

**Fiscal 2023**

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

Friday, October 27, 2023 | 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"). This forward-looking information relates to, among other things, the Company's objectives, goals, strategies, targets, intentions, plans, estimates and outlook, including the adoption and anticipated impact of the Company's strategic plan, advertising and expectations of advertising trends for fiscal 2024, subscriber revenue and anticipated subscription trends, distribution, production and other revenue, the Company's dividend policy and the payment of future dividends; the Company's leverage target; the Company's ability to manage retention and reputation risks related to its on-air talent; expectations regarding financial performance, including capital allocation strategy and capital structure management, 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" or the negatives of these terms 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 impact of recessionary conditions and continuing supply chain constraints; the potential impact of new competition and industry mergers and acquisitions; changes to applicable tax, licensing and regulatory regimes; inflation and interest rates, stability of the advertising, subscription, production and distribution markets; changes to key suppliers or clients; operating and capital costs and tariffs, taxes and fees, the Company's ability to source, produce or sell desirable content and the Company's capital and operating results being consistent with its 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: the Company's ability to attract, retain and manage fluctuations in advertising revenue; the Company's ability to maintain relationships with key suppliers and clients and on anticipated financial terms and conditions; audience acceptance of the Company's television programs and cable networks; the Company's ability to manage retention and reputation risks related to its on-air talent; the Company's ability to recoup production costs; the availability of tax credits; the availability of expected news, production and related credits, programs and funding; the existence of co-production treaties; the Company's ability to compete in any of the industries in which it does business including with competitors which may not be regulated in the same way or to the same degree; the business and strategic opportunities (or lack thereof) that may be presented to and pursued by the Company; 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 including statements, decisions or positions by applicable regulators including, without limitation, the Canadian Radio-television and Telecommunications Commission ("CRTC"), Canadian Heritage and Innovation, Science and Economic Development Canada ("ISED"); changes to licensing status or conditions; unanticipated or un-mitigatable programming costs; the Company's ability to integrate and realize anticipated benefits from its acquisitions and to effectively manage its growth; the Company's ability to successfully defend itself against litigation matters and complaints; failure to meet covenants under the Company's senior credit facility, senior unsecured notes or other instruments or facilities; epidemics, pandemics or other public health and safety crises in Canada and globally; physical and operational changes to the Company's key facilities and infrastructure; cybersecurity threats or incidents to the Company or its key suppliers and vendors; 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 Company's Management's Discussion and Analysis for the year ended August 31, 2022 and under the heading "Risk Factors" in the Company's Annual Information Form for the year ended August 31, 2022. Corus cautions that the foregoing list of important assumptions and factors that may affect future results is not exhaustive. When relying on the Company's 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 and may be updated or amended from time to time. Except as 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") as issued by the International Accounting Standards Board ("IASB"), the Company also provides supplementary non-IFRS measures as a method of evaluating the Company's performance and to provide a better understanding of how management views the Company's performance. These non-IFRS or non-GAAP measures can include: segment profit (loss), segment profit margin, free cash flow, net debt to segment profit, proforma net debt to segment profit, as well as supplementary financial measures not presented in the financial statements such as optimized advertising revenue, and new platform revenue. These are not measurements in accordance with IFRS and should not be considered as an alternative to any other measure of performance under IFRS. Please see additional discussion and reconciliations under the Key Performance Indicators and Non-GAAP Financial Measures section of the Company's Fourth Quarter 2023 Report to Shareholders.

# Fiscal 2023 Key Financial Highlights

**\$1,511**  
million

**consolidated revenues**

**\$334**  
million

**consolidated  
segment profit<sup>1</sup>**

**\$107**  
million

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

**3.62x**

**proforma net debt  
to segment profit<sup>1,2</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.

<sup>2</sup> Proforma net debt to segment profit ratio excludes contributions to segment profit from Toon Boom Animation Inc. for the most recent four quarters.

