

# Q3 2020 EARNINGS

November 6, 2020



# 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](http://www.sec.gov) and our website at [ir.viacomcbs.com](http://ir.viacomcbs.com), or in our trending schedules, which can be found on our website at [ir.viacbs.com](http://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 September 30, 2020.**

# VIACOMCBS: Q3 KEY THEMES

1

**UNLOCKED  
POWER OF  
COMBINATION  
IN YEAR ONE**

2

**Q3 RESULTS  
ILLUSTRATE  
CONTINUED  
MOMENTUM**

3

**FOCUSED ON  
STREAMING  
GROWTH  
OPPORTUNITY**

I

# UNLOCKED POWER OF COMBINATION IN YEAR ONE

## Made substantial strategic progress while realizing revenue and merger-related cost synergies

- **Established a best-in-class management team**
  - Recently created new consolidated streaming organization
- **Accelerated streaming strategy**
  - Drove growth in subscribers, MAUs, and revenue
  - Added substantial content from across the portfolio
  - Improved monetization at Pluto TV
- **Unlocked more value in distribution**
  - Expanded our footprint through cross-company renewals and new deals
- **Strengthened positioning in advertising**
  - Leveraged power of the combined portfolio and capabilities
- **Improved operational efficiency and exceeded merger-related cost synergies ahead of expectations**
  - On-track to achieve at least \$300M in 2020 and annualized run-rate cost synergies of \$800M by the end of 2022

2

# Q3 RESULTS ILLUSTRATE CONTINUED MOMENTUM

## Improving financial and operating results while managing through the challenges of the pandemic

### KEY FINANCIAL WINS

- Domestic streaming & digital video revenue at an annual run-rate of \$2.5B and growing more than 50% as of Q3
- Grew affiliate revenue 10%, a significant improvement vs. Q2; domestic cable networks affiliate revenue returned to growth, increasing 4%
- Achieved a dramatic sequential improvement in the year-over-year growth rate in advertising revenue, despite the continued impact of COVID-19
- Generated significant Adjusted FCF\* of \$1.5B benefitting from the timing of production spend and cost savings

### STRONG OPERATING MOMENTUM

- CBS was once again the most-watched network across Primetime, Daytime and Late Night during the 2019-2020 broadcast year
- Maintained leadership as the #1 portfolio in share of viewing, with more top 30 cable networks than any other media family
- Internationally, increased linear share of viewing for 3rd consecutive quarter
- Tubular Labs ranked ViacomCBS the #1 media and entertainment company in social for the 2nd quarter in a row



\* See page 1 for information regarding non-GAAP financial measures. Adjusted FCF of \$1,497M represents free cash flow adjusted to exclude payments for restructuring, merger-related costs and costs to achieve synergies of \$164M.

Note: Broadcast: Nielsen Media Research; L7 Most Current. 2019-20 Broadcast Season = 9/23/19-9/22/20. Prime reflects programs airing during M-SA 8P-11/SU 7P-11P hours. Minimum of 3 Telecasts ViacomCBS: Reflects share of viewing in Q3 2020; Source: Nielsen Media Research, Live+7 Total Day. Showtime: YTD; Source: Nielsen Media Research, Live+7 average to new episodes

