BCE Q4 2025 Results and 2026 guidance call

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SPEAKER LIST

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Operator: Good morning, ladies and gentlemen. Welcome to the BCE Q4 2025 results and 2026 guidance call. I would now like to turn the meeting over to Kris Somers. Please go ahead, Mr. Somers.

Kris Somers: Thank you, Matthew. Good morning, everyone, and thank you for joining our call. My name is Kris Somers, Head of Investor Relations, and with me here today are Mirko Bibic, BCE's president and CEO, and Curtis Millen, our CFO. You can find all our Q4 disclosure documents, including our Safe Harbour notice concerning forward-looking statements, on the Investor Relations page of the bce.ca website.

Before we begin, I'd like to draw your attention to our Safe Harbour statement on slide 2 of the presentation, reminding you that today, remarks made during the call will include forward-looking information and therefore are subject to risks and uncertainties. Results could differ materially. We disclaim any obligation to update forward-looking statements except as required by law. Please refer to our publicly filed documents for more details on assumptions and risks. With that out of the way, I'll turn the call over to Mirko.

Mirko Bibic: Thanks, Kris and good morning, everyone. I'm looking forward to walking through our results and outlook with you in a short moment. First, I want to take a moment to frame where we are.

In 2025, we had a pivotal year for BCE. It was a year of deliberate change where we strengthened the balance sheet, we sharpened our capital allocation discipline and clearly defined our long-term strategy at Investor Day in October of 2025, and over the course of 2025 we aligned the organization around four strategic priorities that leverage our unique and differentiated assets across fiber, wireless, enterprise, and media to deliver the very best for our customers. And we set clear, measurable targets for the next phase of growth.

So that groundwork is now in place, the strategy is clear, the priorities are set, the company's aligned, and we've begun to execute against that plan. You could see that execution translates into momentum throughout 2025, including the fourth quarter,

as we focused on improving customer experience, strengthening fiber and wireless network leadership in Canada, establishing a fiber growth platform in the US, accelerating momentum in enterprise and digital media, and positioning the business for sustainable free cash flow growth.

And I'd like to start on slide three of our deck with an overview of how we executed last year against those four strategic priorities. So, putting the customer first, that remains foundational, and the results are tangible. Postpaid churn improved for the third consecutive quarter with a 17 basis point year-over-year improvement in Q4. Importantly, the magnitude of improvement accelerated throughout the year, demonstrating sustained momentum as our customer-first initiatives take hold.

We made important progress in 2025 with the launch of differentiated wireless plan tiers that move beyond traditional data buckets. These plans give customers clearer choices based on the experience they value most, including network performance, video quality, roaming features, device financing and bundled content.

We expanded our lead and distribution with No Name Mobile now available in all Maxi stores across Quebec, extending access to affordable contract-free wireless options powered by Bell's network. This reflects our customer-first focus on accessibility and choice across segments while maintaining disciplined brand positioning. We also advanced the customer experience in 2025 with the rollout of our AI-powered voice virtual assistant across Bell, Virgin Plus and Lucky Mobile.

This simplifies interactions at scale and improves service quality. Our customer-first focus is reflected in the latest CCTS report, which showed that Bell continues to have the lowest proportion of complaints among the three largest national carriers. While there's a lot more work to do, the progress made last year reinforces our focus on continued churn improvement and further gains in customer experience metrics such as NPS.

In wireless, we continue to build momentum through 2025 with a clear improvement in our underlying ARPU trajectory and strong net new postpaid mobile

phone additions on our main Bell brand, and that supports ARPU improvement going forward. We continue to take a disciplined approach to subscriber acquisition with a focus on quality and lifetime value rather than chasing volume. And you can see this in wireless service revenue, where the year-over-year rate of decline improved to just 0.2% in Q4, with consumer wireless service revenue stable in the quarter.

Fiber continued to be a key growth driver last year with approximately 200,000 net new subscriber additions, including our US operations. This contributed to Internet revenue growth of 8%. Where we have fiber, we continue to win through superior network performance, higher customer satisfaction and stronger multi-product penetration.

The acquisition of Ziply Fiber marked a key milestone in our fiber growth strategy, giving us a strong platform for long-term growth in the rapidly expanding US market. In 2025, Ziply's financial results reported in our Bell CTS US segment were comfortably in line with the expectations we outlined at investor day.

Since closing the acquisition, we've worked closely with the Ziply management team to refine and accelerate their fiber expansion plan. And with the network fiber co partnership now in place, the build has been reprioritized toward higher growth markets with construction set to ramp meaningfully in the second half of 2026 and beyond.

So this positions 2026 as an important build year for Ziply, putting us on the path toward our target of approximately 3 million fiber passings by the end of 2028, with a longer-term opportunity to reach up to 8 million locations in a capital-efficient manner.

We also made continued progress on product intensity, driven by increased adoption of content subscriptions. With Crave adding more than 1 million subscribers in 2025, we're seeing clear momentum in the number of services per household. Our focus remains on growing the number of services per household through mobility, Internet and content.

