



Rating  
**Hold**

North America  
United States

TMT  
Entertainment

Company  
**Viacom**

Reuters  
VIAB.OQ

Bloomberg  
VIAB US

Exchange  
NMS

Ticker  
VIAB

Date  
19 November 2018

## Company Update

Price at 16 Nov 2018 (USD)	32.99
Price target	32.00
52-week range	34.28 - 26.15

# Post F4Q18 Thoughts & Model Update

## Maintaining Hold, Lowering Price Target to \$32

There were bright spots in F4Q's results - a return to domestic affiliate revenue growth, strong growth in international affiliate revenue, the first positive Adj. OI growth quarter for Media Networks in four years, and Paramount's second consecutive quarter of meaningful profitability.

However, the F2019 outlook for the Media Networks segment doesn't appear as strong as we previously forecasted given weaker domestic and constant currency international advertising growth, as well as higher expenses (on a constant currency basis). Consequently, we lowered our Media Networks Adj. OI forecast. Management's F2019 guidance for Media Networks is 2H weighted, when management expects a return to positive domestic advertising revenue growth and a return to Adj. OI growth. The return to positive domestic ad revenue growth is, however, dependent on both ratings performance and the health of the TV ad market, neither of which is easy to predict right now given the secular pressures generally on TV ratings and what appears to be a softening macroeconomic outlook.

On the international side, advertising revenue is even more challenging to predict given the macroeconomic weakness that negatively affected F4Q results and could persist in F2019. Management's guidance for LSD affiliate revenue growth in F2019 is consistent with our prior model, although we see some risk to the outlook related to a major MVPD renewal in late F2019 (we believe Viacom's AT&T contract is up for renewal in July). While the renewal could be a non-event, reflecting Bob Bakish's concerted effort to strengthen Viacom's MVPD relationships, history suggests that there is some risk as Viacom has had several renewals in the past that have negatively impacted affiliate revenue/growth.

Our forecast for Paramount's revenue and Adj. OI is also now lower, despite the progress management has made in turning around the film business and expanding TV production. We believe Paramount is continuing to make progress in both of these areas, it is just a lumpier business to forecast, with a larger inherent margin of error.

## Changes to Our Outlook

We lowered our Media Networks F'19 advertising revenue forecast by ~\$200M, reflecting the significant ongoing currency headwinds at Telefe, Channel 5, etc. but also flowing through softer constant currency advertising trends. Our

## Valuation & Risks

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## Key changes

TP	34.00 to 32.00	↓	-5.9%
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Source: Deutsche Bank

19 November 2018

Entertainment

Viacom



lower F'19 international advertising estimate accounted for \$175M of the \$200M reduction, whereas we lowered our F'19 domestic ad growth forecast by 40bps (from flat). We're also modeling more cost than our prior forecast to account for various growth investments and initiatives, despite expense benefit coming from the aforementioned currency headwinds. Our total Media Network revenue forecast is down ~\$300M in each of F'19-F'21. Our Filmed Entertainment OI forecast for '19-'21 is about ~\$30M lower than before reflecting a slower, but directionally similar, return to profitability at Paramount. We now see total company Adj. OI about \$200M lower in F'19 - F'21, or about ~7% lower than our prior estimates, leading to a 6% decrease in our DCF-based TP to \$32. For more detail on changes to our estimates, please see Figure 1.