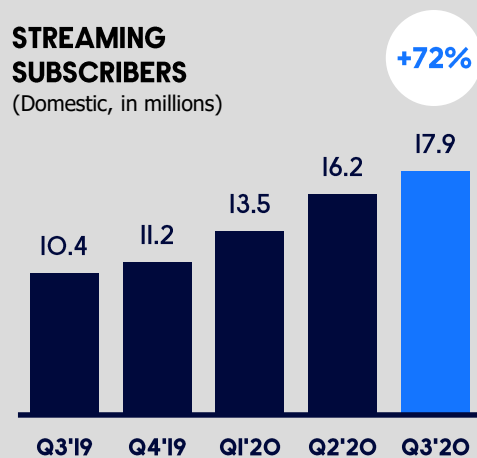
3

# FOCUSED ON STREAMING GROWTH OPPORTUNITY

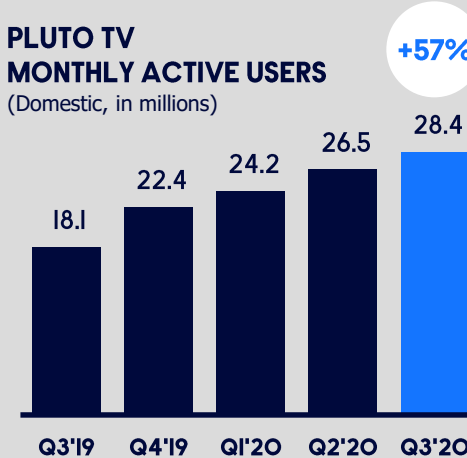
## Accelerating streaming strategy with strong results across pay and free; on track for Paramount+ launch in early 2021

- **Grew domestic streaming & digital video revenue 56%, driven by 78% growth in subscription streaming revenue and an acceleration of digital video advertising growth**
- **Another robust quarter in pay**
  - Domestic streaming subscribers grew 72% to 17.9M
    - Both CBS All Access and Showtime OTT had significant growth in consumption and sign-ups
    - Strong conversion of free trials to paying subs on both platforms
  - On track to launch Paramount+ in early 2021
- **Continued strong momentum at Pluto TV**
  - Pluto TV advertising revenue more than doubled
  - Reached 28.4M domestic and nearly 36M global MAUs as of quarter end
  - Signed new global distribution agreements with LG and Sony PlayStation
  - Launched in Spain in October; plans to launch in Brazil by year-end 2020 and in France and Italy in 2021

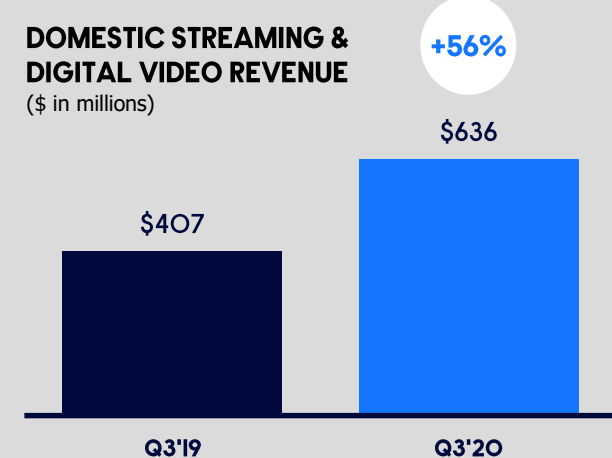
**STREAMING SUBSCRIBERS**  
(Domestic, in millions)



**PLUTO TV MONTHLY ACTIVE USERS**  
(Domestic, in millions)



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



# FINANCIAL RESULTS

# Q3 2020 QUARTERLY RESULTS

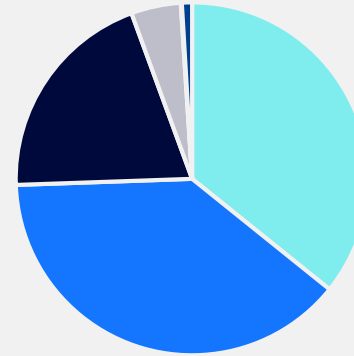
## Q3 2020 KEY CONSOLIDATED FINANCIAL METRICS

(\$ in millions, except per share data)

		Y/Y
<b>Revenue</b>	\$6,116	(9)%
<b>Adjusted OIBDA *</b>	\$1,109	(12)%
<b>Adjusted Diluted EPS *</b>	\$0.91	(17)%
<b>Adjusted FCF *</b>	\$1,497	227%

## Q3 2020 REVENUE – BY TYPE

(\$ in millions)



	REVENUE	Y/Y
Advertising	\$2,188	(6)%
Affiliate	2,365	10%
Content Licensing	1,221	(33)%
Publishing	279	29%
Theatrical	6	(94)%
Other	57	(26)%
<b>Total Revenue</b>	<b>\$6,116</b>	<b>(9)%</b>

