



# BCE

## BCE Q1 2022 Results Conference Call

**Mirko Bibic**  
President and Chief Executive Officer

**Glen LeBlanc**  
Executive Vice President and CFO

May 5, 2022

### **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made by BCE's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer during BCE's Q1 2022 Results Conference Call, as reflected in this transcript, are forward-looking statements. These statements include, without limitation, 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, including our two-year increased capital expenditure acceleration program for the accelerated expansion of our broadband fibre, Fifth Generation (5G) and rural networks, our anticipated pension cash funding including an expected partial contribution holiday starting later in 2022, our environmental, social and governance (ESG) objectives which include, without limitation, our objectives concerning reductions in the level of our greenhouse gas (GHG) emissions including our objective to achieve science-based targets (SBTs) by 2030, and our objectives concerning reductions in waste to landfill and e-waste recovery, expected pressures from ongoing global supply chain shortages impacting equipment availability in our Bell Wireline segment, BCE's business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. 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 and that our business outlook, objectives, plans and strategic priorities may not be achieved. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. The forward-looking statements contained in this transcript describe our expectations as of 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 transcript, whether as a result of new information, future events or otherwise. From time to time, we consider potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by BCE, forward-looking statements do not reflect the potential impact of any such transactions or of special items that may be announced or that may occur after May 5, 2022. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Forward-looking statements were made during BCE's Q1 2022 Results Conference Call for the purpose of assisting investors and others in understanding certain key elements of our expected financial results, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. The forward-looking statements made during BCE's Q1 2022 Results Conference Call for periods beyond 2022 assume, unless otherwise indicated, that the economic, market, operation and financial assumptions as well as the material risk factors described in this transcript will remain substantially unchanged during such periods, except for an assumed improvement in the risks related to the COVID-19 pandemic and associated general economic conditions in future years.

### **Material Assumptions**

A number of economic, market, operational and financial assumptions were made by BCE in preparing certain forward-looking statements contained in this transcript, including, but not limited to the following:

#### **Canadian Economic Assumptions**

Our forward-looking statements are based on certain assumptions concerning the Canadian economy. As most public health restrictions in Canada have been lifted, pandemic-related effects on demand – notably consumer caution and reluctance to travel – are assumed to fade over 2022 and 2023. In particular, we have assumed:

- Strong economic growth, given the Bank of Canada's most recent estimated growth in Canadian gross domestic product of around 4.25% on average in 2022
- Elevated consumer price index (CPI) inflation driven by sharp increases in energy and food prices as well as supply disruptions and strong demand for goods
- Tight labour market leading to rising wage growth
- Strong household consumption growth supported by job gains, the spending of some of the savings accumulated during the pandemic, and the lifting of public health restrictions
- Solid business investment outside the oil and gas sector supported by robust demand, the gradual easing of supply constraints and improved business confidence
- Higher interest rates
- Higher immigration levels

- *The conflict between Russia and Ukraine affecting the Canadian economy predominantly through higher commodity prices*
- *Canadian dollar expected to remain at or near current levels. Further movements may be impacted by the degree of strength of the U.S. dollar, interest rates and changes in commodity prices.*

#### **Canadian Market Assumptions**

*Our forward-looking statements also reflect various Canadian market assumptions. In particular, we have made the following market assumptions:*

- *A consistently high level of wireline and wireless competition in consumer, business and wholesale markets*
- *Higher, but slowing, wireless industry penetration*
- *A shrinking data and voice connectivity market as business customers migrate to lower-priced telecommunications solutions or alternative over-the-top (OTT) competitors*
- *While the advertising market continues to be adversely impacted by cancelled or delayed advertising campaigns from many sectors due to the economic downturn during the COVID-19 pandemic, we do expect gradual recovery in 2022*
- *Declines in BDU subscribers driven by increasing competition from the continued rollout of subscription video-on-demand (SVOD) streaming services together with further scaling of OTT aggregators*

#### **Assumptions Concerning our Bell Wireless Segment**

*Our forward-looking statements are also based on the following internal operational assumptions with respect to our Bell Wireless segment:*

- *Maintain our market share of national operators' wireless postpaid mobile phone net additions and growth of our prepaid subscriber base*
- *Continued strong competitive intensity and promotional activity across all regions and market segments*
- *Ongoing expansion and deployment of 5G wireless networks, offering competitive coverage and quality*
- *Continued diversification of our distribution strategy with a focus on expanding direct-to-consumer (DTC) and online transactions*
- *Growth in mobile phone blended ARPU, driven by growth in 5G subscriptions, and increased roaming revenue from the easing of travel restrictions implemented as a result of the COVID-19 pandemic, partly offset by reduced data overage revenue due to the continued adoption of unlimited plans*
- *Accelerating business customer adoption of advanced 5G and IoT solutions*
- *Improving wireless handset device availability in addition to stable device pricing and margins*
- *Realization of cost savings related to operational efficiencies enabled by changes in consumer behaviour, digital adoption, product and service enhancements, new call centre and digital investments and other improvements to the customer service experience*
- *No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our wireless business*

