

**corvus.**

**Investor Presentation**

August 18, 2021

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# Corus Overview

**Headquarters:** Toronto, Ontario | **TSX Ticker:** CJR.B | **Market Cap:** ~\$1.2 Bn

- Founded in 1999, Corus is a diversified Canadian-based integrated media and content company that creates and delivers high quality brands and content across platforms for audiences in Canada and around the world
- Corus operates through two reporting segments: Television and Radio, generating revenue through subscription fees, advertising revenue, content licensing and merchandising sales

**~\$300 million**

Average annual free cash flow since F2017<sup>1</sup>

**<2.5x**

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

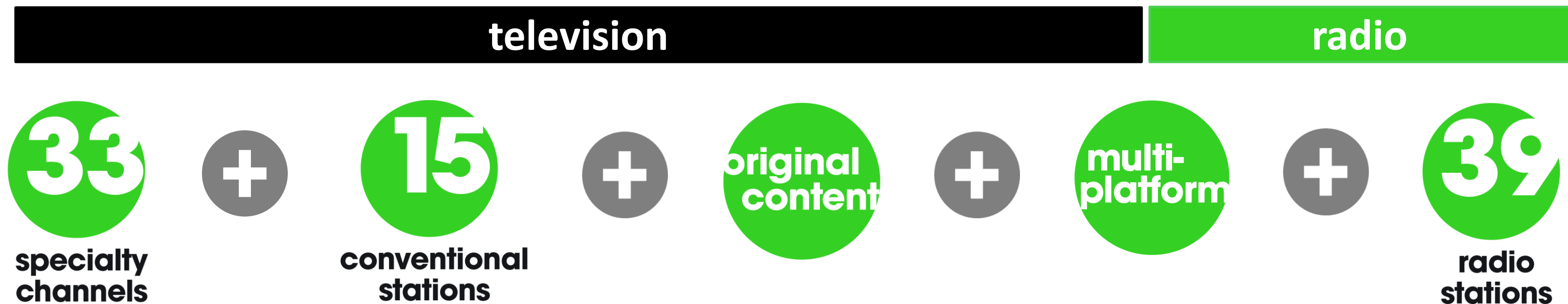
**~ 600,000**

Paying digital streaming subscribers added since June 2019

**~\$0.24**

Annual dividend per Class B Share, paid quarterly

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1. Represents non-IFRS financial measure. See "Non-IFRS measures" on slide 2.

# Investment **Highlights**

**1**

**Significant Diversity, Scope and Scale Across a Leading Portfolio of Television, Radio and Digital Assets with Considerable Strength in Local Markets**

**2**

**Deep Relationships with International Media Companies Enables Access to Great Content**

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**3**

**Executing Multiple Growth Initiatives to Connect with Audiences on New Platforms and Deliver Advertising Innovations**

**4**

**Extensive Content Creation and Brand Building Across Broad Range of Genres through the "Corus Advantage"**

**5**

**Attractive Free Cash Flow Supported by Strong Underlying Business Profile and Disciplined Operating Model**

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# Media and Content Powerhouse



