusted net income and adjusted basic earnings per share, as well as net debt and net debt to segment profit, each of which do not have standardized meanings prescribed by IFRS and may not be comparable to similar terms used by other issuers.

Additional information on non-GAAP financial measures, Corus' reported results and factors and assumptions related to forward-looking information can be found in Corus' fourth quarter 2021 Report to Shareholders and the 2020 Annual Report."

# Everything is Working

- Advanced advertising initiatives contributing to impressive revenue growth
- Winning Fall schedule on Global TV
- Larger than anticipated addressable market for STACKTV
- Robust international demand for Nelvana and Corus Studios original content
- Increased financial flexibility

# Fiscal 2021 Key Financial Highlights

**\$1,543**  
million

**consolidated revenues,  
up 2% from prior year**

**\$525**  
million

**consolidated segment profit,  
up 4% from prior year**

**\$252**  
million

**free cash flow<sup>1</sup>**

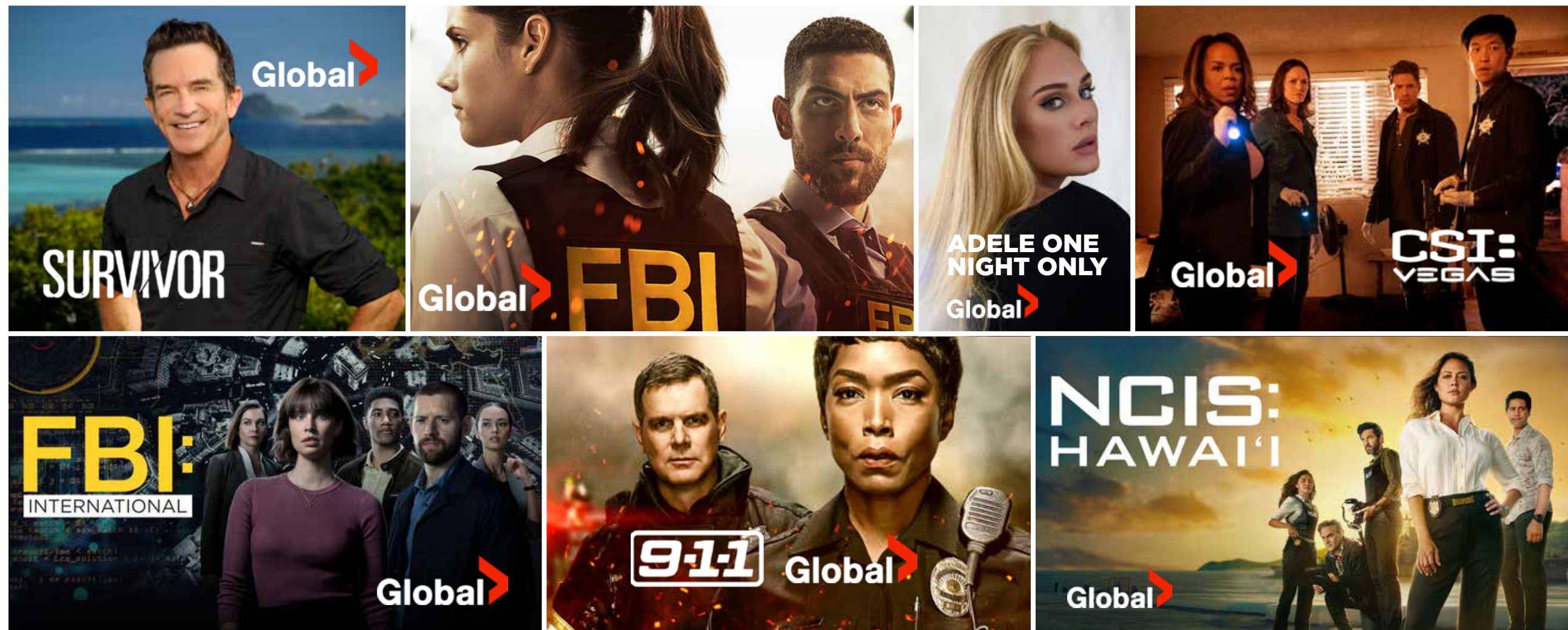
**2.76x**

**net debt to segment profit<sup>1</sup>**

<sup>1</sup> This is a non-GAAP financial measure and does not have a standardized meaning prescribed by IFRS. Refer to the "Note to User" section on slide 2 for more information.

