

Get To Know Your Stock: Viacom

Viacom's history reads like the *National Enquirer's* coverage of some celebrity couple complete with multiple divorces, which is probably completely appropriate for an entertainment content company! Viacom's DNA traces back to 1952, to a company called CBS Television Sales. Later it was renamed various iterations of "CBS" until finally in 1970 the Justice Department forced a sale of the distribution division from CBS. This child of the CBS parent acquired the name Viacom, derived from "Video and Audio Communications". While it started as a distributor, syndicating shows such as *I Love Lucy*, it rapidly expanded by buying stations and cable outlets including MTV and Nickelodean. In the mid 70's it started Showtime as a competitor to HBO. When Sumner Redstone took control of the company in 1986, it really went to town, buying Paramount and Blockbuster Video.

In 1999, Viacom took a huge step and re-merged with CBS through a purchase. Shortly after, it produced the hit series *Survivor*, somewhat justifying the enormous financial burden that the merged company undertook to make the merger happen. However, Redstone was frustrated with the result, when the sluggish stock price seemed to belie his grand vision for the company. Consequently, divorce number two occurred, in 2005, resulting in Viacom and CBS once again.

The separate companies did not behave as planned however. Redstone's Viacom still couldn't seem to get out of its own way, while CBS, the horse he didn't bet on, performed well. Redstone was attempting to maneuver Viacom towards the internet, with a purchase offer for MySpace, which did not come to fruition. Meanwhile, competitors were becoming stronger and chewing away at Viacom's market share.

Consequently, Viacom and CBS headed to the altar again in 2019. Anti-trust concerns were raised, but Viacom is small in comparison to behemoths like Netflix and Disney.

By now, Viacom owns the very valuable Star Trek franchise, along with *SpongeBob*, *Mission:Impossible*, and the *NCIS* series. And



Sumner Redstone has passed, leaving his daughter, Shari, with a significant say in the fate of the company. A recent sale of securities raised cash for the company; these funds will likely be invested in the Paramount division to beef up its streaming service.

Hopefully, third time's the charm for this company's many marriages to CBS.