

W U T I S

Equity Research Division

ViacomCBS

A mass media and entertainment conglomerate

VIACOMCBS

Target Price: \$ 60.41

Current Price: \$ 32.86

Upside Potential: 91%

Recommendation: BUY

Investment Horizon: 1 Year

Vienna, 28.01.2022

Team Overview

Equity Research



**Dariya
Malakhova**

**Head of
Equity Research**

- Task distribution
- Story guideline



**Jonah
Bechter**

Associate

- Business analysis



**Sebastián
Pinot**

Associate

- Valuation
- Business model



**Maximilian
Schubert**

Analyst

- Valuation
- Financial analysis



**Christopher
Schulz**

Analyst

- Valuation
- Industry analysis



**Aristidis
Tentis**

Analyst

- Industry analysis
- Peer benchmarking



- BSc. (Uni Wien) – International Business Administration
- MSc. (WU) – Finance & Accounting – 3rd Sem.



- BSc. (WU) – 5th Sem.



A Brambles Company

- BSc. (WU) – Business and Economics
- MSc. (WU) – International Management / CEMS – 2nd Sem.



- BSc. (WU) – Int. Business Administration – 5th Sem.



- BSc. (WU) – Business and Economics – 3rd Sem.

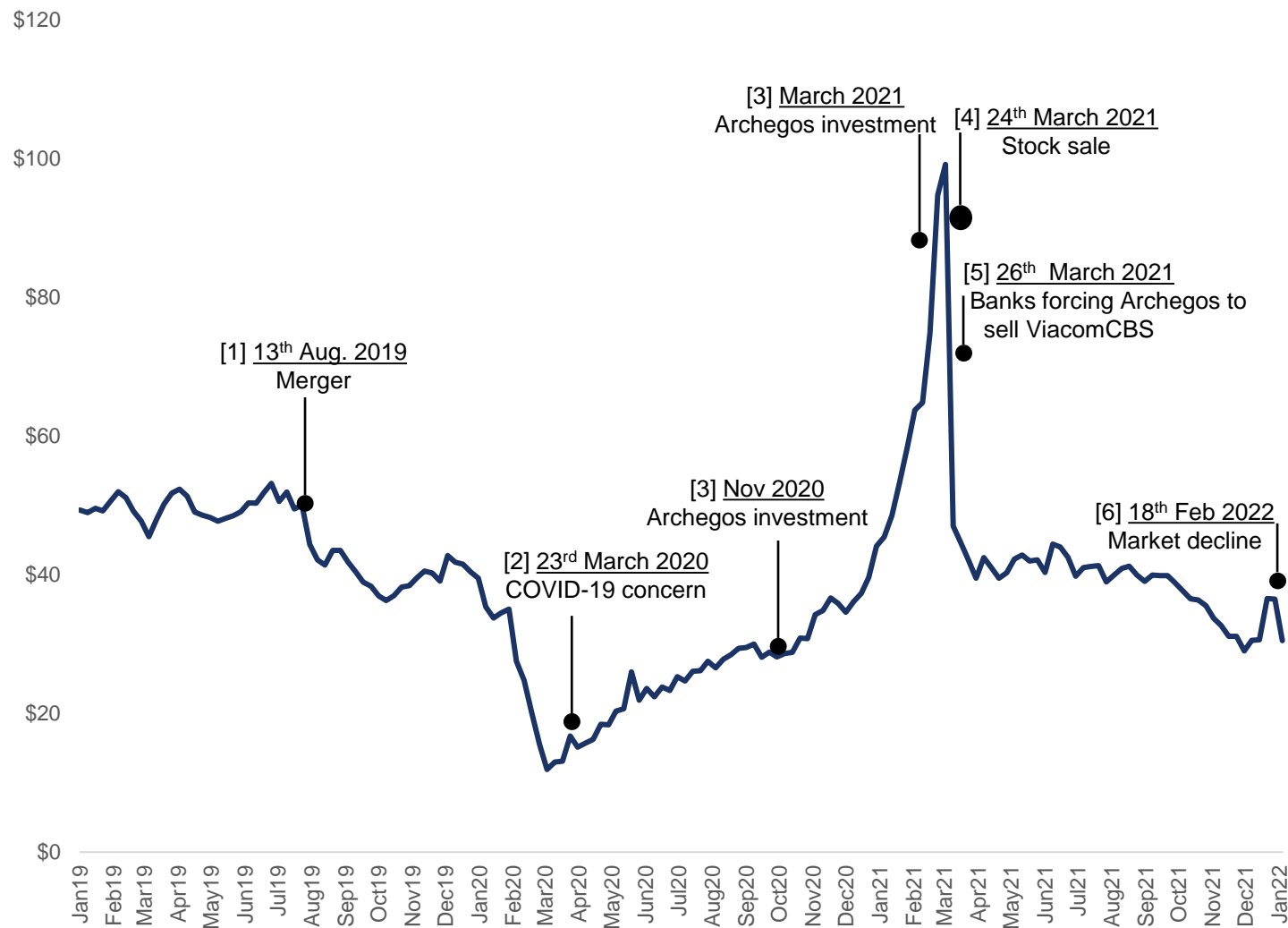


- BSc. (WU) – 1st Sem.

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Share Price Performance

A volatile stock performance in recent months caused by the influence of one big investor



Share Price – Major Events

- [1] August 13th 2019 (+1.37%) – The merger of CBS Corporation and Viacom was announced (completed on December 4, 2019)
- [2] March 23rd 2020 (-5.76%) – Collapse of the overall market due to uncertainties regarding the corona virus
- [3] Nov 2020 - March 2021 (+232%) – Bill Hwang's investment firm Archegos Capital started investing progressively into ViacomCBS stock
- [4] March 24th 2021 (-23.18%) – The stock price plummeted after ViacomCBS announced the pricing of its \$3 billion stock sale, which was used in part to fund investments in streaming content, a move that would dilute existing shareholders' equity
- [5] March 26th 2021 (-27.31%) – Archegos Capital forced by its banks to sell more than \$20 billion worth of ViacomCBS stock
- [6] February 18th 2022 (-4.32%) – Recent market decline

Pay TV is the cash cow to finance growth in streaming



- 1** Through diversification into streaming VIAC **will evolve from a legacy TV conglomerate into a globally recognized streaming platform** while still generating stable cash flows from the Pay TV portion of the business
- 2** A substantial library of **good-quality popular content**, as well as rights to **produce and distribute sports- and news-related** setups makes VIAC an **attractive service provider** for a **broad range of audiences** worldwide by covering **almost all topics**
- 3** ViacomCBS has **five revenue streams**, differentiated within the media and entertainment industry. Due to its size and brand name VIAC has **solid bargaining power**, which allows it to dictate remuneration conditions
- 4** ViacomCBS is growing global market share through **several strategic partnerships** to be unrolled in 2022, which will ensure VIAC's **presence in a total of 45 international markets**
- 5** Due to NAI's majority interest in voting shares, **the remaining shareholders have no relevant voting power**, which may lead to NAI overruling on strategic decisions (e.g., merger of Viacom and CBS)
- 6** ViacomCBS currently generates a **large part of its revenue from Pay TV**, a dependency that poses a significant risk given **the weak growth prospects**



The image shows the exterior of a ViacomCBS building. A large, blue, three-dimensional 'VIACOMCBS' logo is mounted on a metal frame against a glass facade. The building's ceiling features a grid of square acoustic panels. To the right, the glass reflects and displays various network logos, including 'GLOBAL CONTENT POWERHOUSE', 'SHOWTIME', 'CBS', 'nickelodeon', 'COMEDY CENTRAL', 'BET', 'PLUTO', 'CBS ALL ACCESS', '5', '10', 'colors', and 'telefe'. A vertical banner on the right side of the frame also displays the 'VIACOMCBS' logo.

VIACOMCBS

ViacomCBS

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Business Description

Company Overview

Never change a winning team

Company Description



Multinational media conglomerate focusing on the production & distribution of high quality content through traditional television & streaming services



Founded as **CBS** in **1927**, renamed into **Viacom** in **1970**, spun-off a year later and re-merged into **ViacomCBS** in **2019**



Headquartered in **New York, USA**



International **employee count** of more than **22.100** people

Financials

EUR/US mn	2017	2018	2019	2020
Revenue	26.535	26.425	26.998	25.285
Revenue Growth (%)	-	-0,4%	2%	-6%
EBITDA	6.136	5.489	4.584	4.569
EBIT	5.693	5.062	4.146	4.139
Net Income	2.321	3.455	3.308	2.422
Leverage	81,26%	75,86%	72,69%	69,14%

Management Team – most managers have been in the company for decades



Robert M. Bakish
President / CEO
Viacom CEO 2016
At Viacom since 1994



Shari Redwood
non-executive chair
Prior on the board of
CBS and Viacom
At CBS since 2004

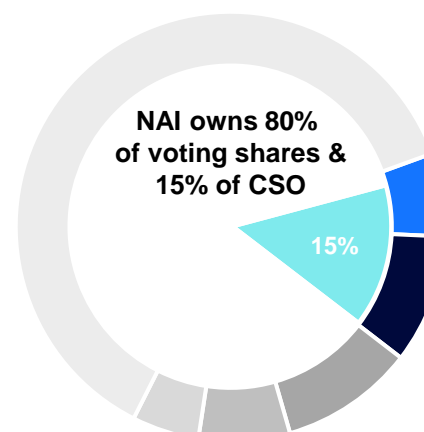


Jo Ann Ross
President /
Chief Advertisement
Revenue Officer
At Viacom since 2017
At CBS since 1998



Philip R. Wiser
CFO / Executive VP
At Viacom since 2018

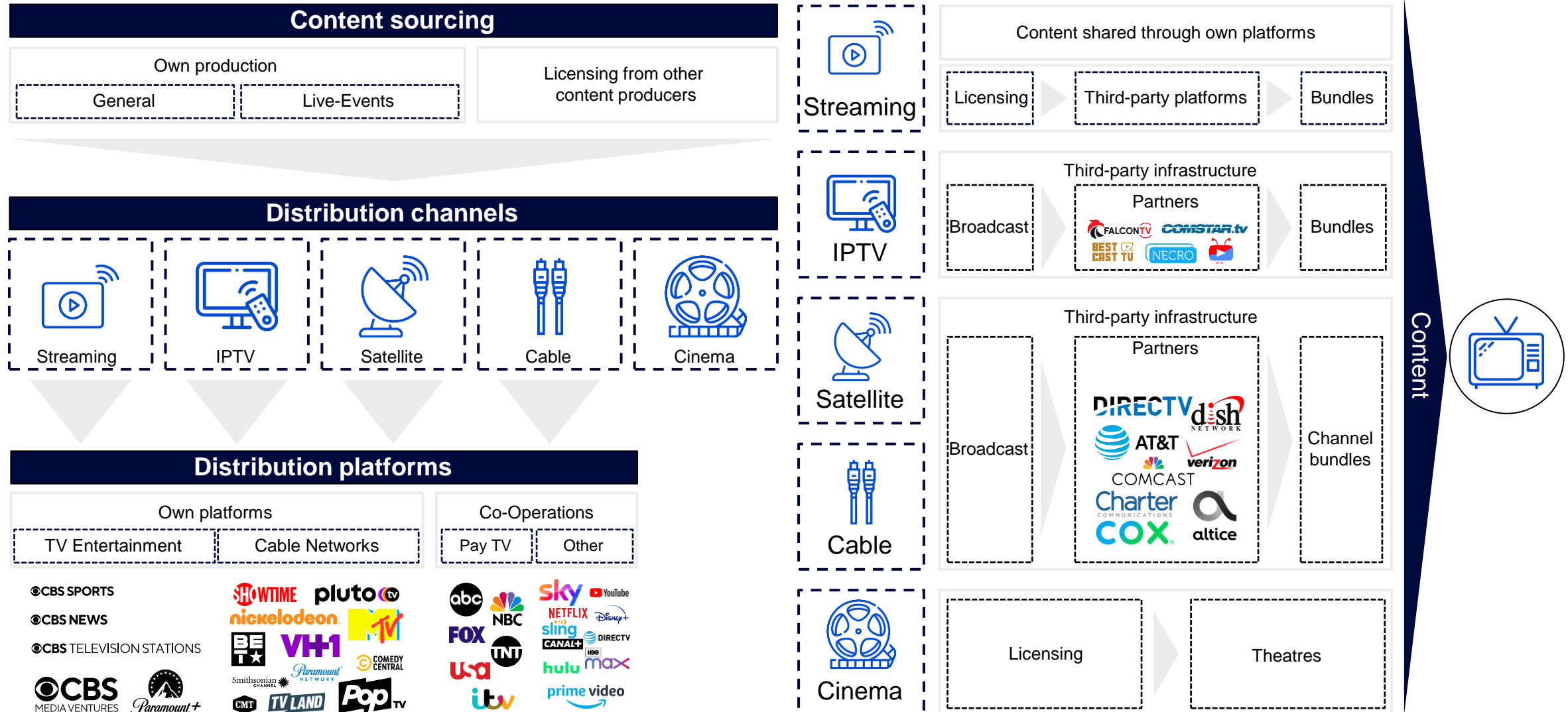
Shareholder Structure – National Amusements (NAI) controls ViacomCBS since 1986



- Voting shares
- NAI (10% of non-voting shares)
- The Vanguard Group (11% of non-voting shares)
- BlackRock (7% of non-voting shares)
- State Street Global Advisors (5% of non-voting shares)
- Other Non-Voting Shares

