



Broxton Capital Advisors manages wealth for Institutional Investors and Households. Smart Yield is an income and growth fund with a target return of 8% annually with low volatility

INVEST/STAY CONNECTED

INITIAL REPORT April 27, 2021

UPDATED November 14, 2021

VIACOMCBS

ViacomCBS

Target: \$74.00

Viacom CBS (VIAC) shares offer a strong value with a large discount to their index peers. Although the company is experiencing business stability and strong growth in streaming subscribers, VIAC trades at an even larger discount to other content streaming companies. We expect VIAC to trade closer to normal valuations if investors ever realize that streaming subscribers are growing. In the third quarter total advertising and subscription streaming subscribers surpassed 100 million with 6.4 million additions exceeding the rate of Disney +, Netflix and Roku. Viacom is the fastest growing streaming company. Viacom has already blown past Hulu and Roku in total subscribers, and we expect the Company to pass Disney + in 2nd quarter of 2022. The Company also announced a new deal with T-Mobile for subscribers and will launch in an additional 20 European territories covering 90 million homes through the agreement with Sky Media in 2022. Viacom expects total streaming subscriber additions in the fourth quarter to exceed the third quarter and has been demonstrating increases in average revenue per subscriber or ARPU. We believe Viacom offers strong growth prospects.

In 2021, VIAC will continue to see some margin reduction as a result of the additional spend in streaming and resumption of full production schedules. Our price target of \$74 is a reduction from our previous target of 85 and is based on 16 X our 2022 EPS forecast of \$4.62 This is an enterprise value of roughly \$61 billion and a discount to streaming peers Roku and Netflix.

VIAC Chart January 2020 through November 2021



3rd Quarter Earnings

April 2021 Broxton Report

VIAC Company Description: ViacomCBS delivers premium content to audiences across traditional and emerging platforms worldwide. Through television, streaming and digital content, studio production, publishing, live events, merchandise and more, we connect with billions of people.

Company	Netflix	Roku	ViacomCBS
Ending Subscribers 9/30/2021	213 MM	56.4 MM	101 MM
3 rd Q ARPU (Monthly) \$	11.68	3.44	3.56
2021 Subscriber Additions	5.3 MM	5.2 MM	28 MM
Content Spend 2020	\$ 11,779	< \$ 1,000	\$ 12,170
Revenues 2020	\$ 24,900	\$ 1,778	\$ 25,285
TTM EPS Multiple	61 X	132 X	7 X
3 rd Q 2021 Streaming Growth YOY	16.3%	82%	62%
Enterprise Value	\$ 310 B	\$ 34.8 B	\$37.3 B

BROXTON CAPITAL ADVISORS

ViacomCBS as of 9/30/2021

Monday, November 15, 2021

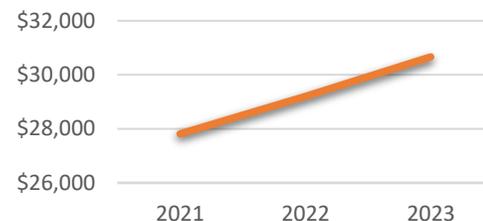
share price (VIAC) \$35.20

PROJECTIONS MM

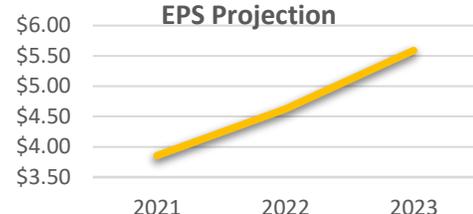
	2021	2022	2023
Income Statement			
Revenue	\$27,814	\$29,204	\$30,664
Gross Profit	\$10,625	\$11,682	\$12,572
Operating Income	\$4,227	\$4,969	\$5,797
pretax income	\$3,252	\$4,004	\$4,842
Net Income	\$2,504	\$3,003	\$3,631
EPS	\$3.85	\$4.62	\$5.59
EBITDA (OIBDA)			
EBITDA (OIBDA)	\$4,822	\$5,609	\$6,437
Interest	\$975	\$965	\$955
Capitalized Expense	\$310	\$370	\$375
Cash Flow after Capitalized Expense	\$2,789	\$3,273	\$3,896
Equity Dividends	\$624	\$624	\$624
Cash Flow / Equity Dividend	447%	525%	625%
Retained Cash Flow	\$2,165	\$2,649	\$3,273
Retained Cash Flow Compounded	\$2,165	\$4,815	\$8,087
Revenue Growth	10%	5%	5%
Valuations			
Cash Flow Yield Vs. Equity MKT Cap	12%	12%	14%
EV/EBITDA	8.41	7.23	6.30
P.E Ratio	9.13	7.61	6.30
Enterprise Value	\$40,562		
Total Debt	\$17,696		
Equity Market Cap	\$22,866	\$27,764	\$27,764
Debt Ratios			
EBITDA/Interest Coverage ratio	4.95	5.81	6.74
Net Debt/ EBITDA	2.67		
Liquidity			
Cash	\$4,823		
Borrowing Availability est.	\$3,000+		
Current Assets	\$14,798		
Current Liabilities	\$8,913		
Quick Ratio	1.66		
Debt			
Notes & debentures	\$17,696		
Total	\$17,696		