specialty channels



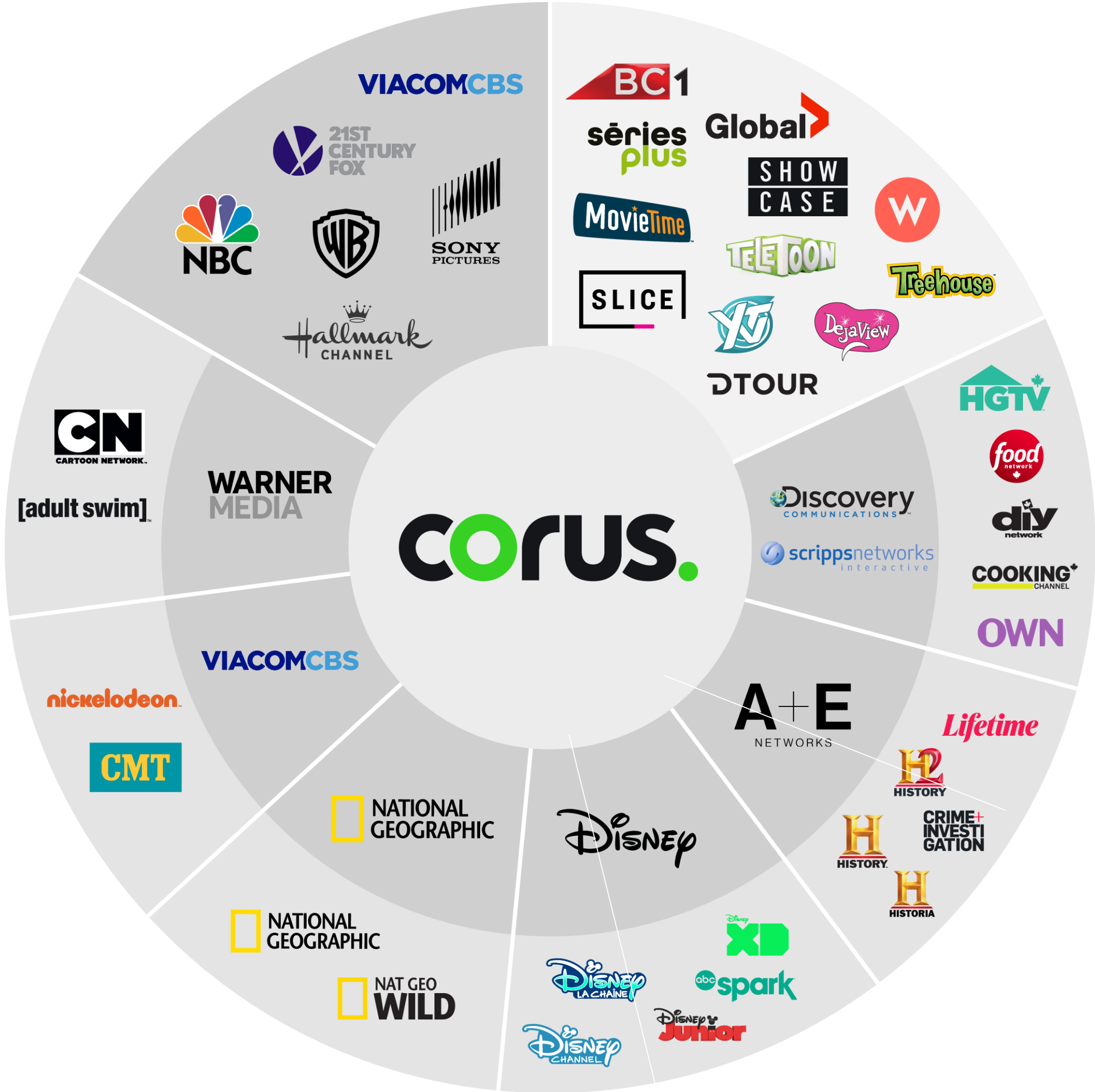
radio stations



conventional stations



# Deep Relationships with World-Class Partners



# Ongoing Strategic Discipline

Strategic Priorities



## **create** a great place to work

Create a diverse, equitable  
and inclusive culture

Build the capability and  
career flexibility of our  
people

Foster employee  
engagement and well-being



## **build** a content powerhouse

Secure great content to  
deploy across our portfolio  
of leading brands

Extend our leadership role  
in creating original  
Canadian content

Grow our slate of owned  
content for international  
sales

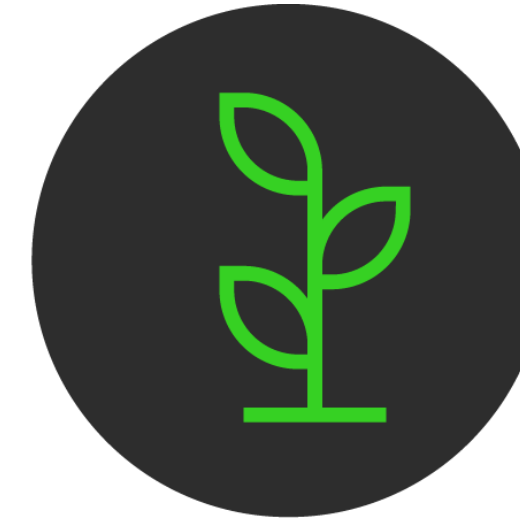


## **connect** with audiences

Create engaging content and  
brand experiences

Reach and interact  
with consumers on new  
platforms

Develop a unified view  
of audiences

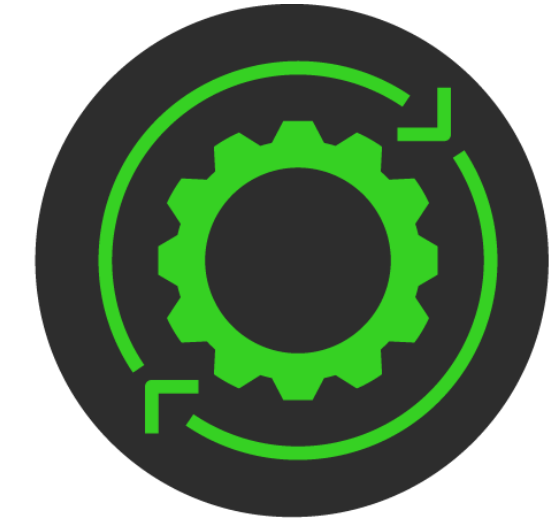


## **help** brands grow

Take a client-  
centric approach to  
everything we do

Build and deliver  
innovative advertising  
solutions

Become a trusted  
authority in marketing  
effectiveness



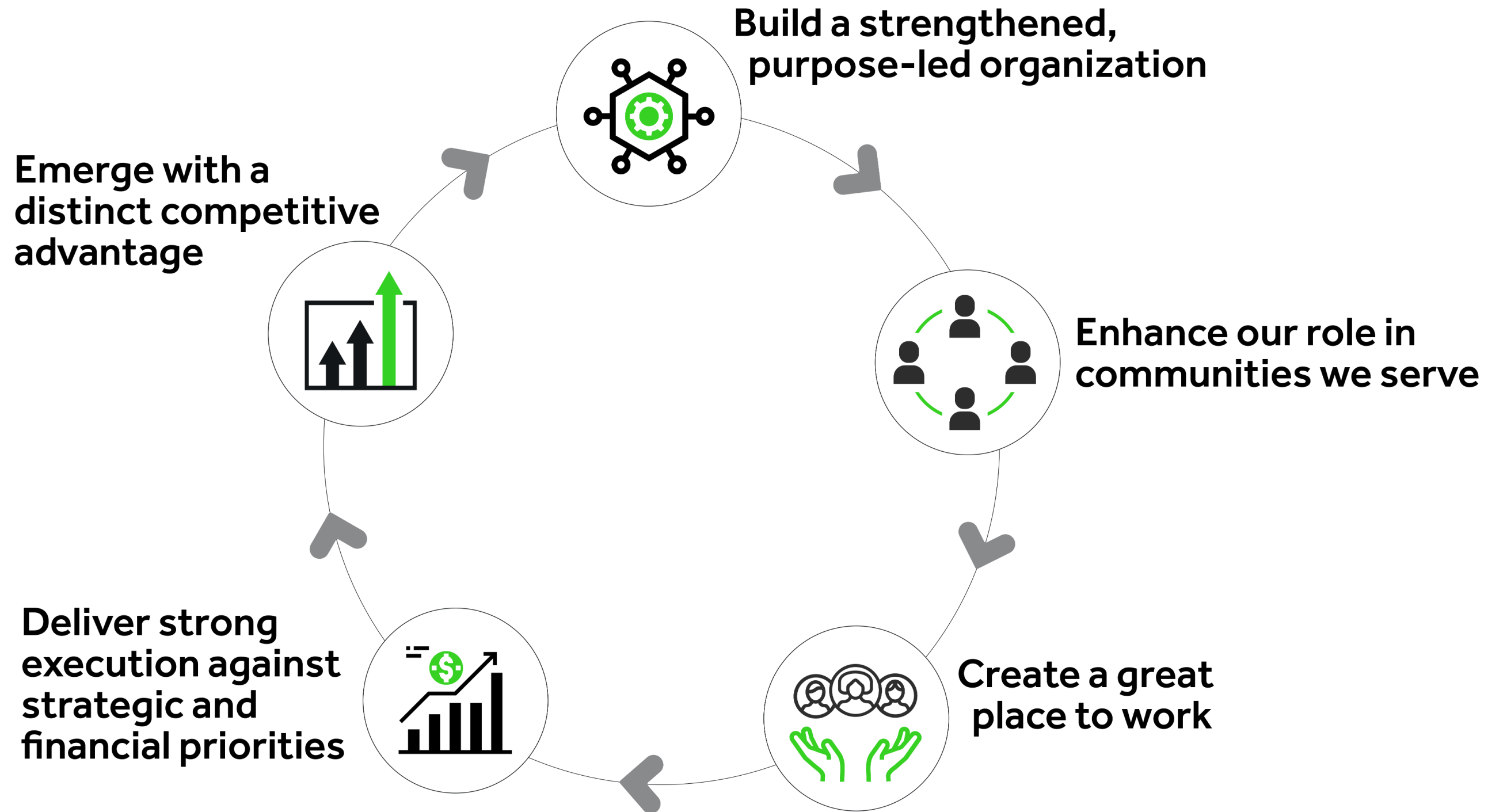
## **operate** with discipline

Embrace technology to  
support revenue growth  
and improve productivity

Bring rigor and financial  
discipline to decision  
making

Increase financial  
flexibility

# Integration of ESG Principles Into Strategy



In May 2021, Corus Entertainment Inc. received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

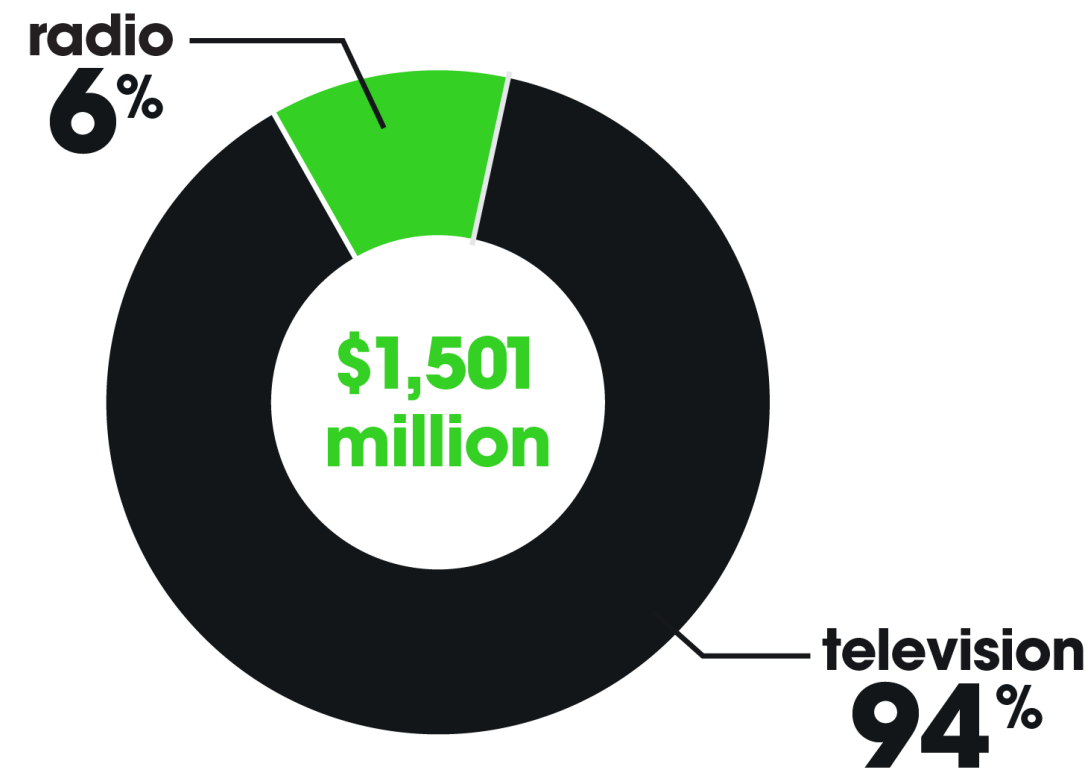
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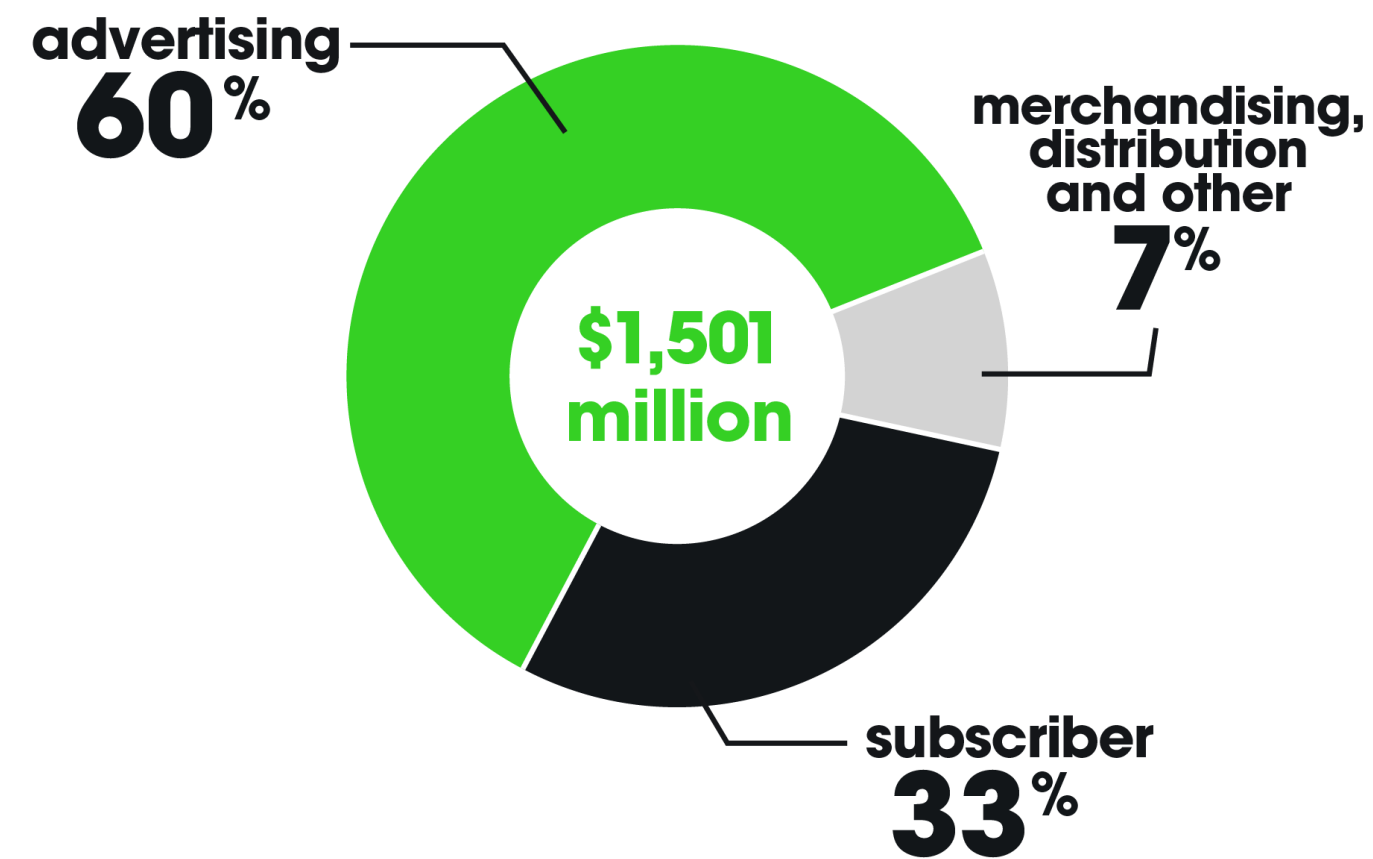