Value Creation

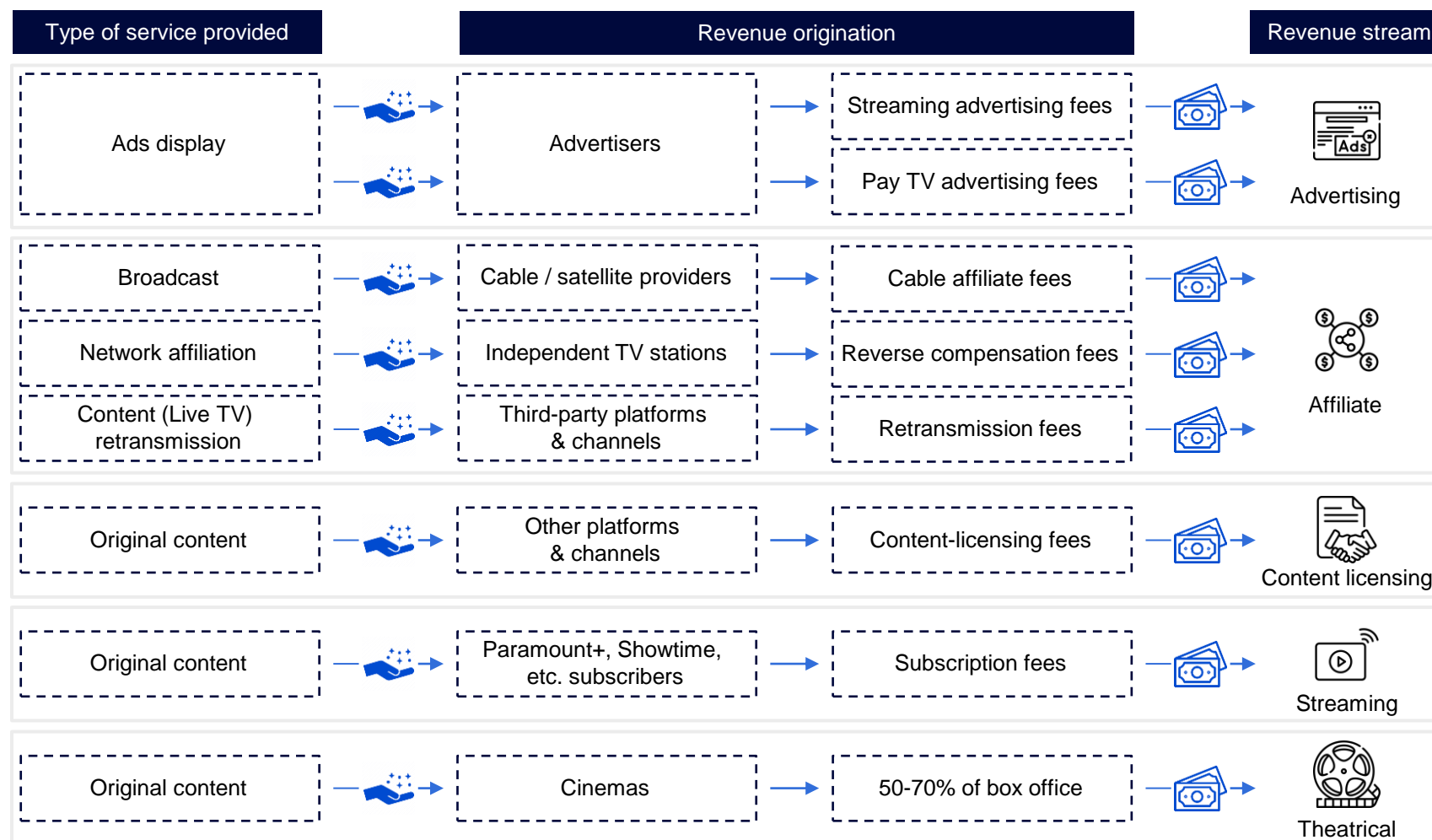
A media company you won't miss



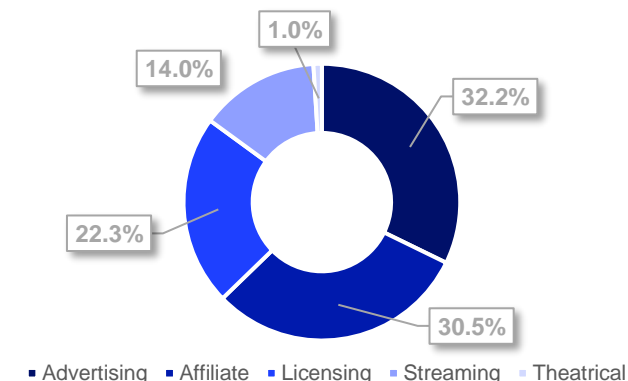
Revenue Streams

How to make money from the same content five times over

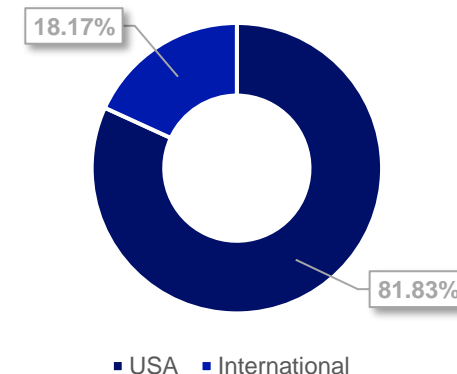
Revenue generation channels



Revenue split by streams, Q1- Q3 2021

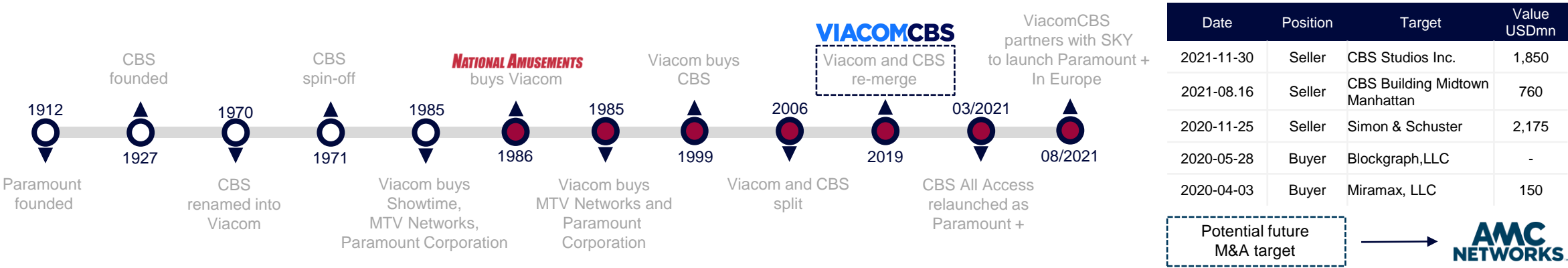


Revenue split by regions, Q1- Q3 2021

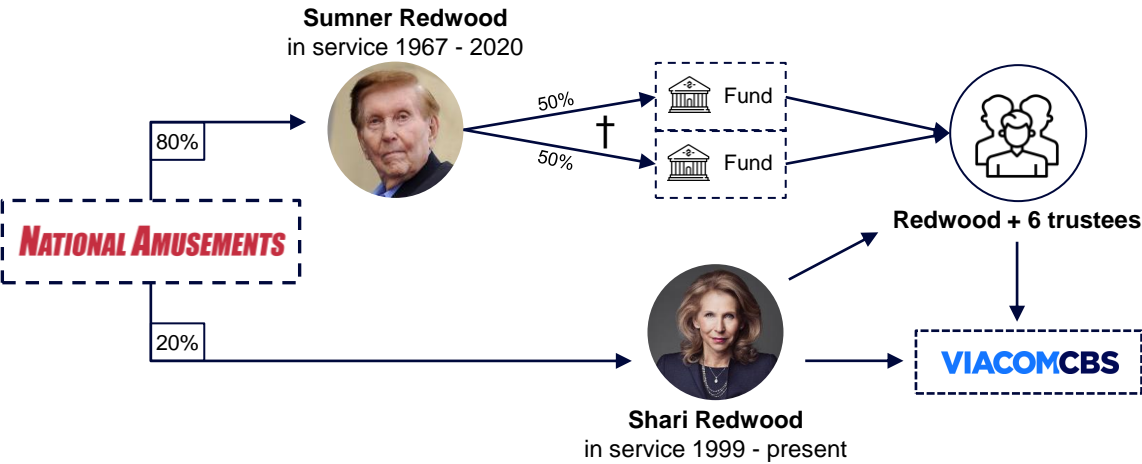


A family in control of a media empire

History



The family behind



Viacom / CBS Merger 2019

Development

- Shari Redwood / NAI mainly proposed to merge the two companies
- 2019 was a big year in M&A for the media industry (Amazon acquisitions, etc.)
- CBS executives were against the merger at first (for personal reasons)

Objectives and results

- Financial cost savings through lay off of partial workforce
- Synergies in the business segments of broadcasting and pay TV
- Bigger buying power and stronger position on the market
- Staying competitive against the biggest media conglomerates worldwide

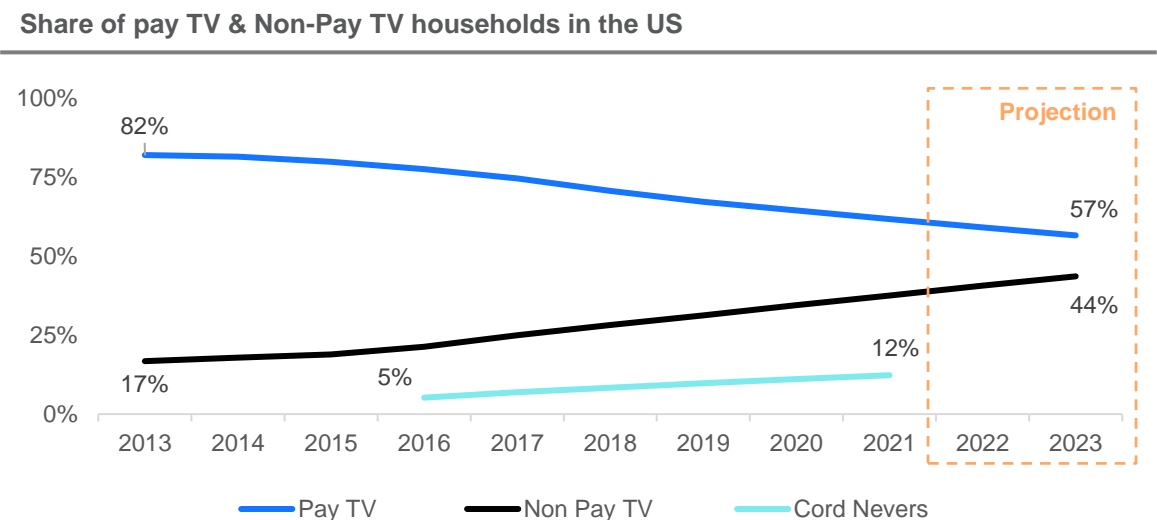
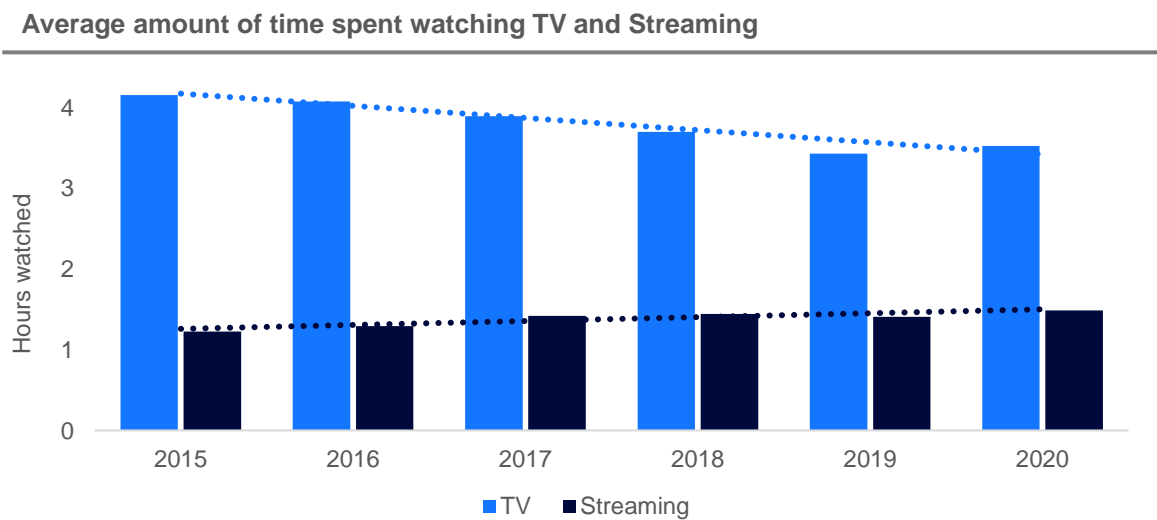
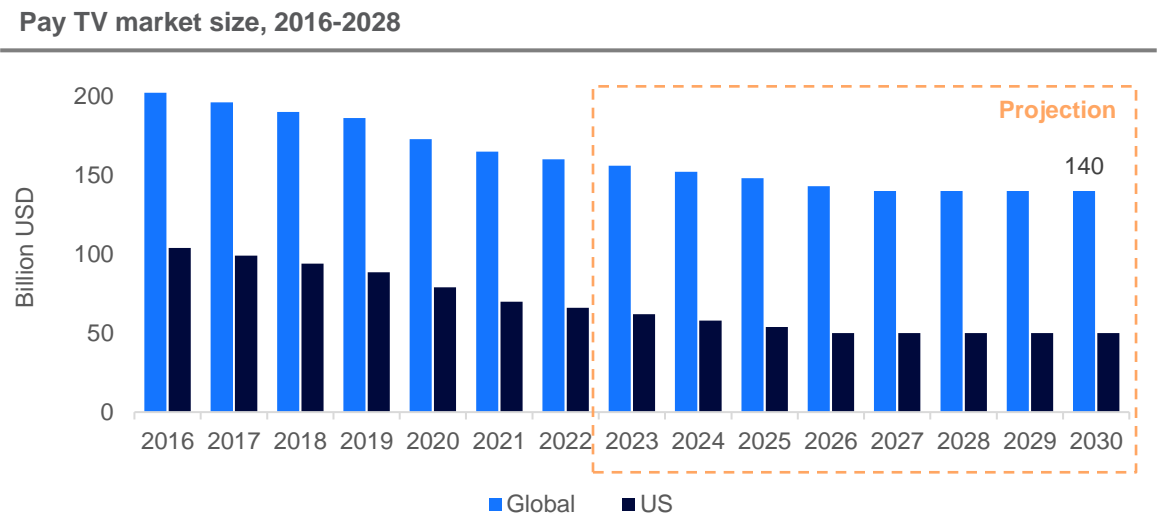
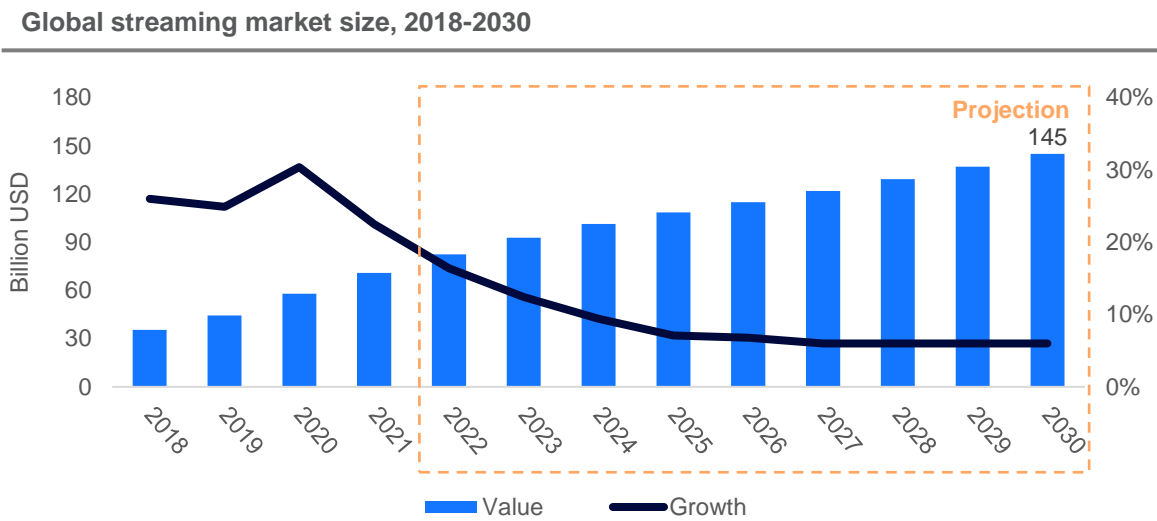
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Market and Industry Overview



Industry Overview: Pay TV vs Streaming

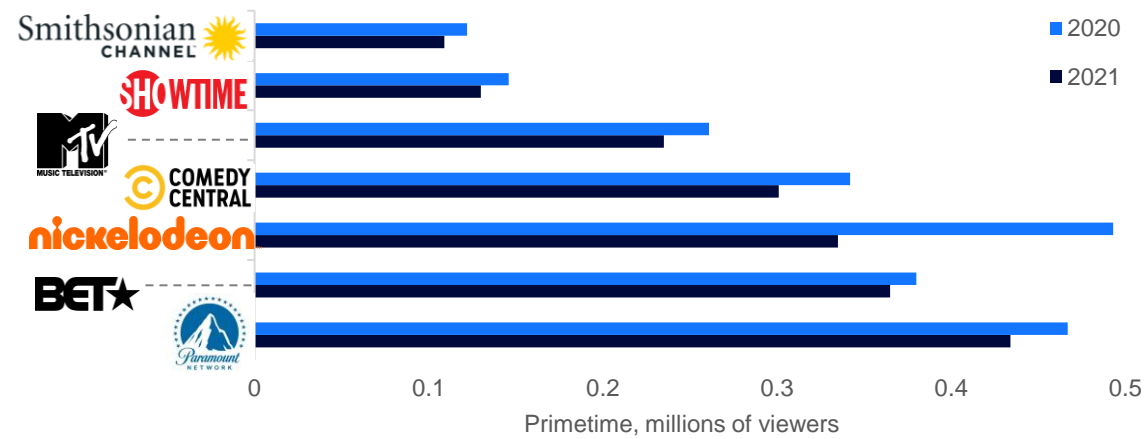
2030 is the tipping point in the streaming vs. television battle