# Appendix

Figure 1: Current Estimates vs. Prior

**Viacom Inc.**

Variance Analysis

	Current Estimates							Variance to Prior Estimates						
	1Q19	2Q19	3Q19	4Q19	2019	2020	2021	1Q19	2Q19	3Q19	4Q19	2019	2020	2021
<b>Revenue</b>														
Media Networks	2,480	2,337	2,490	2,563	9,871	9,915	9,918	N/A	N/A	N/A	N/A	(320)	(293)	(304)
Filmed Entertainment	613	761	971	1,105	3,449	3,755	4,027	N/A	N/A	N/A	N/A	(61)	67	(98)
Eliminations	(30)	(30)	(40)	(25)	(125)	(130)	(135)	N/A	N/A	N/A	N/A	5	5	5
Total Revenue	3,063	3,068	3,420	3,643	13,195	13,540	13,810	N/A	N/A	N/A	N/A	(375)	(222)	(397)
<b>Adj. Operating Income</b>														
Media Networks	855	660	801	723	3,039	2,954	2,866	N/A	N/A	N/A	N/A	(174)	(144)	(102)
Filmed Entertainment	(114)	(40)	93	109	48	91	144	N/A	N/A	N/A	N/A	(25)	(21)	(43)
Corp/Elim (incl. SBC)	(69)	(70)	(77)	(76)	(291)	(307)	(313)	N/A	N/A	N/A	N/A	(13)	(21)	(19)
Total Adj. Operating Income	673	551	817	756	2,796	2,738	2,698	N/A	N/A	N/A	N/A	(212)	(186)	(164)
Margin %	22.0%	17.9%	23.9%	20.7%	21.2%	20.2%	19.5%							
Stock-based compensation (SBC)	(16)	(14)	(16)	(15)	(60)	(63)	(64)	N/A	N/A	N/A	N/A	4	2	2
Adj. Operating Income (Ex - SBC)	688	564	833	771	2,856	2,801	2,761	N/A	N/A	N/A	N/A	(216)	(188)	(166)
Adj. OIBDA (ex-SBC)	744	620	888	826	3,077	3,025	2,985	N/A	N/A	N/A	N/A	(219)	(188)	(166)
Adj. Diluted EPS	\$0.98	\$0.76	\$1.27	\$1.16	\$4.16	\$4.23	\$4.27	N/A	N/A	N/A	N/A	(\$0.54)	(\$0.44)	(\$0.52)
Unlevered Free Cash Flow	531	436	540	493	2,000	1,966	1,938	N/A	N/A	N/A	N/A	(135)	(156)	(144)
Levered Free Cash Flow	424	330	434	394	1,583	1,628	1,652	N/A	N/A	N/A	N/A	(197)	(194)	(172)
Per Diluted Share (WAVG)	\$1.05	\$0.82	\$1.07	\$0.97	\$3.92	\$4.01	\$4.06	N/A	N/A	N/A	N/A	(\$0.49)	(\$0.48)	(\$0.57)
<b>Media Networks</b>														
Advertising	1,224	1,063	1,173	1,162	4,623	4,583	4,510	N/A	N/A	N/A	N/A	(200)	(205)	(210)
Affiliate	1,103	1,111	1,158	1,207	4,579	4,618	4,650	N/A	N/A	N/A	N/A	(69)	(34)	(37)
Ancillary	153	163	158	194	668	715	758	N/A	N/A	N/A	N/A	(50)	(54)	(57)
Total Media Networks Rev	2,480	2,337	2,490	2,563	9,871	9,915	9,918	N/A	N/A	N/A	N/A	(320)	(293)	(304)
Domestic Advertising Growth	-3.0%	-1.5%	1.0%	2.0%	-0.4%	-2.0%	-3.0%	N/A	N/A	N/A	N/A	-0.4%	0.0%	0.0%
Domestic Affiliate Growth	1.5%	-1.5%	1.0%	1.0%	0.5%	0.0%	0.0%	N/A	N/A	N/A	N/A	-0.5%	1.0%	0.0%
Int'l Advertising Growth	-15.0%	-11.0%	-10.0%	-1.0%	-9.9%	3.0%	3.0%	N/A	N/A	N/A	N/A	-12.9%	0.0%	0.0%
Int'l Affiliate Growth	-2.5%	-14.0%	-2.5%	2.5%	-4.3%	5.0%	4.0%	N/A	N/A	N/A	N/A	-8.3%	0.0%	0.0%