# Financial Overview

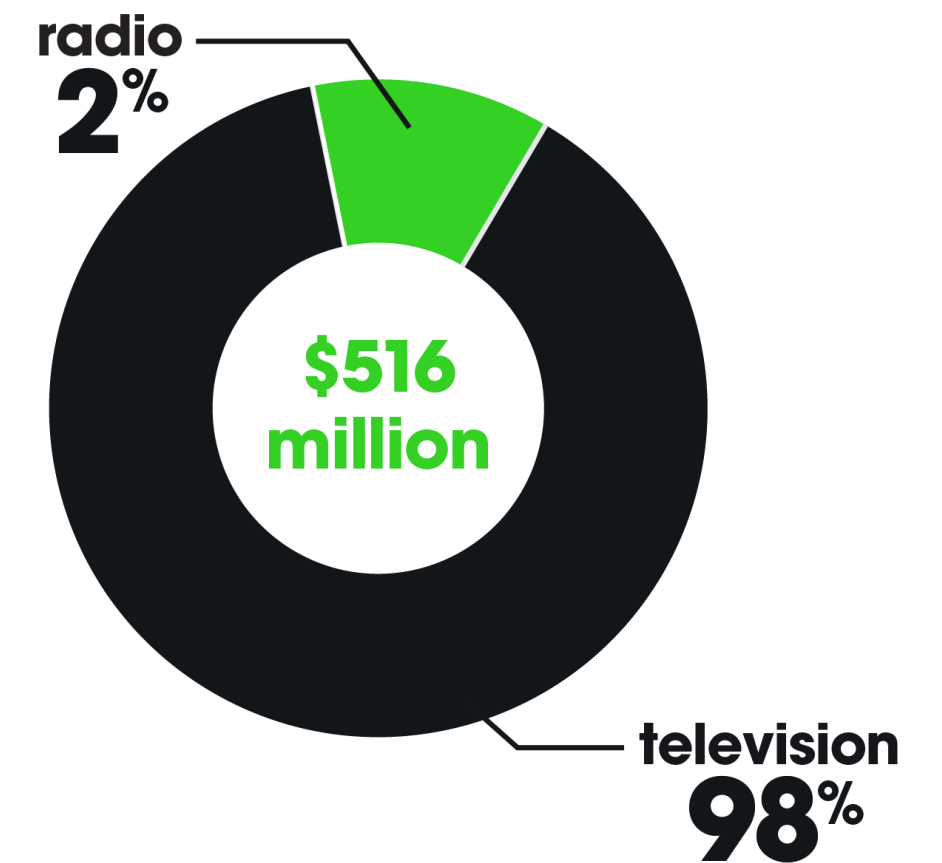
## Segment Revenue<sup>1</sup>



## Sources of Revenue<sup>1</sup>



## Segment Profit<sup>1,2,3</sup>



## Balanced Capital Allocation Policy

### 1 Invest in the Future

- Investment to advance strategic priorities and diversify revenues
  - Ad Tech + Data Analytics
  - Connect with audiences in new ways
  - Build a content powerhouse

### 2 Pay Down Debt

- Disciplined focus on reducing leverage
  - New leverage target of below 2.5x net debt to segment profit introduced with Q2 F2021 earnings

### 3 Return Cash to Shareholders

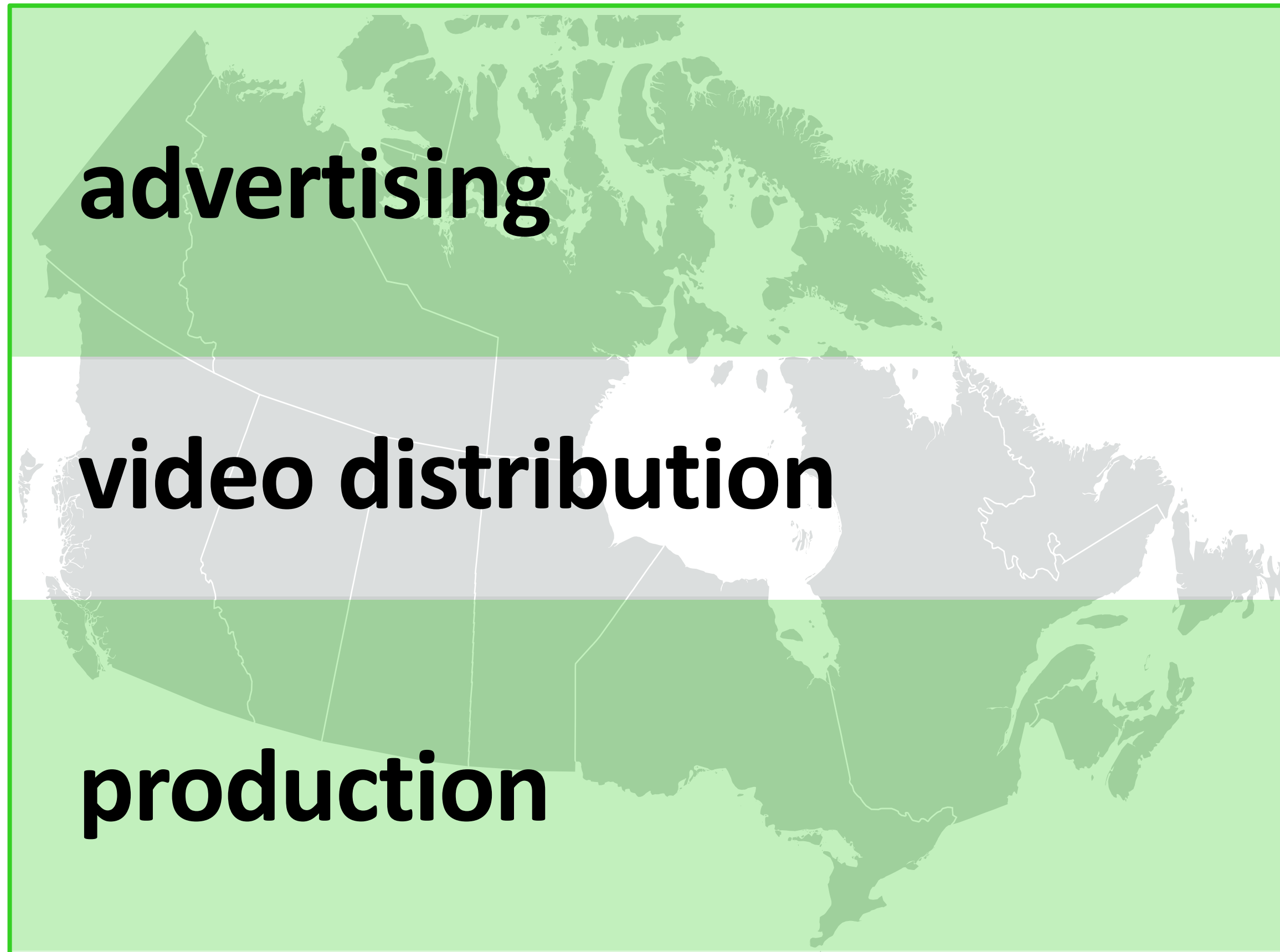
- Annual dividend rate of \$0.24 / Class B Share
  - Dividend subject to Board approval
- Normal Course Issuer Bid Program

1. LTM as at May 31, 2021.

2. Excludes unallocated corporate costs.

3. Represents non-IFRS financial measure. See "Non-IFRS measures" on slide 2.

# Canadian Market Opportunity



## Unique Market Structure

- 1 Concentrated
- 2 Regulated
- 3 Vertically Integrated



# Alignment and Collaboration in Canadian Ecosystem



## Future Video Platforms



Alignment on next-generation video platforms for PayTV, X1 and MediaFirst

xfinity x1

MediaKind



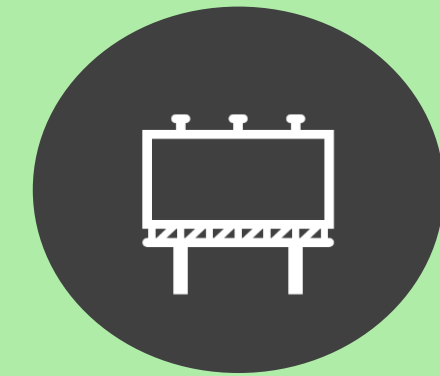
## Industry Measurement



Alignment on enhanced set-top box measurement and cross-platform video audiences

NUMERIS

ENVIRONICS ANALYTICS



## Advanced Advertising



Alignment on common industry segments, Dynamic Ad Insertion, and ad-buying platforms