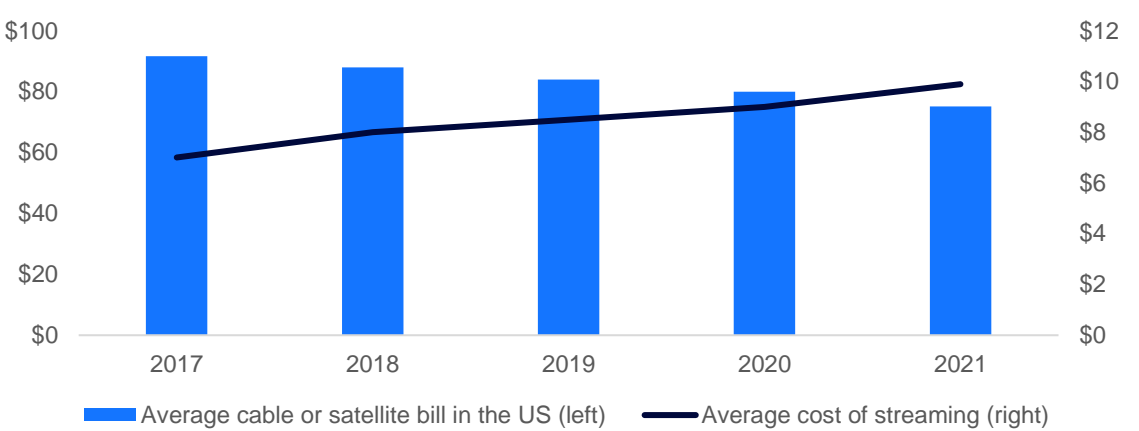
Industry Overview: Pay TV

Pay TV is an increasingly unattractive option compared to streaming

All channels of ViacomCBS lost viewers over the last year



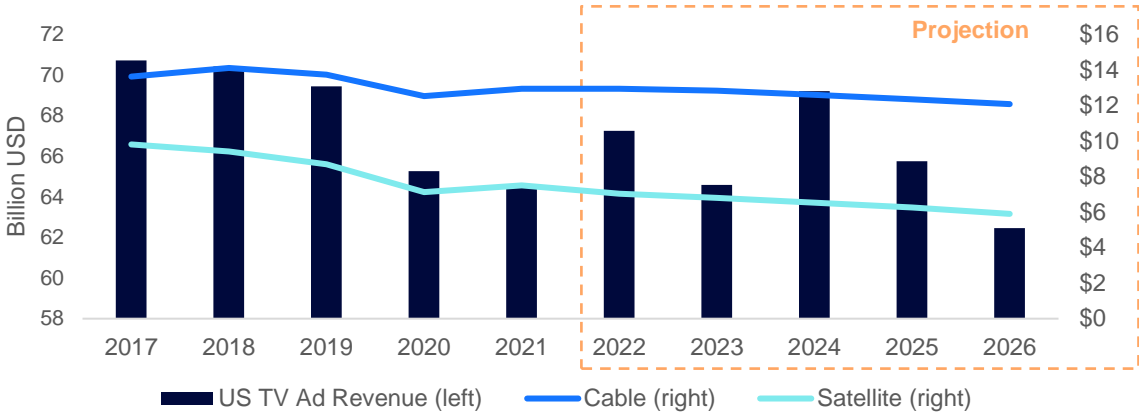
Development of cost of Pay TV & Streaming, 2017-2021



Average monthly cost of cable or satellite TV vs streaming subscription costs



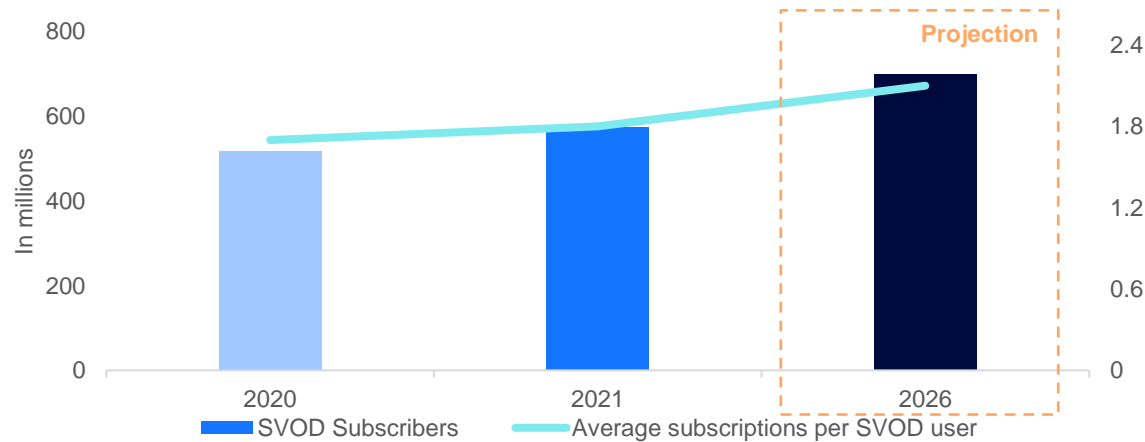
Global ad spending per viewer and TV advertising revenue in the US



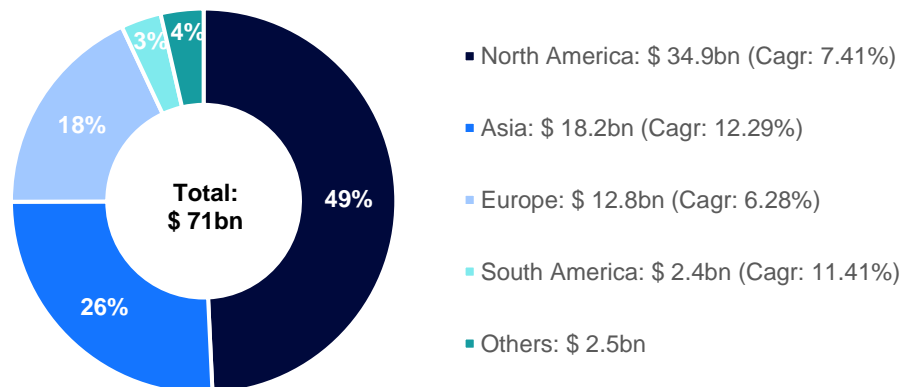
Industry Overview: Streaming

Streaming as the growth driver for ViacomCBS

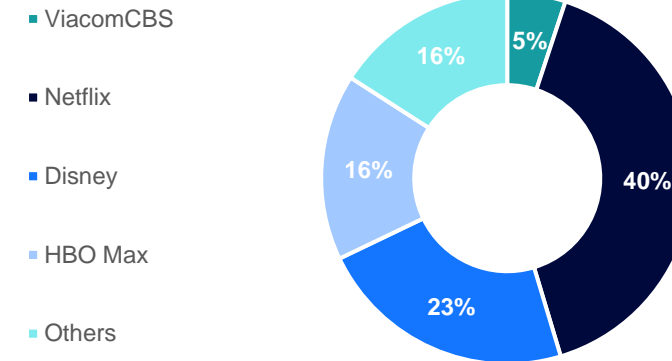
Streaming video on demand subscribers worldwide








Streaming industry revenue breakdown by regions, 2021



Market share of leading streaming services



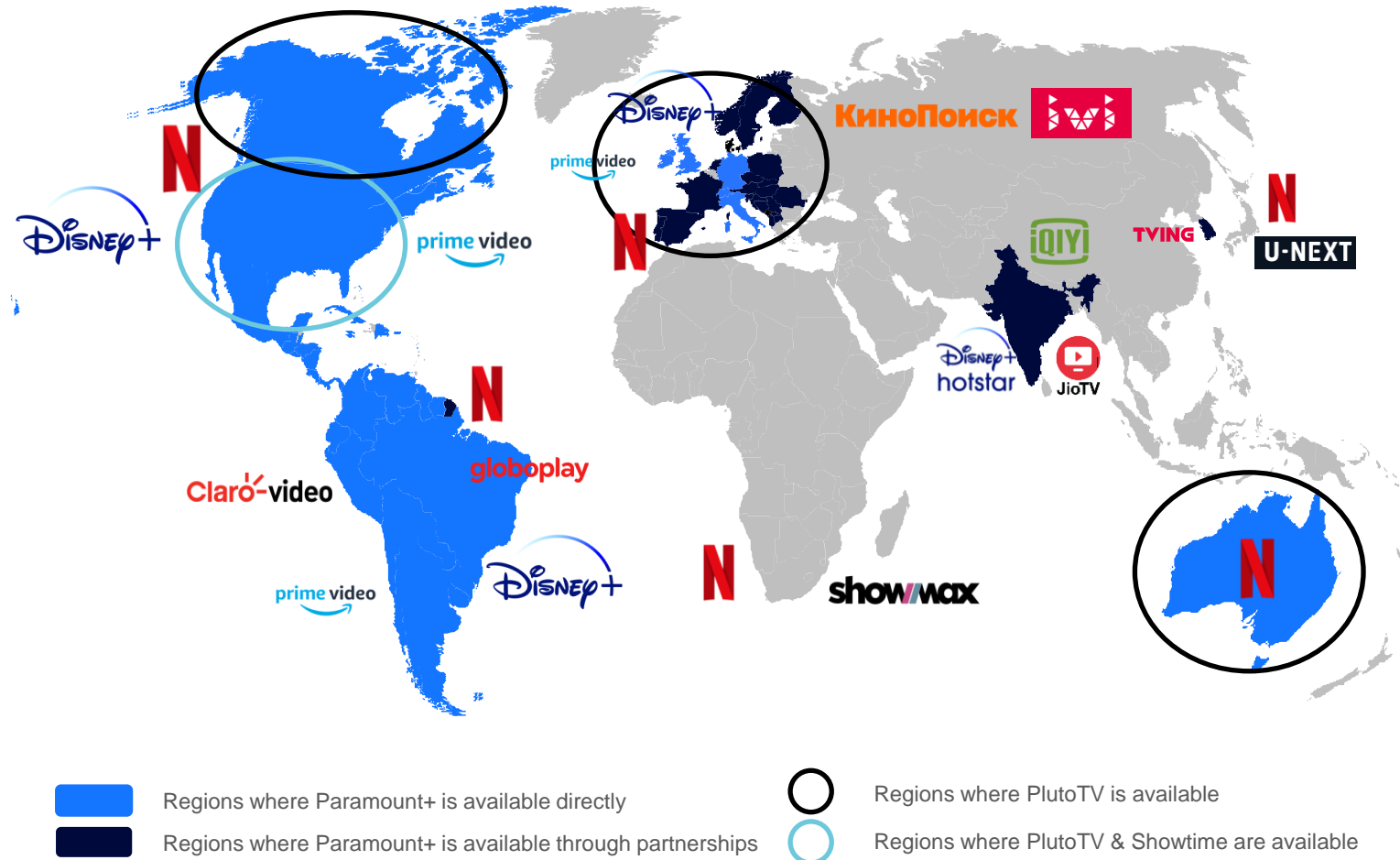
Porter's five forces – Media companies with a competitive advantage in streaming

-  **Low entry barriers** for established organizations in the entertainment industry as they will be able to **immediately launch** the service with their own content and fan base
-  **High degree of competitive rivalry** due to a number of strong competitors that can **offer additional services** for the same amount of subscription fees
-  **Rising power of buyers (viewers)** due to the increasing number of streaming services
-  **Low supplier power** since ViacomCBS has already got a substantial portfolio of owned content and substantial content production capabilities
-  **Low threat of substitution** with traditional **Pay TV on the decline**, especially among young adults, who are switching to subscription video services

Industry Overview

ViacomCBS secures influence in the streaming market through various services and partnerships

Dominant streaming services around the globe and availability of ViacomCBS's services



Partnerships & Joint Ventures

- Central, Eastern and Southern Europe
- Sweden
- India
- South Korea

sky SHOWTIME

nordic entertainment group

voot

CJ ENM

Dominant competitors around the globe





ViacomCBS

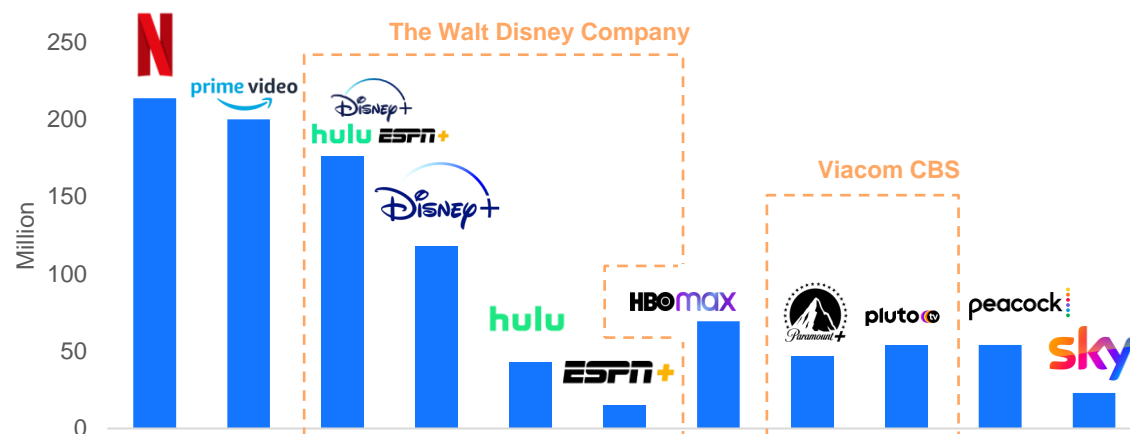
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Peer Benchmarking & Financial Analysis

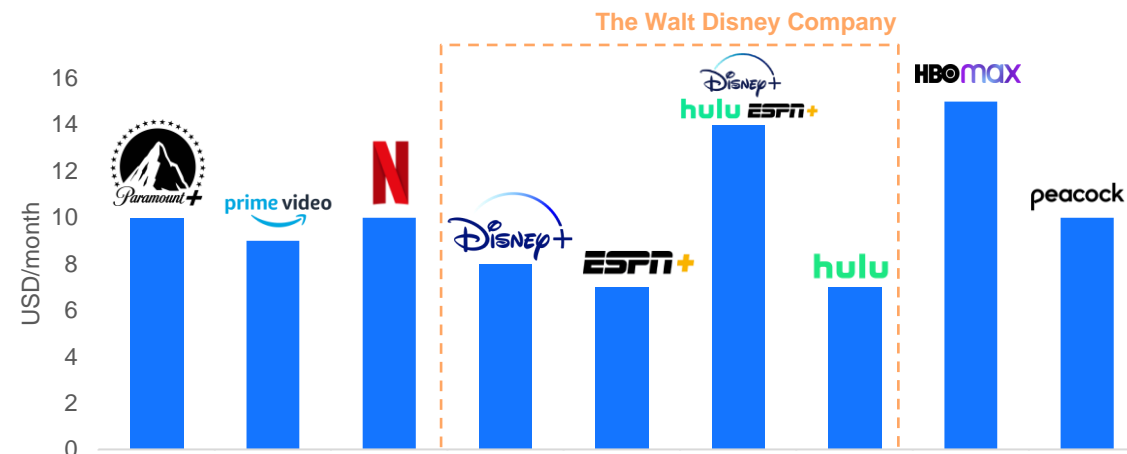
Peer Benchmarking

Who will be the last one standing in the content war?