#### **Assumptions Concerning our Bell Wireline Segment**

*Our forward-looking statements are also based on the following internal operational assumptions with respect to our Bell Wireline segment:*

- *Further deployment of direct fibre to more homes and businesses within our wireline footprint*
- *Continued growth in retail Internet and IPTV subscribers*
- *Increasing wireless and Internet-based technological substitution*
- *Continued aggressive residential service bundle offers from cable TV competitors in our local wireline areas, moderated by growing our share of competitive residential service bundles*
- *Continued large business customer migration to IP-based systems*
- *Ongoing competitive repricing pressures in our business and wholesale markets*
- *Continued competitive intensity in our small and medium-sized business markets as cable operators and other telecommunications competitors continue to intensify their focus on business customers*
- *Traditional high-margin product categories challenged by large global cloud and OTT providers of business voice and data solutions expanding into Canada with on-demand services*
- *Accelerating customer adoption of OTT services resulting in downsizing of TV packages*
- *Growing consumption of OTT TV services and on-demand streaming video, as well as the proliferation of devices, such as tablets, that consume large quantities of bandwidth, will require ongoing capital investment*

- Realization of cost savings related to operating efficiencies enabled by a growing direct fibre footprint, changes in consumer behaviour and product innovation, expanding self-serve capabilities, other improvements to the customer service experience, management workforce reductions including attrition and retirements, and lower contracted rates from our suppliers
- No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our wireline business

#### **Assumptions Concerning our Bell Media Segment**

Our forward-looking statements are also based on the following internal operational assumptions with respect to our Bell Media segment:

- Overall revenue expected to reflect continued strong demand in TV advertising revenue including scaling of our SAM TV and Bell demand-side-platform (DSP) buying platforms, a gradual recovery in radio and out-of-home advertisements, as well as direct-to-customer (DTC) subscriber growth
- Continued escalation of media content costs to secure quality programming, as well as the continued return to normal volumes of entertainment programming
- Continued scaling of Crave through broader content offering, user experience improvements and Crave Mobile
- Continued investment in Noovo original programming to better serve our French-language customers with a wider array of content, in the language of their choice, on their preferred platforms
- Leveraging of first-party data to improve targeting, advertisement delivery and attribution
- Ability to successfully acquire and produce highly rated programming and differentiated content
- Building and maintaining strategic supply arrangements for content across all screens and platforms
- No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our media business

#### **Financial Assumptions Concerning BCE**

Our forward-looking statements are also based on the following internal financial assumptions with respect to BCE for 2022:

- An estimated post-employment benefit plans service cost of approximately \$255 million
- An estimated interest on post-employment benefit obligations of approximately (\$70) million
- Depreciation and amortization expense of approximately \$4,700 million to \$4,750 million
- Interest expense of approximately \$1,075 million to \$1,125 million
- Interest paid of approximately \$1,125 million to \$1,175 million
- An average effective tax rate of approximately 27%
- NCI of approximately \$60 million
- Contributions to post-employment benefit plans of approximately \$200 million
- Payments under other post-employment benefit plans of approximately \$75 million
- Income taxes paid (net of refunds) of approximately \$800 million to \$900 million
- Weighted average number of BCE common shares outstanding of approximately 911 million
- An annual common share dividend of \$3.68 per share

#### **Assumptions underlying our estimated cash post-employment benefit plans funding savings**

Our estimated cash post-employment benefit plans funding savings from a potential contribution holiday on some of our defined benefit pension plans starting in 2022 are based on the following principal assumptions:

- At the relevant time, our defined benefit (DB) pension plans will remain in funded positions with going concern surpluses and maintain solvency ratios that exceed the minimum legal requirements for a contribution holiday to be taken
- No significant declines in our DB pension plans' financial position due to declines in investment returns or interest rates
- No material experience losses from other unforeseen events such as through litigation or changes in laws, regulations or actuarial standards

#### **Assumptions underlying our GHG emissions reduction targets**

Our GHG emissions reduction targets are based on a number of assumptions including, without limitation, the following principal assumptions:

- Implementation of various corporate and business initiatives to reduce our electricity and fuel consumption, as well as reduce other direct and indirect GHG emissions enablers
- No new corporate initiatives, business acquisitions or technologies that would materially increase our anticipated levels of GHG emissions

- Ability to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce our GHG emissions, if and when required
- No negative impact on the calculation of our GHG emissions from refinements in or modifications to international standards or the methodology we use for the calculation of such GHG emissions
- No required changes to our SBTs pursuant to the Science Based Targets initiative (SBTi) methodology that would make the achievement of our updated SBTs more onerous
- Sufficient supplier engagement and collaboration in setting their own SBTs and sufficient collaboration with partners in reducing their own GHG emissions

The foregoing assumptions, although considered reasonable by BCE on May 5, 2022, may prove to be inaccurate. Accordingly, our actual results could differ materially from our expectations as set forth in this transcript.

