
ViacomCBS Inc. (VIAC)

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Table of Contents

<i>Description of Business</i>	<i>3</i>
<i>Current Stock</i>	<i>3</i>
<i>Products</i>	<i>3</i>
<i>Subsidiaries</i>	<i>3</i>
<i>Competitors</i>	<i>3</i>
<i>Officers & Directors</i>	<i>4</i>
<i>Balance Sheet.....</i>	<i>7</i>
<i>Cash Flow</i>	<i>9</i>
<i>Latest News</i>	<i>11</i>
<i>Press Release.....</i>	<i>11</i>
<i>Analysis.....</i>	<i>11</i>

Description of Business

ViacomCBS Inc. is a media and entertainment company. The company operates in segments of TV Entertainment, Cable Networks, Filmed Entertainment, and International Networks. The company has plethora of content for all group ages.

Current Stock

39.24

+0.04 (0.10%) After Hours

Products

Product list includes {CBS, SHOWTIME, Paramount Pictures, Nickelodeon, MTV, Comedy Central, BET, Awesomeness, Network 10, Channel 5, COLORS, Telefe, Smithsonian Channel, Paramount+ and Pluto TV}

Subsidiaries

Main subsidiaries include {Viacom, CBS Corporation Ananey, BET, MTV, NETWORK TEN, Paramount Picture, Pluto Inc., Showtime, and Awesomeness (615 in total).}

Competitors

The Walt Disney Company

Tfcf Corporation

Iheartcommunications Inc.

Officers & Directors

<i>Names</i>	<i>Position</i>
Robert M. Bakish	President, CEO, Director
Naveen Chopra)	EVP, CFO
Christa A. D’Alimonte	EVP, General Counsel and Security
Katherine Gill-Charest	EVP, CAO
Richard M. Jones	EVP, General Tax Counsel and Chief Veteran Officer
Doretha (DeDe) Lea	EVP, Global Public Policy and Government Relations
Julia Phelps	EVP, Chief Communications and CMO
Nancy Philips	EVP, Chief People Officer
Candace K. Beinecke	Director
Barbara M. Byrne	Director
Brian Goldner	Director
Linda M. Griego	Director
McHale A. Judith	Director
Robert N. Klieger	Director
Ronald L. Nelson	Director
Charles E. Phillips, Jr	Director
Shari E. Redstone	Director
Susan Schuman	Director
Nicole Seligman	Director
Frederick O. Terrell	Director

Latest Income Statement
(In millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Revenues	\$ 6,564	\$ 6,075	\$13,976	\$12,574
Costs and expenses:				
Operating	3,865	3,361	8,228	7,317
Selling, general and administrative	1,459	1,183	2,881	2,481
Depreciation and amortization	95	122	194	234
Restructuring and other corporate matters	35	158	35	389
Total costs and expenses	5,454	4,824	11,338	10,421
Net gain on sales	116	—	116	—
Operating income	1,226	1,251	2,754	2,153
Interest expense	(243)	(263)	(502)	(504)
Interest income	13	11	26	25
Net gains from investments	32	32	52	32
Loss on extinguishment of debt	—	(103)	(128)	(103)
Other items, net	(10)	(26)	(29)	(54)
Earnings from continuing operations before income taxes and equity in loss of investee companies	1,018	902	2,173	1,549
(Provision) benefit for income taxes	34	(192)	(192)	(326)
Equity in loss of investee companies, net of tax	(44)	(12)	(62)	(21)
Net earnings from continuing operations	1,008	698	1,919	1,202
Net earnings from discontinued operations, net of tax	41	28	53	43
Net earnings (ViacomCBS and noncontrolling interests)	1,049	726	1,972	1,245
Net earnings attributable to noncontrolling interests	(13)	(245)	(25)	(248)
Net earnings attributable to ViacomCBS	\$ 1,036	\$ 481	\$ 1,947	\$ 997
Amounts attributable to ViacomCBS:				
Net earnings from continuing operations	\$ 995	\$ 453	\$ 1,894	\$ 954
Net earnings from discontinued operations, net of tax	41	28	53	43
Net earnings attributable to ViacomCBS	\$ 1,036	\$ 481	\$ 1,947	\$ 997