Streaming subscribers



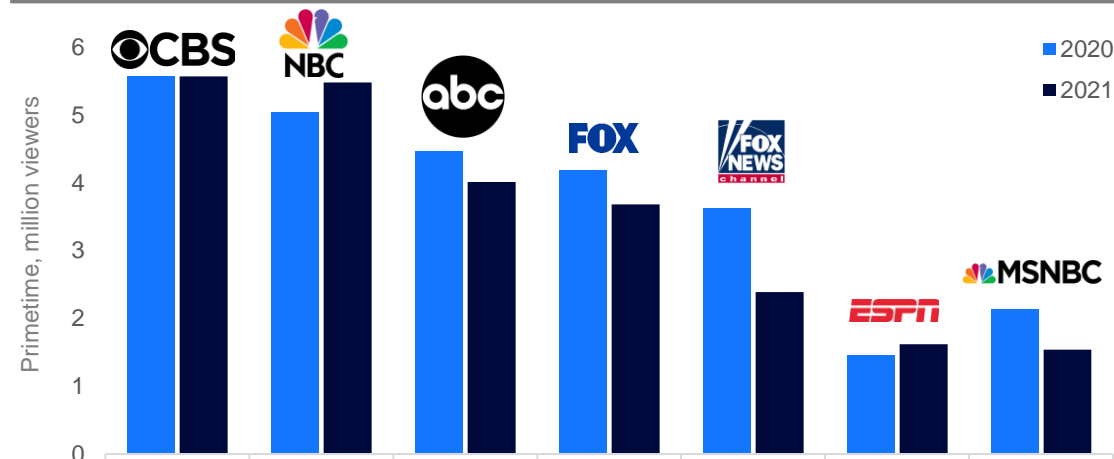
Subscription cost per service in the US



Comparing platforms by movie ratings & Oscar nominations

	Paramount+	Netflix	Disney+	Prime Video	HBO Max
Average rating of most popular movies	6.0	7.2	8.1	8.3	7.0
Hours of library content	30,000	40,000	4,500	50,000	10,000
Oscar nominations 2021	0	36	17	12	7

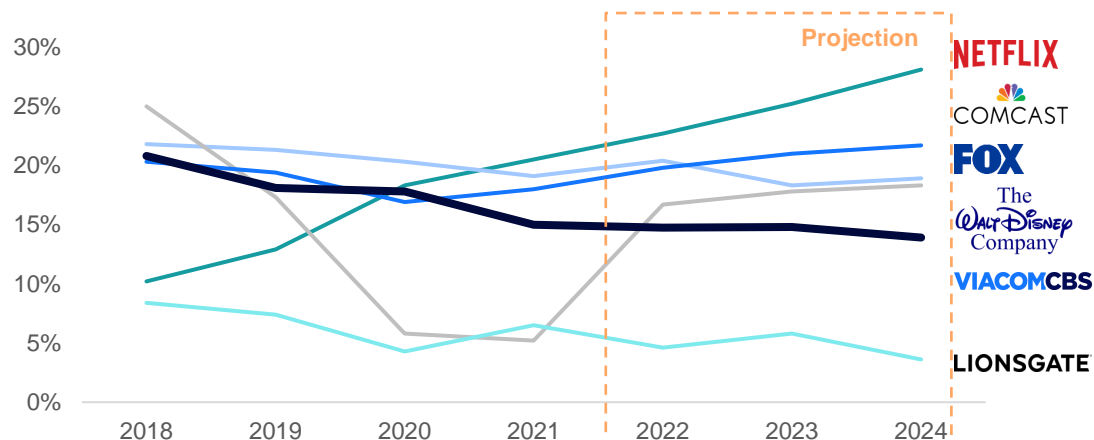
CBS is the most watched TV network in 2021



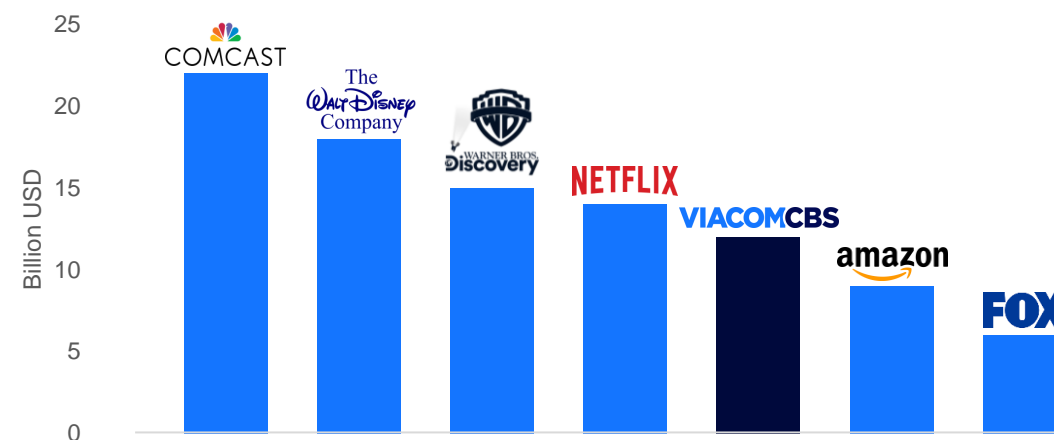
Financials I

While margins & returns are stable, Paramount+ & Pluto TV offer potential in ARPU growth

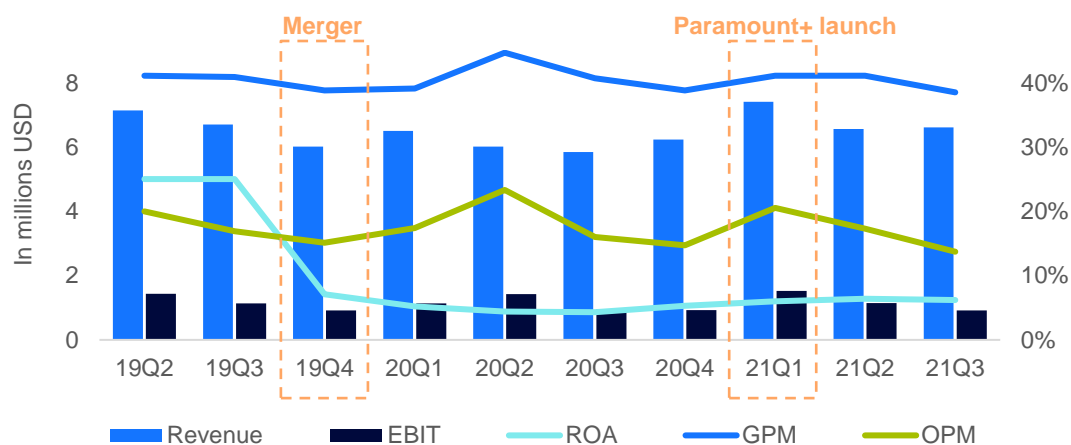
ViacomCBS's EBIT-margin will recover in the coming years



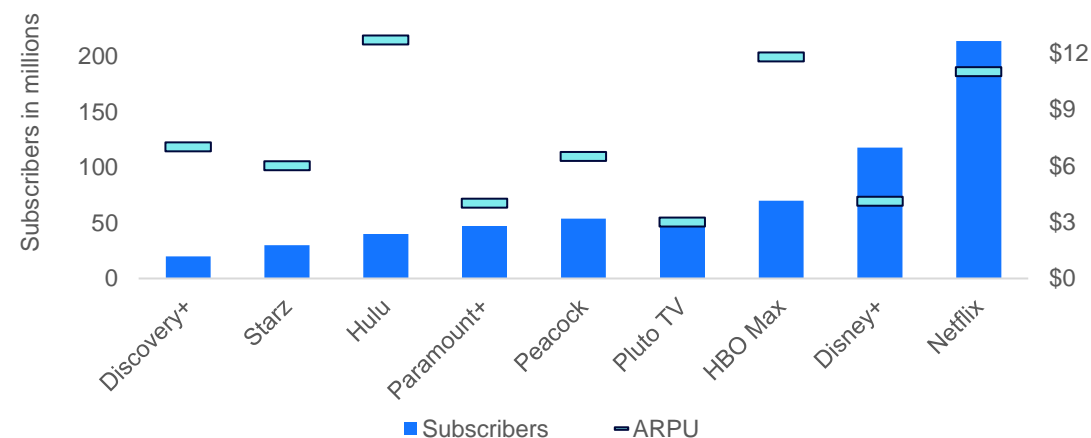
ViacomCBS is in the top 5 companies spending the most on content



The company's top line and GPM are relatively stable, while OPM fluctuates



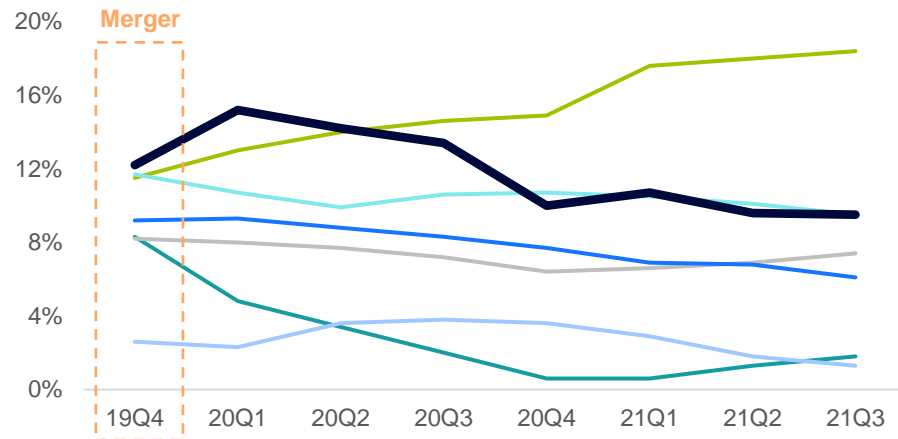
Paramount+ & PlutoTV have many subscribers, but lack behind in ARPU



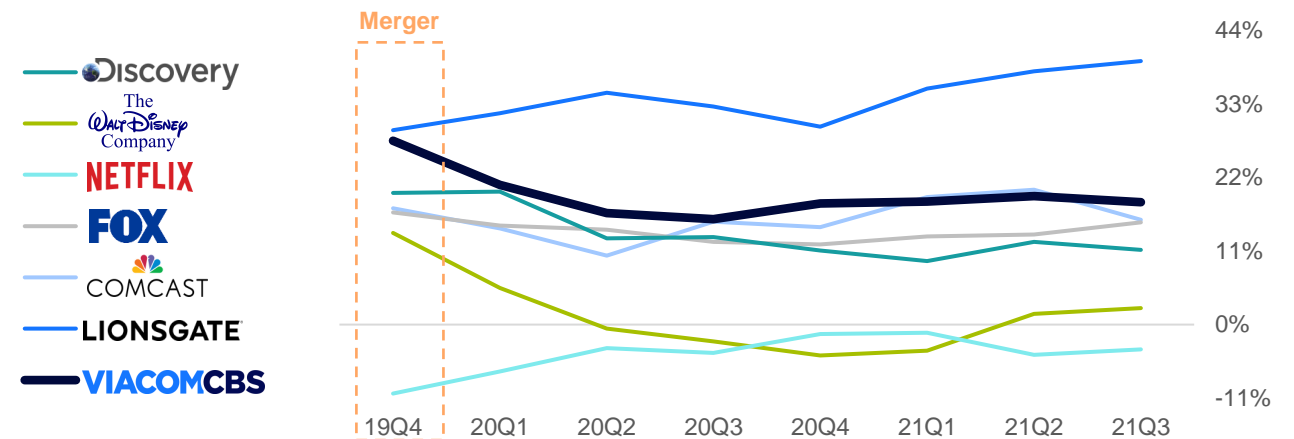
Financials II

ROIC & ROE are strong and the balance sheet is improving after Covid-19

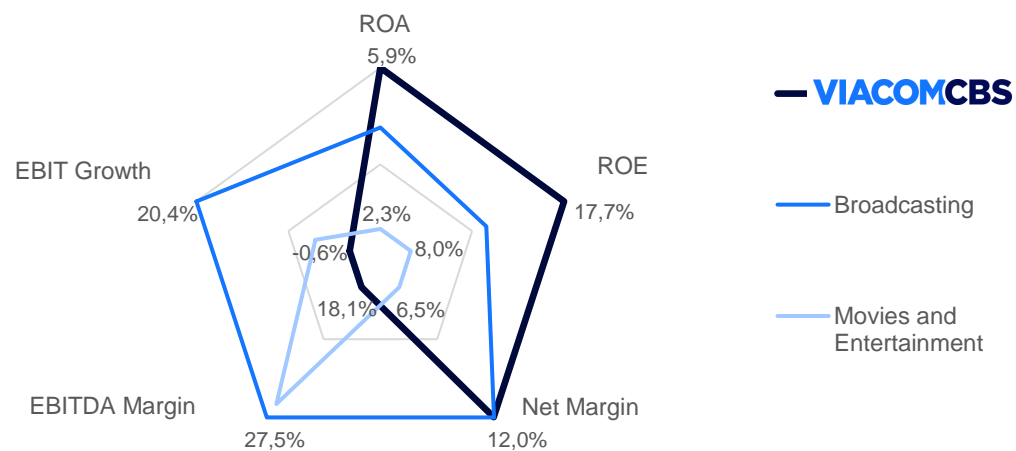
ViacomCBS's ROIC (TTM) is higher than almost all competitors



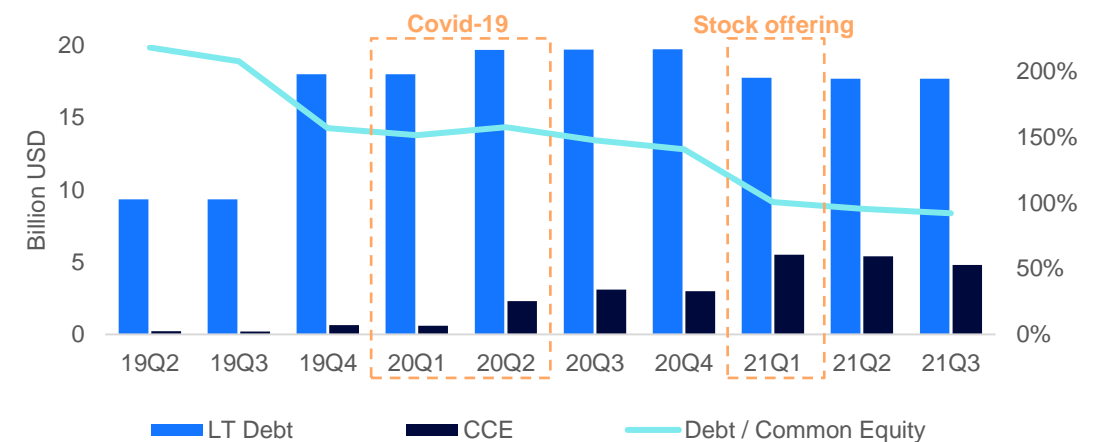
The company's high ROE (TTM) is stabilizing after decline



ViacomCBS has a high ROE & ROA compared to the industry



While LT Debt is declining again after COVID-19, Cash is rising





ViacomCBS

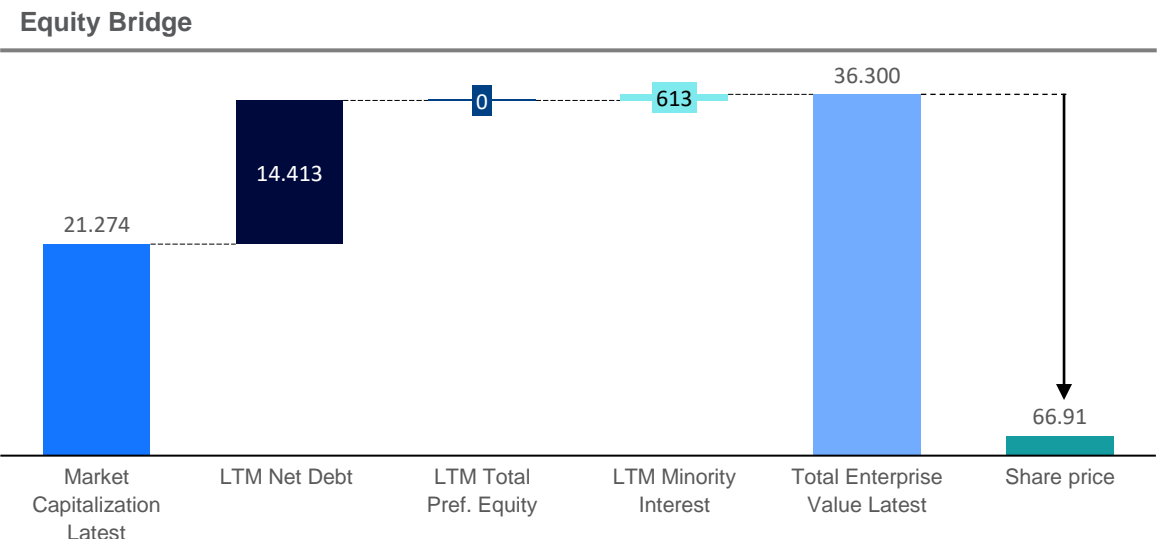
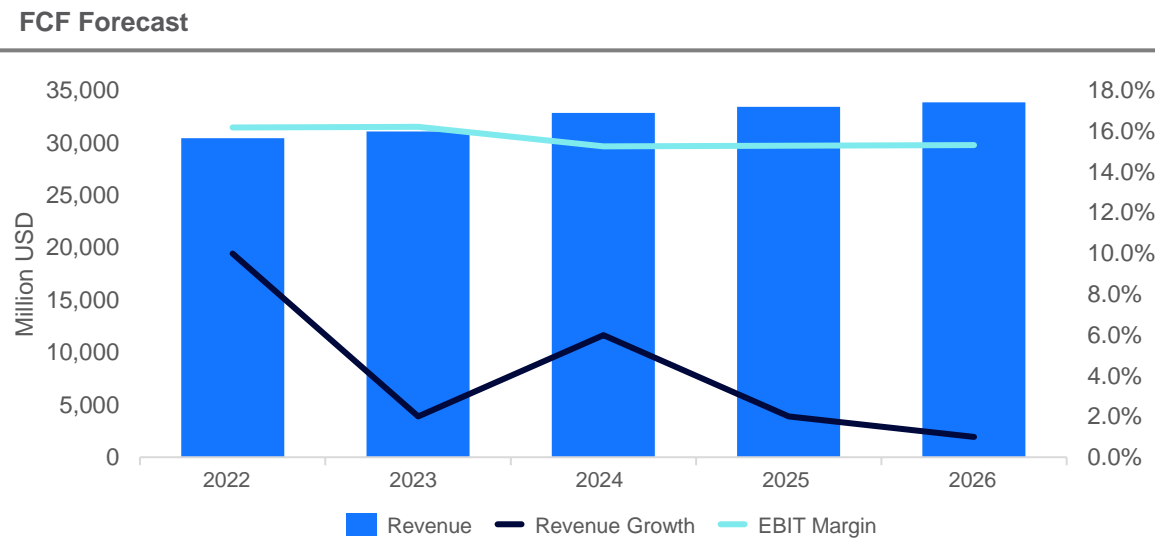
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Valuation