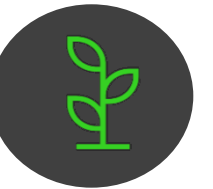
think tv

cynch  
audience buying made easy



High Degree of Alignment and Collaboration among Key Players

# Transforming the Way Television is Sold



Help brands grow

## Common Audience Segments

### NEW



APPetizing



FIRST IN LINE



GOOD SPORTS



HEALTH AND BEAUTY SAMPLERS



I ♥ PLANET EARTH



TECHNOPHILES



TRUCKIN'



Automated buying platform  
**cynch**



GROCERY BIG SPENDER



FASHIONISTAS



DEEP POCKETS



SMALL CARS



SUVers



GREAT GETAWAYS



MY NEW RIDES



LOOKING BEAUTIFUL



HOME IMPROVERS



KEEPIN' IT CLEAN



CUSTOM



JAVA JOINTS



QUICK SERVICE RESTAURANT



FAMILY SIT DOWN



FLEDGLING FAMILIES



YOUNG DIVERSE FAMILIES



BURGEONING FAMILIES



MIDDLE AGED ACHIEVERS



PROSPEROUS PARENTS



EMPTY NESTERS



Roll-out of dynamic advertising insertion (DAI) for video on demand

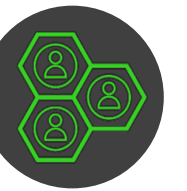
premium  
**VOD**

Industry Solution reaches **>90%+** of English TV

Industry Leading Portfolio of Advanced Advertising Solutions

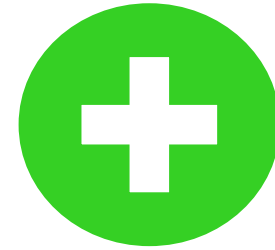


# Connecting with Audiences on **New Platforms**



Connect with audiences

More Content in **More Places**



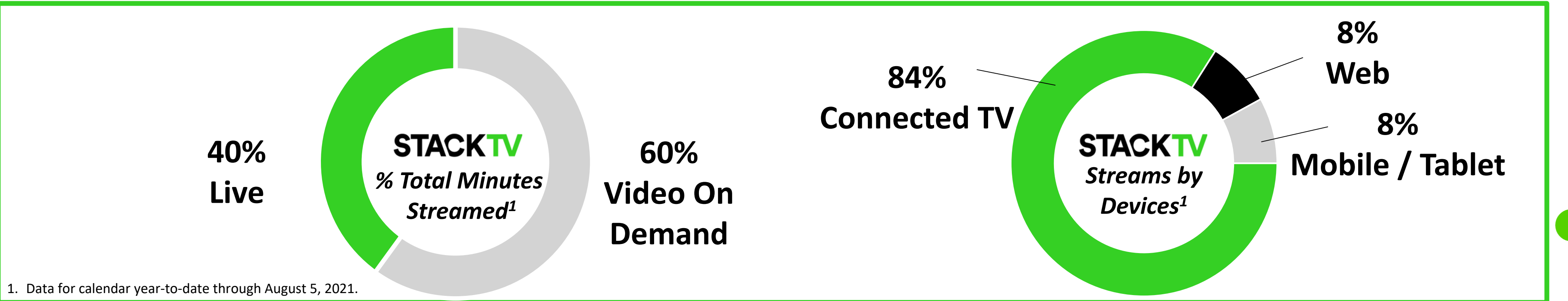
Strong **Live TV Viewership**

**STACKTV**

[adult swim] SHOW CASE W TELETOON HGTV food network  
HISTORY NATIONAL GEOGRAPHIC SLICE Global YV Treehouse

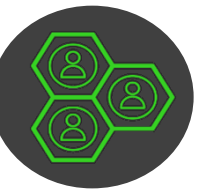
**nick+**

**600,000+**  
*paying subscribers*



1. Data for calendar year-to-date through August 5, 2021.

# Global TV Delivers Premium Content **Everywhere**

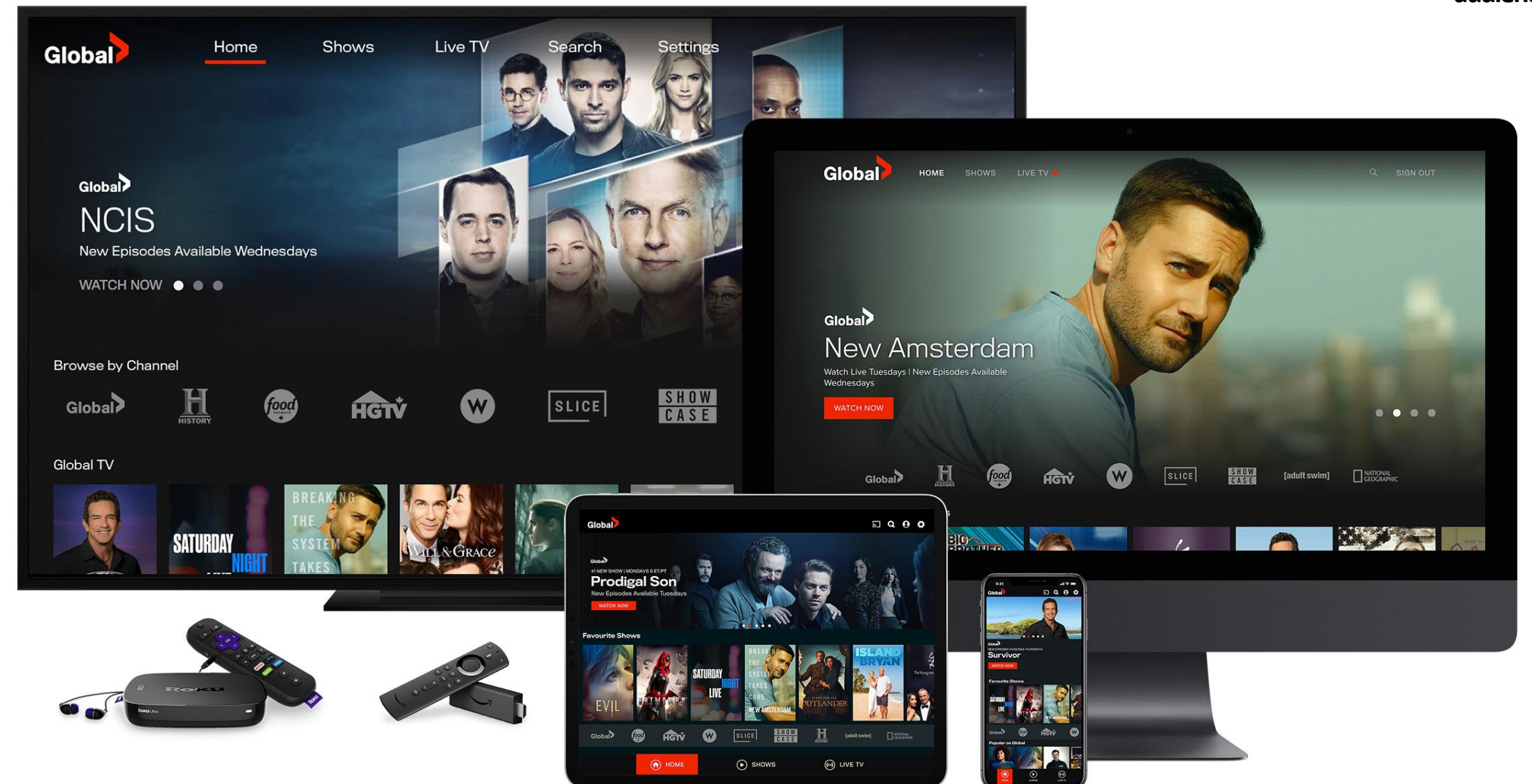


Connect with audiences

- Global TV is gaining traction with robust demand for advertising inventory

## ● **Evolution of Global TV App**

- Authenticated AVOD product available on mobile apps, web and connected TV
- Includes Global TV plus up to eight specialty services and 14 free Global News 24/7 live streams
- Live and on demand



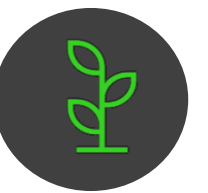
Actively pursuing **advertising-supported video on demand (AVOD)** opportunities