Basic net earnings per common share attributable to ViacomCBS:

Net earnings from continuing operations	\$	1.52	\$	.74	\$	2.96	\$	1.55
Net earnings from discontinued operations	\$	.06	\$	.05	\$	.08	\$	.07
Net earnings	\$	1.58	\$	.78	\$	3.05	\$	1.62

Diluted net earnings per common share attributable to ViacomCBS:

Net earnings from continuing operations	\$	1.50	\$	.73	\$	2.93	\$	1.55
Net earnings from discontinued operations	\$	.06	\$	.05	\$	.08	\$	.07
Net earnings	\$	1.56	\$	.78	\$	3.01	\$	1.62

Weighted average number of common shares outstanding:

Basic	646	615	634	615
Diluted	662	617	647	617

Balance Sheet
(In millions, except per share amounts)

	At June 30, 2021	At December 31, 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,375	\$ 2,984
Receivables, net	6,824	7,017
Programming and other inventory	1,419	1,757
Prepaid expenses and other current assets	1,089	1,391
Current assets of discontinued operations	547	630
Total current assets	15,254	13,779
Property and equipment, net	1,979	1,994
Programming and other inventory	11,421	10,363
Goodwill	16,601	16,612
Intangible assets, net	2,805	2,826
Operating lease assets	1,440	1,602
Deferred income tax assets, net	1,235	993
Other assets	3,658	3,657
Assets held for sale	—	28
Assets of discontinued operations	811	809
Total Assets	\$ 55,204	\$ 52,663

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable	\$ 602	\$ 571
Accrued expenses	1,828	1,714
Participants' share and royalties payable	2,176	2,005
Accrued programming and production costs	1,168	1,141
Deferred revenues	1,104	978
Debt	17	16
Other current liabilities	1,230	1,391

Current liabilities of discontinued operations	461	480
Total current liabilities	8,586	8,296
Long-term debt	17,703	19,717
Participants' share and royalties payable	1,326	1,317
Pension and postretirement benefit obligations	2,025	2,098
Deferred income tax liabilities, net	888	778
Operating lease liabilities	1,472	1,583
Program rights obligations	188	243
Other liabilities	1,960	2,158
Liabilities of discontinued operations	210	220
Redeemable noncontrolling interest	190	197
Class B Common Stock, par value \$.001 per share; 5,000 shares authorized. 1,108 (2021) and 1,068 (2020) shares issued	1	1
Additional paid-in capital	32,901	29,785
Treasury stock, at cost; 503 (2021 and 2020) Class B shares	(22,958)	(22,958)
Retained earnings	12,007	10,375
Accumulated other comprehensive loss	(1,853)	(1,832)
Total ViacomCBS stockholders' equity	20,098	15,371
Noncontrolling interests	558	685
Total Equity	20,656	16,056
Total Liabilities and Equity	\$ 55,204	\$ 52,663

Cash Flow
(In millions, except per share amounts)