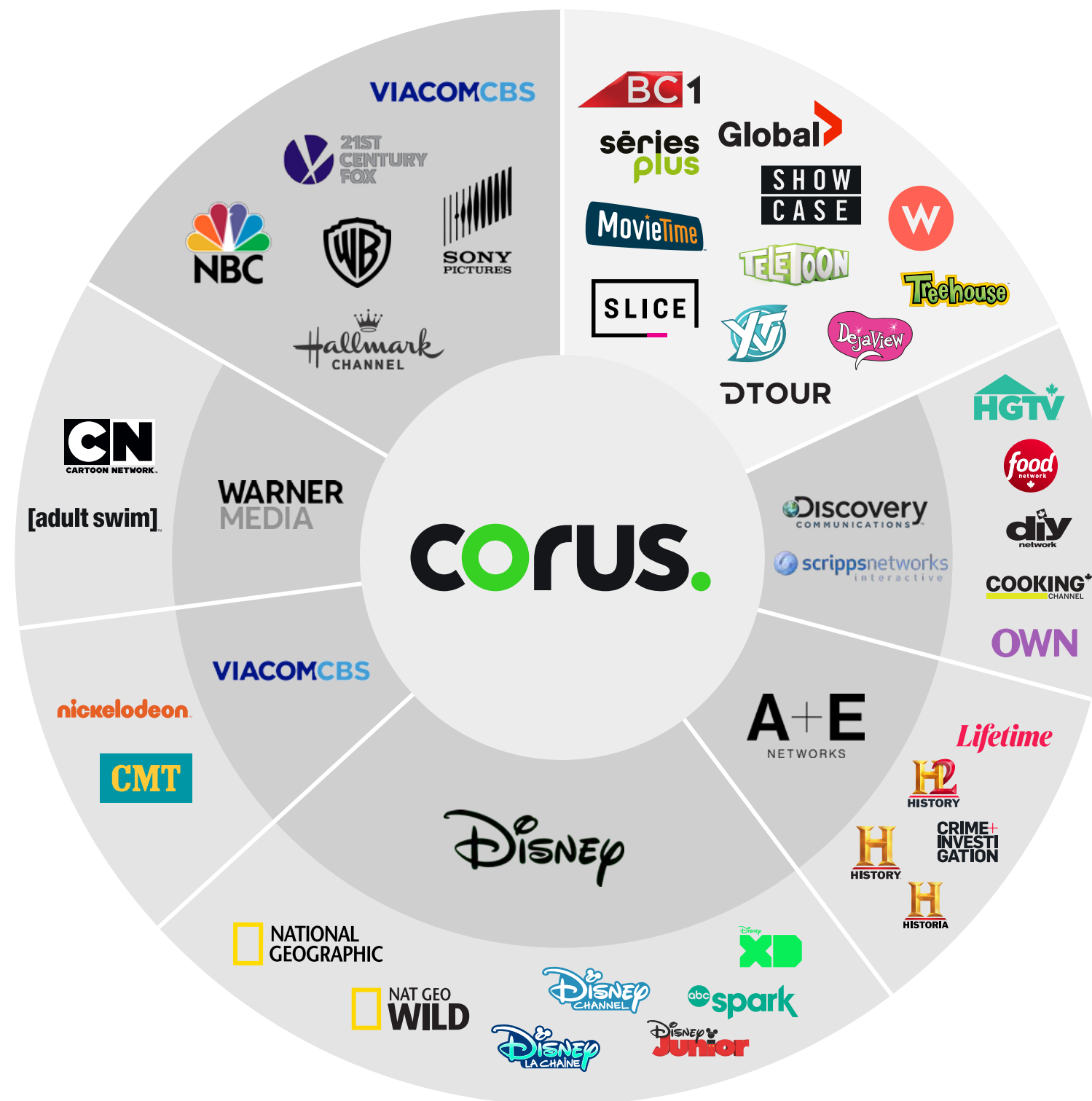


# Strongest Fall Schedule In Many Years



**19 hours of simulcast on Global every week**

# Deep Relationships with World-Class Partners





# Robust Demand for Original Content



**corus.**  
STUDIOS

24 series confirmed  
for fiscal 2022



30+ series in production  
or development

# New Revenue Opportunities on STACKTV

**675,000+**  
paying subscribers

**STACKTV**

[adult swim]