We also launched hardware-free FibeTV, delivering a full service experience without the need for a set-top box and allowing customers to use devices they already own. This simplifies installation and ongoing service, reduces complexity and supports higher product intensity while remaining highly scalable and capital-efficient.

Bell Pure Fiber and 5G wireless were once again recognized by OOKLA as Canada's fastest networks, with Bell Pure Fiber also recognized as the fastest Internet service in North America. This independent third-party validation reinforces the strength of our network leadership and customer value proposition.

Now, turning to slide four and our next strategic priority, which is leading an enterprise with AI-powered solutions. In 2025, Bell Business Markets delivered relatively stable revenue and EBITDA performance, which really stands out in an environment where many enterprise telecom businesses continue to face pressure.

This reflects the actions we've taken over the past 18 months or so to reshape our enterprise strategy. The three AI-powered solutions businesses we launched in 2025, Ateko, BellCyber and Bell AI Fabric, were key contributors, collectively growing approximately 60% year-over-year to around $700 million in revenue. Each of these is scaling as planned, and each supports our goal of reaching $1.5 billion in AI-powered solutions revenue by 2028.

Importantly, this represents largely net new revenue and EBITDA for Bell, which complements rather than replaces our core connectivity and communication services. We continue to strengthen these platforms, including Ateko's recent acquisition of SDK Tek services, which took place in December of 2025.

SDK tek adds deep data engineering and analytics expertise, helping enterprises and governments organize and use their data effectively, and that's critical to deploy AI at scale. The acquisition improves our full-stack AI solution set.

Now turning to media, our digital strategy continued to deliver in 2025 with digital revenues up 6% year-over-year and now representing 44% of total media revenue. And this performance was powered by Crave, which, as I noted earlier, had

an outstanding year ending with 4.6 million subscribers alongside continued growth in connected TV, Crave with ads and fast channels. Our focus for Bell Media is to deliver consistent annual revenue and EBITDA growth and we achieved that in 2025, as the business continues to shift toward higher-value digital and subscription revenue streams.

We also made a significant transformation to the Crave platform, expanding the content library by more than 10,000 hours and integrating live programming from CTV and Noovo, news, select major sports and premium entertainment events, and an expanded kids collection. All of this is supported by meaningful user experience enhancements.

Our focus on original content was another key driver in 2025. Early in the year, Empathie became a major French-language success in Canada and gained strong traction in France. More recently, Heated Rivalry has emerged as a global sensation, generating significant media attention and cultural impact and underscoring the strength of our investment in premium Canadian storytelling.

From a strategic standpoint, our focus is on delivering premium content to customers through digital platforms and extending its value by monetizing that content more effectively across the full value chain. And looking ahead, Bell Media is off to a strong start in 2026.

NFL viewership through the playoffs has been very encouraging, and we're excited about the FIFA World Cup this summer, which presents a significant audience and monetization opportunity. So taken together, Bell Media is contributing meaningfully to growth, churn reduction and customer lifetime value across the Bell ecosystem. Overall therefore, across all four priorities, 2025 was about building momentum.

So now I'll turn to slide 5. I want to touch briefly on capital allocation because this too has been a consistent focus for us over the past year. If you go back to our February 2025 call, pretty much exactly a year ago, we were very clear about what we

intended to do and that was to simplify the business, strengthen the balance sheet, focus capital on higher return opportunities and return capital to shareholders through a sustainable dividend.

And we reinforce that roadmap at Investor Day in October of 2025, providing greater transparency around our capital allocation priorities, leverage targets and investment framework. The roadmap has not changed.

Turning to Slide 6, this highlights the early progress we're making against the three-year targets we laid out at Investor Day. These are some of the metrics we'll use to measure progress.

They include churn, Bell-branded loadings, product intensity, internet market share, US fiber expansion, AI-powered solutions growth, and Crave subscriber and digital mix. At Bell Media, this scorecard is how we intend to manage the company and how we expect to be measured.

We're still early in the execution phase, and we're encouraged by the momentum we're seeing. Taken together, these indicators show that the strategy is translating into disciplined execution. 2025 set the foundation, and in 2026, the dedicated bell team will continue to execute our way to the 2028 targets with a clear focus on delivering sustainable returns for our shareholders.

And with that, I'll turn the call over to Curtis, and Curtis will walk you through our Q4 operating results and the 2026 financial guidance. Thanks for your attention, everyone.

Curtis Millen: Thank you, Mirko. And Good morning, everyone. Our strong fourth quarter and full year 2025 financial results demonstrate the stability of our business and our ability to deliver on the strategic and financial commitments we outlined over the past year, including at Investor Day.

On a consolidated basis, we achieved all of our 2025 financial guidance targets, reflecting disciplined execution across the organization. 2025 service revenue

increased 0.6% for the year, supported by contributions from Ziply Fiber and continued resilience in our core businesses. Adjusted EBITDA increased 0.7%, driving a 20 basis point improvement in adjusted EBITDA margin to 43.6%, the strongest annual margin result we've delivered in more than 30 years.

Adjusted EPS declined 7.9% in 25, consistent with our guidance and primarily reflecting higher depreciation and amortization from ongoing network investment, along with increased interest expense. Capital expenditures declined by $197 million to 3.7 billion, resulting in a capital intensity of 15.1%.