### **Material Risks**

Important risk factors that could cause our assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in, or implied by, our forward-looking statements, including our 2022 financial guidance, are listed below. The realization of our forward-looking statements, including our ability to meet our 2022 financial guidance targets, essentially depends on our business performance, which, in turn, is subject to many risks. Accordingly, readers are cautioned that any of the following risks could have a material adverse effect on our forward-looking statements. These risks include, but are not limited to: the adverse effects of the COVID-19 pandemic, including from the restrictive measures implemented or to be implemented as a result thereof, and the adverse effects of the conflict between Russia and Ukraine, including from the economic sanctions imposed or to be imposed as a result thereof, and supply chain disruptions resulting therefrom; adverse economic and financial market conditions, including from the COVID-19 pandemic and the conflict between Russia and Ukraine; a declining level of retail and commercial activity, and the resulting negative impact on the demand for, and prices of, our products and services; the intensity of competitive activity including from new and emerging competitors; the level of technological substitution and the presence of alternative service providers contributing to disruptions and disintermediation in each of our business segments; changing customer behaviour and the expansion of OTT TV and other alternative service providers, as well as the fragmentation of, and changes in, the advertising market; rising content costs and challenges in our ability to acquire or develop key content; the proliferation of content piracy; higher Canadian smartphone penetration and reduced or slower immigration flow; regulatory initiatives, proceedings and decisions, government consultations and government positions that affect us and influence our business including, without limitation, concerning the conditions and prices at which access to our networks may be mandated and spectrum may be acquired in auctions; the inability to protect our physical and non-physical assets from events such as information security attacks, which risk may be exacerbated by the conflict between Russia and Ukraine, unauthorized access or entry, fire and natural disasters; the failure to implement effective data governance; the failure to evolve and transform our networks, systems and operations using next-generation technologies while lowering our cost structure; the inability to drive a positive customer experience; the failure to attract, develop and retain a diverse and talented team capable of furthering our strategic imperatives; labour disruptions and shortages; the failure to maintain operational networks; the risk that we may need to incur significant unplanned capital expenditures to provide additional capacity and reduce network congestion; the complexity of our operations; the failure to implement or maintain highly effective processes and information technology (IT) systems; events affecting the functionality of, and our ability to protect, test, maintain, replace and upgrade, our networks, IT systems, equipment and other facilities; in-orbit and other operational risks to which the satellites used to provide our satellite TV services are subject; our dependence on third-party suppliers, outsourcers, and consultants to provide an uninterrupted supply of the products and services we need; the failure of our vendor selection, governance and oversight processes, including our management of supplier risk in the areas of security, data governance and responsible procurement; the quality of our products and services and the extent to which they may be subject to defects or fail to comply with applicable government regulations and standards; the inability to access adequate sources of capital and generate sufficient cash flows from operating activities to meet our cash requirements, fund capital expenditures and provide for planned growth; uncertainty as to whether dividends will be declared by BCE's board of directors or whether the dividend on common shares will be increased; the inability to manage various credit, liquidity and market risks; new or higher taxes due to new tax laws or changes thereto or in the interpretation thereof, and the inability to predict the outcome of government audits; the failure to reduce costs, as well as unexpected increases in costs, and the inability to generate anticipated benefits from acquisitions and corporate restructurings; the failure to evolve practices to effectively monitor and control fraudulent activities; pension obligation volatility and increased contributions to post-employment benefit plans; unfavourable resolution of legal proceedings and, in particular, class actions; the failure to develop and implement strong corporate governance practices and compliance frameworks and to comply with legal and regulatory obligations; the failure to recognize and adequately respond to climate change and other environmental concerns and expectations; pandemics, epidemics and other health risks, including health concerns about radio frequency emissions from wireless communications devices and equipment; the inability to adequately manage social issues; and internal factors, such as the failure to implement sufficient corporate and business initiatives, as well as various external factors which could challenge our ability to achieve our ESG targets including, without limitation, those related to GHG emissions reduction and diversity, equity and inclusion.

*We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. We encourage investors to also read BCE's 2021 Annual MD&A dated March 3, 2022 (included in BCE's 2021 Annual Report), 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 for additional information with respect to certain of these and other assumptions and risks, filed by BCE with the Canadian provincial securities regulatory authorities (available at [Sedar.com](https://www.sedar.com)) and with the U.S. Securities and Exchange Commission (available at [SEC.gov](https://www.sec.gov)). These documents are also available at [BCE.ca](https://www.bce.ca).*

## **CORPORATE PARTICIPANTS**

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**Glen LeBlanc**

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**Thane Fotopoulos**

*Vice President - IR*

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## **PRESENTATION**

### **Operator**

Good morning, ladies and gentlemen. Welcome to the Q1 2022 Results Conference Call and Webcast.

I would now like to turn the meeting over to Mr. Thane Fotopoulos. Please go ahead, sir.

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### **Thane Fotopoulos – Vice President – IR**

Thank you, Alana and good morning to all. It is good to be back with you this quarter.

With me here to today are Mirko Bibic, BCE's President and CEO, and our CFO, Glen LeBlanc.

You can find all of our Q1 disclosure documents on the Investor Relations page of the bce.ca website, which were posted this morning.

We have a lot of material to get through this morning. However, before we begin, I would like to draw your attention to the Safe Harbour statement, reminding you that today's slide presentation and 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 the company's publicly filed documents for more details on assumptions and risks.

With that, I'll now hand over the call to Mirko.