SHOW  
CASE



TELETOON

HGTV



H  
HISTORY

NATIONAL  
GEOGRAPHIC

SLICE

Global



Treehouse

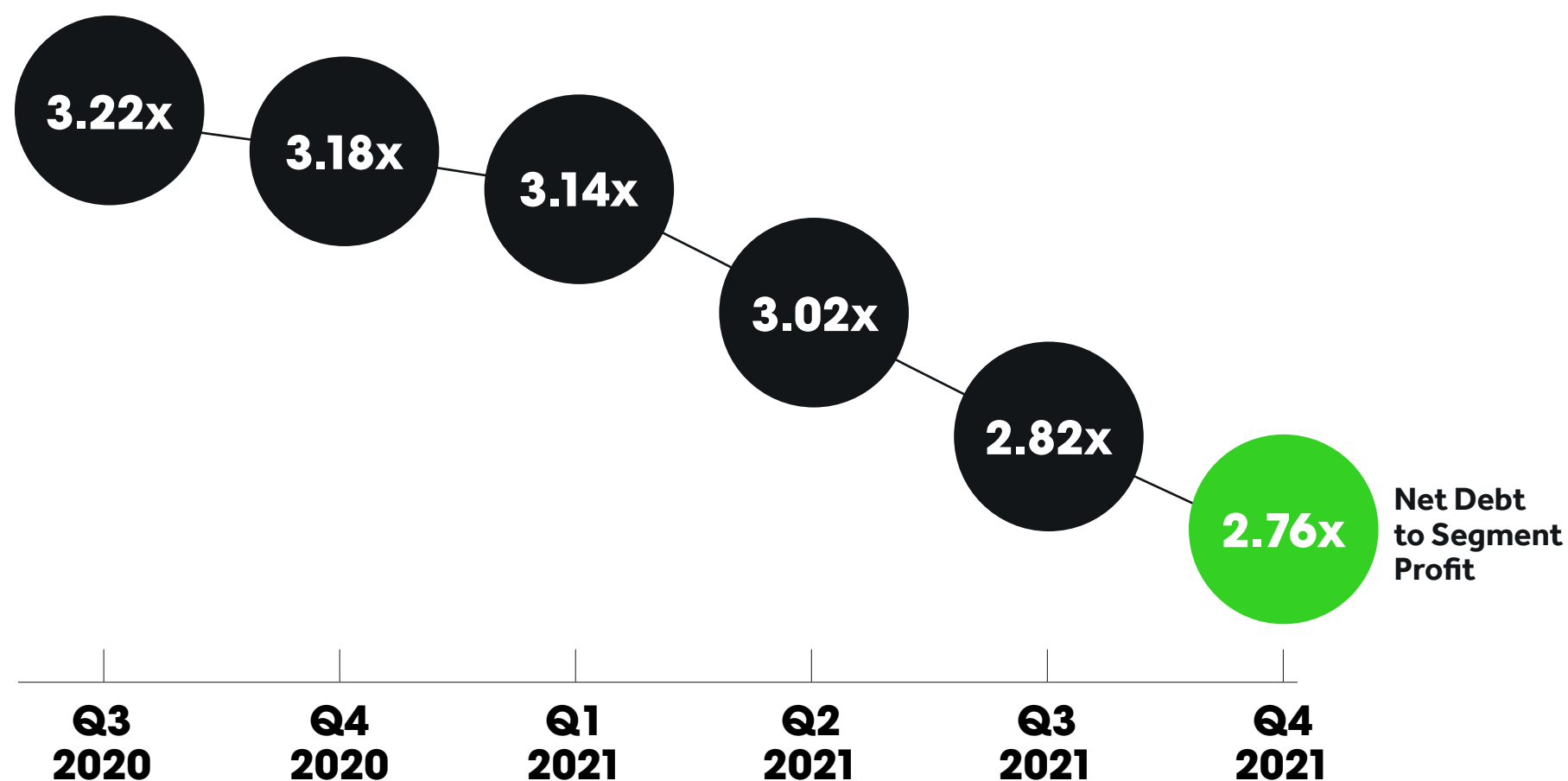
**nick+**

Dynamic advertising insertion now available in video on demand content on STACKTV



# Significant Progress on Financial Priorities

## Notable Leverage Improvement<sup>1</sup>



<sup>1</sup> Long-term leverage target of <2.5x net debt to segment profit

- Solid free cash flow of \$35 million for the quarter and \$252 million for the year
- Net debt to segment profit of 2.76 times at August 31, 2021, down from 3.18 times at August 31, 2020
- Dividend of \$0.06 per share declared for Class B holders

# Q4 and Year-End Fiscal 2021 Consolidated Results

- Strong operating execution with significant revenue and segment profit growth
- Advertising, subscriber and merchandising, distribution and other revenues all increased in Q4 and for the year

(in millions of dollars except percentages and per share amounts)