In line with guidance and consistent with our longer-term objective to reduce capital intensity. We delivered a 10% increase in free cash flow to $3.2 billion toward the upper end of our guidance range, driven by higher ebitda, lower capex and improved working capital. Free cash flow after payment of lease liabilities increased 17.5%, an important metric in the three year financial outlook we shared at Investor Day, where we continue to target approximately 15% CAGR. We're entering 2026 with solid momentum in cash generation.

At the segment level, there's clear momentum at Bell Business markets reflected in relatively stable revenue and EBITDA in '25, while Bell Media delivered positive revenue and EBITDA growth for the full year, consistent with the execution themes Mirko outlined earlier. Turning to Q4 on slide 9, I'll begin with a summary of Bell CTS Canada subscriber metrics. Postpaid wireless net adds of 56,124 were essentially stable year-over-year despite a less active market. Consistent with our well-articulated strategy to balance loadings with improved financials and customer experience, we focused on higher quality margin accretive subs again this quarter.

As a result of this continued disciplined approach, we added a significant number of customers on the premium Bell brand. Postpaid churn improved 17 basis points to 1.49%, marking our third consecutive quarter of year-over-year improvement. This is a direct outcome of our focus on putting the customer first.

Mobile Phone ARPU declined just 0.8%, a significant improvement from the 2.7 decline in Q4 of last year. We also saw a recovery in consumer roaming revenue, which has continued into the early part of Q1 and is encouraging for future ARPU performance. In Wireline, we delivered 43,000 fiber to the home Internet net adds in the quarter, a strong result given the slowdown in our Canadian fiber build and disciplined pricing reflective of the value we deliver to customers.

Let me turn now to Q4 Financials for Bell CTS Canada. Internet revenue increased approximately 2%, reflecting the same approaches in wireless, a healthy balance between sub growth and disciplined pricing supported by fiber. In our enterprise business, AI-Powered Solutions revenue grew 31%, driven by continued momentum at Ateko and Bell Cyber.

We remain focused on scaling these growth factors as part of our Plan to reach 1.5 billion in AI-Powered solutions revenue by 2028. Wireless service revenue declined 0.2%, an improvement from the 0.4% decline in Q3 and meaningfully better than the 1.5% decline in Q4 of last year. Importantly, consumer wireless service revenue was stable year-over-year in the quarter, an encouraging sign as we enter 2026.

On the product side, revenue declined $170 million year-over-year, driven by a pronounced market shift towards BYOD activity in December, which resulted in a 20% reduction in contracted device sales as well as the timing of certain wireline equipment deals with large enterprise customers.

Importantly, the EBITDA impact was limited as these product revenues are very low margin. Overall EBITDA performance was in line with plan, and adjusted EBITDA margin increased 130 basis points year-over-year to 44.2%, reflecting strong cost discipline, including a 6.1% reduction in operating costs and margin-accretive subscriber growth.

Turning to Bell CTS US, which reflects the results of Ziply Fiber's operations. As Mirko mentioned earlier, Ziply's financial performance for 2025 was consistent with the expectations we shared at investor day, reflecting solid execution as we position the

business for its next phase of growth. In the fourth quarter, total revenue was 232 million dollars, driven by the continued strength of Ziply's fiber platform. Internet revenue grew in the double digits, supported by the ongoing expansion of the fiber footprint and strong customer penetration across new and existing markets.

Excuse me, Bell CTS US delivered $100 million of EBITDA in Q4, representing a 43.1% margin, demonstrating strong operating leverage in the business. With a significant runway ahead, we expect robust revenue and EBITDA growth from Bell CTS US as the management team advances Ziply Fiber's 2028 financial ambition presented at Investor Day.

On the subscriber front, Ziply added more than 6,000 net new fiber customers in Q4, supported by footprint expansion and strong penetration in newly built areas. Ziply's fiber build plan has now been reprioritized toward higher growth markets and is set to accelerate in 2026, putting the business on track to reach approximately 3 million fiber passings by the end of 2020.

Turning to Bell Media on Slide 11. As projected, total revenue declined 3.4% in Q4. Despite strong digital video advertising growth, total advertising revenue was down 11.1%, reflecting continued softness in traditional advertising, demand for non-sports programming, as well as the impact of the divestiture of 45 radio stations, which was completed in the first half of 2025.

Subscriber revenue increased 1.5%, driven by continued strength in D2C Crave and sports streaming. Crave's direct streaming subscribers grew 65% year-over-year, supported by market-leading content, including Heated Rivalry, which continues to generate strong domestic and international engagement and underpin subscriber growth.

Operating costs declined 1.5%, driven by lower content costs and ongoing operating efficiencies. Importantly, Bell Media delivered positive revenue and EBITDA growth for the full year, consistent with our objective for this business to be a stable and growing contributor to BCE's financial performance. Our focus remains unchanged

for Bell Media to consistently deliver annual revenue and EBITDA growth while contributing meaningful free cash flow to BCE, as the business continues to shift toward higher-value digital and subscription revenue streams.

