Q1 2022 Results Conference Call

May 5, 2022
Safe harbour notice

Certain statements made in this presentation are forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to BCE’s financial guidance (including revenues, adjusted EBITDA, capital intensity, adjusted EPS and free cash flow), BCE’s 2022 annualized common share dividend, BCE’s network deployment plans and anticipated capital expenditures as well as the benefits expected to result therefrom, our anticipated pension cash funding including an expected partial contribution holiday starting in the second half of 2022, BCE’s business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words assumption, goal, guidance, objective, outlook, project, strategy, target and other similar expressions or future or conditional verbs such as aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive and will. All such forward-looking statements are made pursuant to the ‘safe harbour’ provisions of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. For a description of such assumptions and risks, please consult BCE’s 2021 Annual MD&A dated March 3, 2022, as updated in BCE’s 2022 First Quarter MD&A dated May 4, 2022, and BCE’s news release dated May 5, 2022 announcing its financial results for the first quarter of 2022, all filed with the Canadian provincial securities regulatory authorities (available at sedar.com) and with the U.S. Securities and Exchange Commission (available at sec.gov), and which are also available on BCE’s website at BCE.ca.

The forward-looking statements contained in this presentation describe our expectations at May 5, 2022 and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise.
Q1 highlights & progress on strategic imperatives

**Financial performance**
- Strong start to year with 2.5% higher revenue and 6.4% adjusted EBITDA\(^{(1)}\) growth, driving 36.0% y/y increase in net earnings
- Total BCE revenue at ~103% and adjusted EBITDA at ~108% of pre-COVID Q1’19 levels

**Capital acceleration**
- On pace with direct fibre buildout plan to deploy approx. 900K new locations in 2022
- 5G coverage at 75% — expanding to more than 80% of Canadian population by year end
- ~$5B planned capex spend in 2022 — capex to begin declining in 2023

**High-value wireless subscribers**
- Delivered industry-leading wireless financial performance\(^{(2)}\): 8.7% service revenue growth; 9.3% higher adjusted EBITDA; 5.1% y/y increase in mobile phone blended ARPU\(^{(3)}\)
- Total mobile phone postpaid net additions of 34,230, up 4.0% y/y
- Unlimited Ultimate 5G plans launched in February

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\(^{(1)}\) Adjusted EBITDA is a total of segment measures. Refer to section *Total of segments measures* in the Appendix to this document for more information on this measure.

\(^{(2)}\) Based on national peers who have reported as of May 5, 2022.

\(^{(3)}\) Mobile phone blended ARPU is calculated by dividing wireless operating service revenue by the average mobile phone subscriber base for the specified period and is expressed as a dollar unit per month.
Q1 highlights & progress on strategic imperatives (cont’d)

**Broadband growth & Residential share**
- First major provider in Canada to offer 3 Gbps symmetrical Internet speeds
- 38,284 total retail Internet and IPTV subscriber net adds, up 20.0% y/y
- Acquisition of EBOX to accelerate market share gains in Quebec

**Building blocks for 5G-IoT growth**
- Fibre is fastest Internet technology and Bell’s mobile 5G network most awarded in Canada
- 1st telco to deploy Google Distributed Cloud Edge and offer AWS-powered 5G edge services
- 93,744 total IoT net connections added, up 6.5% y/y

**Digital-first media strategy**
- Digital revenues grew 84%
- Crave subscribers up 3.4% y/y, surpassing 3M
- SAM TV revenue up more than six-fold y/y
- Noovo.info digital news platform launched
- TSN partners with FanDuel

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(1) Visit Bell.ca/Mobility/Our_network and Bell.ca/Bell_Internet for more information
(2) Digital revenues are comprised of advertising revenue from digital platforms including web sites, mobile apps, connected TV apps and OOH digital assets/platforms, as well as advertising procured through Bell digital buying platforms and subscription revenue from direct-to-consumer services and Video on Demand services.
(3) SAM TV revenue represents revenues derived from Bell Media’s broadcast TV ad buying optimization platform which gives customers the ability to plan, activate and measure marketing campaigns using Bell’s premium first party data and TV inventory.
Q1 highlights & progress on strategic imperatives (cont’d)

Champion customer experience

- Bell leads national peers in CCTS performance improvement for 7th consecutive year\(^{(1)}\)
  - 36% reduction in customer complaints; share of overall complaints down 13%
- Customer churn rates lower across all wireless and wireline retail residential services
- Ongoing improvements to apps and online self-serve tools