# New Revenue Performance Metrics



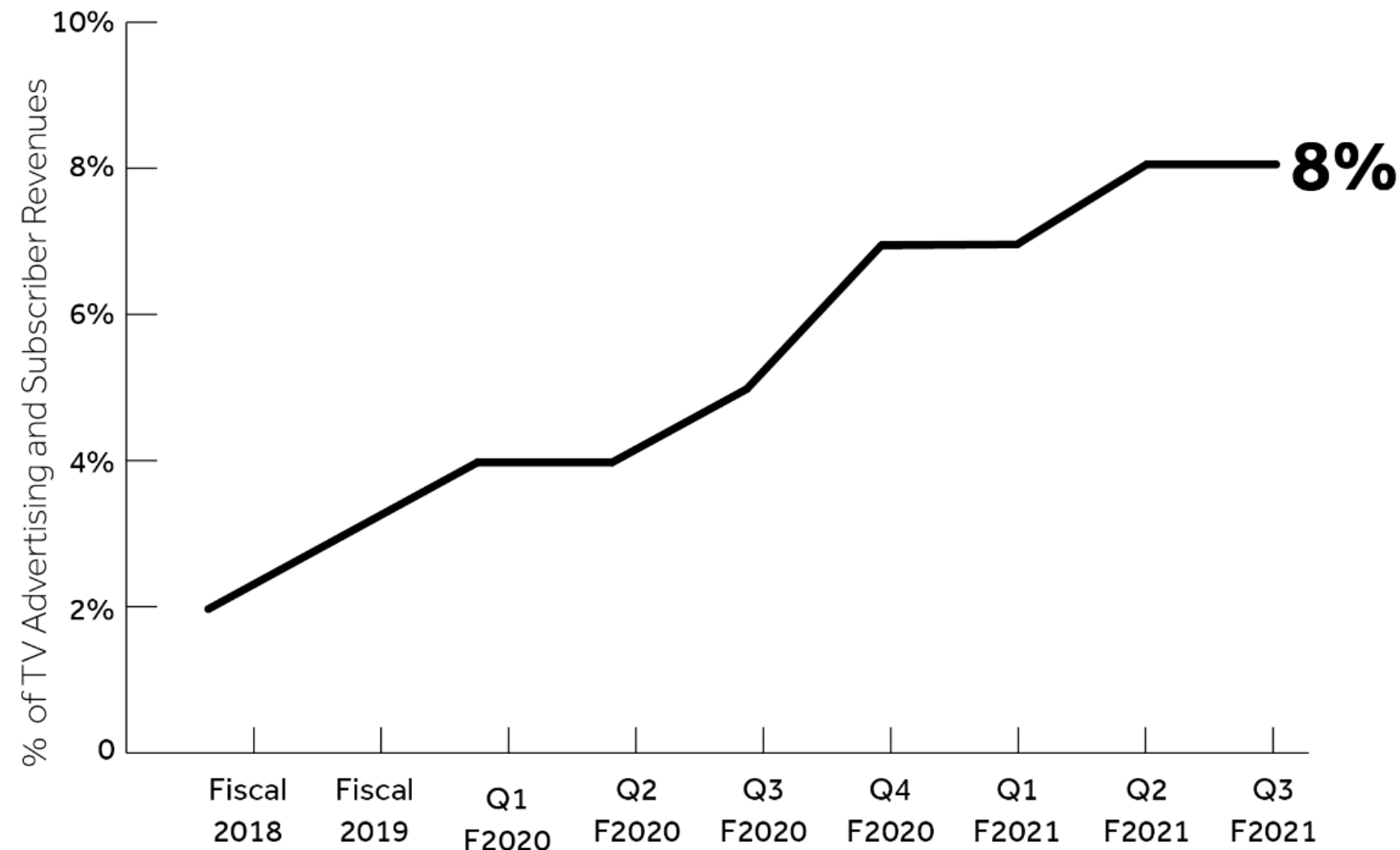
Connect with audiences



Help brands grow

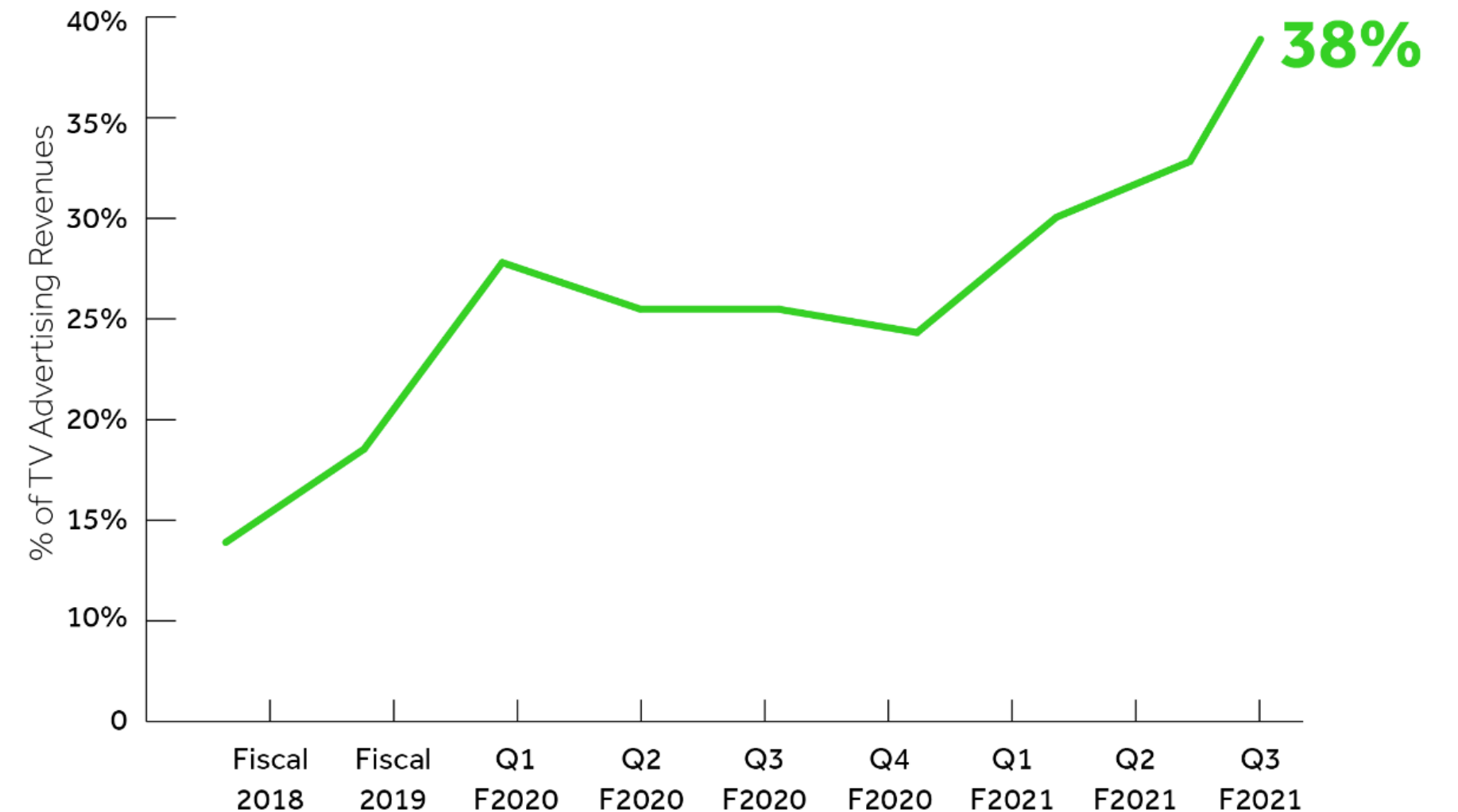
Emerging Growth Drivers

## 1 New Platform Revenues



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

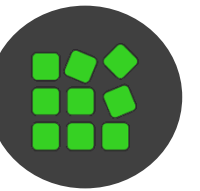
## 2 Optimized Advertising Revenues



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

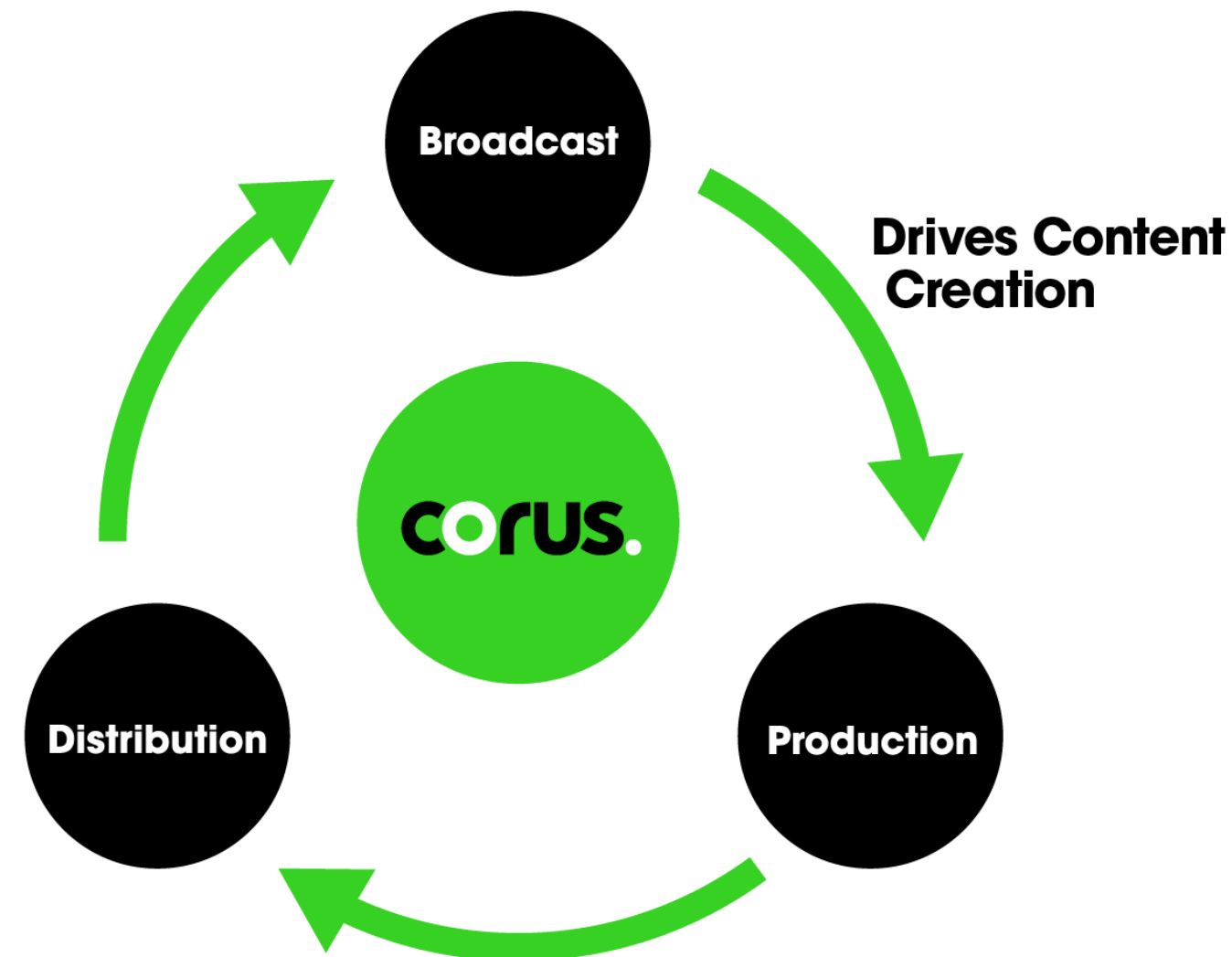


# Corus Advantage Drives Content Creation



Build a  
content  
powerhouse

## corus. Advantage



## Content Creation

- Leveraging required Canadian content spending to grow international content sales