# The Advertising Economy and Industry Evolution

## Macro-economic Factors Affect Advertising

- Supply chain disruptions
- Labour shortages
- Shifts in consumer behaviour
- Inflation and rising interest rates

## Media and Entertainment Industry Evolution

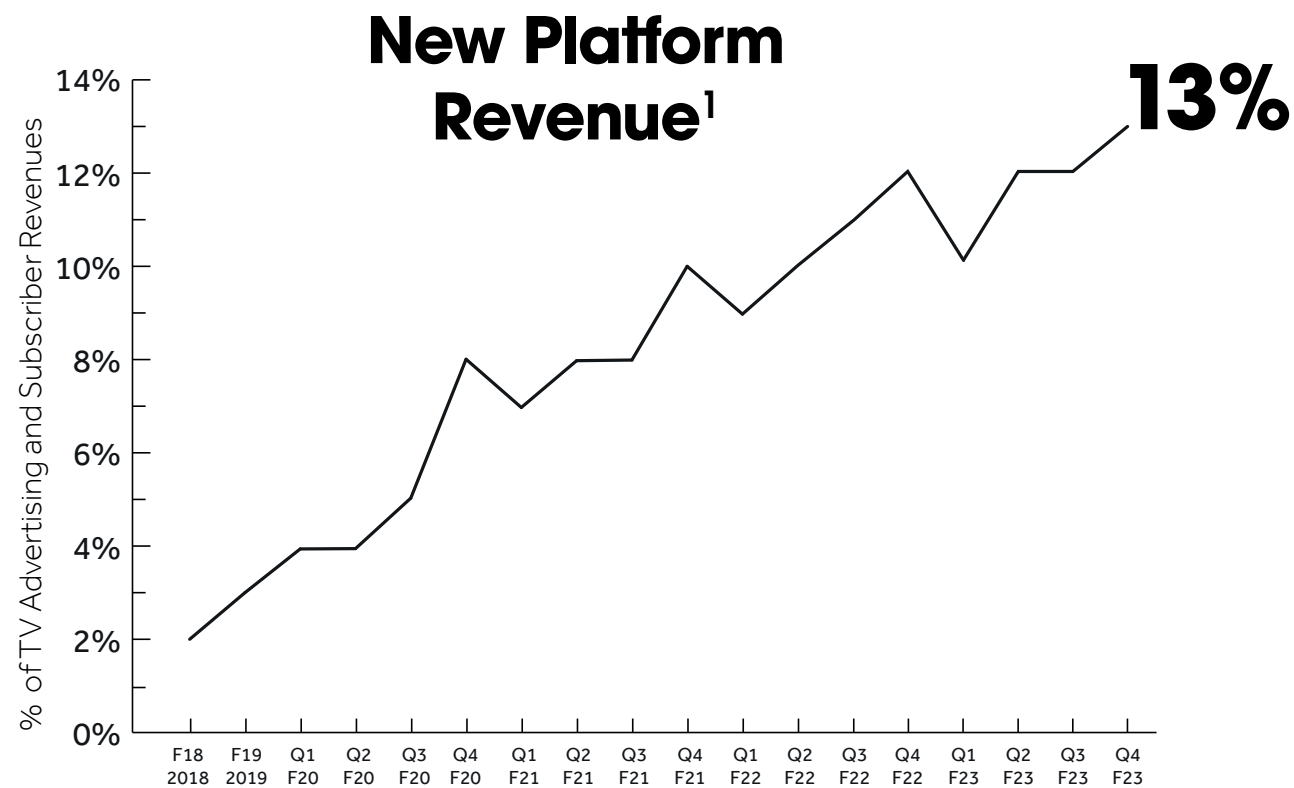
- Ubiquitous launch of SVOD services
  - Initial subscriber growth primary focus
  - Subsequent path to profitability focus
- F.A.S.T. channels break new ground (AVOD)
- AVOD layers predominant with SVOD streamers

Subscription Video on Demand (SVOD), Free Advertising-Supported Streaming Television (F.A.S.T.), Advertising Supported Video on Demand (AVOD)