Source: DB, Company Filings



Figure 2: VIAB Model Summary

Viacom Inc.  
Model Summary

	2011	2012	2013	2014	2015	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019	2020
<b>Revenue</b>																						
Media Networks	9,145	9,194	9,656	10,171	10,490	9,942	2,589	2,394	2,560	2,553	10,096	2,560	2,429	2,502	2,520	10,011	2,480	2,337	2,490	2,563	9,871	9,915
Filmed Entertainment	5,923	4,820	4,282	3,725	2,883	2,662	758	895	847	789	3,289	544	741	772	984	3,041	613	761	971	1,105	3,449	3,755
Eliminations	(154)	(127)	(144)	(113)	(105)	(116)	(23)	(33)	(43)	(23)	(122)	(31)	(22)	(37)	(19)	(109)	(30)	(30)	(40)	(25)	(125)	(130)
<b>Total Revenue</b>	<b>14,914</b>	<b>13,887</b>	<b>13,794</b>	<b>13,783</b>	<b>13,268</b>	<b>12,488</b>	<b>3,324</b>	<b>3,256</b>	<b>3,364</b>	<b>3,319</b>	<b>13,263</b>	<b>3,073</b>	<b>3,148</b>	<b>3,237</b>	<b>3,485</b>	<b>12,943</b>	<b>3,063</b>	<b>3,068</b>	<b>3,420</b>	<b>3,643</b>	<b>13,195</b>	<b>13,540</b>
<b>Adj. Operating Income</b>																						
Media Networks	3,848	3,889	4,096	4,271	4,143	3,484	987	747	870	693	3,297	913	706	799	708	3,126	855	660	801	723	3,039	2,954
Filmed Entertainment	341	325	234	205	111	(445)	(180)	(66)	9	(43)	(280)	(130)	9	44	38	(39)	(114)	(40)	93	109	48	91
Corp/Elim (incl. SBC)	(335)	(313)	(388)	(351)	(334)	(307)	(59)	(69)	(74)	(72)	(274)	(66)	(74)	(76)	(76)	(292)	(69)	(70)	(77)	(76)	(291)	(307)
<b>Total Adj. Operating Income</b>	<b>3,854</b>	<b>3,901</b>	<b>3,942</b>	<b>4,125</b>	<b>3,920</b>	<b>2,732</b>	<b>748</b>	<b>612</b>	<b>805</b>	<b>578</b>	<b>2,743</b>	<b>717</b>	<b>641</b>	<b>767</b>	<b>670</b>	<b>2,795</b>	<b>673</b>	<b>551</b>	<b>817</b>	<b>756</b>	<b>2,796</b>	<b>2,738</b>
Stock-based compensation (SBC)	(128)	(122)	(128)	(122)	(101)	(95)	(16)	(14)	(8)	(16)	(54)	(14)	(15)	(10)	(14)	(53)	(16)	(14)	(16)	(15)	(60)	(63)