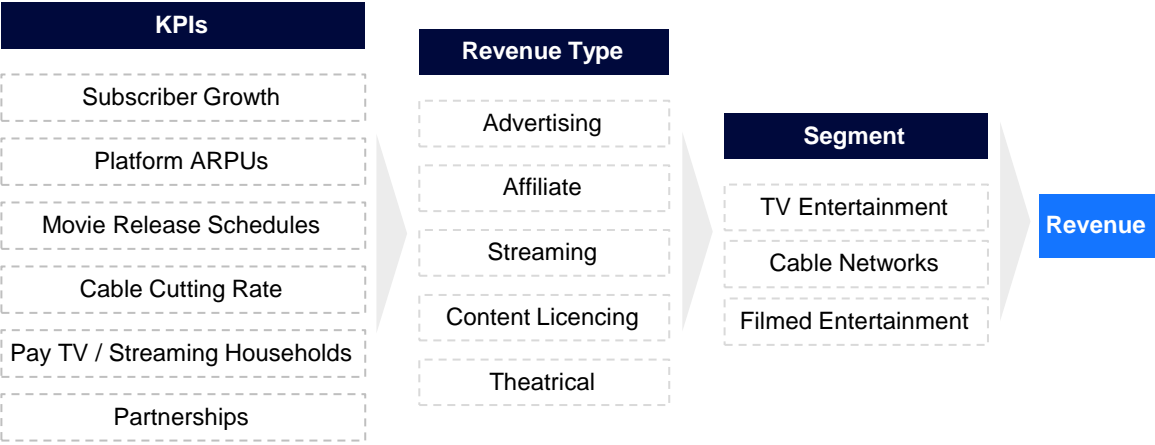


DCF Analysis

Stable revenue growth in the coming years leads to a share price of \$66.91



Valuation approach



Valuation Assumptions

WACC (8.04%):
Cost of Debt: 6.03%, Cost of Equity: 10.86%, Beta: 1.44

Terminal value assumptions:
Almost non-existent growth adjusted for expected inflation in the United States: 2.00%

Net Debt: 14,413 million USD
2,984 million of cash and cash equivalents in FY2020

DCF Analysis

Changes in consumer demand for ViacomCBS's content will determine future performance

Scenario overview



+ 184%

- Aggressive global expansion strategy for Paramount+ allows ViacomCBS to compete with streaming giants, leading to higher revenues
- Cable cutting rate is reduced
- Content licensing and theatrical continue to grow organically



+ 104%

- Significant growth in streaming revenue primarily driven by organic growth of Paramount+ and new partnerships
- Conservative revenue growth for advertising and theatrical
- Stagnant performance of affiliate revenues due to cable cutting



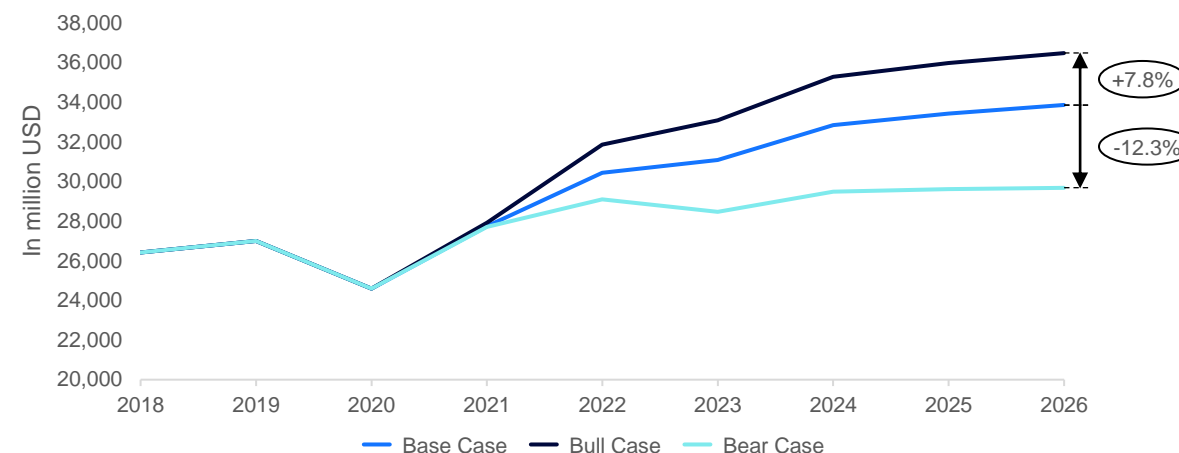
+ 42%

- Comparatively tamed revenue growth for streaming, assuming a lack of popular content and low subscriber growth
- Increased cable cutting rate leads to a sharp decrease in affiliate and advertising revenue
- Theatrical and content licensing revenue continues to grow at a stable rate due to increased volume of content produced

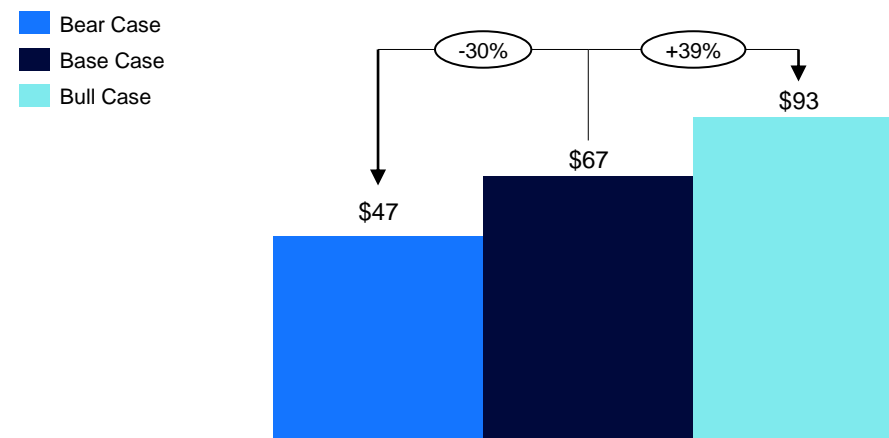
Sensitivity Analysis

Growth Rate	WACC				
	7.04%	7.54%	8.04%	8.54%	9.04%
1.00%	70.04	62.85	56.68	51.33	46.65
1.50%	76.77	68.45	61.40	55.35	50.10
2.00%	84.85	75.06	66.89	59.98	54.04
2.50%	94.70	82.98	73.38	65.37	58.59
3.00%	106.98	92.65	81.26	71.75	63.89

Revenue by scenario

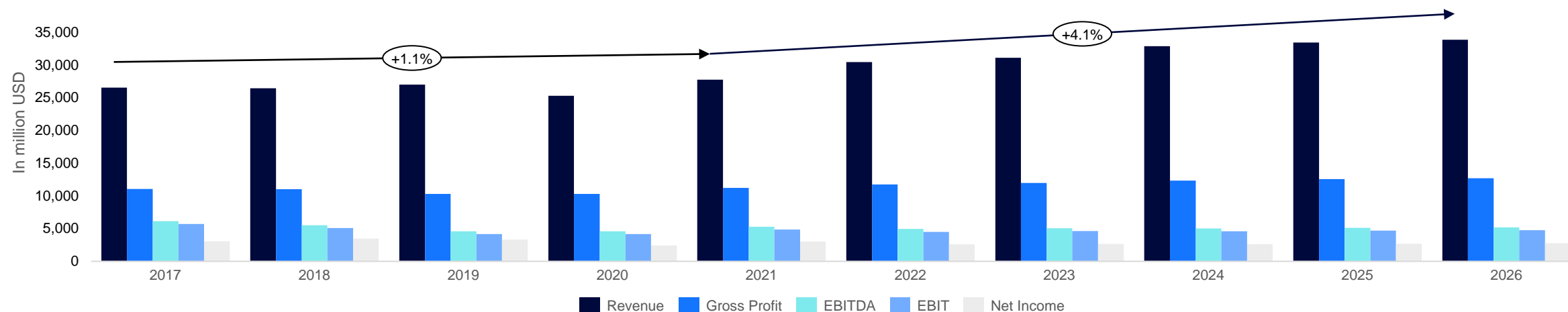


Target price by scenario



Operating assumptions and revenue drivers lead to a healthy financial performance until 2026

Key forecasted financials



Operating Assumptions

Key Top-Line Drivers



Operating Expenses:

Production and programming costs are expected to increase to keep up with competitor's content at 63% of revenue in 2026



Net Income:

Despite increases in costs, net income continues to increase at a stable rate in the coming years



Demand:

Macro trends such as globalization will influence and further increase demand for media content across the globe



Global Subscriber Growth:

ViacomCBS are well positioned to capture increase demand for streaming services with Paramount+



International Expansion via Partnerships:

While mainly focused on the United States, ViacomCBS will continue to make use of strategic partnerships to reach its international audience, increasing revenue in the process

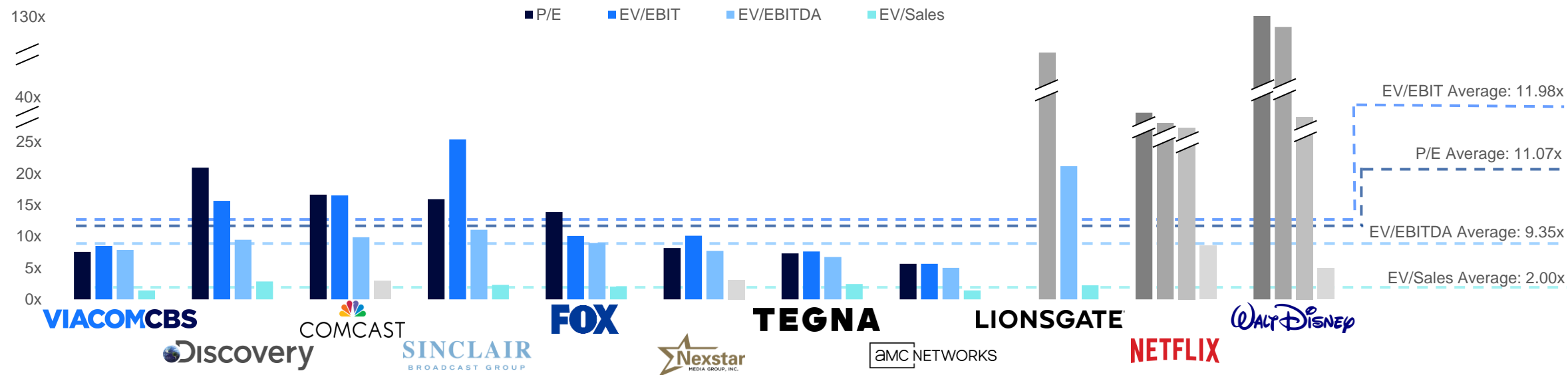


Cable-Cutting Rate:

Every year the number of households with cable decreases and the cable networks segment will stagnate in the coming years as a result

Comparable Company Analysis

ViacomCBS's multiple ratios are significantly lower than their peers'

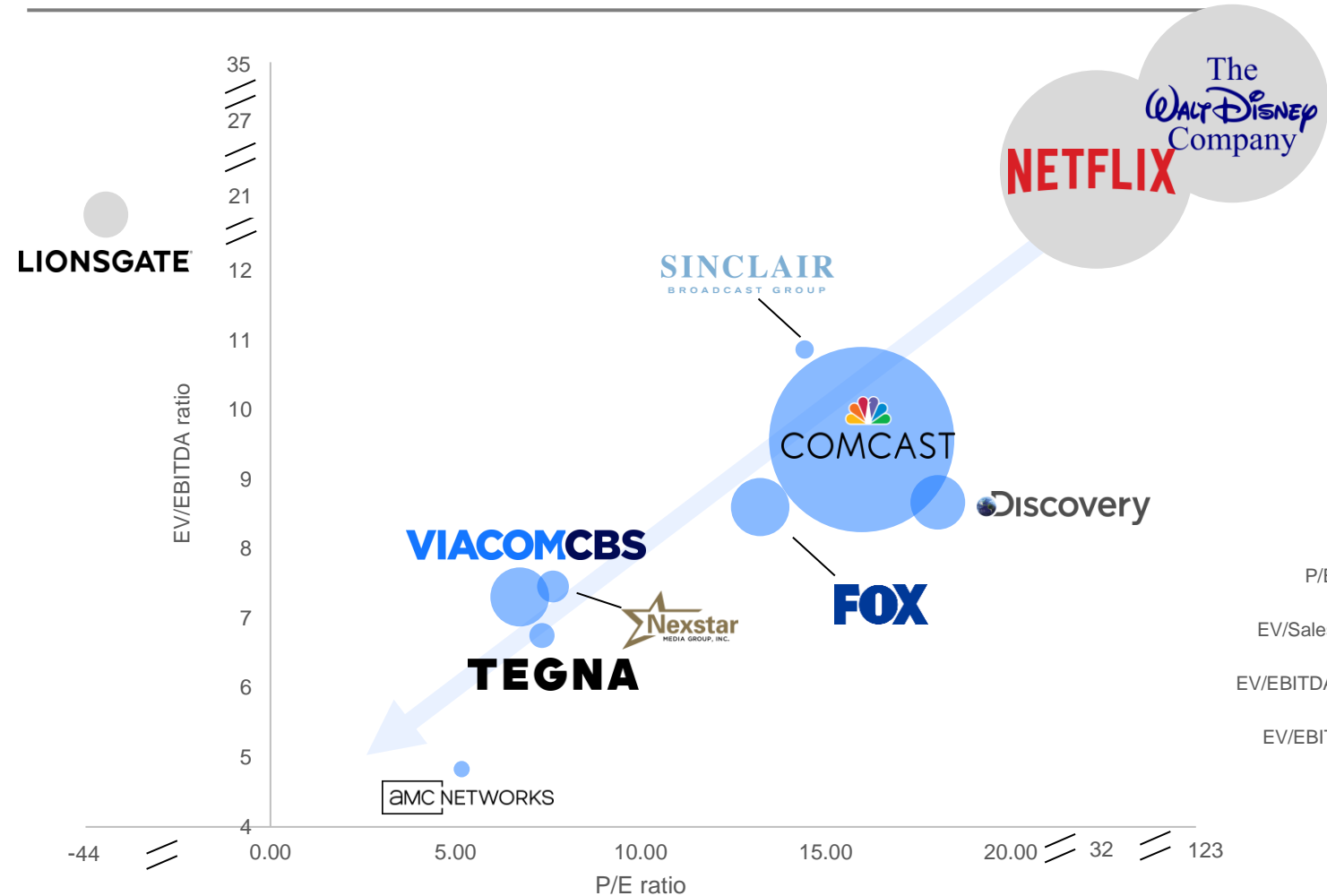


Company	Country	Industry	Enterprise Value (000)	P/E	EV/EBITDA	EV/EBIT	EV/Sales
ViacomCBS Inc.	USA	Cable TV, Streaming, Media Production	\$36,299,560	6.73	7.31	7.93	1.32
Discovery, Inc.	USA	Cable TV, Streaming, Media Production	\$30,797,340	18.03	8.67	14.31	2.59
Comcast Corporation	USA	Cable TV, Streaming, Media Production	\$319,561,260	15.97	9.57	16.05	2.81
Sinclair Broadcast Group, Inc.	USA	Cable TV, Media Production	\$14,002,300	14.43	10.87	25.03	2.27
Fox Corporation	USA	Cable TV, Streaming, Media Production	\$25,667,540	13.23	8.60	9.68	1.94
Nexstar Media Group, Inc.	USA	Cable TV, Media Production	\$14,188,700	7.63	7.46	9.80	2.97
TEGNA Inc.	USA	Cable TV, Media Production	\$7,710,500	7.33	6.75	7.62	2.44
AMC Networks Inc.	USA	Cable TV, Media Production	\$4,136,300	5.16	4.83	5.44	1.35
Lions Gate Entertainment Corp.	USA	Cable TV, Streaming, Media Production	\$7,372,350	-40.61	20.12	77.04	2.11
The Walt Disney Company	USA	Streaming, Media Production	\$304,541,460	122.98	35.40	87.21	4.52
Netflix, Inc.	USA	Streaming, Media Production	\$174,148,360	32.60	27.20	28.11	5.86