## Robust Production Slate

- Multi-season lifestyle, factual reality and children's series are sold in the U.S. and around the world

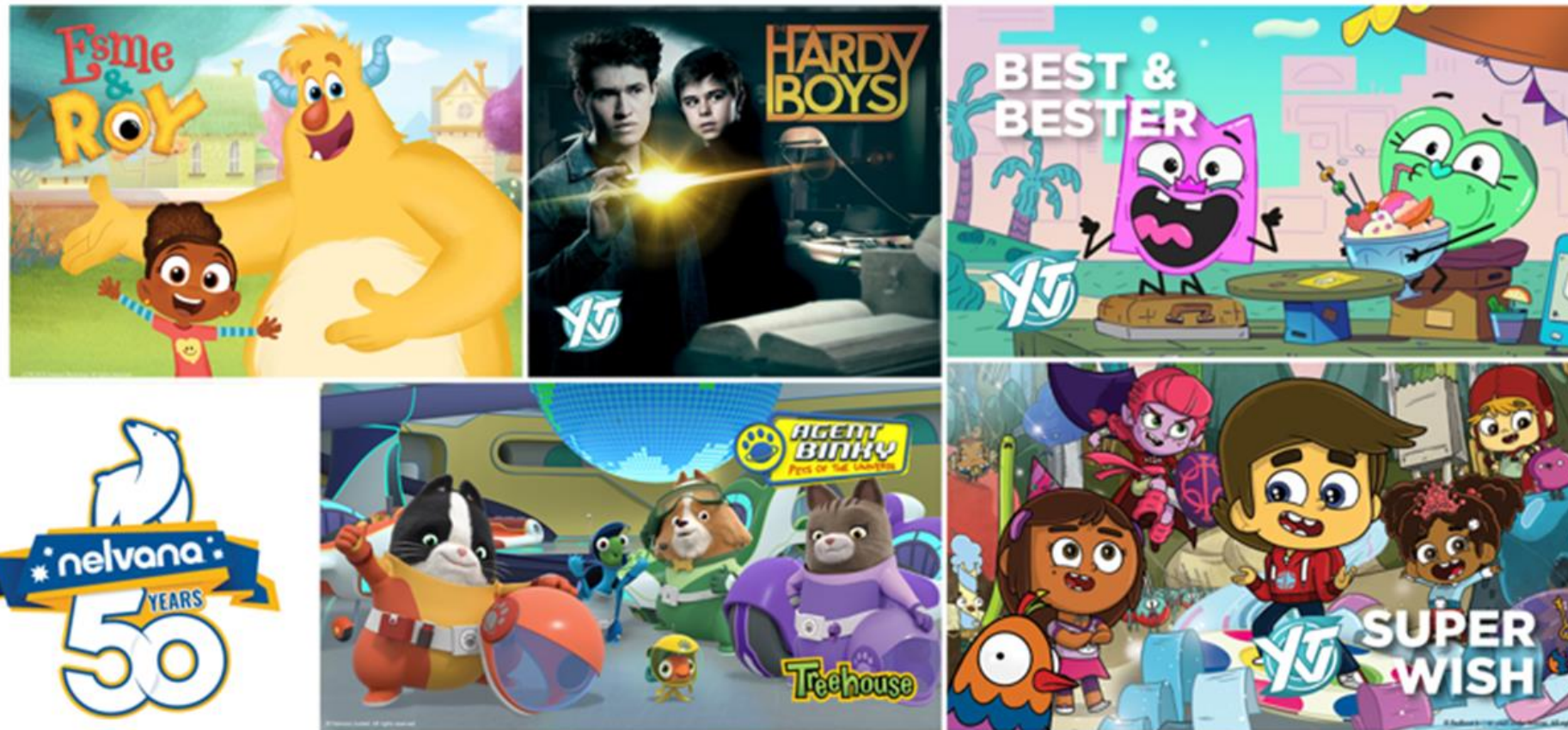




# Content Licensing Driving Double Digit Growth<sup>1</sup>



Build a  
content  
powerhouse



## 30+ series in production or development

- Greenlit three new series for co-production partnerships and second season of Emmy<sup>®</sup> nominated *Hardy Boys*

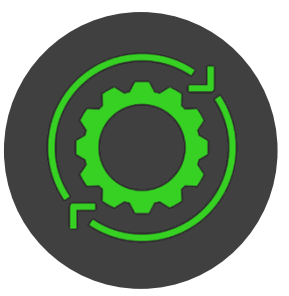
## 24 series in production for fiscal 2022

- Securing impressive international sales for robust multi-season slate of lifestyle and factual reality shows

1. For the nine months ended May 31, 2021.



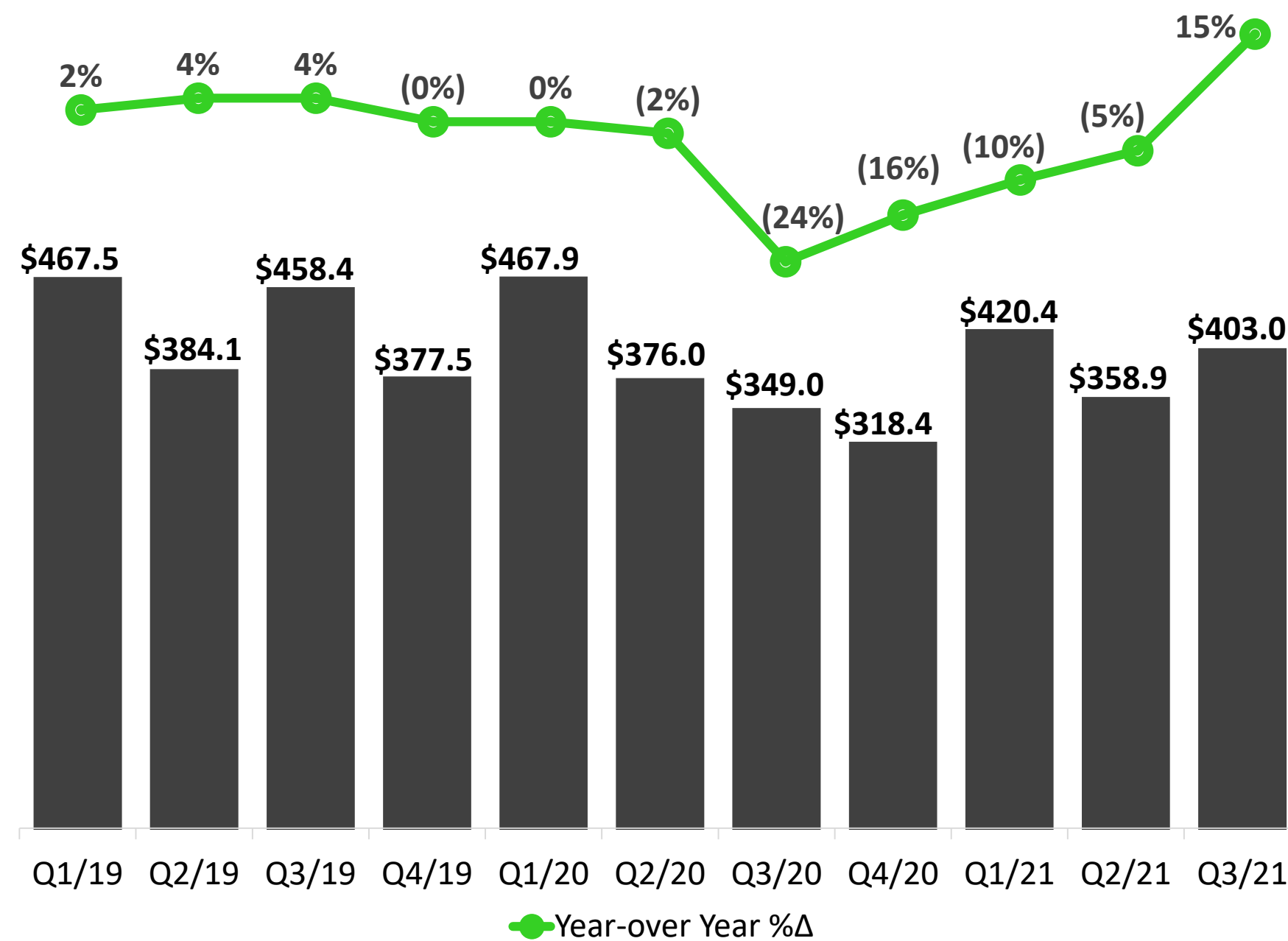
# COVID-19 Impact and Recovery | Consolidated