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### **Mirko Bibic – President and CEO**

Thanks Thane and good morning everyone.

A very positive start to the year with our dedicated Bell team once again delivering strong operational and financial results, driven by consistent and disciplined execution, leading broadband networks and services, and a focus on service excellence — all underpinned by a set of strategic initiatives that have guided us over the past two years and that will continue to guide us in 2022 and beyond.

Although Omicron undoubtedly is causing some near-term disruption, notably for Bell Business Markets and media advertising, we achieved robust total revenue and adjusted EBITDA growth of 2.5% and 6.4%, respectively, in Q1. This represents the first quarter in which our consolidated financial results surpassed pre-COVID levels.

The second year of our historic capex acceleration program is in full swing with close to \$1 billion in new capital spent in Q1. We remain on pace to deliver approximately 900,000 new direct fibre connections and further expand our 5G service footprint to more Canadians, while also launching a standalone 5G core on 3.5 GHz spectrum.

With our mid-term broadband Internet buildout plan 80% completed and 5G-network service available to more than 80% of Canadians by year-end, we expect capex to begin decreasing starting in 2023.

Bell's wireless performance in Q1 was a highlight as we continued to balance market share growth with operating profitability. We led the industry once again this quarter in service revenue, ARPU and EBITDA growth. In fact, at 8.7%, we delivered our best quarterly wireless service revenue growth rate in 11 years.

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This is reflective of our consistent focus on high-value postpaid growth and effective subscriber base management.

And our new Unlimited Ultimate plans introduced in February truly demonstrate the value proposition of 5G and highlight Bell Mobility's differentiated offerings, serving as a catalyst for the consumer upgrade cycle from 4G to 5G handsets.

On the enterprise side of things, our accelerated broadband investments mean that innovative applications, solutions and platforms that rely on converged fibre and 5G networks are becoming more widely available. And our partnerships with leading hyperscalers will expand the use of multi-access edge computing and other next-generation technologies.

Building on these partnerships and our unmatched network capabilities, Bell was the first telco in the world to deploy Google Distributed Cloud Edge for core network functions, an important milestone that gives Bell the flexibility to deploy 5G network functionality in a variety of different architectures. And just last week, we launched the first public MEC in Canada powered by AWS Wavelength. The inaugural AWS Wavelength Zone has been launched in the Toronto region with customers, including apparel retailer Rudsak, robot food delivery service Tiny Mile, and drone operator Drone Delivery Canada, among the first to leverage this new 5G infrastructure.

As I have stated before, the demands of 5G-enabled network services and applications will require the fastest data speeds and the quickest response times to provide the best user experience. In this regard, our network capabilities and footprint breadth are unmatched.

But we're not standing still. In fact, this past April, Bell raised the bar with the widespread commercial introduction of a 3 Gigabit symmetrical Internet service in most areas of Toronto. These are speeds that cable networks cannot match.

And in February, we acquired Internet provider EBOX to strengthen our competitive position and accelerate our market share gains in the value-seeking consumer segment of the Quebec market.

Even as we continue to build globally-leading broadband infrastructure, telecom services also remain affordable. In fact, if you compare the cost of a telecom service bundle, that includes a pure fibre Internet service, IPTV and unlimited mobile 5G data usage, to the price of gasoline, an average sized car would require a monthly minimum of \$400 in gas. This is approximately two times higher than the cost of a starter package from Bell, which provides unlimited usage 24/7 every day of any given month.

According to the most recent Stats Canada data, the price of all goods and services, in aggregate, across the Canadian economy over the past two years has increased at about 9% versus a decline of 26% for telecom services.

Turning to media, we continue to experience good momentum across our streaming distribution platforms and digital advertising markets. Total Crave subscriptions increased 3.4% over last year, while customers on direct streaming service grew a strong 19%.

This, together with our Canadian-leading CTV AVOD app, continued rapid scaling of the SAM TV advertising sales tool where year-to-date bookings are already 45% ahead of full-year 2021 levels, and our recently-launched "Noovo Info" digital platform, contributed to exceptional digital revenue growth of 84% this quarter.

Lastly on Media, FanDuel, North America's premier online gaming company, struck a multi-year agreement with TSN to become its official sportsbook partner beginning in Ontario.

Let me turn now to our strategic imperative to champion the customer experience.

Our customer experience-focused culture, enabled by the strong performance of our customer experience teams and investments in AI and machine learning capabilities, continues to drive improved satisfaction, loyalty

and retention as reflected in lower year-over-year churn rates across all our wireless and wireline retail residential services.

With innovations like enhanced self-serve and self-install, award-winning apps, Move Valet and Virtual Repair, Bell had the largest reduction in customer complaints among national providers in the latest report from the CCTS, with a 36% reduction over the previous year. The share of Bell's overall complaints also decreased by 13%, reducing our share for a 7th consecutive year.

So, really, if you take a step back and take a view of the full picture, we're aggressively building out next-gen digital networks; we're aggressively executing on our digital-first media strategy; we're gaining subscribers, share, revenue, and earnings growth is coming along with it, and that's on the back of our digital networks and platforms; we're digitizing our customer experience tools, both those we use to serve customers and those that our customers are using themselves; and all of this is allowing us to stop using, and to, in fact, decommission legacy networks, products, and tools from copper to satellite technologies where appropriate and beneficial.