Bell For Better

- Broadened 6th strategic imperative to include sustainability
- Aggressive targets established for GHG emissions, waste reduction and DEI
- One of Canada’s most family-friendly employers; Best Diversity Employer for 6th straight year

Positioning for future growth, while delivering consistently strong operating results

\(^{(1)}\) Commission for Complaints for Telecom-television Services (CCTS), 2021-2022 Mid-Year Report
### Q1 operating metrics

<table>
<thead>
<tr>
<th>Bell Wireless</th>
<th>Bell Wireline</th>
<th>Bell Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>34,230 Postpaid net adds +4.0% y/y</td>
<td>26,024 Retail Internet net adds +22.7% y/y 38,049 FTTH net adds</td>
<td>84% Digital revenue growth</td>
</tr>
<tr>
<td>0.79% Postpaid churn Improved 10 bps y/y</td>
<td>12,260 IPTV net adds +14.6% y/y 20,621 Satellite net loss, -4.1% y/y</td>
<td>3M+ Crave subscribers +3.4% y/y</td>
</tr>
<tr>
<td>$57.98 Blended ARPU +5.1% y/y</td>
<td>42,345 Residential NAS net loss Improved 17.1% y/y</td>
<td>TSN &amp; RDS #1 sports TV channels</td>
</tr>
<tr>
<td>93,744 IoT net adds +6.5 y/y</td>
<td>91% Residential households with Internet and IPTV on FTTH network</td>
<td>Noovo Primetime viewership up 13% in winter season(1)</td>
</tr>
</tbody>
</table>

Continued strong execution and operating momentum underpinned by broadband network leadership, customer experience investments and digital-first media strategy

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(1) Among adults A25-54

Noovo.info launched

Super Bowl LVI most-watched program in Q1
Financial & Operating Results
## Consolidated financial results

<table>
<thead>
<tr>
<th>($M) except per share data</th>
<th>Q1’22</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,850</td>
<td>2.5%</td>
</tr>
<tr>
<td>Service</td>
<td>5,177</td>
<td>4.2%</td>
</tr>
<tr>
<td>Product</td>
<td>673</td>
<td>(8.8%)</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin(1)</td>
<td>2,584</td>
<td>6.4%</td>
</tr>
<tr>
<td></td>
<td>44.2%</td>
<td>1.6 pts</td>
</tr>
<tr>
<td>Net earnings</td>
<td>934</td>
<td>36.0%</td>
</tr>
<tr>
<td>Statutory EPS</td>
<td>0.96</td>
<td>35.2%</td>
</tr>
<tr>
<td>Adjusted EPS(2)</td>
<td>0.89</td>
<td>14.1%</td>
</tr>
<tr>
<td>Capital expenditures (capex)</td>
<td>952</td>
<td>5.9%</td>
</tr>
<tr>
<td>Capital Intensity(3)</td>
<td>16.3%</td>
<td>1.4 pts</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>1,716</td>
<td>(13.9%)</td>
</tr>
<tr>
<td>Free cash flow (FCF)(2)</td>
<td>723</td>
<td>(23.1%)</td>
</tr>
</tbody>
</table>

- Strong 4.2% service revenue growth driven by wireless, residential Internet and media
- Product revenue softness due mainly to ongoing global supply chain challenges
- Net earnings and statutory EPS up 36.0% and 35.2%, respectively, driven by 6.4% growth in adjusted EBITDA, higher other income and lower severance, acquisition and other costs
  - Q1’22 result includes one-time retroactive subscriber revenue adjustment at Bell Media
- Adjusted EPS of $0.89, up 14.1% y/y
- Lower y/y capex due to timing of spend
- Cash flows from operating activities down 13.9% on timing of working capital and higher interest paid on outstanding public debt
- FCF of $723M for Q1 in line with plan

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(1) Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenues.
(2) Adjusted EPS is a non-GAAP ratio and free cash flow (FCF) is a non-GAAP financial measure. Refer to section Non-GAAP ratios and section Non-GAAP financial measures in the Appendix to this document for more information on these measures.
(3) Capital intensity is defined as capital expenditures divided by operating revenues.