NOTES:

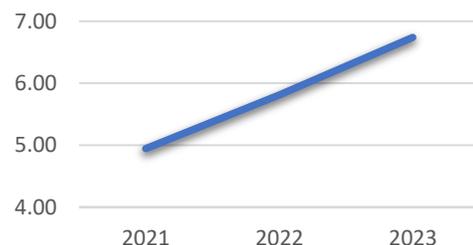
Revenue Projection



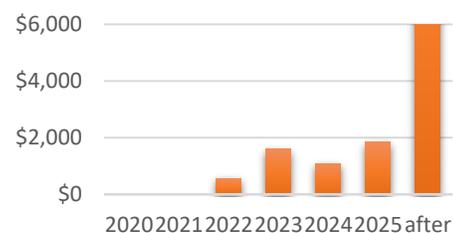
EPS Projection



EBITDA / Int. Coverage



Debt Amortization Schedule



Disclosures

Smart Yield Fund targets a mix of different security classes that contain the risk of loss. Investors should carefully consider the Fund's investment objectives and risk factors before investing. Investing involves risk, including possible loss of principal. Investors should consider the loss of principle and targeted returns are not guaranteed. Individual investors in Smart Yield are generally required to be accredited investors. Smart Yield is a fund operated through individual accounts creating the composite. Smart Yield Fund is a new product with an inception date of September 30, 2020 and as such does not have historical data. Asset Mix Projections on page 2 and 6, Smart Yield Portfolio Metrics on page 5 are estimated or targets of the fund. Asset class mix and targets may change based on the direction of the managers. Portfolio allocation projected annual return and beta assumption for each asset class on pages 7-10 are estimated. Beta for the fund and each asset class is estimated versus the S&P 500. The average beta for the entire fund is projected to be .32. Beta is a measure of the fund's volatility in relation to S&P 500 Index. This index has a beta of 1.0. The fund targets a total gross return before fees and expenses of 9.24%. The fund projects a blended return based on income securities and capital gains. Smart Yield attempts to continuously improve the value of investment portfolios by investing in corporate bonds, convertible bonds, other types of bonds (investment grade and sub-investment grade, [which may also have limited liquidity]), dividend paying equities, non-dividend paying equities, ETFs, including leveraged ETFs, and other securities. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. All securities types mentioned in this brochure have the risk of loss. Long term strategies purchase securities which are underpriced according to our appraisal methodologies. Broxton uses regression analysis to obtain an average appraisal value for an individual company and places a priority on the securities of companies with improving financial performance and or additional catalysts that provide for increases in earnings and valuation. We use financial modeling, technical analysis, proprietary and third-party research. Smart Yield does not have any capitalization (market size), sector or industry allocation mandates. Asset class allocation percentages may be changed without notice. Broxton deploys technical analysis and momentum as indicators of movement for shorter term strategies, that may not involve deep fundamental analysis. Shorting (selling and then buying) of securities can be used for hedging and as a long term or short-term strategy. We exit positions in accordance with our discipline, this includes when valuation targets are clearly exceeded, or financial performance falls below our projections. Since Smart Yield returns will be calculated using a composite of accounts, the average account will not match the composite return and the return could be higher or lower. Broxton offers Smart Yield for other investment managers. Any commentary is solely the opinion of the Broxton Capital Advisors. It refers to securities we hold in our portfolio and sometimes ones we are considering but does not represent a complete list of positions held at Broxton Capital Advisors. A complete list covering the last twelve months will be furnished upon request. Price targets are mentioned for information purposes only. Nothing contained herein constitutes a recommendation to purchase or sell securities at any designated price or time. Targeted performance does not guarantee future results. 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Also, from time-to-time we may also discuss and display, charts, graphs, formulas which are not intended to be used by themselves to determine which securities to buy or sell, or when to buy or sell them. Such charts and graphs offer limited information and should not be used on their own to make investment decisions.



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