

VIACOMCBS

Q1 2020 EARNINGS

May 7, 2020



VIACOMCBS

IMPORTANT INFORMATION

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This communication contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements reflect our current expectations concerning future results and events; generally can be identified by the use of statements that include phrases such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “likely,” “will,” “may,” “could,” “estimate” or other similar words or phrases; and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause our actual results, performance or achievements to be different from any future results, performance or achievements expressed or implied by these statements. These risks, uncertainties and other factors include, among others: the impact of the COVID-19 pandemic (and other widespread health emergencies or pandemics) and measures taken in response thereto; technological developments, alternative content offerings and their effects in our markets and on consumer behavior; the impact on our advertising revenues of changes in consumers’ content viewership, deficiencies in audience measurement and advertising market conditions; the public acceptance of our brands, programming, films, published content and other entertainment content on the various platforms on which they are distributed; increased costs for programming, films and other rights; the loss of key talent; competition for content, audiences, advertising and distribution in consolidating industries; the potential for loss of carriage or other reduction in or the impact of negotiations for the distribution of our content; the risks and costs associated with the integration of the CBS Corporation and Viacom Inc. businesses and investments in new businesses, products, services and technologies; evolving cybersecurity and similar risks; the failure, destruction or breach of critical satellites or facilities; content theft; domestic and global political, economic and/or regulatory factors affecting our businesses generally; volatility in capital markets or a decrease in our debt ratings; strikes and other union activity; fluctuations in our results due to the timing, mix, number and availability of our films and other programming; losses due to asset impairment charges for goodwill, intangible assets, FCC licenses and programming; liabilities related to discontinued operations and former businesses; potential conflicts of interest arising from our ownership structure with a controlling stockholder; and other factors described in our news releases and filings with the Securities and Exchange Commission, including but not limited to our most recent Annual Report on Form 10-K and reports on Form 10-Q and Form 8-K. There may be additional risks, uncertainties and factors that we do not currently view as material or that are not necessarily known. The forward-looking statements included in this communication are made only as of the date of this communication, and we do not undertake any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain non-GAAP financial measures. We provide reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures in the body of this presentation, in our Form 8-K announcing our earnings results, which can be found on the SEC’s website at www.sec.gov and our website at ir.viacbs.com, or in our trending schedules, which can be found on our website at ir.viacbs.com. We are unable to provide reconciliations of forward-looking guidance to GAAP financial measures as, at this time, we cannot determine all of the adjustments that would be required.

This presentation is a supplement to, and should be read in conjunction with, ViacomCBS’s earnings release for the quarter ended March 31, 2020.

VIACOMCBS: Q1'20 TAKEAWAYS

1

SOLID Q1 2020 RESULTS:

Delivered key financial and operating wins – reaffirming benefits of the combination and the company's ability to unlock them

2

STRONG PROACTIVE RESPONSE TO COVID-19:

Reinforced financial flexibility and business continuity, while proactively supporting employees and communities

3

CONSISTENT FOCUS ON VALUE CREATION:

Swift strategic execution against cost and revenue opportunities that will create both immediate and lasting benefits

1 SOLID Q1 2020 RESULTS

KEY FINANCIAL WINS

- Grew advertising revenue 2%* excluding the impact of last year's Super Bowl and the cancellation of the NCAA tournament
- Increased affiliate revenue 1%, with the sequential rate of decline in domestic cable network affiliate revenue improving by 270bps
- Improved domestic streaming & digital video revenue 51%
- Adjusted FCF* swings back to positive to almost half a billion dollars

STRONG OPERATING MOMENTUM

- TV portfolio continued to lead across broadcast and cable
- Strongest streaming quarter ever
- Executed key distribution deals: closed first combined company affiliate deal with Verizon, as well as deals with Comcast, Nexstar and Meredith
- Paramount created a new franchise with *Sonic the Hedgehog*
- Reached 2021 Wild Card game deal with NFL, spanning CBS, All Access and Nickelodeon