Disciplined and focused execution delivered strong Q1 financial performance
Wireless financials

Service revenue ($M)

- Service revenue up 8.7% y/y – best quarterly organic growth rate in 11 years
- Product revenue down 3.8%, reflecting lower y/y transaction volumes due to longer handset lifecycles and high mix of pre-owned device customer activations
- Strong adjusted EBITDA growth of 9.3% yielded 1.7-point margin increase to 45.7%

Adjusted EBITDA ($M)

- Service revenue up 8.7% y/y – best quarterly organic growth rate in 11 years
- Product revenue down 3.8%, reflecting lower y/y transaction volumes due to longer handset lifecycles and high mix of pre-owned device customer activations
- Strong adjusted EBITDA growth of 9.3% yielded 1.7-point margin increase to 45.7%

Service revenue and adjusted EBITDA growth acceleration in Q1 driven by higher-value subscriber focus, roaming recovery and cost discipline
Wireline financials

- Total revenue down 2.2% y/y, due mainly to 28.6% decline in product revenue
- Positive residential wireline revenue growth driven by ~8% y/y increase in Internet revenue
- Business wireline revenue down y/y
  - Global supply chain shortages impacting data equipment availability and sales of follow-on service solutions
  - Tough y/y comparable, due to strong product sales to government sector in Q1’21
  - Sale of Createch on March 1, 2022
- Adjusted EBITDA up 0.3% with 1.2-point higher y/y margin of 45.4%

Continued residential strength and operating cost efficiencies offsetting financial impact of near-term business wireline pressures

(1) Business service solutions revenues are comprised of managed services, which include network management, voice management, hosting and security, and professional services, which include consulting, integration and resource services.
Media financials

- **Higher y/y revenue across all media platforms**
  - TV advertising revenue up 7% y/y and 11% ahead of pre-COVID Q1’19 level

- **Advertising revenue up 8.5% y/y**
  - Increased TV advertiser demand driven by fuller live sports and TV programming schedules
  - Radio and out of home COVID recovery advancing, but slower than expected due to Omicron disruption

- **Subscriber revenue up 22.1% y/y**
  - Includes one-time retroactive revenue adjustment

- **Adjusted EBITDA grew 45.5%, yielding 5.1 point margin increase to 25.2%**

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**Revenue ($M)**

<table>
<thead>
<tr>
<th></th>
<th>Q1’21</th>
<th>Q1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>$M</td>
<td>713</td>
<td>825</td>
</tr>
</tbody>
</table>

+15.7%

**Adjusted EBITDA ($M)**

<table>
<thead>
<tr>
<th></th>
<th>Q1’21</th>
<th>Q1’22</th>
</tr>
</thead>
<tbody>
<tr>
<td>$M</td>
<td>143</td>
<td>208</td>
</tr>
</tbody>
</table>

+45.5%

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Industry-leading media financial results
Balance sheet & liquidity update

Available liquidity\(^{(1)}\)

\[ \$2.8B \]

incl. $104M in cash

*At March 31, 2022

Net debt leverage ratio\(^{(1)}\)

\[ 3.2x \]

*At March 31, 2022

Solvency ratio\(^{(2)}\)

\[ \sim 113\% \]

*Aggregate of major BCE DB plans at Mar. 31, 2022

- **$2.8B total available liquidity\(^{(1)}\) at end of Q1**
  - US$750M public debt offering in February
  - Weighted average annual after-tax cost of public debt of ~2.8% with average term to maturity of ~14 years
  - Next public long-term debt maturity in Sept. 2023

- **Investment grade debt metrics**
  - Net debt leverage ratio stable at 3.2x

- **Pension cash funding for 2022 lower y/y**
  - All major BCE pension plans remain above 105%
  - Partial contribution holiday starting in 2H’22

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\(\)\(^{(1)}\) Available liquidity is a non-GAAP financial measure and net debt leverage ratio is a capital management measure. Refer to section Non-GAAP financial measures and section Capital management measures in the Appendix to this document for more information on these measures.

\(\)\(^{(2)}\) Pension plan solvency ratio is defined as post-employment benefit assets on a solvency basis divided by post-employment benefit liabilities on a solvency basis, calculated in accordance with the Pension Benefits Standards Act, 1985 and its related regulation (PBSA). The Office of the Superintendent of Financial Institutions by way of the PBSA requires companies to perform solvency valuations, including the calculation of pension plan solvency ratios, for federally registered pension plans on a periodic basis. A solvency valuation basis assumes termination of the pension plans on the valuation date.