I also wanted to highlight a couple of developments on the ESG front.

Following the formalization of our commitment in 2021 to hold Bell to the highest ESG standards with the launch of Bell for Better, we have broadened our strategic imperatives to include sustainability directly into our corporate strategy.

Consistently ranked as one of Canada's greenest employers, we've set increasingly ambitious environmental targets with our commitments for GHG emissions and waste reduction. These include a 57% reduction of our absolute scope 1 and scope 2 GHG emissions by 2030; the recovery of 7 million used TV receivers, modems, WiFi pods and mobile phones over the next two years; and reaching and maintaining a 15% total waste-to-landfill reduction ratio by 2025.

Reflecting our continued efforts to engage and invest in our people, we were recently named as a Top Family-Friendly Employer, one of the best workplaces for young people and young professionals, as well as a Top Diversity Employer for a 6th consecutive year in 2022.

Turning to Slide 6 for an overview of some key operating metrics for Q1. Beginning with Wireless, which as I mentioned was a highlight this quarter.

We added 34,230 new net postpaid mobile phone subscribers, up 4% from last year. A great result underpinned by our best-ever Q1 postpaid churn result, which improved 10 basis points over last year to 0.79% for the quarter. We also were even more targeted in our competitive approach, as our objective is to get the right market share by focusing on high-value smartphone subscribers to grow service revenue and ARPU.

That disciplined approach is paying dividends as reflected in our industry-leading ARPU growth, which was up an impressive 5.1% in Q1. This was supported by increased travel, which drove higher roaming volumes, and higher monthly recurring charges due to a greater mix of customers on premium rate plans.

For mobile connected devices, the strategic focus remains on IoT subscriptions as innovative new business and consumer applications begin to emerge with 5G. These increased 6.5% over last year to approximately 94,000.

Moving to Wireline.

Showing once again that our fibre acceleration strategy is working, we added more than 26,000 net new retail Internet customers, representing a 23% increase over last year. And if we look specifically at our fibre-to-the-home footprint, we delivered an even stronger result with 38,049 new customer additions, which once again drove strong residential Internet revenue growth of around 8% this quarter.

We also added 12,260 net new IPTV subscribers, up 14.6% versus Q1 2021, on the back of our customer segmentation approach and lower customer churn.

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Satellite TV net customer losses were for all intents and purposes stable year over year at just over 20,000, while home phone net losses improved 17.1% to 42,345.

Putting it all together, accelerated fibre expansion, customer experience improvement, lower customer churn and the best product offerings are continuing to drive more and more customers onto Bell Fibe services. At the end of Q1, 91% of Bell residential households with Internet and TV were on our fibre network.

At Bell Media, in addition to continued strong digital momentum, TV advertising demand in Q1 strengthened versus last year, despite some advertiser pullback in some sectors due to Omicron lockdowns and supply chain disruptions.

This was the result of a fuller live sports programming schedule with more NFL play-off games; our Super Bowl broadcast, which was the most-watched program of Q1, helping to keep TSN and RDS atop the rankings again; continued strong specialty news performance; and Noovo, which continued to outpace all other French-language conventional TV competitors in viewership growth with primetime audiences that were up 13% this winter.

Taken all together, these factors drove a 7% year-over-year increase in total TV advertising revenue. This was above pre-pandemic levels for a third consecutive quarter, and 11% higher than Q1 2019.

Before I hand it over to Glen, I would like to acknowledge the Bell team as we began our return to a new, more flexible hybrid workplace in early April after a 2-year hiatus, and thank them for their outstanding support for one another and our customers under very difficult circumstances. What they have done in keeping Canadians connected and informed every day has been nothing short of impressive. I truly believe that our company has come out of COVID stronger, with an ambitious customer-first agenda; we have an ambitious network build agenda; and we have a corporate purpose that's clearer and more important than ever.

On that, Glen will now provide more details on our Q1 financial results.

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### **Glen LeBlanc – Executive Vice President and CFO**

Thank you Mirko and good morning everyone.

Another quarter of great execution by the Bell team to deliver a strong set of consolidated financial results in Q1.

Adjusted EBITDA was a highlight, growing 6.4% on YoY increases across all operating segments, despite some COVID-related headwinds at Bell Business Markets, which affected data product sales in the quarter.

Service revenue growth accelerated to 4.2% on strong wireless, residential Internet and media results, which drove a notable 1.6-point increase in margin to 44.2%.

Exceptionally, our results this quarter included a one-time retroactive adjustment to Bell Media subscriber revenue. Normalizing for this one-time retroactive adjustment, consolidated EBITDA growth for Q1 would have remained quite healthy at around 3.5%.

Net earnings increased 35% on the flow-through of strong EBITDA growth, as well as higher other income driven by a one-time gain from the sale of Createch in March, and a non-cash mark-to-market equity derivative gain as a result of BCE's share price appreciation in the quarter.