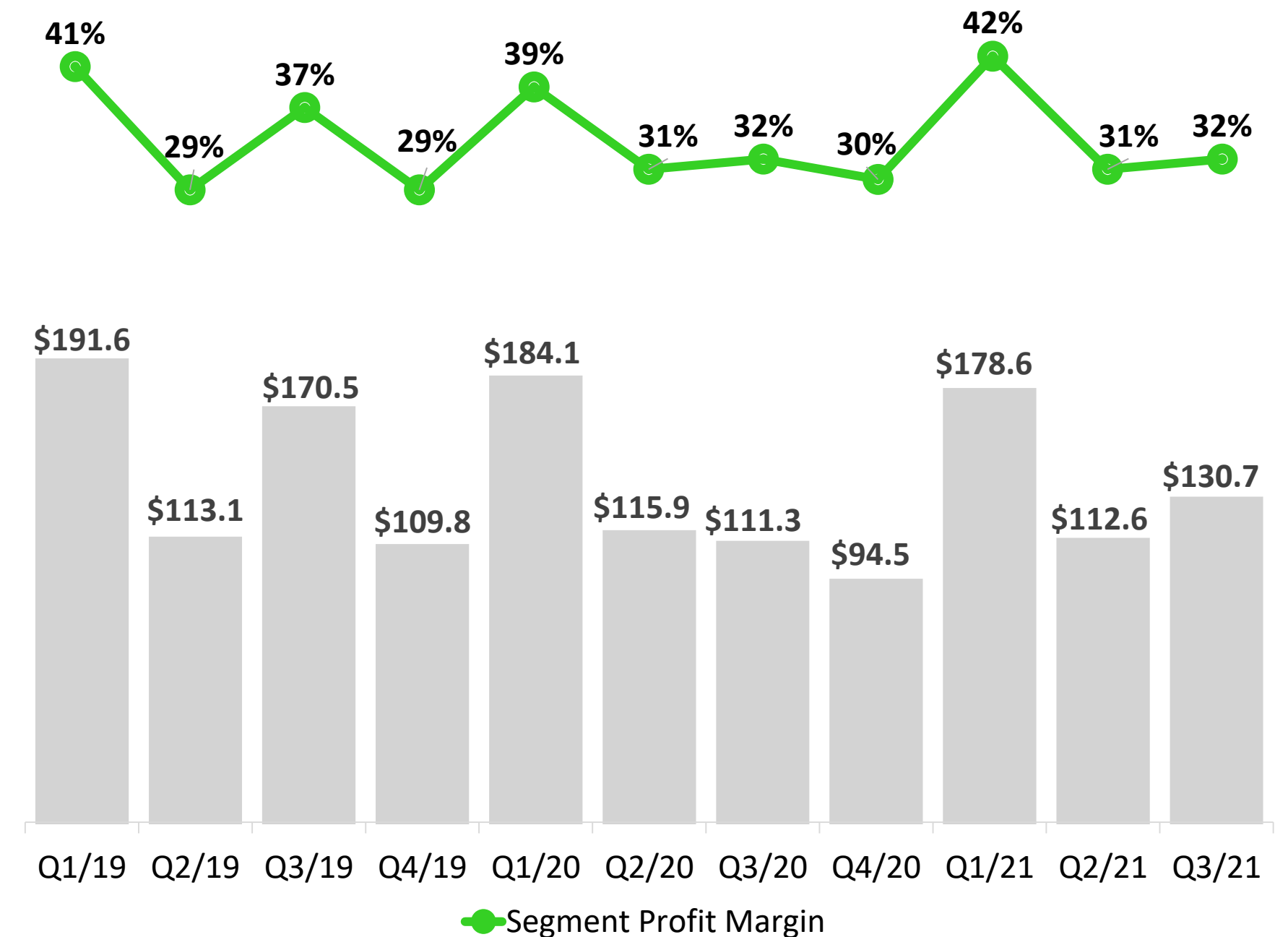
Operate with discipline

- Corus has demonstrated a clear path to recovery since the onset of COVID-19, with significant sequential revenue improvements and maintenance of segment profit margins

## Consolidated Revenue



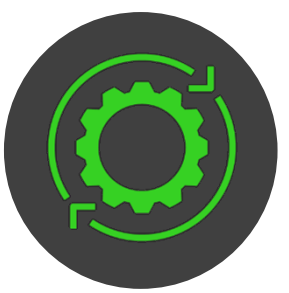
## Consolidated Segment Profit<sup>1</sup>



Note: Quarterly financials based on Corus' fiscal year-end of August 31. Figures in C\$ millions, unless otherwise specified.