I'll now turn to our 2026 outlook, beginning with revenue and adjusted EBITDA on Slide 13. Our 2026 guidance is fully aligned with the three-year financial outlook we shared at Investor Day and reflects continued momentum in our core growth engines, fiber, wireless, AI-powered enterprise solutions and digital media. While we continue to diligently manage declines in higher-margin legacy services. For 2026, we expect consolidated revenue growth of 1 to 5% and adjusted EBITDA growth of 0 to 4%, representing a step up from 2025. The width of this range is consistent with prior years, and I'd note we remain highly focused on operating efficiencies and continue to expect to deliver 1.5 billion in cost savings by 2028.

Over to slide 14 for a summary of our adjusted EPS outlook. We project adjusted EPS to be in the range of 2 1/2 to $2.65 per share in 2026, or grow--or 5 to 11% lower versus last year. This decline can be largely attributed to an approximate $250 million step-up in depreciation and amortization expense reflecting continued investment in our broadband networks, as well as the impact of the Ziply Fiber acquisition and an estimated $100 million increase in interest expense driven by a higher level of debt outstanding related to the Ziply Fiber acquisition. In addition, we expect tax adjustments to be around $0.02 per share lower than in 2025 as we are not forecasting any tax adjustments in 2026.

Turning to slide 15. We expect another strong year of free cash flow generation in '26. Free cash flow is projected to grow between 4 and 10%, reflecting strong flow through from higher EBITDA and lower year-over-year severance payments, partially offset by higher interest paid. Consistent with the outlook we shared at Investor Day, Capital expenditures in 2026 are expected to remain relatively stable at approximately $3.7 billion, resulting in a lower capital intensity of 15% or less.

Within that stable total CAPEX envelope, we'll continue to fund our growth initiatives supported by efficiencies from prior investments that are reducing ongoing

run-of-the-business capital requirements and creating additional flexibility to allocate capital towards strategic investments and growth opportunities.

Our free cash flow outlook also reflects stable to slightly lower cash taxes, largely unchanged working capital and essentially flat cash pension funding as we continue to benefit from a full contribution holiday supported by the strong solvency position of our defined benefit pension plans. With this level of robust and predictable free cash flow generation, we expect BCE's dividend payout ratio to remain comfortably within our target policy range of 40 to 55%.

Finally, we remain focused on driving strong free cash flow growth after payment of lease liabilities, supported by lower year-over-year capital lease repayments in 26 and consistent with the approximately 15% CAGR target we outlined at Investor Day through 2028. Turning to Slide 16.

As we begin the year, we have $2.5 billion of available liquidity and a pension solvency surplus of $4.4 billion, providing meaningful financial flexibility as we execute our 2026 business plan. Our long-term debt maturity profile remains very manageable. In fact, $750 million of 26 MTN maturities were pre-financed and early redeemed in 2025, further reducing near term refinancing risk.

At the end of 2025, our net debt leverage ratio was approximately 3.8 times adjusted EBITDA, unchanged from the prior year despite the closing of the Ziply Fiber acquisition.

On a pro forma basis, adjusted to include a full 12 months of Ziply Fiber, our net debt leverage ratio would have been approximately 3.7 times. It's also worth noting that nominal net debt at year end was 40.2 billion, slightly lower than the 40.3 billion reported at the end of 24 and notably prior to the closing of the Ziply Fiber acquisition. Underscoring our continued focus on balance sheet discipline. Overall, we remain sharply focused on deleveraging, with our net debt leverage ratio expected to continue trending down in '26 toward our target of 3.5 times by the end of 2027.

To conclude on Slide 17, our 2026 financial targets position BC to deliver on the 2028 ambitions we set out at Investor Day. The guidance reflects clear progress from 2025 and remains fully aligned with our three-year financial framework. We're guiding to higher revenue, higher adjusted EBITDA, improving capital intensity, strong free cash flow growth and a sustainable dividend.

Taken together, these targets reinforce our confidence in the strategy and in our ability to execute and deliver sustainable financial performance over the three-year horizon. With that, I'll turn the call back over to Kris and the operator to begin the Q and A.

Kris: Thank you, Curtis. Now, to keep the call as efficient as possible, I'd ask that all of you please limit yourselves to just one question and a brief follow-up so that we can get to as many in the queue as possible. And with that, Matthew, we're ready to take our first question.

Operator: Thank you. If you are on the phone and wish to ask a question, please press star one. The first question comes from Tim Casey from BMO Capital Markets. Please go ahead.

Tim Casey: Yeah, thanks. Good morning. Could you talk a little bit about your guidance ranges? You know, 1 to 5 and 0 to 4, those--obviously, there's a few swing factors in there. Maybe just what's influencing you? Is it competitive intensity? Is it economic issues? Just maybe walk us through your thinking on the guidance ranges, if you could please.

Mirko: Thanks. Thanks, Tim. Good morning. I'll start, and then Curtis can layer on. What you're seeing in the guidance we're giving you on revenue, and EBITDA certainly is a reflection that our growth segments continue to grow as we signalled they would, and we continue to need to manage the legacy declines as carefully as we possibly can, and we transparently unpack that for everyone in October last year.