Adj. Operating Income (Ex - SBC)	3,982	4,023	4,070	4,247	4,021	2,827	764	626	813	594	2,797	731	656	777	684	2,848	688	564	833	771	2,856	2,801
<b>Adj. OIBDA (ex-SBC)</b>	<b>4,253</b>	<b>4,259</b>	<b>4,307</b>	<b>4,464</b>	<b>4,243</b>	<b>3,048</b>	<b>820</b>	<b>684</b>	<b>866</b>	<b>650</b>	<b>3,020</b>	<b>784</b>	<b>711</b>	<b>828</b>	<b>738</b>	<b>3,061</b>	<b>744</b>	<b>620</b>	<b>888</b>	<b>826</b>	<b>3,077</b>	<b>3,025</b>
<b>Adj. Diluted EPS</b>	<b>\$3.78</b>	<b>\$4.21</b>	<b>\$4.68</b>	<b>\$5.40</b>	<b>\$5.44</b>	<b>\$3.68</b>	<b>\$1.04</b>	<b>\$0.79</b>	<b>\$1.17</b>	<b>\$0.77</b>	<b>\$3.77</b>	<b>\$1.03</b>	<b>\$0.92</b>	<b>\$1.18</b>	<b>\$0.99</b>	<b>\$4.11</b>	<b>\$0.98</b>	<b>\$0.76</b>	<b>\$1.27</b>	<b>\$1.16</b>	<b>\$4.16</b>	<b>\$4.23</b>
Unlevered Free Cash Flow	2,770	2,652	3,322	2,958.0	2,640.0	1,599.7	213.4	305.7	304.8	1,058.9	1,882.7	79.6	360.7	765.8	850.2	2,056.3	530.8	436.0	540.3	492.9	2,000.0	1,965.9
Levered Free Cash Flow	2,502	2,381	3,020	2,558.2	2,212.9	1,199.3	112.0	203.0	204.0	962.0	1,481.0	(16.0)	251.0	660.0	749.0	1,644.0	424.4	329.7	434.0	394.5	1,582.6	1,628.0
Per Diluted Share (WAVG)	\$4.21	\$4.43	\$6.10	\$5.81	\$5.45	\$3.01	\$0.28	\$0.51	\$0.51	\$2.39	\$3.69	(\$0.04)	\$0.62	\$1.64	\$1.86	\$4.08	\$1.05	\$0.82	\$1.07	\$0.97	\$3.92	\$4.01
<b>Growth Rates %</b>																						
<b>Revenue</b>																						
Media Networks		0.5%	5.0%	5.3%	3.1%	-5.2%	0.9%	0.5%	1.9%	2.8%	1.5%	-1.1%	1.5%	-2.3%	-1.3%	-0.8%	-3.1%	-3.8%	-0.5%	1.7%	-1.4%	0.5%
Filmed Entertainment		-18.6%	-11.2%	-13.0%	-22.6%	-7.7%	23.9%	36.6%	36.4%	1.9%	23.6%	-28.2%	-17.2%	-8.9%	24.7%	-7.5%	12.7%	2.7%	25.7%	12.3%	13.4%	8.9%
Eliminations		-17.5%	13.4%	-21.5%	-7.1%	10.5%	0.0%	-5.7%	59.3%	-25.8%	5.2%	34.8%	-33.3%	-14.0%	-17.4%	-10.7%	-3.2%	36.4%	8.1%	31.6%	14.7%	4.0%