Comparable Company Analysis

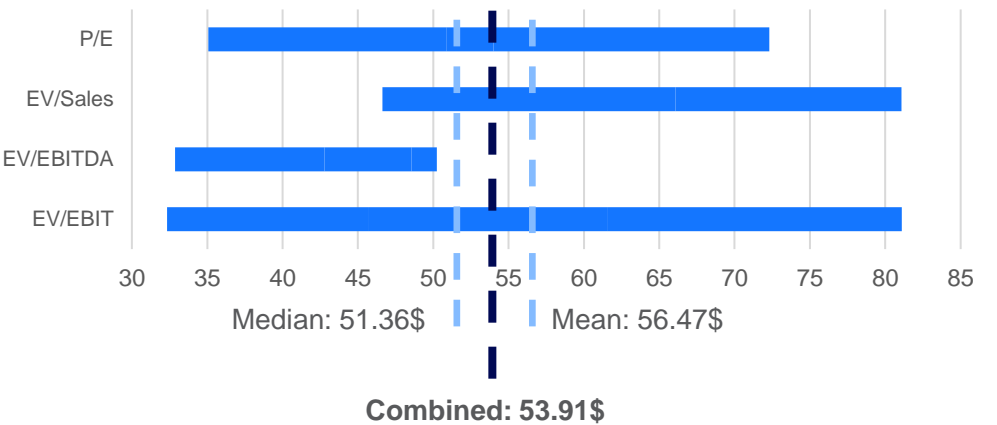
ViacomCBS: the big fish in the value sea

Overview of ViacomCBS' peers based on P/E and EV/EBITDA ratio



Implied Share price for ViacomCBS

EV calculated with	EV/EBIT	Equity Value	Price/share
Median	9.74x	\$29,571,010	\$45.68
Mean	11.98x	\$39,843,670	\$61.54
EV calculated with	EV/EBITDA	Equity Value	Price/share
Median	8.60x	\$27,693,030	\$42.78
Mean	9.35x	\$31,436,600	\$48.56
EV calculated with	EV/Sales	Equity Value	Price/share
Median	2.11x	\$42,785,620	\$66.09
Mean	2.00x	\$39,991,530	\$61.77
Price calculated with	P/E	LTM Diluted EPS	Price/share
Median	10.43x	\$4.88	\$50.90
Mean	11.07x	\$4.88	\$54.00



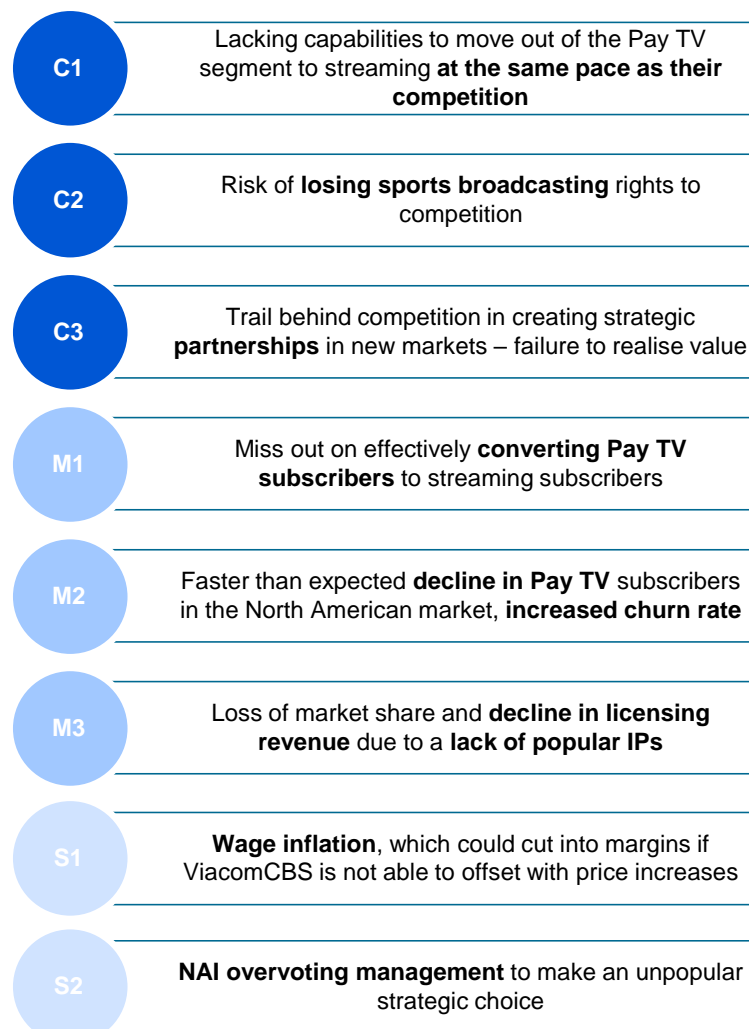
*size given by TEV
*Equity Value given in thousands



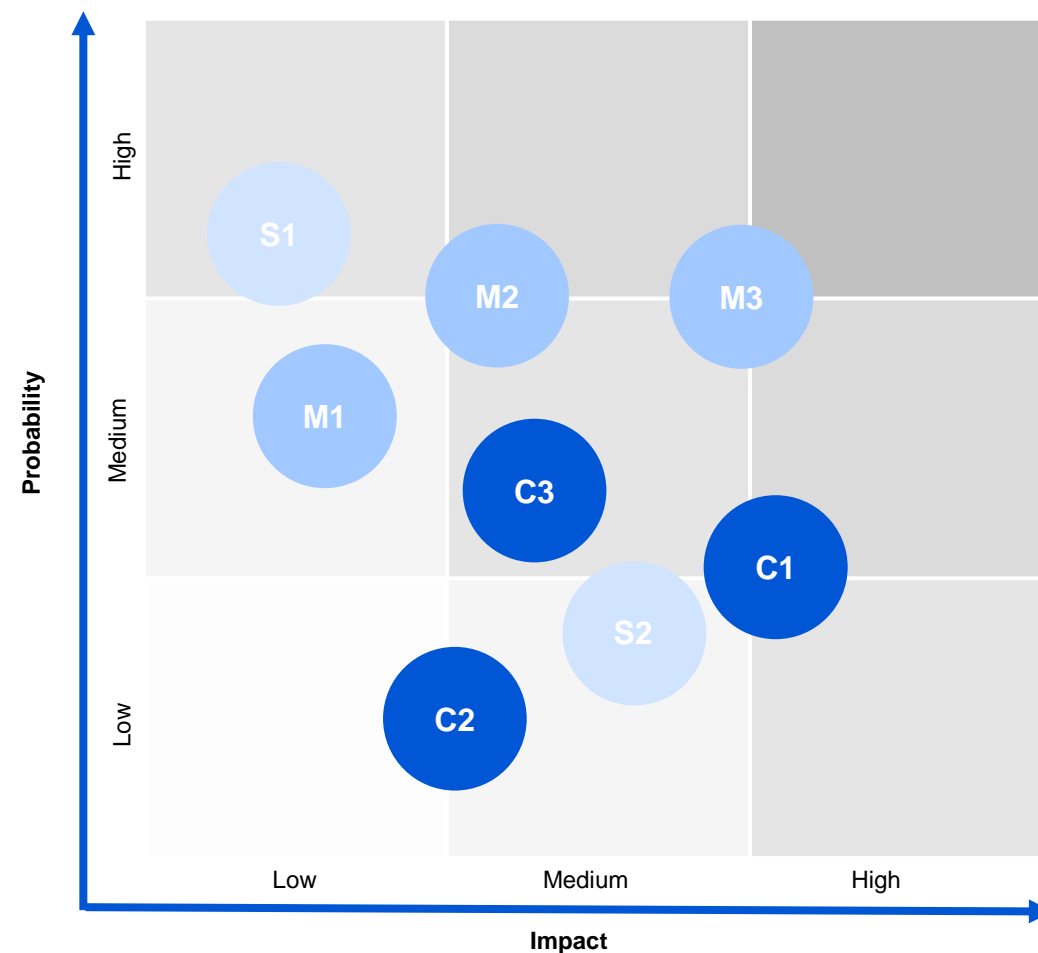
ViacomCBS
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Risks & Catalysts

Drama could come from the streaming rollout, licensing and decline of Pay TV subscribers



Competition (C) – Market (M) – Stakeholder (S)



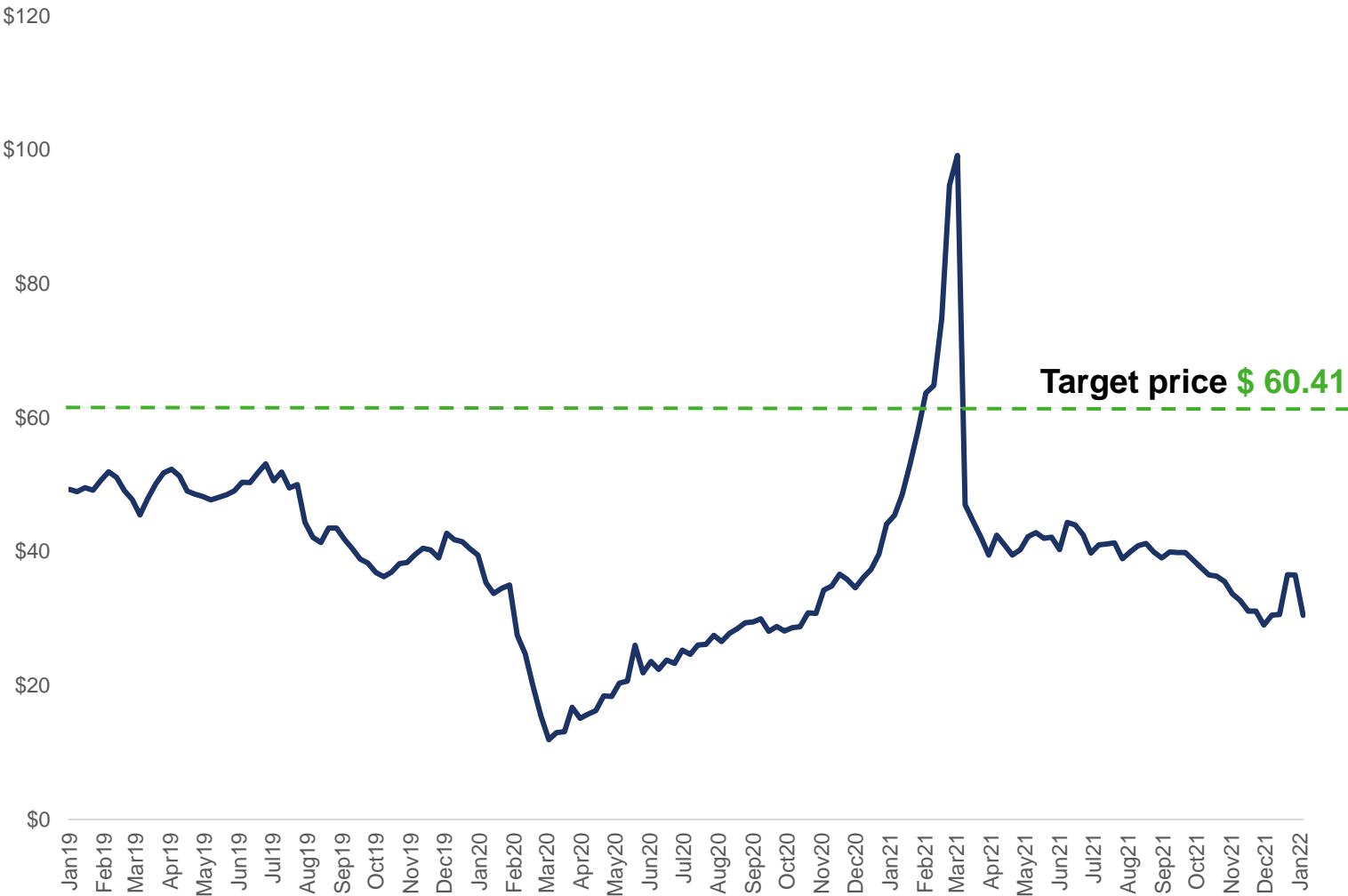
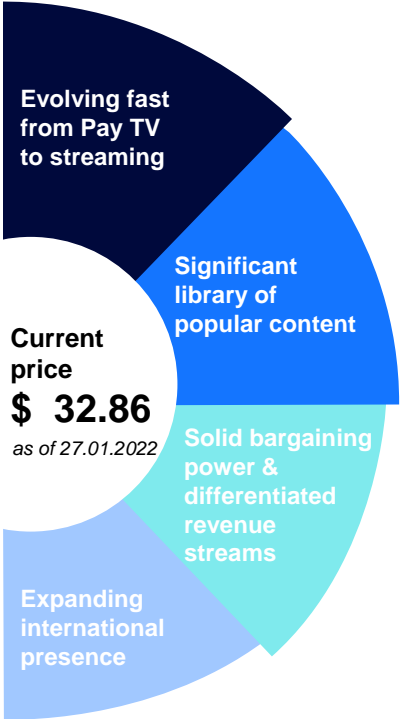
Catalysts

Paramount+ is the jewel, with Pluto TV and asset sales coming in as jokers

Catalyst	Estimated impact on share price	Probability
Paramount+ subscriber growth revised upwards	15-25% (Paramount+ subscriber growth fundamental)	High
Merger/acquisition (Amazon, Apple, AMC Networks)	10-20% (Premium paid to shareholders for acquisition)	Low
Pluto TV's MAU continued strong growth & improved ARPU	5-15% (Increased revenue from advertising on Pluto TV)	High
New strategic partnerships which significantly increase TAM	5-12% (Drive Paramount+ subscriber growth significantly)	Medium
Sale of Simon & Schuster goes through, other asset sales	5-10% (More cash available to reduce debt & for content)	Low
Record box office for blockbusters like Mission Impossible, Transformers & Star Trek	3-5% (Can provide moderate boost to Paramount+)	Medium

Conclusion

Broadcast beyond borders



Appendix

WUTIS Equity Research Division
Final Pitch - 28.01.2022
DCF Model
In Millions of USD, except per share items



t	1	2	3	4	5	TV
(in millions, USD)	2022	2023	2024	2025	2026	
Revenue	31,861	33,091	35,289	35,981	36,483	
COGS	19,276	20,020	21,350	21,768	22,072	
Gross Profit	12,585	13,071	13,939	14,212	14,411	
SG&A	7,009	7,115	7,587	7,736	7,661	
EBITDA	5,479	5,869	6,273	6,406	6,686	
Depreciation	438	444	447	450	453	
EBIT	5,040	5,425	5,826	5,956	6,233	
- Tax	(772)	(832)	(910)	(934)	(996)	
EBIAT	4,083	4,394	4,719	4,824	5,048	
+ D&A	438	444	447	450	453	
- CAPEX	372	380	387	395	403	
+/- Change in NWC	502	146	260	82	59	
Unlevered FCF	3,647	4,313	4,519	4,797	5,039	85,117
Discount rate	93%	86%	79%	73%	68%	68%
Present Value of FCF in t=0	3,376	3,695	3,583	3,521	3,423	57,826

Enterprise Value	75,424
Net debt	14,413
Minority interest	613
Equity Value	60,398
Total shares outstanding	647
Target price per share	93.29
Current price per share	32.86
Upside potential in %	184%

General Information	
Beta	1.44
Risk-free Rate	1.8%
D/(D+E)	46%
Debt	14,413
Equity	21,274
D/E	92%

Cost of equity	10.86%
WACC	8.04%

WACC 8.04%

Terminal Value	
FCF	5,039
g	2.00%
WACC	8.04%

Sensitivity Analysis						
	7.0%	7.5%	8.0%	8.5%	9.0%	
1.0%	97.36	87.92	79.83	72.81	66.66	
1.5%	106.22	95.29	86.03	78.09	71.21	
2.0%	116.84	103.99	93.26	84.18	76.39	
2.5%	129.80	114.41	101.80	91.28	82.37	
3.0%	145.96	127.12	112.03	99.66	89.34	

Appendix

Valuation II

WUTIS Equity Research Division
Final Pitch - 28.01.2022
Scenario Assumptions
In Millions of USD, except per share items