# Rationalize the Asset Base - Streamline the Operating Model

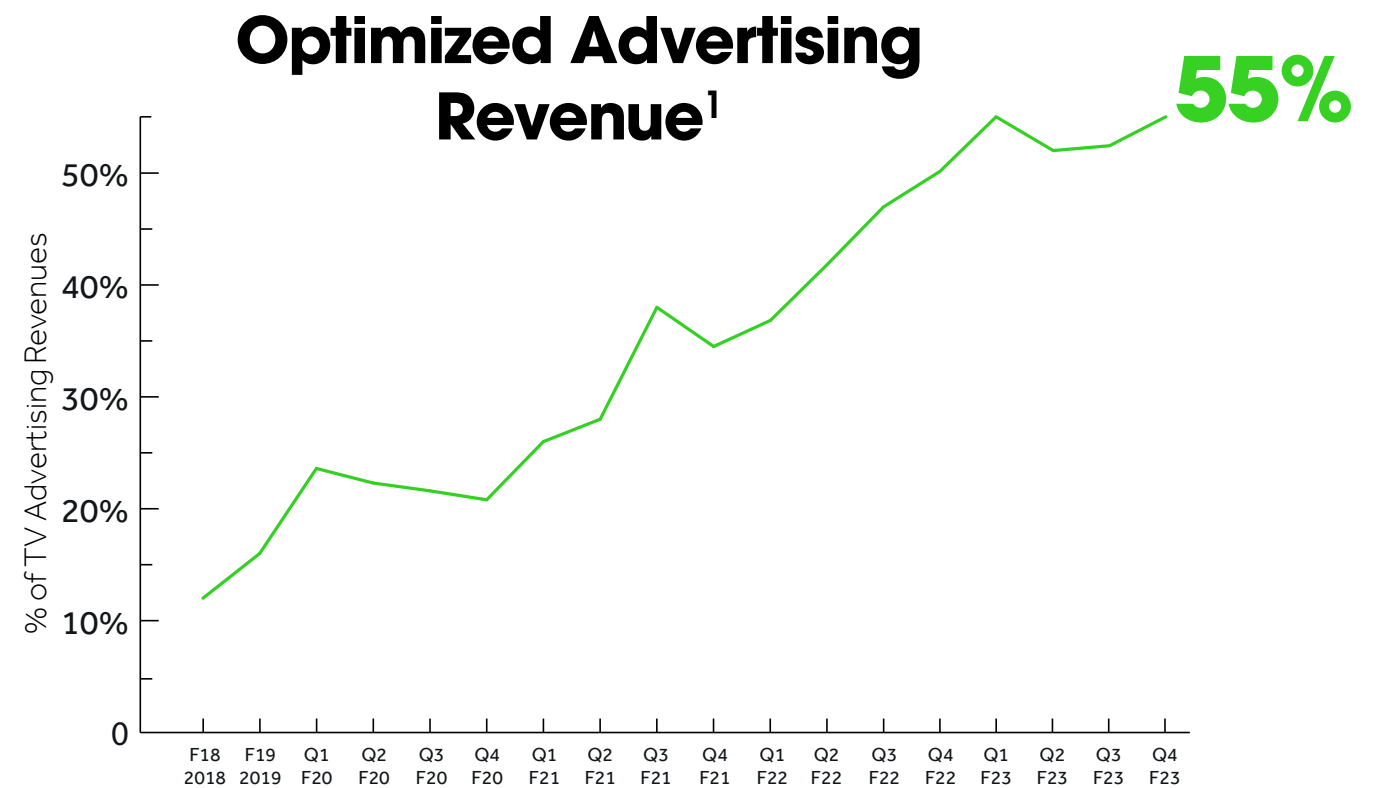
- Completed sale of Toon Boom Animation Inc.
- Reorganized sales team to deepen expertise in cross-platform selling
- Consolidated leadership and oversight of all programming
- Closed *Entertainment Tonight Canada*
- Closed Global News special series *The New Reality*
- Nearly 15% reduction in workforce

# Q4 and Year-End Fiscal 2023 Revenue Performance Metrics



**Fiscal 2023 New Platform Revenue<sup>1</sup> of \$146 million, up 2% from prior year**

- Reflects progress on Corus' participation in rapidly growing streaming distribution platforms and digital video advertising markets
- Combines subscriber revenue from streaming initiatives and advertising revenue from digital platforms expressed as a percentage of total Television advertising and subscriber revenue