Similarly, adjusted EPS was up 14.1% YoY to 89¢, reflecting a high EBITDA contribution from operations and lower YoY pension financing costs reflecting the strong net surplus position of our post-employment benefit plans.

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Capex this quarter was down slightly YoY, due to timing of spend. We remain firmly on pace to invest around \$5B in total this year.

As for free cash flow, our Q1 result was in line with plan and reflected lower cash from working capital, due mainly to the timing of supplier payments, which should reverse out next quarter, as well as an increase in interest paid on a higher level of outstanding long-term debt.

Turning to Wireless on Slide 9.

Another set of exceptional financial results that led national peers once again for a 4th consecutive quarter. Service revenue growth improved sequentially, increasing to 8.7% from 6.3% in Q4. This strong acceleration reflects our even sharper focus compared to last year on high-value postpaid and prepaid subscriber growth, as well as the continued recovery in roaming as international travel activity increases. In fact, roaming revenue exited the quarter at just below 80% of pre-pandemic levels.

Product revenue was down 3.8%, as total transaction volumes continued to trend lower YoY, reflecting a sustained high proportion of new subscribers activating service with pre-owned devices, and longer handset lifecycles, which is financially attractive from both a working capital and customer lifetime value perspective.

Finally, wireless EBITDA also accelerated significantly, growing 9.3% on the high flow-through of strong service revenue growth and our disciplined and targeted responses to competitors' promotional offers, which drove a 1.7-point YoY increase in margin to 45.7%.

Moving to Wireline on Slide 10.

Residential grew solidly YoY, led by Internet revenue, which increased 8% on the combined impact of higher ARPU and continued market share gains.

However, total wireline revenue was down 2.2% this quarter, reflecting a 28.6% decline in product revenue, as our business markets unit continues to experience near-term headwinds from ongoing global supply chain shortages that are impacting equipment availability. This is not only temporarily deferring product sales, but also delaying product spending on follow-on business service solutions. We anticipate these pressures will continue to persist for the remainder of the calendar 2022.

Also weighing on results this quarter was the exceptionally strong demand for telecom data equipment in Q1 2021 from public sector customers, as well as the sale of Createch at the beginning of March.

Despite lower YoY revenue, wireline EBITDA growth was positive, increasing 0.3%, reflecting a 4.2% reduction in operating costs, which also supported margin expansion of 1.2 percentage points to 45.4%.

Let's turn to Media on Slide 11.

Another quarter of industry-leading financial performance in Q1, as growth across all Bell Media platforms, including digital, which increased an outstanding 84% YoY, drove a 15.7% increase in total revenue.

Advertising revenue was up 8.5%, reflecting continued strong TV advertiser demand. While the COVID recovery in radio and Out of Home is progressing, it was slower-than-expected in Q1 due to Omicron.

Subscriber revenue was 22% higher versus last year, reflecting continued strong Crave streaming growth and the aforementioned one-time retroactive revenue adjustment.

Consistent with the YoY increase in revenue, media EBITDA was up 45.5%. However, normalizing for the retroactive adjustment, media EBITDA was down slightly YoY, due to higher operating costs from an increase in live sports programming this year and higher broadcasting license fees as the CRTC temporarily waived these in Q1 2021 because of COVID.

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Finally, a quick update on our balance sheet and liquidity position on Slide 12.

Our investment grade balance sheet is very healthy with available liquidity of more than \$2.8B and a leverage ratio that remains stable at 3.2x adjusted EBITDA.

During the quarter, we executed a highly successful public debt offering in the United States totaling US\$750M, which was used to fund the early redemption of MTN notes maturing in early 2023.

Over the past 2 years, we have raised a record \$10B of long-term public debt, locking in low rates before interest rates began rising, while extending the average term to approximately 14 years and lowering the average after-tax cost of debt to around 2.8%.

With no near-term refinancing requirements for the next 18 months, all major DB pension plans in a surplus position that will enable cash contribution holidays to begin later this year, and substantial free cash flow generation that is growing organically YoY, we have the financial strength to execute on all our strategic and capital market priorities for 2022. So with a positive start to the year, together with combined operating momentum across the business and our consistent proven execution in a competitive marketplace, I am reconfirming all of our guidance targets for 2022.

On that, I will now turn the call back over to Thane and the operator to begin Q&A.

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## **QUESTION AND ANSWER SESSION**

### **Thane Fotopoulos – Vice President – Investor Relations**

Thanks, Glen.

Before we begin, I want to remind everyone that due to some time constraints this morning because of our AGM that's taking place shortly after this call, to please limit yourselves to one question and a brief follow-up, if you must, so we can get to as many of you as possible in the queue.

With that said, Alana, we're ready to take our first question.

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### **Operator**

Thank you. We will now take questions from the telephone lines. There will be a brief pause while participants register for questions. We thank you for your patience. The first question is from Drew McReynolds with RBC.

Please go ahead.

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### **Drew McReynolds – RBC Capital Markets – Analyst**

Yes. Thanks very much. Good morning, and just great set of results, and Glen I'll say surplus position just because you want to say it a little bit more frequently, so congrats on that.