So on the growth side, the proof points are the premium belt loadings, the churn, the product intensity, and the fiber nets. Of course, we want to continue to

improve service revenues, and in there you've got AI-powered solutions revenue both in totality and then within the--and organically continue to guide towards positive Bell media revenue and EBITDA.

There's the US opportunity and, of course, free cash flow growth, which is pretty healthy while funding strategic initiatives. So that's on the growth side. And then the swings potentially are wireless penetration gains and overall market growth in wireless. Of course, the state of pricing in wireless and wireline both. I already talked about managing legacy, but you've got within that legacy advertising declines and legacy declines generally. The overall economic environment factors into our assessment of the range.

And then the last two things I'll say is while we've got good momentum in AI-Powered solutions and in cost transformation, are we able to further gain even better momentum in both of those? And that could swing to the positive depending on the traction we continue to get. Anything to add, Curtis?

Curtis: Yeah, I just said it's a detail. We're not targeting to reach the low end of the range; we're targeting higher than that. But it is appropriate to have a range. And I just note the spread of the range is consistent with the last couple of years. So again, we think this is the appropriate range and consistent with our past practice.

Tim: Just as a follow-up, any comment on what we're seeing in the wireless pricing environment and what usually is a very tepid loading environment and promotion environment, there seems to have been a little more activity than some of us would have expected in January. Just what are your reflections on what's going on in wireless so far in '26?

Kris: Yeah, thank you for the follow-up, Tim. I'll start with something that does need to be said, particularly with one of our key priorities being putting customers first. It's pretty clear that over the last call it number of years, certainly three years or so, we see consumers getting tremendous value from the wireless services we offer.

You got lowering prices, improved network service enhancements, feature enhancements and basically the benefits of robust competition across the country. So that's important to say. Within that context, I think probably what I'll say, Tim, is that we're continuing at Bell to be disciplined, and that's a function of just sticking to our plan and being diligent in our execution.

So for us, and this is not new, we're really focused on the Bell loadings because the market is shifting to a tier 1 brand value proposition with 5G with mobility Internet and content. We're trying to improve the service revenue trajectory. We're really dialled in on base management. And if you go back to a year ago, we basically sat out ARPU dilutive loadings in January of 2025 and yet we still delivered strong full-year loadings. It just shows you that the discipline is working.

And more recently, in the past month, January of this year, I think you saw some pretty aggressive promotions the past two weekends from some of our peers. And we decided to sit that out as well because what we're trying to do is get an appropriate share of wireless nets, profitable transactions, leveraging the premium tier. And you know, we're focused on strong channel execution both in retail and online and in the call centres.

Tim: Thank you.

Operator: Thank you. Our next question is from Stephanie Price from CIBC World Markets. Please go ahead.

Stephanie Price: Good morning. Thanks. In terms of my question, I was hoping you could walk through what's baked into the guide in terms of Ziply, how we should think about growth and margins in that business in '26. And maybe my follow-up is a bit on the US competitive environment, and if you're seeing any changes in the Ziply footprint here.

Mirko: Right. So on Ziply, we're pleased. So, 2025 ended exactly as we--pretty much exactly as we telegraphed it would at Investor Day for 2025. So that remains the case,

and the performance does remain above our initial investment case when we announced the potential transaction back in November of 2024.

So good on both of those fronts. In terms of the underlying fundamentals, Stephanie, demand for fiber--It's all about fiber. And the underlying fundamentals remain strong for fiber, whether or not it's demand for fiber, customer preference, penetration gains, where we do have fiber and the economics, all that remains very supportive and beats cable on pretty much all the metric speed, reliability, latency, product expansion, overall experience. And that dynamic hasn't changed either competitively on the ground in the states where Ziply is operating.

Stephanie: Thank you. And then just in terms of what you mentioned, a significant ramp in H2 in terms of the rollout at Ziply. Just curious how you're thinking about CI in the face of the fiber rollout in the US business.

Kris: Go ahead on CI.

Curtis: Yeah, thanks for the question, Stephanie. And look, I would say we do manage capex and capital intensity on a consolidated basis. So we are expecting capital intensity overall to drop, but fixed dollars remaining the same. You're not wrong, though. I would expect Capex dollars spent in Canada probably go down year-over-year, and with an increase in the US, but again, we're managing that on a consolidated basis, which gives us the ability to reallocate TAC capital towards higher growth initiatives. So we're happy to have that flexibility and frankly that strong an opportunity in front of us.

Stephanie: Thank you very much.

Operator: Thank you. Our next question is from Jerome Dubreuil from Desjardins Securities. Please go ahead.

Jerome Dubreuil: Hey, good morning. Thanks for taking my questions. I'll just follow up a bit on Tim's questions there. But after seeing what has happened with the

wireless landscape over the last few weekends, have you changed your expectations for 2026 or padded the downside a little bit better?

Mirko: Hi, Jerome. That's built into the ranges on guidance that we've talked about. If you focus on--maybe if I take a narrower focus on the question and go straight to ARPU, for example. So when we came out of Black Friday in November of 2025, we thought it would be possible to show moderate ARPU growth by Q4 of 2026.