**Fiscal 2023 Optimized Advertising Revenue<sup>1</sup> of \$411 million, up 11% from prior year**

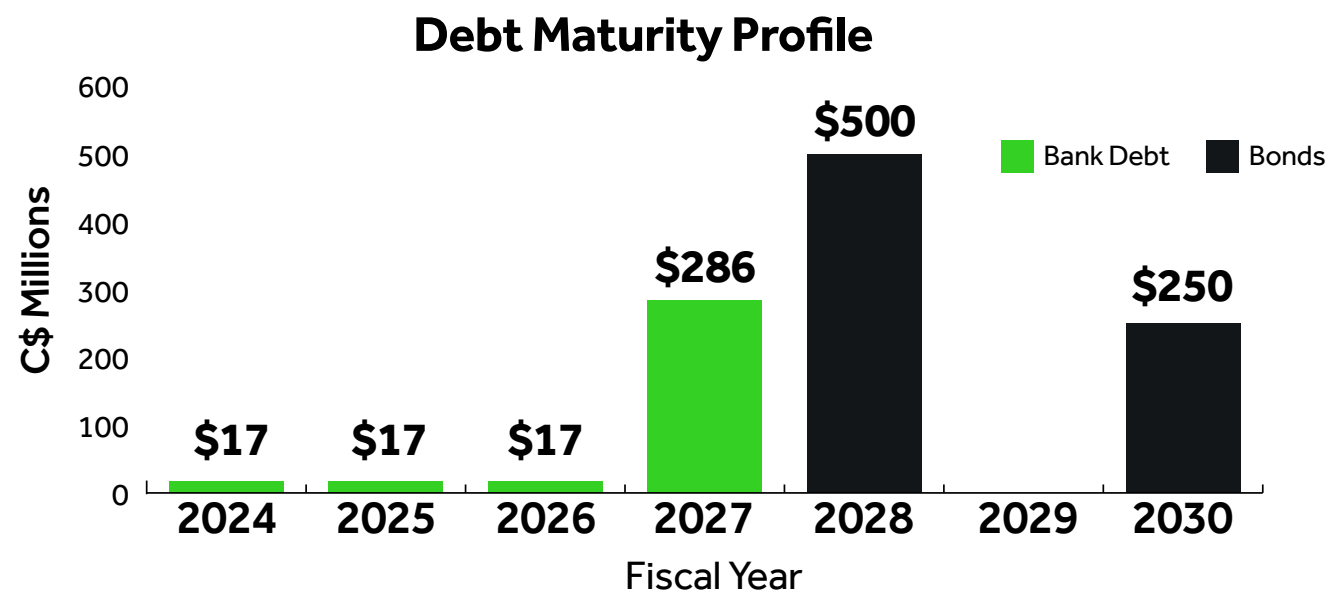
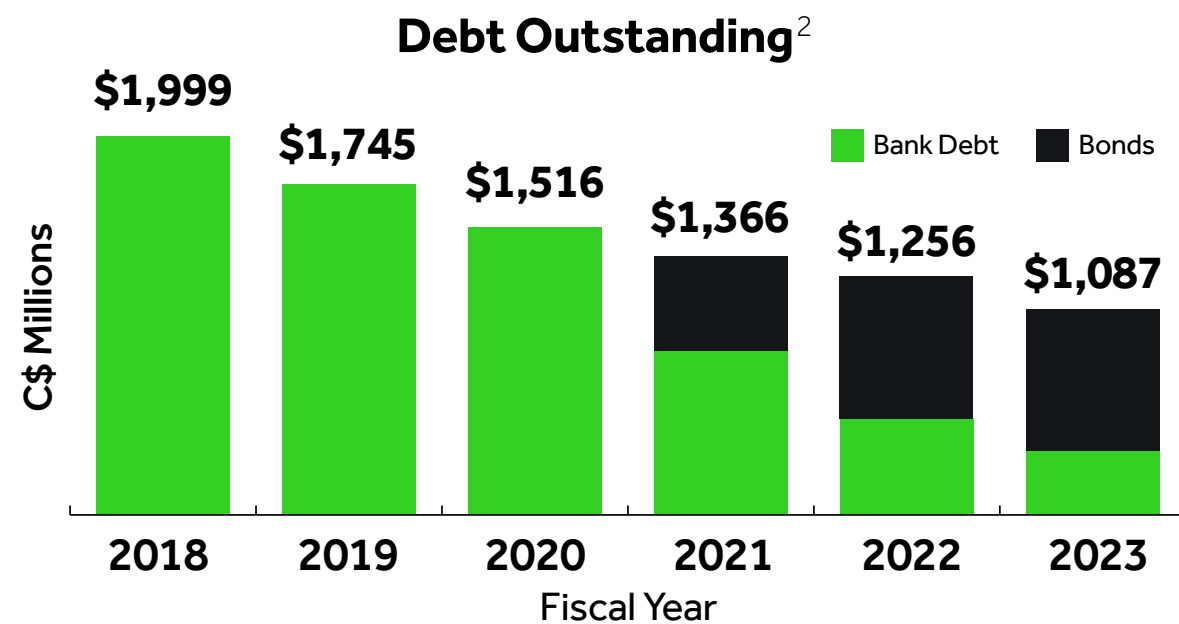
- Reflects progress on the transformation of how Television advertising is sold
- Includes advertising revenue attributable to audience segment selling and to the Cynch automated buying platform expressed as a percentage of Television advertising revenue

<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.