A quick one for me, just—it's a data consumption question. Maybe starting with you, Mirko, can you just give us an update on Internet data consumption, household consumption, and where you see demand for those bigger, high-speed Gig plans going, and then just an equivalent question on what you're observing with 5G handsets and data consumption there, as obviously, you want to migrate folks up to the larger data unlimited plans?

Thank you.

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### **Mirko Bibic – President and CEO**

Thanks, Drew. Good morning.

Look, I'll start with—I'll start with 5G. We're definitely at the beginning of the upgrade cycle from 4G to 5G, and it's going well. Customers using 5G handsets with 5G plans are definitely consuming significantly more data, and therefore, the monthly recurring revenue is higher from that base of customers, so that's quite encouraging. And also, especially encouraging to my mind anyway, and well, it's a pretty obvious point I'm going to make, so it's not just in my mind, it's especially encouraging that steps are being taken in the marketplace to really monetize 5G, because we're making some massive investments here to cover the entirety of the country with 5G. It's capital-intensive. We've also spent \$9 billion as an industry for that spectrum, so we obviously have to monetize it, and you've seen steps being taken, particularly by us, but by some of the others, so you've got the Unlimited Ultimate plans which are trying to encourage customers to subscribe to the higher-value unlimited plans, and early days, but working, and you see some moves like speed tier caps along that unlimited package set of plans, so that's very positive.

On Wireline, look, I don't have at tips to my finger—at my fingertips the exact amount of household data that's being consumed, but I have quite a bit of confidence that there will be significant demand for the higher-speed tiers as we launch those more ubiquitously. Three gigabits per second upload and download, frankly, from us on fibre is just the beginning. We're going to continue to be aggressive on that, because we really do want to continue to lead on network superiority. It works for us, and we—as I said before, I mean cable technologies just

can't match what we'll be able to offer on speed. So, as those become more ubiquitous, as applications and usage becomes more prevalent, and usage grows even more in the home, those plans are going to have ever more value for customers, and as I've been talking here, Drew, it's the average household usage per month is around over four gigs—over 400 gigs.

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**Drew McReynolds – RBC Capital Markets – Analyst**

Super. Super. Thank you for that.

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**Operator**

Thank you.

The next question is from David Barden with BofA Securities.

Please go ahead.

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**Matthew Griffiths – BofA Securities – Analyst**

Oh, hi. It's Matthew Griffiths sitting in for Dave. Thanks for taking the question.

I just wanted to circle back, maybe, to the one-time item that is in the media segment. If you could just maybe elaborate on how much that was in the quarter and what it related to exactly. Then there was a comment made about capex decreasing in 2023, which obviously is the year when you're rolling off of the accelerated program, but are you also referring to the kind of base rate capital intensity of 17% has the potential of stepping down in that year as well? I just wanted to make sure I'm accounting for the decrease correctly.

Thanks.

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**Glen LeBlanc – Executive Vice President and CFO**

Good morning, Matt. It's Glen. I'll handle the first part. I think Mirko will make some comments on your questions regarding capital intensity.

In the quarter, we recorded approximately a \$70 million retroactive BDU adjustment, which related to content that Bell Media sells to another BDU, and if I normalize for that on a consolidated basis, the service revenue that we reported at 4.2 percent would be 2.9 percent. I mentioned in my opening remarks, consolidated EBITDA would be 3.5 percent. Now, this affects our media segment, so if I look at Media, 15.7 percent consolidated revenue growth in the quarter, normalizing for this, it would be about six percent, and again, as I mentioned in my opening remarks, although the EBITDA is a staggering 45 percent, if I normalize for this \$70 million, it would be slightly negative, which is what we would have mentioned in Q1. We expected recovery with radio and Out of Home. It's been a little slower due to Omicron than we would have liked, so all in all, a tremendous quarter across the board despite this retroactive BDU adjustment.

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**Mirko Bibic – President and CEO**

Okay. Matt, and on the Capex question, I'm not going to give guidance for future years either on the absolute capex spend or the capital intensity, but I'll give you a directional answer, which I hope is helpful. So, in the kind of short-ish term, we're trying to—or short-ish horizon, we're trying to get to 10 million locations in our operating footprint with next-generation broadband, and I'd like that split to be around nine million fibre homes and the one

million Wireless Home Internet homes that we've already made our service available to. So that's how you'd get to 10 million. At the end of this year, with the accelerated capex program, we'll be in and around 7.1 million fibre locations. So, there's kind of a 1.8 million to 1.9 million more fibre locations yet to do, and I'd like to get those done by the end of 2025. So, that kind of gives you a sense of the plan, so I can tell you on capex spend is the \$5 billion or so that we're spending this year is our peak capex year, and then it's going to start coming down. By how much, we'll have more to say on that as next year comes, but you have a sense of our—of what our journey is, and the strategy is working, and this is why we're doing this. Really, in a fairly short period of time with nine million fibre locations and one million Wireless Home Internet locations, we really are building kind of long-life fibre infrastructure, and to me, investors should be very pleased with that.

We have a clear strategy. We're making the investments to support it. I already talked about the—in answering Drew's question, I already talked about fibre superiority to cable technology, so I won't repeat that, but not only do we have a structural advantage over cable, but we also are miles ahead of U.S. telcos on that journey, and at the end of that 10 million location build that I've been talking about, there's going to be some pretty strong free cash flow upside.