And with the pricing we saw in December of 2025 and what we've seen some of our peers do in January, it might be more difficult to get there. But there's still 11 months left in the year. And I think, broadly speaking, I think there are signs that we can go back to the level of pricing we saw more of in October, November, particularly while delivering the tremendous value for consumers, which I talked about earlier when I was discussing with Tim.

Jerome: Thanks for this. That's helpful. In terms of the next step for AI Fabric, I think the ROI opportunity there is pretty strong. Maybe if you can discuss the potential catalyst that you see down the road, is there an inflexion in demand? Are there announcements we should be expecting, maybe from the different government levels?

Kris: Yeah. So I'll try to take it. So, on AI fabric, specifically, what we built in the 2026 plan and guidance is the monetization of a relatively small portion of the significant amount of overall capacity we currently have available to monetize over the coming years. And so that's based on our confidence to deliver those sites in year in 2026.

So that's built into what you see today. We are in active discussions across multiple additional opportunities, and we've been sharing that consistently. And that's based on the pretty strong interest and sales funnel we have. There's a lot of demand for the capacity we do have. And so there are discussions that are ongoing.

Jerome: Great. Thank you.

Operator: Thank you. Our next question is from Maher Yaghi from Scotiabank. Please go ahead.

Maher Yaghi: Great, thank you for taking my question. Maybe I'll start with your assumptions on 2026 wireless subscriber growth for the industry, or maybe better if you can give us some indications about what you expect you can achieve. You know, you talked about ARPU, and so you know, when I think about the pricing picture, you know, Mirko, you mentioned that, you know, given what you saw in Q1 so far in late in Q4, you might not show a return to positive ARPU growth.

I don't think that's, you know, I think the general market is in line with that view. But do you believe that the first couple of big discounts we saw this quarter in the last week, two weekends, have hurt you in any way in terms of achieving your goals and subscriber loading for Q1? I'll start with that question, and I'll have another question on conversions after.

Kris: Okay, so there's--thank you, Maher. There's a kind of a few elements in that. So let me start with market growth generally. Our view of wireless market growth, like to keep it short, is broadly consistent with what you heard last week from one of our competitors. So we also continue to see market growing at a low single-digit rate, and that just reflects a more mature market and lower overall volume growth and increases in penetration.

So that's on that part. In terms of how we're going to operate, it's, I mean, I don't want to repeat too much of what I said at the beginning in response to the first question, but what we saw in January of this year, particularly the last two weekends, it doesn't change the delivery, our execution against our goals because we are going to stick to our plan. We are going to be disciplined. It's all about having a strategy and then executing against that and not deviating because of one or two weekends.

So our approach remains bell loadings, accretive loadings, sitting out, arpu, dilutive loadings, and product intensity. So we're going to continue to execute against that where, you know, we're doing reasonably well. What we want to get is our appropriate share of market loadings.

And on ARPU growth, which was kind of the third element you outlined in your question. I guess I'll end here where I ended on the previous question, when I was discussing with Jerome. There are still 11 months left in the year, so there's lots of opportunity here to deliver on what we all thought we'd be able to deliver, particularly by the end of this year.

Maher: Okay, that's fair. Thank you for that. So, my second question I'll follow up on is on convergence. Wireless wireline bundles is not something new, of course, but in a more competitive market, I look at your fiber footprint, the largest in Canada by far, and compare that with some of your US peers, which are trying to catch up and have made conversions their number one priority, I would say. How much upside do you believe BCE can achieve from leaning on your fiber footprint to increase your wireless market share? And could you share with us what percent of your wireline footprint base is also a wireless customer of BCE? Just to have some kind of a reference compared to what we hear from your US peers. Thank you.

Kris: So I think I don't have it at my fingertips, Maher, but I think at investor day, we did outline our goals on product intensity in terms of percentages. 25% product intensity increase between now and 2028. So we are trying to--that answers your question, is do we think there's upside? 100% we think there's upside, and we gave the upside target over the three-year time frame.

And that's largely on the back of an expensive fiber footprint, coupled with the best premium content in the business in Crave and continued leadership in wireless. So I know I'm giving you more of a general strategic point of view. So that's the strategy. The strategy is born from a belief in tremendous upside. The upside is going to come through disciplined execution. And in terms of the specific stats you're asking for, I don't think we'll give that here on the call. Trying to be helpful as I can, Maher.

Operator: Thank you. Our next question is from Sebastiano Petti from JP Morgan. Please go ahead.

Sebastiano Petti: Hi, thank you for taking the question. I guess just following up on Stephanie's question related to perhaps the US environment. What you've seen here in the US, I guess, is scaled fiber operators seem a bit more focused on driving penetration this year and largely have the message that ARPU growth might be a little bit muted.

And then the cable operators, Comcast Charter, who you compete with the vast majority of your Ziply footprint, have largely messaged as well that ARPUs or price increases will not necessarily be passed through here as they try to focus on churn reduction, gross addition improvement.