## Q3 2020 REVENUE & ADJUSTED OIBDA – BY SEGMENT (1)

(\$ in millions)



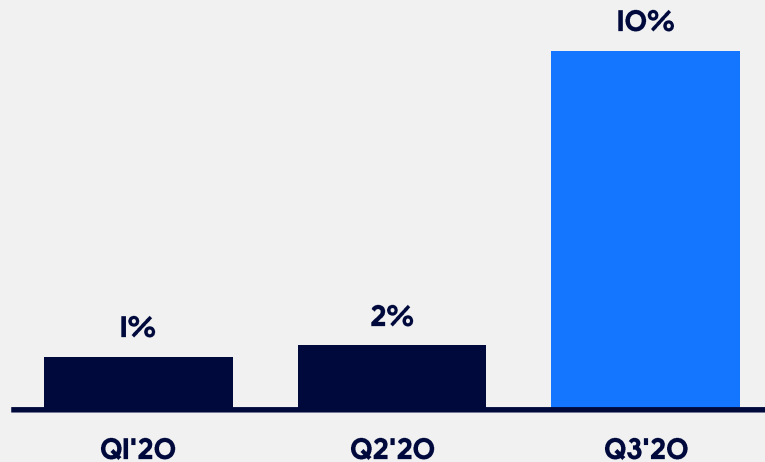
	REVENUE	Y/Y	ADJ. OIBDA	Y/Y
TV Entertainment	\$2,354	(4)%	\$343	(26)%
Cable Networks	3,061	(7)%	866	3%
Filmed Entertainment	590	(31)%	54	(18)%
Publishing	279	29%	58	5%



# REVENUE TRENDS IMPROVING

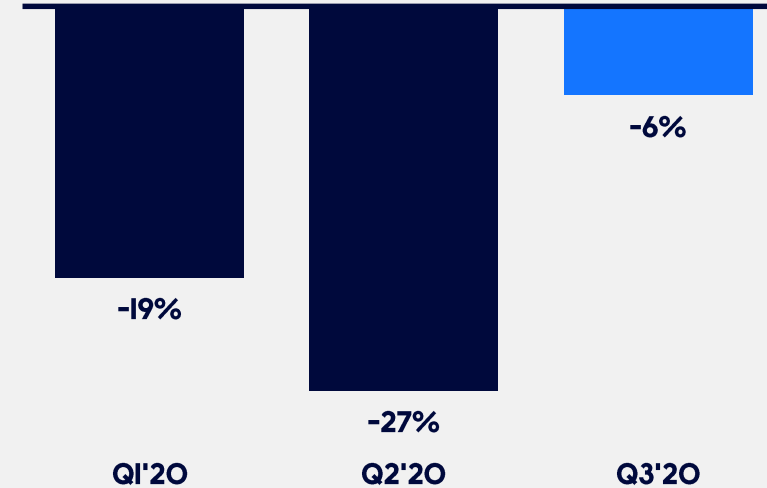
## AFFILIATE

(Y/Y Growth Rate)



## ADVERTISING

(Y/Y Growth Rate)



- **Affiliate revenue grew 10% in Q3**

- Growth fueled by strength in subscription streaming revenue, as well as higher reverse comp, retransmission fees, and incremental carriage
- Domestic cable networks affiliate revenue returned to growth, increasing 4%

- **Advertising revenue declined 6% in Q3**

- A significant improvement relative to the year-over-year decline experienced in Q2, despite continued headwinds from COVID-19
- Improvement was broad-based across broadcast, cable and digital video advertising platforms

# BALANCE SHEET

Q3  
ADJUSTED  
FCF \*

**\$1.5B**

CASH &  
CASH  
EQUIVALENTS

**\$3.1B**

GROSS  
LEVERAGE <sup>(1)</sup>

**3.4x**

- **Cash balance and maturity profile provide operating flexibility**
  - Maintain a \$3.5B undrawn revolving credit facility
  - No debt maturities until 2022 following successful refinancing transactions completed earlier this year
- **Maintain 2.75x long-term leverage target**
- **Focused on unlocking value through non-core asset sales**