	Q4-2021	%Chg	Fiscal 2021	%Chg
Consolidated revenues	\$361	+13%	\$1,543	+2%
Consolidated segment profit <sup>1</sup>	\$103	+9%	\$545	+4%
Consolidated segment profit margin <sup>1</sup>	28%	-2 pts	34%	+1 pt
Free cash flow <sup>1</sup>	\$35	-60%	\$252	-15%

<sup>1</sup> This is a non-GAAP financial measure and does not have a standardized meaning prescribed by IFRS. Refer to the "Note to User" section on slide 2 for more information

# Q4 and Year-End Fiscal 2021 Television Results

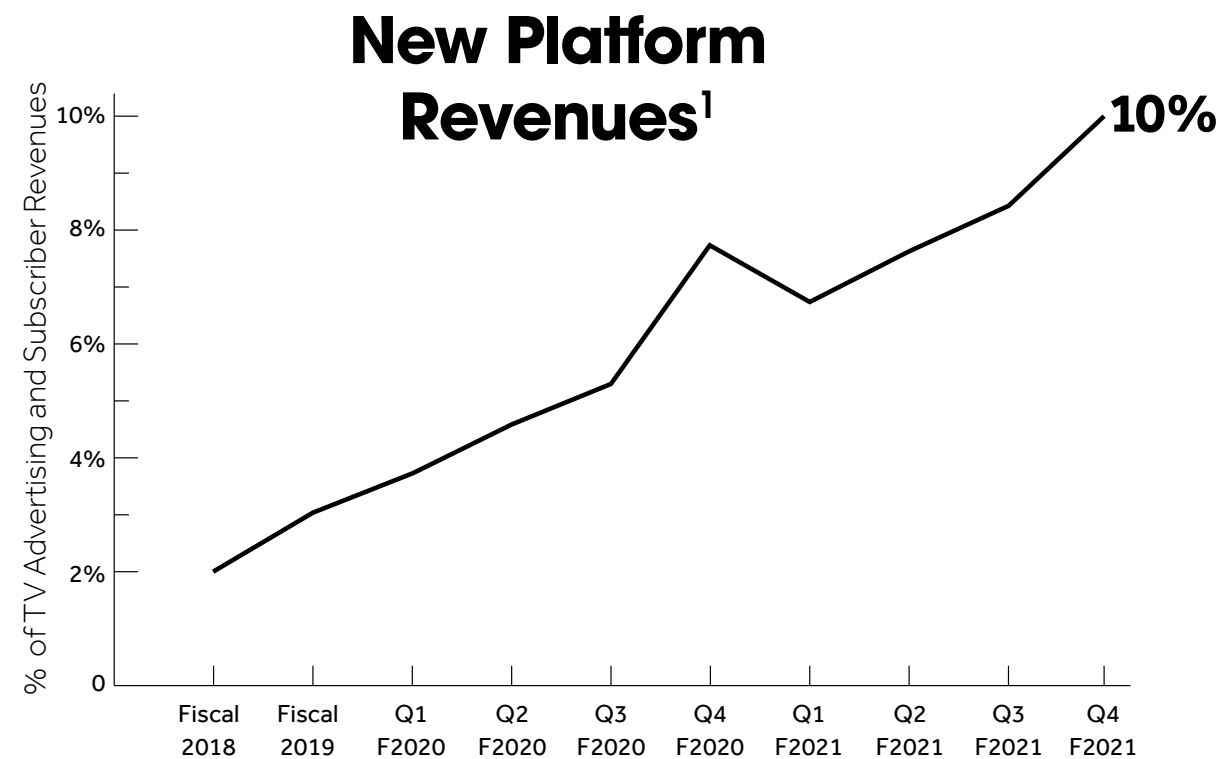
- Significant advertising revenue recovery
- Subscriber revenues reflect strong uptake of STACKTV and Nick+ (>675,000 paying subscribers at Oct 21'21)
- Robust content revenue gains driven by licensing sales of Corus Studios content and Toom Boom animation software, as well as growth at Nelvana
- Programming expenses normalized compared to delayed deliveries in prior year due to impact of COVID-19 restrictions