VIACOMCBS

			Historicals				Forecast							
			2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021F	2022F	2023F	2024F	2025F	2026F	
Scenario		3												
Metrics	Scenario	Line Item	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021F	2022F	2023F	2024F	2025F	2026F	
Base														
Revenue			25,285	7,412	6,564	6,610	7,159	27,745	30,441	31,081	32,853	33,433	33,856	
		TV Entertainment Revenues	10,700	3,511	2,809	2,924	3,985	14,704	16,388	17,211	18,700	19,390	19,982	
		Advertising	5,035	1,807	1,088	943	1,367	5,146	5,185	5,029	5,389	5,120	4,816	
		Affiliate	3,129	693	691	698	832	2,914	2,929	2,857	2,806	2,699	2,593	
		Streaming	-	322	350	390	810	2,769	4,206	5,053	6,019	6,861	7,628	
		Content licesing & other	2,536	689	680	893	976	3,875	4,069	4,272	4,486	4,710	4,945	
		Cable Networks Revenues	12,589	3,259	3,475	3,458	2,931	12,021	12,388	12,260	12,580	12,357	12,059	
		Advertising	4,743	878	1,011	917	1,299	4,164	4,518	4,382	4,695	4,461	4,196	
		Affiliate	6,037	1,382	1,416	1,404	904	5,106	4,839	4,583	4,368	4,201	4,037	
		Streaming	-	494	633	689	355	1,275	1,481	1,668	1,808	1,901	1,943	
		Content licensing	1,809	505	415	448	372	1,476	1,550	1,628	1,709	1,794	1,884	
		Filmed Entertainment Revenues	2,562	997	667	580	625	2,496	3,290	3,268	3,326	3,470	3,621	
		Theatrical	180	1	134	67	63	265	948	809	744	758	774	
		Content licensing & other	2,382	996	533	513	562	2,231	2,342	2,459	2,582	2,711	2,847	
		Corporate/Eliminations	-566	-355	-387	-352	-382	-1,476	-1,624	-1,658	-1,753	-1,784	-1,806	
Operating Metrics		Production & Programing as % of Revenue	40.4%	42.3%	40.8%	42.8%	42.0%	42.0%	43.0%	43.0%	44.0%	44.0%	44.0%	
		Participation & Residual as % of Revenue		7.9%	6.6%	6.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	
		Distribution & Other as % of Revenue		8.6%	11.4%	12.2%	10.8%	10.8%	11.5%	11.5%	11.5%	11.5%	11.5%	
		SG&A as % of Revenue	21.0%	19.2%	22.2%	23.1%	21.5%	21.5%	22.0%	22.0%	22.0%	22.0%	22.0%	

Valuation III

WUTIS Equity Research Division

Final Pitch - 28.01.2022

Scenario Assumptions

In Millions of USD, except per share items

VIACOMCBS

			Historicals				Forecast							
Scenario														
Metrics	Scenario	Line Item	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021F	2022F	2023F	2024F	2025F	2026F	
Bearish														
Revenue			25,851	7,767	6,951	6,962	7,131	27,717	29,093	28,466	29,485	29,608	29,682	
		TV Entertainment Revenues	10,700	3,511	2,809	2,924	3,970	14,690	15,591	15,614	16,506	16,818	17,111	
		Advertising	5,035	1,807	1,088	943	1,380	5,160	4,741	4,138	4,435	4,213	3,963	
		Affiliate	3,129	693	691	698	832	2,914	2,929	2,857	2,779	2,672	2,542	
		Streaming	-	322	350	390	810	2,769	3,902	4,418	4,904	5,346	5,813	
		Content licesing & other	2,536	689	680	893	948	3,846	4,019	4,200	4,389	4,587	4,793	
		Cable Networks Revenues	12,589	3,259	3,475	3,458	2,933	12,022	11,888	11,231	11,369	11,073	10,740	
		Advertising	4,743	878	1,011	917	1,312	4,175	4,131	3,606	3,864	3,671	3,453	
		Affiliate	6,037	1,382	1,416	1,404	904	5,106	4,839	4,559	4,324	4,117	3,916	
		Streaming	-	494	633	689	355	1,275	1,387	1,466	1,508	1,539	1,545	
		Content licensing	1,809	505	415	448	361	1,465	1,531	1,600	1,672	1,747	1,826	
		Filmed Entertainment Revenues	2,562	997	667	580	609	2,480	3,167	3,140	3,183	3,297	3,416	
		Theatrical	180	1	134	67	63	265	853	722	656	656	656	
		Content licensing & other	2,382	996	533	513	545	2,214	2,314	2,418	2,527	2,641	2,759	
		Corporate/Eliminations	-566	-355	-387	-352	-380	-1,474	-1,552	-1,519	-1,573	-1,580	-1,584	
	Operating Metrics		Production & Programing as % of Revenue	40.4%	42.3%	40.8%	42.8%	42.0%	42.0%	43.0%	43.0%	44.0%	45.0%	45.0%
			Participation & Residual as % of Revenue		7.9%	6.6%	6.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
			Distribution & Other as % of Revenue		8.6%	11.4%	12.2%	10.8%	10.8%	11.5%	11.5%	11.5%	11.5%	11.5%
			SG&A as % of Revenue	21.0%	19.2%	22.2%	23.1%	21.5%	21.5%	22.0%	22.0%	23.0%	23.0%	23.0%

Valuation IV

WUTIS Equity Research Division
Final Pitch - 28.01.2022
Scenario Assumptions
In Millions of USD, except per share items

VIACOMCBS

			Historicals				Forecast							
			2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021F	2022F	2023F	2024F	2025F	2026F	
Scenario		3												
Metrics	Scenario	Line Item	2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021F	2022F	2023F	2024F	2025F	2026F	
Bullish														
Revenue			25,851	7,767	6,951	6,962	7,330	27,916	31,861	33,091	35,289	35,981	36,483	
		TV Entertainment Revenues	10,700	3,511	2,809	2,924	4,102	14,822	17,403	18,780	20,536	21,293	21,923	
		Advertising	5,035	1,807	1,088	943	1,380	5,160	5,391	5,228	5,603	5,322	5,006	
		Affiliate	3,129	693	691	698	964	3,046	3,207	3,222	3,164	3,135	3,043	
		Streaming	-	322	350	390	810	2,769	4,734	6,021	7,208	8,007	8,763	
		Content licesing & other	2,536	689	680	893	948	3,846	4,071	4,310	4,562	4,829	5,111	
		Cable Networks Revenues	12,589	3,259	3,475	3,458	3,010	12,099	12,772	12,714	13,109	12,910	12,627	
		Advertising	4,743	878	1,011	917	1,312	4,175	4,697	4,555	4,881	4,637	4,362	
		Affiliate	6,037	1,382	1,416	1,404	982	5,184	4,987	4,746	4,547	4,373	4,202	
		Streaming	-	494	633	689	355	1,275	1,537	1,770	1,943	2,060	2,116	
		Content licensing	1,809	505	415	448	361	1,465	1,551	1,642	1,738	1,840	1,947	
		Filmed Entertainment Revenues	2,562	997	667	580	609	2,480	3,386	3,363	3,526	3,697	3,878	
		Theatrical	180	1	134	67	63	265	1,043	882	900	918	936	
		Content licensing & other	2,382	996	533	513	545	2,214	2,344	2,481	2,626	2,780	2,942	
		Corporate/Eliminations	-566	-355	-387	-352	-391	-1,485	-1,700	-1,765	-1,883	-1,920	-1,946	
	Operating Metrics		Production & Programing as % of Revenue	40.4%	42.3%	40.8%	42.8%	42.0%	42.0%	42.0%	42.0%	42.0%	42.0%	42.0%
			Participation & Residual as % of Revenue		7.9%	6.6%	6.4%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
		Distribution & Other as % of Revenue		8.6%	11.4%	12.2%	10.8%	10.8%	11.5%	11.5%	11.5%	11.5%	11.5%	
		SG&A as % of Revenue	21.0%	19.2%	22.2%	23.1%	21.5%	21.5%	22.0%	21.5%	21.5%	21.5%	21.0%	

W U T I S

VIACOMCBS

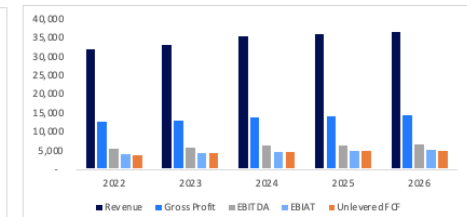
WU Academic Trading and Investment Society

Comparable Company Valuation

Revenue/EV	2.11
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ViacomCBS Inc. is a global media and entertainment company that creates content for audiences worldwide. The Company's business segments include TV Entertainment, Cable Networks, and Film/Entertainment. The TV Entertainment segment operates the CBS Television Network, its domestic broadcast network; CBS Studios and CBS Media Ventures, its television production and distribution unit; and CBS Sports, which operates CBS Sports Access/Paramount+; CBS Sports Network, and its cable network focused on college athletics and other sports. The Cable Networks segment operates a portfolio of streaming services, including Pluto TV, a free advertising-supported streaming television (FAST) service and Showtime Networks' subscription streaming service (SHOWTIME TV). The Film/Entertainment segment operates Paramount Pictures, Paramount Pictures, Paramount Animation and Paramount Television Studios, and also includes Miramax, a consolidated joint venture.

Ratio	Value
P/E	72
EV/Sales	80
EV/EBTDA	35
EV/EBT	80



Appendix

Valuation VI

Company Name	Day Close Price Latest	Shares Outstanding Latest	Market Capitalization Latest	LTM Net Debt	LTM Total Pref. Equity	LTM Minority Interest	Total Enterprise Value Latest	LTM Total Revenue	LTM EBITDA	LTM EBIT	LTM Diluted EPS Excl. Extra Items	NTM Revenue (Capital IQ)	NTM EBITDA (Capital IQ)	NTM EPS (Capital IQ)
ViacomCBS Inc. (NasdaqGS:VIA)	32.86	647.45	21,273.56	14,413.00	-	613.00	36,299.56	27,460.00	4,968.00	4,580.00	4.88	25,619.75	4,378.43	3.44
Lions Gate Entertainment Corp. (NYSE:)	16.65	225.00	3,746.25	3,380.50	-	245.60	7,372.35	3,501.80	366.40	95.70	0.41	4,109.26	428.19	1.09
Netflix, Inc. (NasdaqGS:NFLX)	366.42	443.00	162,324.06	11,824.30	-	-	174,148.36	29,697.80	6,402.90	6,194.50	11.24	33,410.45	7,364.09	11.18
Comcast Corporation (NasdaqGS:CM)	49.67	4,568.90	226,937.26	90,580.00	-	2,044.00	319,561.26	113,757.00	33,388.00	19,914.00	3.11	120,121.39	36,957.71	3.51
The Walt Disney Company (NYSE:D)	136.51	1,820.50	248,516.46	42,354.00	-	13,671.00	304,541.46	67,418.00	8,603.00	3,492.00	1.11	83,511.65	14,611.61	4.07
Discovery, Inc. (NasdaqGS:DISCA)	26.86	660.40	17,738.34	11,272.00	-	1,787.00	30,797.34	11,890.00	3,553.00	2,152.00	1.49	12,357.28	3,983.55	3.11
Fox Corporation (NasdaqGS:FOXA)	39.16	569.60	22,305.54	3,060.00	-	302.00	25,667.54	13,237.00	2,985.00	2,652.00	2.96	13,890.38	2,968.64	2.99
TEGNA Inc. (NYSE:TGNA)	19.51	221.30	4,317.20	3,377.50	-	15.83	7,710.50	3,154.00	1,142.10	1,011.90	2.66	3,227.44	1,055.71	2.51
Nexstar Media Group, Inc. (NasdaqGS:)	159.42	40.90	6,518.90	7,655.10	-	14.68	14,188.70	4,779.10	1,902.60	1,448.40	20.89	4,943.87	2,011.37	20.73
Sinclair Broadcast Group, Inc. (NasdaqGS:)	27.42	75.50	2,071.30	11,684.00	-	247.00	14,002.30	6,170.00	1,288.50	559.50	1.90	6,374.49	1,146.65	0.06
AMC Networks Inc. (NasdaqGS:AMC)	38.73	42.30	1,636.40	2,156.90	-	343.02	4,136.30	3,054.20	856.40	780.70	7.50	3,057.42	670.20	7.89
Min	16.65	40.90	1,636.40	2,156.90	-	-	4,136.30	3,054.20	856.40	95.70	0.41	3,057.42	428.19	0.06
25%-Percentile	27.34	148.40	4,031.73	3,379.00	-	130.72	10,856.40	4,140.45	1,215.30	886.30	1.70	4,526.57	1,101.18	2.75
Median	38.73	443.00	17,738.34	11,272.00	-	302.00	25,667.54	11,890.00	2,985.00	2,152.00	2.96	12,357.28	2,968.64	3.44
Mean	83.02	846.80	65,216.84	18,341.57	-	1,753.01	85,311.42	25,828.99	5,950.54	3,896.43	5.21	28,510.31	6,870.56	5.49
75%-Percentile	93.09	653.90	92,314.80	13,118.65	-	1,200.00	105,223.96	28,578.90	5,685.45	4,036.00	6.19	31,015.10	5,871.26	5.88
Max	366.42	4,568.90	248,516.46	90,580.00	-	13,671.00	319,561.26	113,757.00	33,388.00	19,914.00	20.89	120,121.39	36,957.71	20.73

Company	Day Close Price Latest	P/E	EV/Sales	EV/EBITDA	EV/EBIT
ViacomCBS Inc. (NasdaqGS:VIA)	32.86	8.73	1.32	7.31	7.73
Lions Gate Entertainment Corp. (NYSE:)	16.65	40.61	2.11	20.12	77.09
Netflix, Inc. (NasdaqGS:NFLX)	366.42	32.60	5.86	27.20	28.13
Comcast Corporation (NasdaqGS:CM)	49.67	15.97	2.81	9.57	16.09
The Walt Disney Company (NYSE:D)	136.51	122.98	4.52	35.40	87.23
Discovery, Inc. (NasdaqGS:DISCA)	26.86	18.03	2.59	8.67	14.31
Fox Corporation (NasdaqGS:FOXA)	39.16	13.23	1.94	8.60	9.68
TEGNA Inc. (NYSE:TGNA)	19.51	7.33	2.44	6.75	7.62
Nexstar Media Group, Inc. (NasdaqGS:)	159.42	7.63	2.97	7.46	9.85
Sinclair Broadcast Group, Inc. (NasdaqGS:)	27.42	14.43	2.27	10.87	25.03
AMC Networks Inc. (NasdaqGS:AMC)	38.73	5.16	1.35	4.83	5.43
Min		5.16	1.32	4.83	5.43
25%-Percentile		7.18	1.65	7.31	7.83
Median		10.43	2.11	8.60	9.74
Mean		11.07	2.00	9.35	11.58
75%-Percentile		14.82	2.36	9.57	14.75
Max		18.03	2.59	10.12	25.03

EV calculated with	EV/EBT	Equity Value	# of Shares	Price per Share
25%-Percentile	7.85	20923.37	647.40	32.32
Median	9.74	29571.01	647.40	45.68
Mean	11.98	39843.67	647.40	61.54
75%-Percentile	14.75	52506.29	647.40	81.10

EV calculated with	EV/EBTDA	Equity Value	# of Shares	Price per Share
25%-Percentile	7.31	21273.56	647.40	32.86
Median	8.60	27693.03	647.40	42.78
Mean	9.35	31436.60	647.40	48.56
75%-Percentile	10.47	32523.43	647.40	50.24

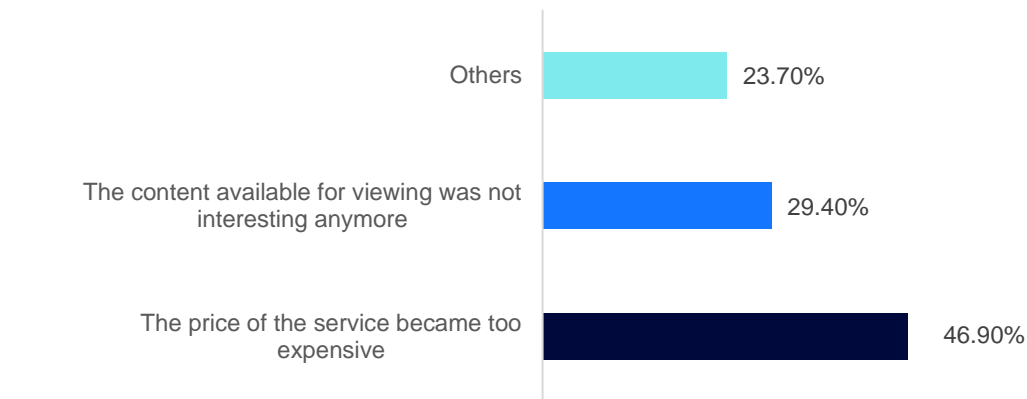
EV calculated with	EV/Sales	Equity Value	# of Shares	Price per Share
25%-Percentile	1.65	30192.03	647.40	46.64
Median	2.11	42785.62	647.40	66.09
Mean	2.00	39991.53	647.40	61.77
75%-Percentile	2.36	49938.46	647.40	76.77