<b>Total Revenue</b>		-6.9%	-0.7%	-0.1%	-3.7%	-5.9%	5.4%	8.5%	8.3%	2.9%	6.2%	-7.6%	-3.3%	-3.8%	5.0%	-2.4%	-0.3%	-2.5%	5.7%	4.5%	1.9%	2.6%
<b>Adj. Operating Income</b>																						
Media Networks		1.1%	5.3%	4.3%	-3.0%	-15.9%	-6.6%	-7.2%	-0.2%	-7.6%	-5.4%	-7.5%	-5.5%	-8.2%	2.2%	-5.2%	-6.3%	-6.5%	0.2%	2.1%	-2.8%	-2.8%
Filmed Entertainment		-4.7%	-28.0%	-12.4%	-45.9%	-500.9%	23.3%	-51.5%	-134.6%	-68.6%	-37.1%	-27.8%	-113.6%	388.9%	-188.4%	-86.1%	-12.5%	-541.9%	111.1%	186.0%	-223.3%	89.0%
Corp/Elim		-6.6%	24.0%	-9.5%	-4.8%	-8.1%	-18.1%	-16.9%	-3.9%	-4.0%	-10.7%	11.9%	7.2%	2.7%	5.6%	6.6%	4.2%	-5.7%	1.0%	-0.3%	-0.3%	5.4%
<b>Total Adj. Operating Income</b>		1.2%	1.1%	4.6%	-5.0%	-30.3%	-10.8%	4.4%	4.7%	7.4%	0.4%	-4.1%	4.7%	-4.7%	15.9%	1.9%	-6.2%	-14.1%	6.5%	12.8%	0.0%	-2.1%
<b>Adj. OIBDA (ex-SBC)</b>		0.1%	1.1%	3.6%	-5.0%	-28.2%	-10.9%	2.4%	2.7%	5.3%	-0.9%	-4.4%	3.9%	-4.4%	13.5%	1.4%	-5.1%	-12.8%	7.2%	11.9%	0.5%	-1.7%
<b>Adj. Diluted EPS</b>		11.4%	11.1%	15.3%	0.8%	-32.3%	-11.8%	3.5%	11.9%	11.7%	2.3%	-0.9%	16.6%	0.7%	27.4%	9.1%	-5.1%	-17.2%	7.9%	17.1%	1.3%	1.5%
Unlevered Free Cash Flow		-4.3%	25.2%	-10.9%	-10.8%	-39.4%	-515.6%	-38.5%	72.1%	8.4%	17.7%	-62.7%	18.0%	151.3%	-19.7%	9.2%	567.2%	20.9%	-29.5%	-42.0%	-2.7%	-1.7%
Levered Free Cash Flow		-4.8%	26.8%	-15.3%	-13.5%	-45.8%	-173.6%	-48.8%	169.6%	9.4%	23.5%	-114.3%	23.6%	223.5%	-22.1%	11.0%	-2752.7%	31.4%	-34.2%	-47.3%	-3.7%	2.9%
Per Diluted Share (WAVG)		5.2%	37.8%	-4.6%	-6.2%	-44.7%	-173.7%	-49.1%	166.5%	8.3%	22.4%	-114.1%	22.6%	223.0%	-22.3%	10.6%	-2747.2%	31.0%	-34.4%	-47.6%	-4.0%	2.5%
<b>Domestic Advertising Growth %</b>		-3.7%	2.8%	-0.1%	-6.7%	-5.7%	-2.9%	-4.1%	-1.6%	-0.2%	-2.2%	-5.4%	-3.4%	-3.5%	-4.3%	-4.2%	-3.0%	-1.5%	1.0%	2.0%	-0.4%	-2.0%
<b>Domestic Affiliate Growth %</b>		9.9%	10.0%	9.8%	7.4%	-9.5%	2.2%	1.0%	4.2%	-3.4%	1.0%	-7.9%	-4.2%	-3.4%	2.5%	-3.3%	1.5%	-1.5%	1.0%	1.0%	0.5%	0.0%