DOMESTIC STREAMING & DIGITAL VIDEO

↑51%

Domestic Streaming & Digital Video Revenue

(Y/Y)

13M+

Domestic Streaming Subscribers

(+50% Y/Y)

24M+

Domestic Monthly Active Users (MAUs)

pluto tv

(+55% Y/Y)

NEW FRANCHISE



Sonic the Hedgehog

CBS



#1 BROADCAST NETWORK IN PRIME

America's Most-Watched Network for the 12th Straight Year

Top 2 Dramas

5 OF THE Top 6 Comedies

#1 News Program

5 OF THE Top 6 Freshmen Series

Source: Nielsen Media Research; Non-Sports, Live+7.

Note: Domestic streaming & digital video includes streaming subscription revenue and digital video advertising. Domestic Pluto TV Monthly Active Users (MAUs) as of quarter end. Domestic streaming subscribers as of quarter end; includes CBS All Access, Showtime OTT, and other ViacomCBS branded streaming products.

* See page 2 for information regarding non-GAAP financial measures. Adjusted FCF of \$478M represents free cash flow adjusted to exclude restructuring, costs to achieve synergies and merger-related costs. In Q1 2020, payments for restructuring and merger-related costs were \$173M.

2 STRONG PROACTIVE RESPONSE TO COVID-19



The Late Show with Stephen Colbert



CBS This Morning



Global Citizen's One World: Together at Home



The Daily Show with Trevor Noah



#AloneTogether PSA Campaign



BET's Saving Our Selves

Reinforced financial flexibility and liquidity

- Completed \$2.5B bond deal
- Access to \$3.5B undrawn revolver
- Reducing costs to offset COVID-19 related revenue impacts

Evolving content operations

- Deploying alternative models and library product to manage through production shutdowns
- Shifting film releases to later in '20 and '21

Supporting employees and communities

- Quickly shifted to work-from-home for vast majority of employees
- Committed \$100 million to support impacted TV and film production personnel
- Using platforms and resources for COVID-19 PSA campaigns and specials

3 CONSISTENT FOCUS ON VALUE CREATION

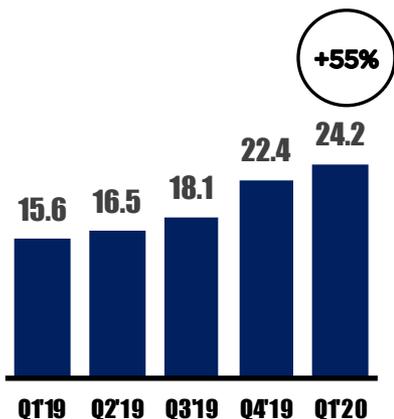
EXECUTING AGAINST COST AND REVENUE SYNERGIES TO HAVE IMMEDIATE AND LASTING BENEFITS

- **Implementing sustained cost efficiencies**
 - On track to achieve \$750M in annualized run-rate cost synergies over next three years
 - Uncovering incremental opportunities from COVID-19 learnings
- **Unlocking revenue opportunities**
 - **Distribution:** Build on success of cross-portfolio deals with traditional and new distributors
 - **Advertising:** Well-positioned given scale, reach, portfolio of innovative and turnkey solutions
 - **Film:** Strong slate ready to go, including *A Quiet Place Part II*, *The SpongeBob Movie: Sponge on the Run*, and *Top Gun: Maverick*
 - **Sports:** Poised to benefit from enormous pent-up demand for live sports
- **Monetizing non-core assets with sales process to resume when market stabilizes**