While still early, and I think you just kind of hit on it, Mirko, in your answer to Maher's question there that I presume a lot of the growth is volume-based, but boots on the ground, blocking and tackling, has anything changed in the strategy or Harold and the team strategy in the US, kind of, given the competitive environment?

That's my first question. And then I'll just toss out my second one here as well. On slide five, you do talk about continued non-core asset sales as you optimize the balance sheet. Any update on current work streams or what we might be able to perhaps expect in 2026? Thank you.

Mirko: So, on the Ziply part of the question, Sebastiano, so nothing has changed in terms of the strategy and the execution in the Ziply markets where we have fiber. We're continuing to see the penetration ramp exactly as we had expected and as Ziply had been performing prior to our acquisition.

So all that remains quite solid. On pricing, it's interesting. Ziply has typically not been the highest-priced broadband provider in the markets that operate. So there's a price gap between Ziply and cable, where Ziply's pricing has tended to be below that of cable. And what you're seeing, just a maybe broader take on the Ziply Corporation questions, is what you're seeing in what we're signalling is the there's a deliberate reset here on our part, quite strategically.

Prior to closing, Ziply's build plan was largely focused on upgrading its existing copper footprint within its existing ILEC territory. And as we said consistently as we were leading up to closing of the transaction, and since is that our long term plan together with the Ziply management team is to go broader now. And we have PSP and the network fiber co project, and the plan there is to build both within and beyond the ILEC footprint. And we're going to do that in a sequential and capital disciplined way.

So we plan to do the build now, not only within the four core states, not only within the ILEC footprint in those four core states, but outside both the ILEC footprint and the four core states. So if you, if you kind of take that as the strategy, what happened is once we closed the acquisition, we took a bit of a step back and reassessed what had been the build plan so that we could tackle the wider geographic slate.

And as we redesign the plan, what you're going to see is a little bit about a near term slowdown in terms of the actual passings, but our ramp as we get to the back half of this year and into 2027 and beyond so that not only can we hit our 3 million locations past target, but do it in the markets that we think are the most attractive. And then the second question was--.

Curtis: Sebastiano, to get to your second question around asset sales. So I'd say, consistent with our previous messaging throughout the year at Investor Day, we are focused on maintaining our discipline around capital allocation. One of our priorities is strengthening the balance sheet. You saw net debt slightly, but it decreased even with the acquisition of Ziply. So we are continued--we will continue to be focused. We are on track to reach our 3 1/2 times net leverage target by 2027. And as we talked about previously, asset sales will play a role. We do have files underway and as we reach agreements, we'll provide more transparency to the market.

Sebastiano: Thank you both.

Operator: Thank you. Our next question is from Vince Valentini from TD Securities. Please go ahead.

Vince Valentini: Yeah, thanks very much. First, maybe just clarification, are we going to get enterprise segment revenue starting to get disclosed discreetly in the first quarter? I thought there was some indication at Investor Day that you'd improve enhanced disclosure.

And second, more of a question, employee purchase plans within the wireless segment. I know you've been saying for the last couple of quarters that the vast majority of your postpaid net adds are on the Bell brand. But the Bell brand includes these EPP plans, which sometimes are $35 or $40 for big buckets of data, including roaming in other countries as well.

Can you give us any sense? Is that a satisfactory level of your loading, Mirko? Do you think that's getting a bit out of control? And do you have good eyeballs and gates on making sure your in-store reps authenticate people to make sure they qualify for these EPP versus just giving it to anybody?

Mirko: Thanks for the question, Vince. I'll do the second, and Curtis, you can answer the first. Look, on EPPs, they are, you know there's an EPP segment in the marketplace. We have traditionally frankly been gapped in EPP sales, both in terms of in the past functionality and as well as a kind of a desire. But by design, we've been gapped. We've over time fixed some of the product features and execution gaps on EPPs.

But our view hasn't changed on the strategy, which is we'll play where we need to but we believe we are fundamentally disciplined in executing against all core segments. Again, the focus is disciplined execution on the most accretive loadings while remaining competitive as appropriate in each segment. And that's what we're going to continue to do, Vince.

And again you just--Epp is one part of it but you see some of the above the line aggressive pricing that some of our peers have put in market the last two weekends and we set out, we did the same thing last year in January 2025 and ultimately when you look at the full year performance in 2025, we took our appropriate share of net

adds and that's because we focused on executing against, you know, at the right times throughout the year. And that's the thing. That's what we're going to continue to do.

Curtis: And Vince, just on your first question, the answer is yes. So starting Q1, we'll provide more detail in around the enterprise segment.

Vince: Excellent. Thank you.

Operator: Thank you. Our next question is from Batya Levy from UBS. Please go ahead.

Batya Levy: Great, thank you. A couple of follow-ups. First on the US, is it possible to size the build plan for this year and what are some other opportunities you're seeing to accelerate the fiber plan in the US? Maybe some tuck-ins. And convergence is also a theme. And do you see adding an MVNO as important to inflect your subscriber growth in the US? And a quick follow-up on Canada. Can you talk about the TPIA activity in broadband?