Source: DB, Company Filings



Figure 3: Comp Table

## Media, Cable & Satellite Coverage Universe

(Millions, exc per share data)

Price as of Date 11/16/2018

	Cable & Satellite							Broadcasting		
	CMCSA	CHTR	ATUS	SIRI	DISH	LBRDA	LSXMA	NXST	SBGI	TRCO
Rating	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Price Target	\$44	\$360	\$33	\$8	\$81	\$96	\$68	\$100	\$45	\$47
Current Price	\$38.59	\$328.54	\$17.68	\$6.27	\$32.85	\$84.11	\$40.27	\$78.99	\$30.48	\$38.57
Upside (Downside)	14%	10%	87%	28%	147%	14%	69%	27%	48%	22%
Dividend Yield %	2.0%	NA	11.4%	0.8%	NA	NA	NA	1.9%	2.6%	2.6%
<b>Pricing:</b>										
Current Price	\$38.59	\$328.54	\$17.68	\$6.27	\$32.85	\$84.11	\$40.27	\$78.99	\$30.48	\$38.57
52-Week Low	\$30.43	\$250.10	\$14.50	\$5.17	\$27.54	\$67.75	\$38.14	\$60.30	\$25.13	\$31.61
52-Week High	\$44.00	\$396.64	\$25.15	\$7.70	\$52.53	\$98.53	\$48.57	\$89.75	\$40.15	\$43.71
TTM Return	15.2%	14.1%	N/A	42.8%	-43.3%	16.1%	16.7%	29.1%	-4.8%	32.5%
<b>Capitalization:</b>										
FD Market Cap	182,106	86,105	12,930	28,461	17,033	15,476	13,743	3,803	2,998	3,426
+ Net Debt	102,435	66,070	21,589	6,521	20,505	303	228	4,030	2,879	2,020
+ Minority Interest	2,392	-	5	-	226	-	-	-	-	0
+ Other Adjustments, net	(13,235)	(4,528)	(1,127)	(1,607)	(52,464)	-	-	(7)	(151)	(1,760)
<b>DB Core EV</b>	<b>273,698</b>	<b>147,647</b>	<b>33,397</b>	<b>33,374</b>	<b>(14,700)</b>	<b>15,779</b>	<b>13,971</b>	<b>7,826</b>	<b>5,727</b>	<b>3,686</b>
Net Leverage '18	3.7x	4.5x	5.2x	2.9x	4.2x	--	--	3.8x	--	--
Equity % of EV	67%	58%	39%	85%	NM	98%	98%	49%	52%	93%
<b>Valuation:</b>										
EV/EBITDA										
2018	9.3x	9.7x	8.0x	15.0x	--	--	--	7.4x	6.3x	5.5x
2019	7.9x	9.6x	7.6x	13.3x	--	--	--	7.9x	7.3x	6.8x
2020	7.2x	9.0x	7.1x	12.1x	--	--	--	5.6x	5.0x	4.6x
Unlev FCF Yield										
2018	4.7%	3.4%	7.6%	4.2%	--	--	--	9.4%	12.2%	11.7%
2019	5.4%	4.1%	7.0%	5.2%	--	--	--	9.0%	10.3%	9.5%
2020	5.9%	4.6%	7.4%	6.0%	--	--	--	12.8%	14.2%	15.4%
P / FCF										
2018	17.5x	41.4x	9.4x	25.1x	12.7x	--	--	5.5x	4.3x	8.2x
2019	16.2x	24.4x	10.1x	19.3x	14.3x	--	--	6.7x	5.9x	8.3x
2020	14.9x	16.9x	9.1x	16.1x	17.3x	--	--	5.0x	4.2x	6.3x
P/E										
2018	16.0x	53.9x	NA	23.2x	--	--	--	9.2x	12.7x	10.6x
2019	13.6x	50.9x	13.4x	20.8x	--	--	--	11.2x	15.0x	17.6x
2020	12.2x	33.0x	7.2x	18.2x	--	--	--	6.7x	6.2x	10.2x
EV/OpFCF										
2018	12.5x	21.5x	11.4x	17.6x	--	--	--	8.1x	7.1x	6.1x
2019	10.1x	19.0x	10.9x	15.2x	--	--	--	8.6x	8.5x	7.9x
2020	9.3x	16.8x	10.1x	13.0x	--	--	--	6.0x	5.6x	5.1x

Source: Company Filings, FactSet, Deutsche Bank



Figure 4: Comp Table

## Media, Cable & Satellite Coverage Universe

(Millions, exc per share data)