(in millions of dollars except percentages)

	Q4-2021	%Chg	Fiscal 2021	%Chg
Segment revenues	\$336	+12%	\$1,446	+3%
Advertising revenues	\$177	+21%	\$842	+2%
Subscriber revenues	\$126	+3%	\$498	+1%
Merchandising, distribution and other revenues	\$33	+9%	\$106	+13%
Segment profit <sup>1</sup>	\$110	+11%	\$549	+8%
Segment profit margin <sup>1</sup>	33%	-	38%	+2 pts

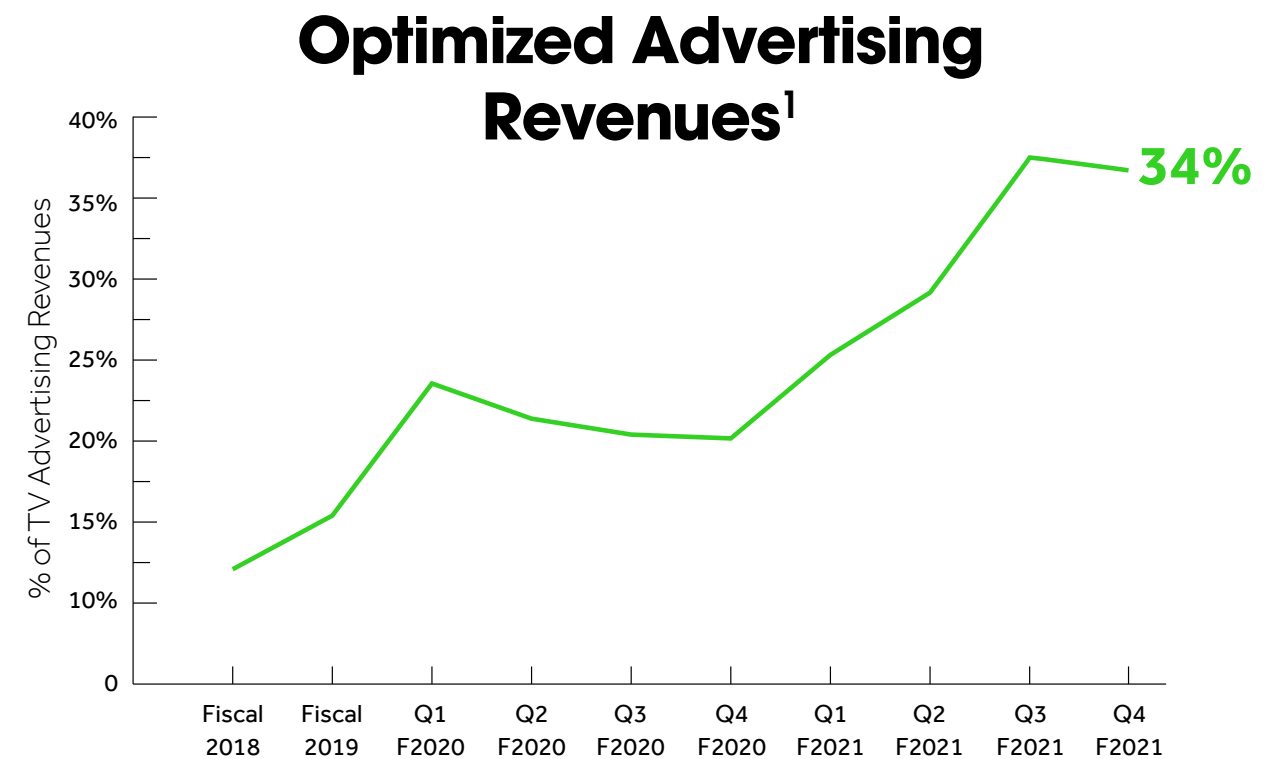
<sup>1</sup> This is a non-GAAP financial measure and does not have a standardized meaning prescribed by IFRS. Refer to the "Note to User" section on slide 2 for more information