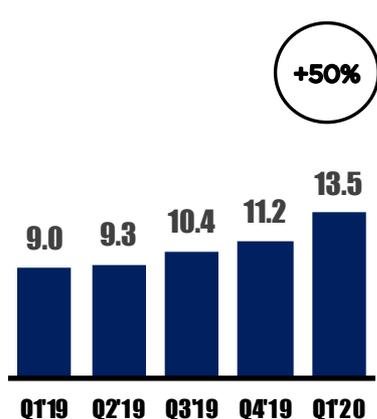
3 CONSISTENT FOCUS ON VALUE CREATION

CAPITALIZING ON GROWING MOMENTUM IN STREAMING

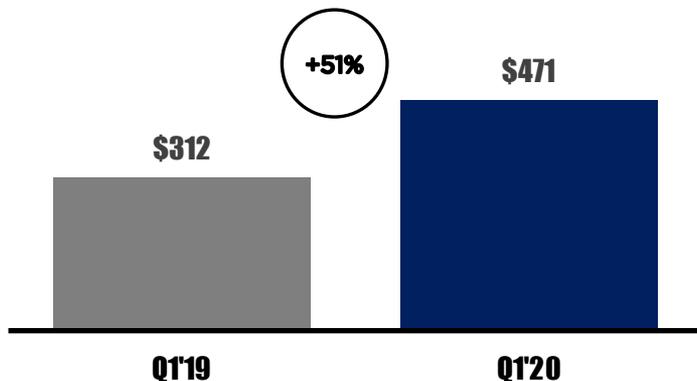
PLUTO TV MONTHLY ACTIVE USERS
(Domestic, in millions)



STREAMING SUBSCRIBERS
(Domestic, in millions)



DOMESTIC STREAMING & DIGITAL VIDEO REVENUE (\$\$ in millions)



- Enhanced, connected suite of streaming offerings across free, pay and premium
- Building on U.S. leadership in free with Pluto, the #1 free streaming product
 - Providing access to substantial and growing market segment globally - serving as important complement and funnel to pay services and broader advertising business
 - Continuing enhancements, including significant product upgrade in March and addition of new content partners
 - Expanding distribution in the U.S. and internationally
- Accelerating plans for expanded subscription service, building off All Access platform
 - Differentiated, consumer-centric offering with entertainment, news and sports
 - Combining live with breadth and depth of on-demand content from across the portfolio, including brands and extensions of iconic IP
 - Accelerating distribution through partnerships
 - Leveraging ability to cross-promote at scale

FINANCIAL RESULTS



STRENGTHENED FINANCIAL POSITION

SIGNIFICANT LIQUIDITY AND FINANCIAL FLEXIBILITY TO MANAGE THROUGH CRISIS AND BEYOND

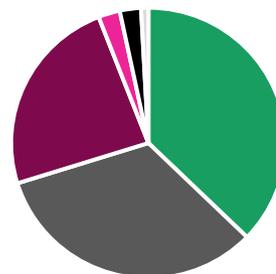
- Took early action, proactively accessed the credit market
- In April, raised \$2.5 billion of capital through a 5-and 10-year bond offering
 - Redeemed \$300 million of notes due February 2021
 - In the process of redeeming \$500 million of notes due March 2021
 - Using remaining proceeds to further bolster liquidity
- Have access to \$3.5B committed and undrawn revolver
- Remain committed to maintaining investment grade rating and reaching 2.75x leverage target *
 - Excess cash flow will go towards deleveraging to reach target leverage ratio

Q1 2020 RESULTS

Q1 2020 KEY CONSOLIDATED FINANCIALS (\$s in millions, except per share data)

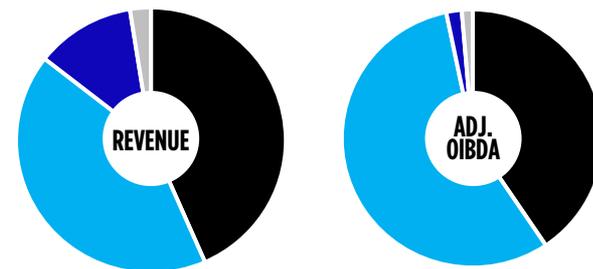
		Y/Y
Revenue	\$6,669	(6%)
Adjusted OIBDA *	\$1,263	(18%)
Adjusted Diluted EPS *	\$1.13	(23%)
Adjusted FCF *	\$478	NM

Q1 2020 REVENUE – BY TYPE (\$s in millions)