Price as of Date 11/16/2018

	Media									
	<u>NFLX</u>	<u>DIS</u>	<u>CBS</u>	<u>VIAB</u>	<u>FOXA</u>	<u>DISCA</u>	<u>AMCX</u>	<u>LGF.A</u>	<u>FWONA</u>	<u>MANU</u>
Rating	<i>HOLD</i>	<i>Restricted</i>	<i>BUY</i>	<i>HOLD</i>	<i>Restricted</i>	<i>BUY</i>	<i>HOLD</i>	<i>HOLD</i>	<i>HOLD</i>	<i>HOLD</i>
Price Target	<b>\$360</b>	N/A	<b>\$95</b>	<b>\$32</b>	N/A	<b>\$45</b>	<b>\$60</b>	<b>\$26</b>	<b>\$34</b>	<b>\$21</b>
Current Price	\$286.21	\$116.19	\$57.49	\$32.99	\$48.16	\$31.44	\$58.89	\$20.86	\$30.37	\$20.86
Upside (Downside)	26%	--	65%	-3%	--	43%	2%	25%	12%	1%
Dividend Yield %	NA	1.4%	1.3%	2.5%	0.7%	--	NA	1.8%	NA	0.9%
<b>Pricing:</b>										
Current Price	\$286.21	\$116.19	\$57.49	\$32.99	\$48.16	\$31.44	\$58.89	\$20.86	\$30.37	\$20.86
52-Week Low	\$178.38	\$97.68	\$47.54	\$22.13	\$27.53	\$15.99	\$46.89	\$18.04	\$27.22	\$18.40
52-Week High	\$423.21	\$120.20	\$61.59	\$35.55	\$50.15	\$34.89	\$69.02	\$36.48	\$37.93	\$27.70
TTM Return	131.2%	19.6%	-7.7%	-9.2%	71.8%	14.7%	12.5%	-20.4%	-3.1%	29.5%
<b>Capitalization:</b>										
FD Market Cap	129,354	--	21,851	13,384	--	22,433	3,399	5,042	7,055	£2,668
+ Net Debt	4,436	--	9,732	8,525	--	16,951	2,541	3,065	4,522	247
+ Minority Interest	--	--	--	232	--	1,727	281	103	--	--
+ Other Adjustments, net	(1,727)	--	(558)	599	--	(2,196)	140	(160)	(4,935)	(80)
<b>DB Core EV</b>	<b>132,063</b>	<b>--</b>	<b>31,025</b>	<b>22,740</b>	<b>--</b>	<b>38,915</b>	<b>6,361</b>	<b>8,049</b>	<b>6,642</b>	<b>2,835</b>
<b>Valuation:</b>										
EV/EBITDA										
2018	79.8x	--	9.3x	7.0x	--	8.7x	7.2x	12.5x	16.2x	16.1x
2019	49.9x	--	8.6x	6.6x	--	7.6x	7.0x	13.9x	135.8x	15.2x
2020	33.5x	--	7.6x	6.3x	--	6.8x	6.9x	12.2x	47.5x	14.7x
Unlev FCF Yield										
2018	--	--	5.6%	9.6%	--	9.7%	7.9%	7.6%	5.2%	0.2%
2019	--	--	6.3%	9.9%	--	10.5%	9.3%	5.5%	0.6%	3.9%
2020	--	--	7.7%	10.4%	--	10.9%	8.8%	7.4%	1.8%	4.4%
P / FCF										
2018	--	--	16.0x	8.1x	--	7.5x	8.4x	10.2x	44.9x	NM
2019	--	--	14.1x	8.4x	--	6.9x	7.2x	11.4x	NM	29.8x
2020	--	--	10.7x	8.2x	--	6.4x	8.0x	11.4x	87.1x	26.3x
P/E										
2018	108.8x	--	10.9x	8.0x	--	15.1x	7.0x	--	--	NM
2019	65.3x	--	10.0x	7.9x	--	8.6x	7.4x	--	--	105.6x
2020	42.8x	--	8.5x	7.8x	--	6.9x	8.0x	--	--	171.3x
EV/OpFCF										
2018	86.5x	--	9.8x	7.4x	--	9.0x	7.9x	13.5x	16.6x	41.6x
2019	51.8x	--	9.2x	6.9x	--	7.9x	7.7x	14.8x	144.5x	231.3x
2020	34.4x	--	8.0x	6.7x	--	7.1x	7.6x	12.8x	48.5x	28.9x

Source: Company Filings, FactSet, Deutsche Bank



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# Appendix 1

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Company	Ticker	Recent price*	Disclosure
Viacom	VIAB.OQ	32.99 (USD) 16 Nov 2018	2, 8, 14, 15