Share Price calculated	P/E	LTM Diluted EPS	Price per Share
25%-Percentile	7.18	4.88	35.06
Median	10.43	4.88	50.90
Mean	11.07	4.88	54.00
75%-Percentile	14.82	4.88	72.30

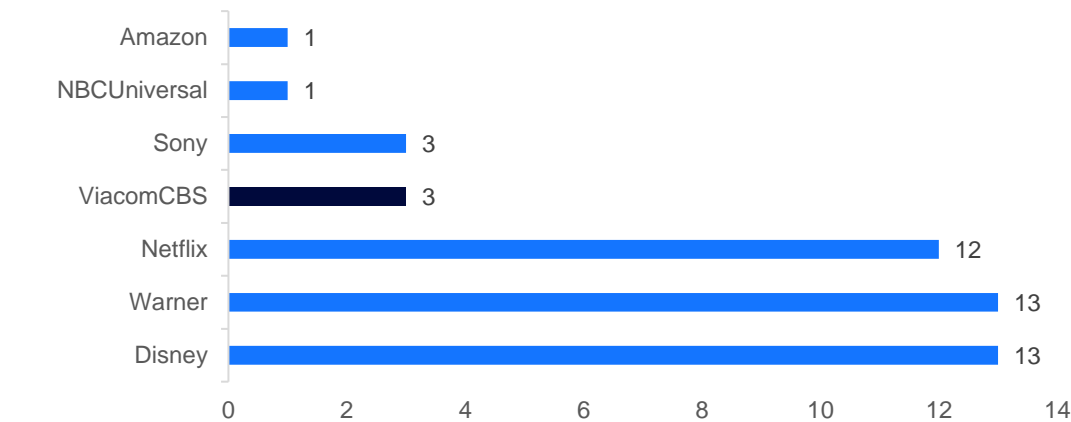
Stock Price (Median)	51.36
Stock Price (Mean)	56.47
Stock Price (Combined)	53.91

Appendix

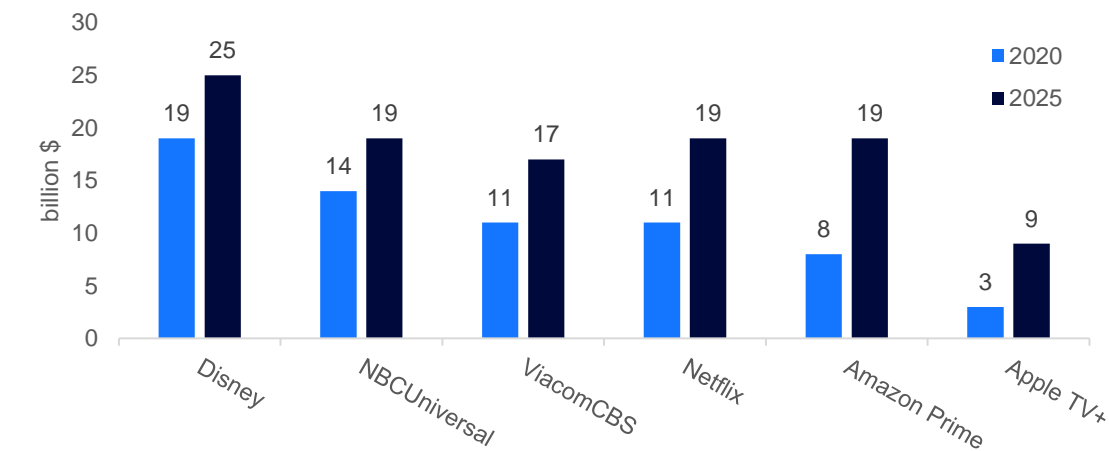
Most common reasons for cancelling online streaming services



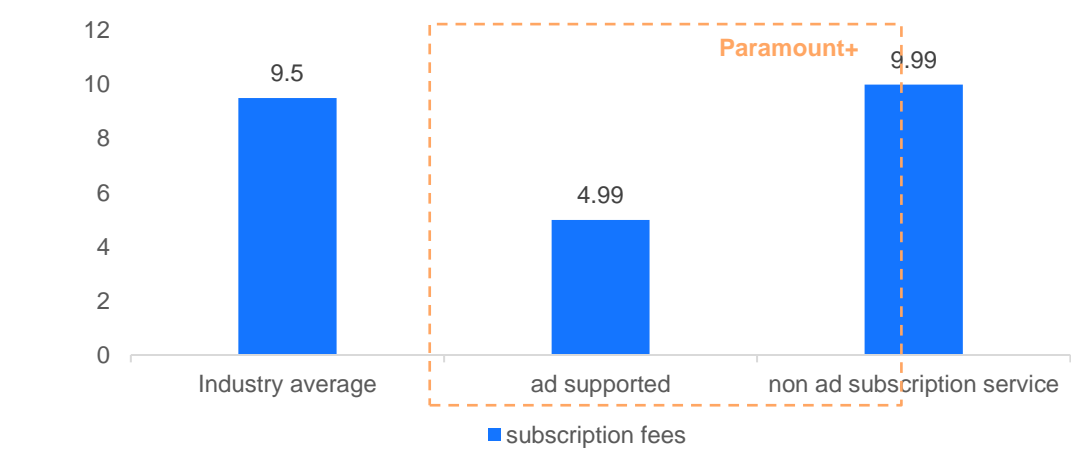
Number of movies and series expected to reach longterm popularity status by 2025, by studio







Content spend of media streaming companies worldwide



Comparing Paramount + subscription fees to industry average



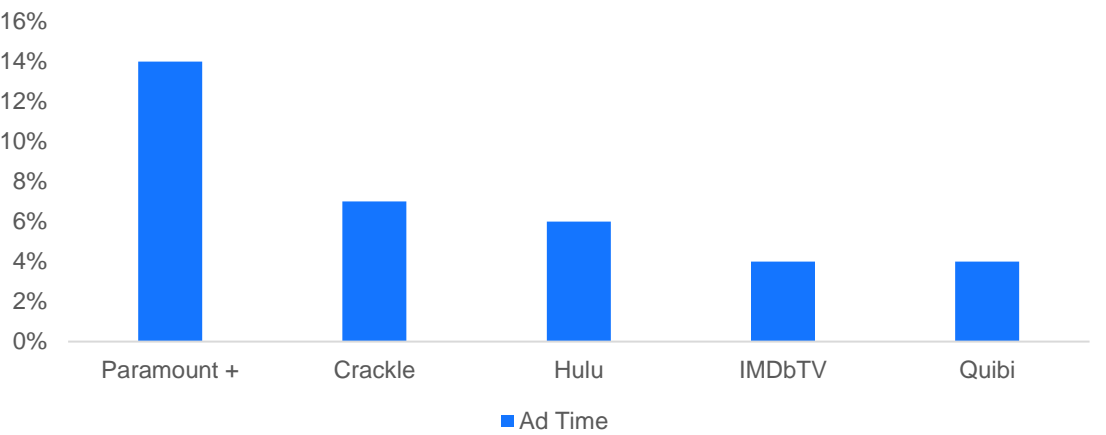
Threats for traditional TV

-  Consumers expect **personalized experiences**
-  Trend to **limited advertising**
-  Video on demand is becoming more and more popular as **the time factor is more valued** nowadays
-  Traditional Tv seems **too expensive** next to a few streaming services that offer a far bigger range of content

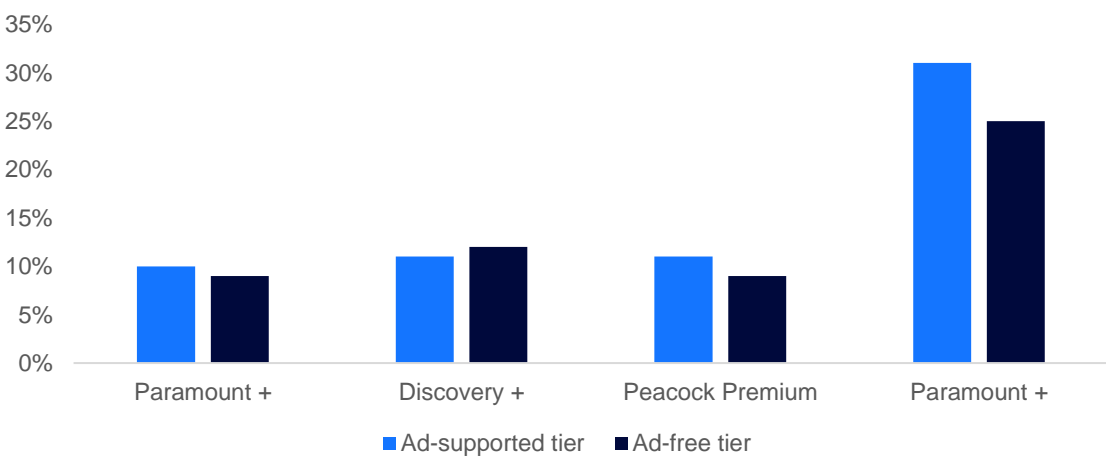
Comparing platforms by movie ratings

-  Paramount+: A Quiet Place(7,5), Transformers: The last Knight(5,2), Infinite(5,5)
-  Netflix: Squid Game(8,0), Bridgerton(7,3), Red Notice(6,3)
-  Disney Bundle: The Book of Boba Fett(7,8), The Mandalorian(8,8), Hawkeye(7,7)
-  Prime video: The Man In The High Castle(8,0), Django Unchained(8,4), The Grand Tour(8,7)
-  HBO Max: Birds of Prey: The Emancipation of Harley Quinn(6,1), Matrix Resurrections (5,7), Gomo of Thrones(9,2)

Average Ad Time as of % of Content Time by Platform

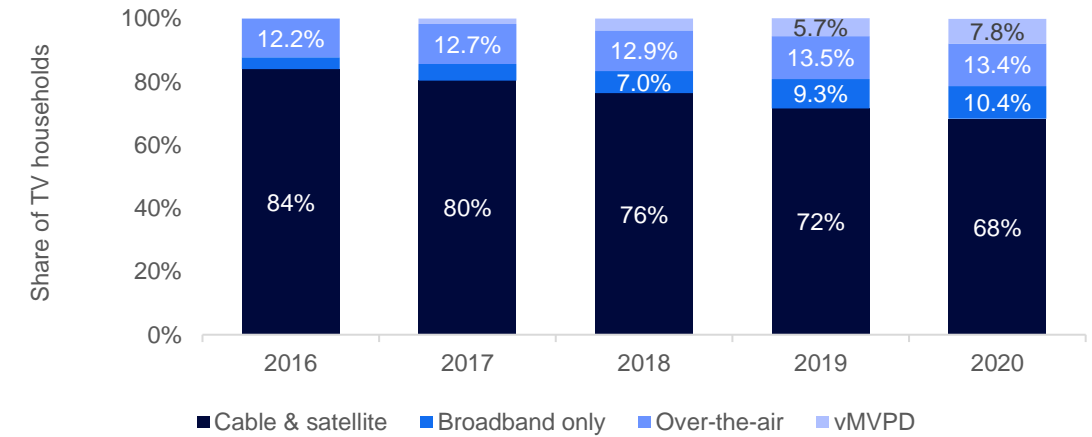
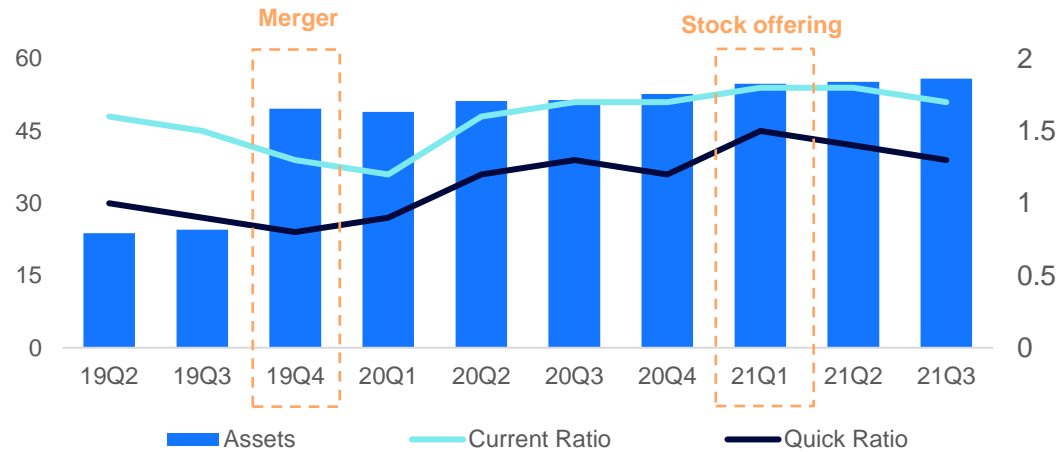


Share of U.S. adults that use Ad-Free, Ad-Supported Streaming Options

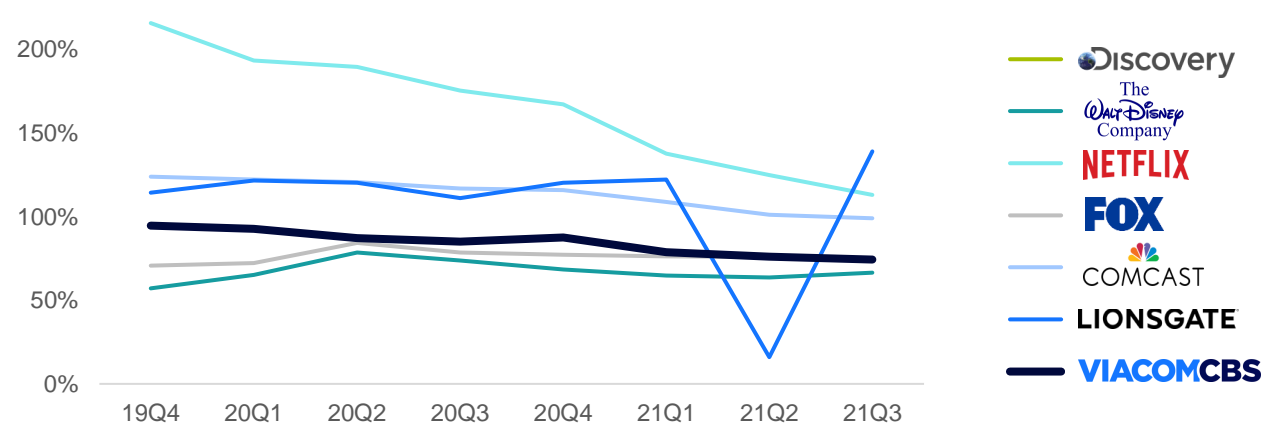


Appendix

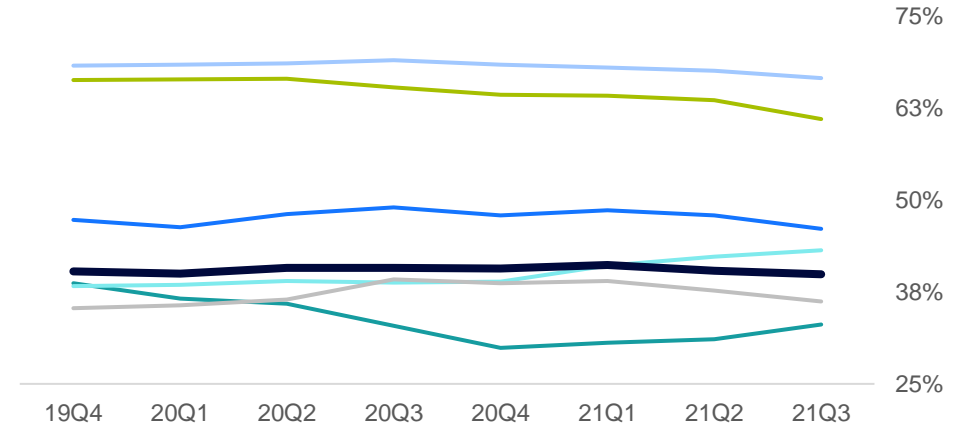
Assets are growing, while the current and quick ratios are healthy



Viacom's Debt / Equity (adj) Ratio is best in class



ViacomCBS's gross profit margin is relatively low, but stable



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