	REVENUE	Y/Y
Advertising	\$2,484	(19%)
Affiliate	2,197	+1%
Content Licensing	1,594	+9%
Publishing	170	+4%
Theatrical	167	(3%)
Other	57	(16%)
Total Revenue	\$6,669	(6%)

Q1 2020 REVENUE & ADJUSTED OIBDA – BY SEGMENT (\$s in millions)

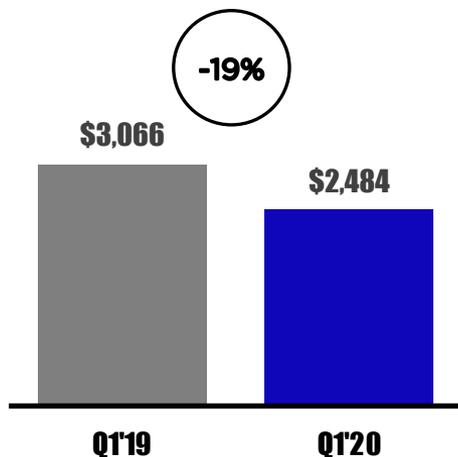


	REVENUE	Y/Y	ADJUSTED OIBDA	Y/Y
TV Entertainment	\$2,947	(13%)	\$573	(23%)
Cable Networks	2,858	(2%)	794	(11%)
Filmed Entertainment	811	+11%	27	(29%)
Publishing	170	+4%	19	--

QUARTERLY REVENUE

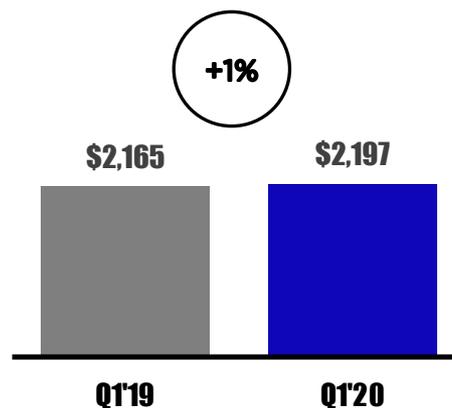
GROWTH IN AFFILIATE AND CONTENT LICENSING

ADVERTISING *(\$s in millions)*



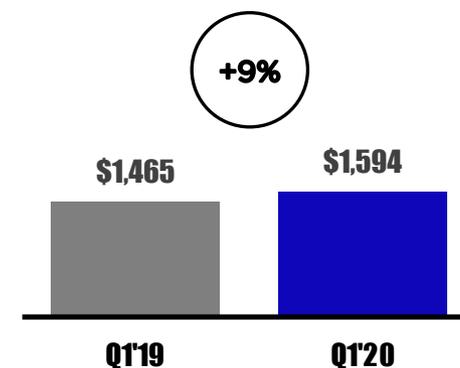
- Total company advertising revenue declined 19%
- Ad revenue increased 2% excluding a 21% impact resulting from comparisons to the Super Bowl and the NCAA Tournament in the year ago quarter *
- Advertising was also impacted by a 1% headwind from F/X

AFFILIATE *(\$s in millions)*



- Total company affiliate revenue grew 1%
- 18% growth in reverse compensation and retransmission, as well as strong subscription streaming revenue, more than offset declines in the pay-TV landscape
- Affiliate revenue was also impacted by a 1% headwind from F/X

CONTENT LICENSING *(\$s in millions)*



- Content licensing revenue increased 9% driven by growth in original studio production for third parties
- Paramount Television Studios, CBS Television Studios and Cable Networks' studios all benefited from strong deliveries during the quarter

VIACOMCBS: Q1'20 TAKEAWAYS

1

SOLID Q1 2020 RESULTS:

Delivered key financial and operating wins – reaffirming benefits of the combination and the company's ability to unlock them

2

STRONG PROACTIVE RESPONSE TO COVID-19:

Reinforced financial flexibility and business continuity, while proactively supporting employees and communities

3

CONSISTENT FOCUS ON VALUE CREATION:

Swift strategic execution against cost and revenue opportunities that will create both immediate and lasting benefits



VIACOMCBS