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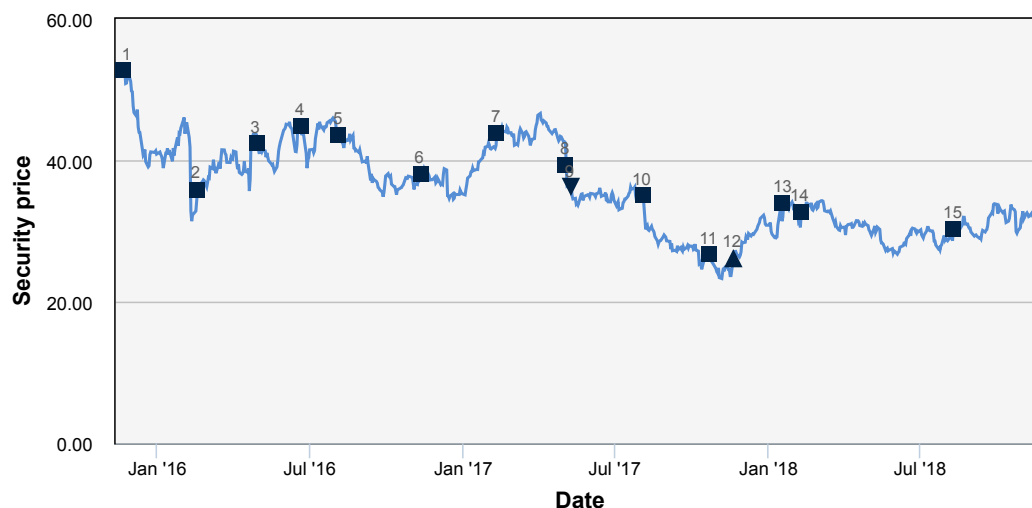
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## Historical recommendations and target price. Viacom (VIAB.OQ)

(as of 11/16/2018)



### Current Recommendations

Buy  
Hold  
Sell  
Not Rated  
Suspended Rating

\*\* Analyst is no longer at Deutsche Bank

1.	11/23/2015	Hold, Target Price Change USD 56.00 Bryan Kraft	9.	05/10/2017	Downgraded to Sell, Target Price Change USD 32.00 Bryan Kraft
2.	02/18/2016	Hold, Target Price Change USD 38.00 Bryan Kraft	10.	08/04/2017	Sell, Target Price Change USD 30.00 Bryan Kraft
3.	04/29/2016	Hold, Target Price Change USD 36.00 Bryan Kraft	11.	10/23/2017	Sell, Target Price Change USD 25.00 Bryan Kraft
4.	06/21/2016	Hold, Target Price Change USD 39.00 Bryan Kraft	12.	11/20/2017	Upgraded to Hold, Target Price Change USD 25.00 Bryan Kraft
5.	08/05/2016	Hold, Target Price Change USD 35.00 Bryan Kraft	13.	01/19/2018	Hold, Target Price Change USD 28.00 Bryan Kraft
6.	11/11/2016	Hold, Target Price Change USD 31.00 Bryan Kraft	14.	02/09/2018	Hold, Target Price Change USD 33.00 Bryan Kraft
7.	02/10/2017	Hold, Target Price Change USD 43.00 Bryan Kraft	15.	08/10/2018	Hold, Target Price Change USD 34.00 Bryan Kraft
8.	05/04/2017	Hold, Target Price Change USD 35.00 Bryan Kraft			

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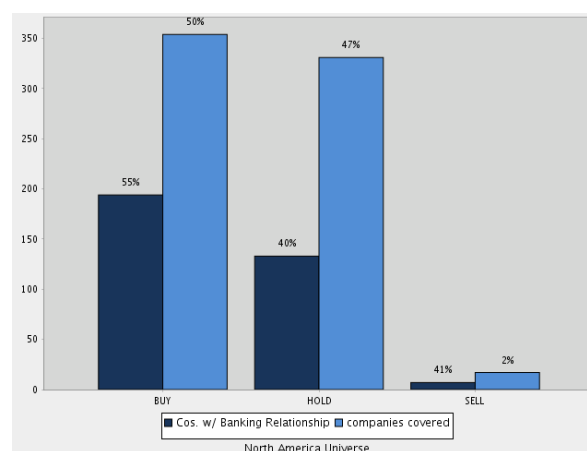
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