Mirko: Okay, thank you, Batya. So, on M and A opportunities, I'm going to give you a general answer on M and A opportunities, and this applies to the US or Canada. We'll always take a look at opportunities to drive shareholder value. Importantly, though, any one of those would have to fit within our capital markets goals and deleveraging targets.

So I'll leave it at that on MA in the US or otherwise. In terms of convergence, at this moment in time, a converged offering in the US is not required by Ziply in order to drive the penetration gains where we have fiber. But we recognize that there may be a point in time that we'll want to do that and we have a number of options available to us that we are, that we are looking at. So, stay tuned for more on that over time. In the--.

Curtis: TPIA.

Mirko: Oh, TPIA, yeah, of course, TPIA. Not--in terms of our--what we want to do--fundamentally, here's what we want to do. We want to again in our approach to put customers first. We really do want to provide in the West to western consumers an

additional fiber option, particularly for those customers who want to buy more than one product from us. That remains our goal. Not much has happened with respect to execution against that goal. And that's because we're having difficulty getting an appropriate level of service from the fiber operator out West.

And I mean not to get into too much gory detail on this, some of the service windows or install windows are frankly weeks long, significantly longer than what we provide to resellers on our fiber network in the East. And that's untenable, particularly when we think that consumers out West are deserving or as deserving as the competition as consumers everywhere else.

ARPUs are higher for Internet in the West than they are in the East, so you could easily argue that consumers in the West are perhaps even more deserving of more competition. So what we're looking for is just an appropriate level of service from the underlying network owner out West. And once that's delivered to us, we'll be able to execute against what we said in Investor Day.

Batya: And are you seeing higher reseller activity in your region?

Mirko: That's traditionally been the case. There's always been more resale for years and years and years in the East and in the West. And that's because the regulatory rules were actually always, for some reason, asymmetrical until recently, where there was no fiber mandate in the West, but there was a fiber resell mandate in the East.

It's a bit inexplicable, but it's what it is. Those rules have changed now so that there's a fiber resell mandate across the country, but we just need appropriate service delivery so that we can deliver an experience to customers out West that they would expect of us and that we want to deliver.

Because again, all this--put all of this aside, what matters the most is the experience that we deliver to customers. That's what concerns me the absolute most.

Batya: Okay, thank you.

Operator: Thank you. Our next question is from Matthew Griffiths from Bank of America. Please go ahead.

Matthew Griffiths: Yeah, hi, good morning. Thanks for taking the question. I just wanted to ask on guidance. Coming out of the Investor Day, I think the message, and correct me if I'm wrong, was for, within that three-year guidance window, for EBITDA growth to be sequentially higher in each subsequent year. Is that still the case as we, you know, get as we see 2026 guidance in the context of the three-year guide?

Curtis: Yeah. Hi, Matthew. It's Curtis. Yeah, nothing, nothing's changed. Our view there, we expect as our growth businesses ramp up, as Ziply Fiber continues to expand their footprint and drive penetration, as our AI-powered solutions businesses ramp up, we continue to expect EBITDA to progressively improve over that three-year rise.

Matthew Griffiths: Okay. And so within the guidance range for 2024--sorry, of 0 to 4 for 2026, it would seem at the high end of that range, given the ranges that you have longer term, it implies a downward trajectory on subsequent year growth. Can you just help kind of bridge those two together?

And maybe there's something lumpy that could fall into 2026 that might fall into 2027. I don't know what it could be, but just kind of reconciling those things would be helpful.

Curtis Millen: Yeah, it's a fair question, Matthew. And look, the trend is upward, but it's not a linear path. As Mirko talked about earlier, there are timing fluctuations in terms of, especially in our enterprise side of the world, there's a timing impact in terms of advertising, continued rebound, launches of our services.

So yes, on a three-year horizon, it's a continuous upward trend. But within any reporting period, there's still going to be a range of outcomes. But the first point still holds true.

Matthew Griffiths: Okay, that's helpful. And then you've made some comments on wireless ARPU, which are helpful. I just was curious if you would make like what you would say your assumptions are around, kind of, you know, international roaming as a contributor to, you know, either continued declines or stability.

Because in the past you've made some comments on where your monthly recurring revenues have been trending, which was, has been positive. So anything to add there would be helpful.

Mirko: Yeah. So, roaming trends actually improved sequentially in Q4. It was still a decline. But it was a low single-digit decline. So we saw a healthy recovery in consumer roaming revenue in Q4, which is, I'd say, encouraging for future ARPU performance if that continues to hold.

Matthew Griffiths: Okay, perfect. All right, perfect. Thank you so much, guys. I appreciate the help.

Mirko: Thank you. Thank you, Matt.

Operator: Thank you. There are no further questions registered at this time. I would now like to turn the meeting over to Mr. Somers.

Kris: Thank you, Matthew. Thank you again, everyone, for your participation on the call this morning. Richard and I will be available throughout the day for follow-up questions or clarifications. Thanks again, and have a great day.

Curtis: Thanks, everyone. Have a good day.

Operator: Thank you. The conference has now ended. Please disconnect your lines at this time, and we thank you for your participation.