	Six Months Ended	
	June 30,	
	2021	2020
Operating Activities:		
Net earnings (ViacomCBS and noncontrolling interests)	\$ 1,972	\$ 1,245
Less: Net earnings from discontinued operations, net of tax	53	43
Net earnings from continuing operations	1,919	1,202
Adjustments to reconcile net earnings from continuing operations to net cash flow provided by operating activities:		
Depreciation and amortization	194	234
Deferred tax (benefit) provision	(110)	227
Stock-based compensation	101	143
Net gain on sales	(116)	—
Gains from investments	(52)	(32)
Loss on extinguishment of debt	128	103
Equity in loss of investee companies, net of tax and distributions	62	22
Change in assets and liabilities	(424)	(741)
Net cash flow provided by operating activities from continuing operations	1,702	1,158
Net cash flow provided by (used for) operating activities from discontinued operations	89	(7)
Net cash flow provided by operating activities	1,791	1,151
Investing Activities:		
Investments	(114)	(60)
Capital expenditures	(138)	(131)
Acquisitions, net of cash acquired	—	(141)
Proceeds from dispositions	408	146
Other investing activities	(25)	—
Net cash flow provided by (used for) investing activities from continuing operations	131	(186)
Net cash flow used for investing activities from discontinued operations	(2)	(1)
Net cash flow provided by (used for) investing activities	129	(187)
Financing Activities:		
Repayments of short-term debt borrowings, net	—	(698)

Proceeds from issuance of long-term debt	—	4,370
Repayment of long-term debt	(2,200)	(2,535)
Dividends paid on common stock	(302)	(301)
Proceeds from issuance of preferred stock	983	—
Proceeds from issuance of common stock	1,672	—
Purchase of Company common stock	—	(58)
Payment of payroll taxes in lieu of issuing shares for stock-based compensation	(49)	(59)
Proceeds from exercise of stock options	408	—
Other financing activities	(161)	(70)
Net cash flow provided by financing activities	351	649
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(8)	(17)
Net increase in cash, cash equivalents and restricted cash	2,263	1,596
ash, cash equivalents and restricted cash at beginning of period (Includes \$135 (2021) and \$202 (2020) of restricted cash)	3,119	834
ash, cash equivalents and restricted cash at end of period (Includes \$7 (2021) and \$142 (2020) of restricted cash)	\$ 5,382	\$ 2,430

Latest News

Media SPAC led by former CBS chief begins trading on NASDAQs (Reuters):

Former ViacomCBS executives will oversee raising funds for a SPAC media company

ViacomCBS breaks up Paramount's film and TV units (Reuters):

ViacomCBS is restructuring the operation of its movie and TV division of Paramount Pictures with Paramount TV running as an independent entity from the films branch.

Press Release

Paramount+ and SHOWTIME Bundle Launches Today (ViacomCBS):

The streaming services Paramount+ will be bundled with the premium service SHOWTIME to better compete with competitors streaming platforms.

ViacomCBS CEO Bob Bakish to Participate in the Virtual Goldman Sachs Communacopia Conference (ViacomCBS):

The President and CEO of ViacomCBS will be conducting an interview in the Virtual Goldman Sachs Communacopia Conference. The live audio will be available in the investor sections of the ViacomCBS's website.

Analysis

ViacomCBS is in a good position of growth with Paramount+ and SHOWTIME bundle launch. Latest financial show that revenue has grown by 11.1% for the last 6 months while total costs and expenses grew by 8.8%. Net earnings for ViacomCBS in those 6 months have risen to 95.3%. Although net margins are on the low side, the company is steadily growing revenue and positioning themselves to a service-based structure similar to Netflix while maintaining diverse business offerings. The company has a vast catalog of content which are licensed to other streaming services but will soon be exclusive to the streaming service Paramount+. This means the company will have a competitive edge against other streaming giants with enticing exclusives. Furthermore, ViacomCBS operates an ad based streaming service Pluto TV which has seen tremendous growth in users. This allows the company to offer premium and free tier services to acquire immense exposure. In addition, ViacomCBS content targets various age demographics with sports, live TV, animation, news, and films. Management of the company has gone in the right direction as the company shifts towards streaming services and leveraging their enormous library of content. The management decision to bundle Paramount+ with SHOWTIME and ending licensing for original exclusives will increase customer growth and maintain customer retention. Lastly, ViacomCBS has a market-cap of \$25 billion while Netflix has \$262 billion, so there is great potential for this company as it starts being associated as a streaming platform. I highly recommend moving forward with investing in this company for the long term.

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