1. Represents non-IFRS financial measure. See "Non-IFRS measures" on slide 2.

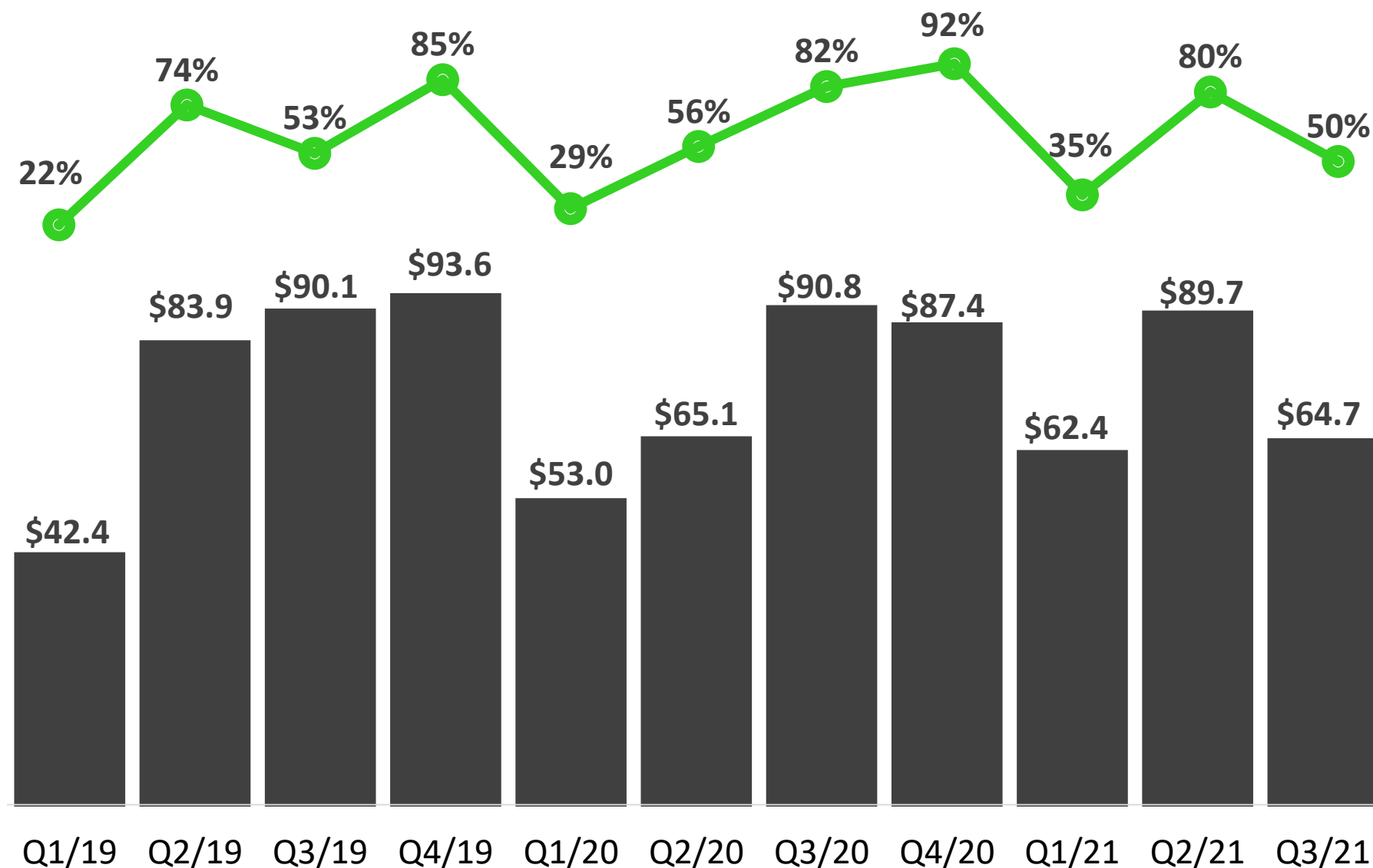
# Free Cash Flow and Leverage



Operate with discipline

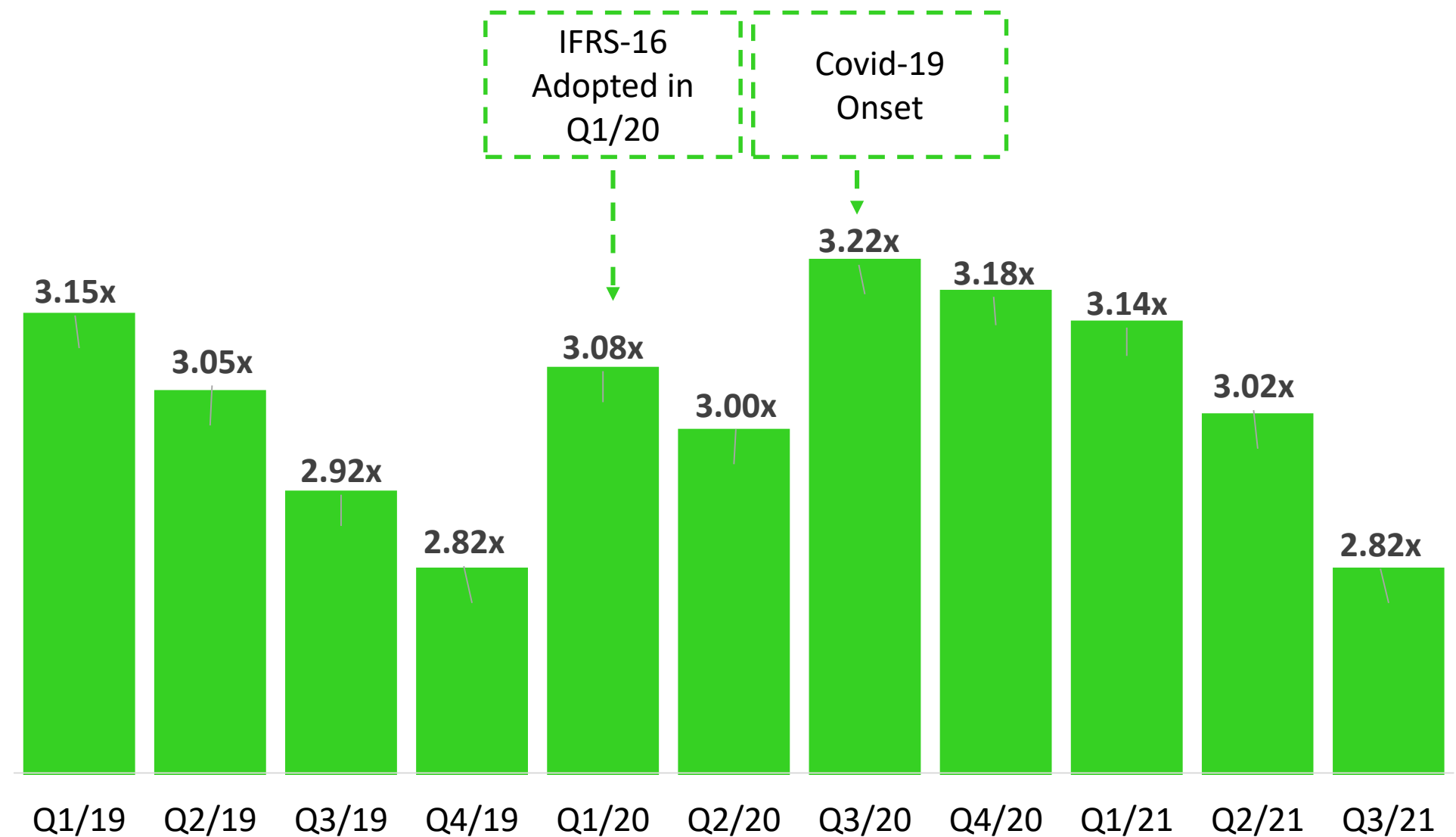
- Increased financial flexibility resulting from strong free cash flow generation, low capital expenditure intensity and continued de-leveraging efforts

## Free Cash Flow<sup>1,2</sup>



Conversion<sup>3</sup>

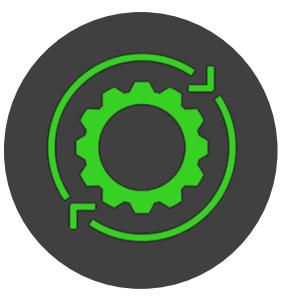
## Net Debt to Segment Profit<sup>1,2</sup>



Note: Quarterly financials based on Corus' fiscal year-end of August 31. Figures in C\$ millions, unless otherwise specified.

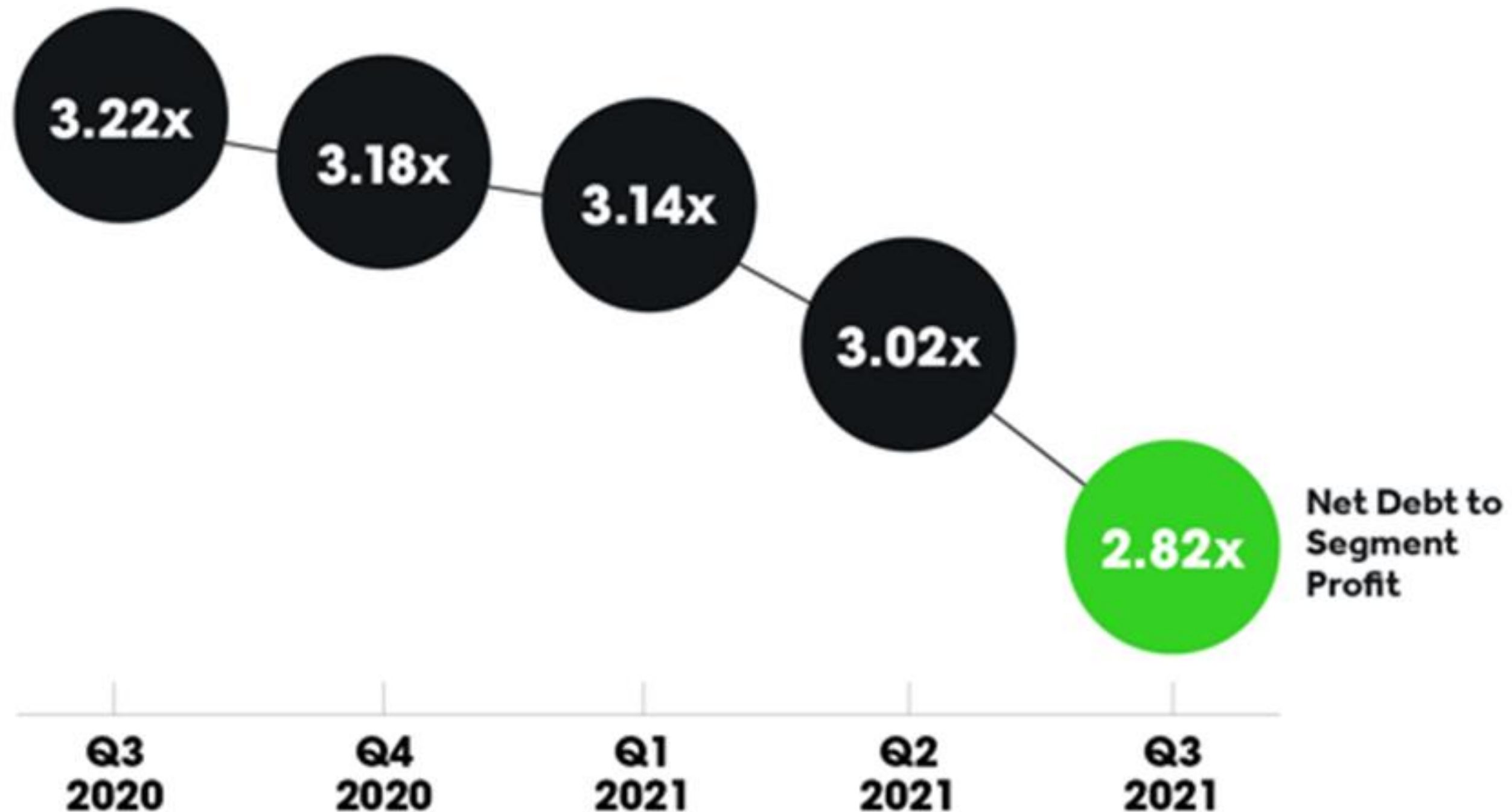
- Represents non-IFRS financial measure. See "Non-IFRS measures" on slide 2.
- Fiscal 2019 free cash flow and net debt to segment profit do not include impact of adoption of IFRS-16.
- Free cash flow as a percentage of segment profit.

# Strengthened Capital Structure



Operate with  
discipline

## Significant Progress on De-leveraging



- Net debt to segment profit target of <2.5x
- Diversified sources of financing with an offering of C\$500 million of 5.000% senior unsecured notes due May 11, 2028.
- Net proceeds of notes offering used to repay a portion of the outstanding bank debt.



# Leading Canadian **Media** and **Content** Company

## Highly Differentiated Portfolio of Assets



## Proven Track Record of Financial Performance

- Leader in Canadian Broadcasting
  - Powerful brands and content
  - Valuable audience segments
  - Innovative advanced advertising solutions
  - Growing presence across platforms
- Globally recognized creator, producer and distributor of high quality animated, lifestyle and factual reality content

- Proven record of driving efficiency and cash flow
  - Ongoing cost structure improvement
  - Superior margins
  - Asset optimization initiatives
  - Strong free cash flow generation
  - Focus on reducing leverage to below 2.5x net debt to segment profit

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Q&A