# Q4 Fiscal 2021 Revenue Performance Metrics



## Fiscal 2021 New Platform Revenues, up 62% from prior year

- Reflects progress on Corus' participation in rapidly growing streaming distribution platforms and digital advertising markets
- Includes incremental subscriber revenues from new streaming initiatives and advertising revenues from digital platforms



## Fiscal 2021 Optimized Advertising Revenues, up 43% from prior year

- Reflects progress on the transformation of how Television advertising is sold
- Includes revenues from audience segment selling as well as Cynch automated buying platform

<sup>1</sup> New platform revenues and optimized advertising revenues are non-IFRS measures that are not in accordance with, nor an alternate to, generally accepted accounting principles ("IFRS") and may be different from non-IFRS measures used by other companies. In addition, these non-IFRS measures are not based on any comprehensive set of accounting rules or principles.

**Significant progress on revenue growth and diversification initiatives**



# Q4 and Year-End Fiscal 2021 Radio Results

- Significant advertising revenue recovery in the quarter while the full year reflects the impact of prolonged COVID-19 restrictions on the Radio business
- Focus on disciplined cost management

(in millions of dollars except percentages)

	Q4-2021	%Chg	Fiscal 2021	%Chg
Segment Revenues	\$25	+32%	\$97	-6%
Segment profit <sup>1</sup>	\$4	+261%	\$14	-12%
Segment profit margin <sup>1</sup>	17%	+11 pts	15%	-1 pt

<sup>1</sup> This is a non-GAAP financial measure and does not have a standardized meaning prescribed by IFRS. Refer to the "Note to User" section on slide 2 for more information



# Spotlight on Revenue Growth Opportunities

## 1. Corus Advantage leverages required spending to diversify revenues outside of Canada

- Control of greenlight de-risks production
- Focus on development
- Established demand with buyers for new seasons of hit shows

## 2. Unique Canadian market structure

- Highly concentrated
- Vertically Integrated
- Collaborative industry advertising solutions and improved subscriber value proposition
- Canada is a lucrative content licensing market

## 3. STACKTV is a game changer

- Re-aggregates channels bundle onto streaming platform
- Enables Corus to put more content in more places
- Creates value for subscribers, offering both lean-back television and video-on-demand
- New dynamic advertising capabilities on VOD

**Fiscal 2021**

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

Friday, October 22, 2021 | 8 a.m. ET

**Q&A**