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

# Debt Repayment in Focus

- Corus has been very proactive in improving its debt profile to maintain financial flexibility
- Net proceeds from sale of Toon Boom used to repay bank debt
- Prudent decision to redirect use of free cash flow<sup>1</sup> from dividends to debt repayment



## Highlights

- \$912 million** Reduction in total debt since F2018
- ~90%** Percentage of total debt that is fixed rate
- 4.65 years** Weighted average debt maturity at Aug 31, 2023<sup>3</sup>
- 3.62x** Proforma net debt to segment profit<sup>1,4</sup> at Aug 31, 2023

<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.

<sup>2</sup> Debt balances are based on financial statement presentation.

<sup>3</sup> Reflects effect of credit agreement amendment.

<sup>4</sup> Proforma net debt to segment profit ratio excludes contributions to segment profit from Toon Boom Animation Inc. for the most recent four quarters.

# Q4 and Year-End Fiscal 2023 Consolidated Results

- Revenues reflect impact of challenging macroeconomic environment and Writers Guild of America (WGA)/Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA) labour actions on advertising revenue, partially offset by higher content revenues
- Segment profit<sup>1</sup> reflects impact of lower advertising and subscriber revenue, and increased programming costs
- Free cash flow<sup>1</sup> impacted by lower segment profit and expected catch-up in programming investments, including Canadian Programming Expenditures (CPE) as required by the CRTC

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

	Q4-2023	%Chg	Fiscal 2023	%Chg
Consolidated revenues	\$339	-	\$1,511	(5)
Consolidated segment profit <sup>1</sup>	46	(18)	334	(25)
Consolidated segment profit margin <sup>1</sup>	14%	(-3 pts)	22%	(- 6 pts)
Free cash flow <sup>1</sup>	32	(29)	107	(55)

1. 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 2023 Television Results

- Advertising revenues impacted by challenging macroeconomic environment and WGA/SAG-AFTRA labour actions
- Subscriber revenues reflect modest decline in traditional subscribers partially offset by growth from streaming services
- Strong growth in content revenues reflects increased content deliveries from Nelvana and Aircraft Pictures; higher content distribution revenues from Corus Studios
- Programming expenses driven mainly by catch-up in CPE as required by the CRTC and renewed foreign programming output deals
- Segment profit<sup>1</sup> reflects impact of lower advertising and subscriber revenue, and increased programming expenses

(in millions of dollars except percentages)

	Q4-2023	%Chg	Fiscal 2023	%Chg
Segment revenues	\$314	-	\$1,408	(6)
Advertising revenues	137	(10)	768	(11)
Subscriber revenues	126	(1)	502	(3)
Distribution, production and other revenues	50	46	138	21
Segment profit <sup>1</sup>	50	(16)	341	(26)
Segment profit margin <sup>1</sup>	16%	(-3 pts)	24%	(-7 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 and Year-End Fiscal 2023 Radio Results

- Advertising revenue impacted by challenging macroeconomic conditions in the quarter and year
- Segment profit<sup>1</sup> reflects savings from cost management initiatives

(in millions of dollars except percentages)

	Q4-2023	%Chg	Fiscal 2023	%Chg
Segment Revenues	\$25	(3)	\$103	(3)
Segment profit <sup>1</sup>	3	72	13	1
Segment profit margin <sup>1</sup>	12%	5 pts	13%	-

<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

# Conclusion

- CRTC indicates inclination to grant Corus interim relief after November 2022 application
- Programs of National Interest (PNI) relief and CPE underspend extension would acknowledge the challenges and opportunities of the moment
- Flexibility for planning and spending in the years ahead would mark the most substantive move towards regulatory change for our company in years
- Disciplined focus on our Fit for the Future initiatives to streamline our operating model and become Video First

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**Q&A**