Strong financial position and balance sheet to execute on strategic priorities and dividend growth in 2022
## Financial targets for 2022

<table>
<thead>
<tr>
<th>BCE</th>
<th>2021</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth</td>
<td>2.5%</td>
<td>1% to 5%</td>
</tr>
<tr>
<td>Adjusted EBITDA growth</td>
<td>3.0%</td>
<td>2% to 5%</td>
</tr>
<tr>
<td>Capital intensity</td>
<td>20.6%</td>
<td>21%</td>
</tr>
<tr>
<td>Adjusted EPS growth</td>
<td>5.6%</td>
<td>2% to 7%</td>
</tr>
<tr>
<td>Free cash flow growth&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>(10.5%)</td>
<td>2% to 10%</td>
</tr>
<tr>
<td>Annual common share dividend&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$3.50</td>
<td>$3.68</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> For the full-year 2022, we expect growth in adjusted EBITDA, a reduction in contributions to post-employment benefit plans and payments under other post-employment benefit plans, and lower cash income taxes will drive higher free cash flow.

<sup>(2)</sup> Increase to $3.68 per share from $3.50 per share effective with Q1 2022 dividend

Reconfirming all 2022 financial guidance targets
Appendix
Non-GAAP and other financial measures

BCE uses various financial measures to assess its business performance. Certain of these measures are calculated in accordance with International Financial Reporting Standards (IFRS or GAAP) while certain other measures do not have a standardized meaning under GAAP. We believe that our GAAP financial measures, read together with adjusted non-GAAP and other financial measures, provide readers with a better understanding of how management assesses BCE’s performance.

National Instrument 52-112, *Non-GAAP and Other Financial Measures Disclosure*, prescribes disclosure requirements that apply to the following specified financial measures: (i) non-GAAP financial measures; (ii) non-GAAP ratios; (iii) total of segments measures; (iv) capital management measures; and (v) supplementary financial measures. This Appendix identifies and classifies the specified financial measures contemplated by National Instrument 52-112 that we use in this presentation to explain our financial results except that, for supplementary financial measures, an explanation of such measures is provided where they are first referred to in this presentation if the supplementary financial measures labelling is not sufficiently descriptive.

### Non-GAAP financial measures

**Adjusted net earnings**

Adjusted net earnings is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 9.1, *Non-GAAP financial measures – Adjusted net earnings*, of BCE’s 2022 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to net earnings attributable to common shareholders, being the most directly comparable IFRS financial measure.

**Available liquidity**

Available liquidity is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 9.1, *Non-GAAP financial measures – Available liquidity*, of BCE’s 2022 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to cash, being the most directly comparable IFRS financial measure.

**Free cash flow**

Free cash flow is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 9.1, *Non-GAAP financial measures – Free cash flow*, of BCE’s 2022 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to cash flows from operating activities, being the most directly comparable IFRS financial measure.
Non-GAAP and other financial measures (cont’d)

Non-GAAP financial measures (cont’d)

Net debt
Net debt is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 9.1, Non-GAAP financial measures – Net debt, of BCE’s 2022 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to long-term debt, being the most directly comparable IFRS financial measure.

Non-GAAP ratios

Adjusted EPS
Adjusted EPS is a non-GAAP ratio and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. We define adjusted EPS as adjusted net earnings per BCE common share. Adjusted net earnings is a non-GAAP financial measure. For further details on adjusted net earnings, refer to section Non-GAAP financial measures above. Refer to section 9.2, Non-GAAP ratios – Adjusted EPS, of BCE’s 2022 First Quarter MD&A, which is incorporated by reference herein, for more information concerning adjusted EPS.

Total of segments measures

Adjusted EBITDA
Adjusted EBITDA is a total of segments measure. Refer to section 9.3, Total of segments measures – Adjusted EBITDA, of BCE’s 2022 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to net earnings, being the most directly comparable IFRS financial measure.

Capital management measures

Net debt leverage ratio
The net debt leverage ratio is a capital management measure and represents net debt divided by adjusted EBITDA. Net debt used in the calculation of the net debt leverage ratio is a non-GAAP financial measure. For further details on net debt, refer to section Non-GAAP financial measures above. For the purposes of calculating our net debt leverage ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA. We use, and believe that certain investors and analysts use, the net debt leverage ratio as a measure of financial leverage.