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**Matthew Griffiths – BofA Securities – Analyst**

All right. Great. Thank you so much.

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**Operator**

Thank you.

The next question is from Stephanie Price with CIBC.

Please go ahead.

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**Stephanie Price – CIBC World Markets - Analyst**

Hi. Good morning.

Just following up on the last question, just curious, the U.S. telecom companies basically highlighted the fact that they're seeing more growth from fixed wireless, and I was hoping to get your updated cost on fixed wireless and whether Bell's considering a broader rollout of the technology beyond the one million you've already talked about?

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**Mirko Bibic – President and CEO**

I think the one million locations for us is kind of the right footprint. Now, can it go up on the margins or down on the margins as we do some fibre overlying some communities? Sure, but kind of one million is the right one. It's a service that's really, in our minds, directed to a better used or better utilized for rural and remote locations that otherwise wouldn't have access to fibre broadband in the near to medium term, so that's where it really does hunt. I would not put Wireless Home Internet up against fibre. I certainly wouldn't. So, fibre's the long—the short, medium, and long-term goal here for us and again, reemphasize, the benefit to investors over the very long term for Bell to have built long-life fibre infrastructure, I can't underestimate the value of that for the long term.

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**Stephanie Price – CIBC World Markets – Analyst**

Great. Thanks, and just to follow up on the enterprise business, wonder if you can quantify the impacts in the supply chain issues, and maybe give us a bit more an update on how you think about that rolling out for the rest of the year?

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**Mirko Bibic – President and CEO**

Look, so we're not immune to the supply chain challenges, that's for sure. I mean, we've managed the handset supply on the consumer side fairly well, so that hasn't been an issue, but on business data equipment, it has had an impact. There are some long delivery cycles that we're having to contend with, and Glen mentioned that in his opening remarks. So, we're expecting that to continue for the balance of the year. The current delays on order fulfillment probably isn't going to subside in the near term.

The good news is that's also having an impact on follow-on service revenue that would be associated with—in business equipment that we'd otherwise be supplying, but it's not a competitive issue, which is the really good news. I mean it's not like business is going to competitors. It certainly is not. We're just going to have to tough the—tough it out through the delays on fulfillment and then the revenues will come both on the product and the follow-on service revenue side.

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**Stephanie Price – CIBC World Markets – Analyst**

Great. Thank you very much.

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**Operator**

Thank you.

The next question is from Vince Valentini with TD Securities.

Please go ahead.

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**Vince Valentini – TD Securities – Analyst**

Yes, thanks very much.

Question on Wireline revenue, so in your commentary, you said higher acquisition retention and bundled discounts on residential services was one of the factors for the service revenue decline. Can we flesh that out a bit more? Are we just sort of pendulum bouncing back to close to the middle after the pandemic when there wasn't much customer activity, and therefore, not as much sort of promotional cost within your revenue, or are we actually talking about elevated levels of competition starting to creep back into the battle between you and the cable companies, and if so or if not, can—is there any major difference by region or by province in that competitive battle?

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**Glen LeBlanc – Executive Vice President and CFO**

Good morning, Vince. It's Glen. I'll make a few comments here. I don't know Mirko wants to add anything, but your information is perfect. This isn't a significant step-up in promotional activity. It's more of a return to historical norms after we went through such a quiet period of promotional activity during the pandemic, so I would say there's nothing alarming here, Vince, in our eyes. It's more of a return to historical norm.

**Vince Valentini – TD Securities – Analyst**

No, that's great, Glen. Because that was a quick answer, I'll do a quick follow-up and avoid Thane's wrath. The 91 percent figure, I'm still a bit fuzzy on what it means. Ninety-one percent of your customers that take Internet and TV are on fibre-to-the-home. Is that just within areas where fibre is available, or are you saying that's across your entire footprint, even though 40—35 percent or 40 percent of your homes still don't have access to fibre?

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**Mirko Bibic – President and CEO**

No, it's the former, Vince, so it's 91 percent of TV and Internet customers in fibre footprint are on fibre network completely, and therefore, that kind of speaks to—there's 9 percent there in fibre footprint that we need to migrate from some type of copper service. Might be home phone to fibre, and then on the copper decommissioning journey that I introduced or hinted at it the last quarter, and that we're really looking at very closely this year in terms of a planning year so that we can kind of attack copper decommissioning at scale, I guess, for a better word—for lack of a better word, in 2023 and beyond.

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**Vince Valentini – TD Securities – Analyst**

Well, and the 91 percent was the same as last quarter, but I assume that's just because the fibre footprint is growing. You're still migrating people, but the denominator is changing.

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**Mirko Bibic – President and CEO**

Got it. You've got it.

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**Vince Valentini – TD Securities – Analyst**

Thank you, guys.

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**Glen LeBlanc – Executive Vice President and CFO**

Thanks, Vince.

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**Operator**

Thank you.

The next question is from Jérôme Dubreuil with Desjardins.

Please go ahead.

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**Jérôme Dubreuil – Desjardins Securities – Analyst**

Hey. Good morning, everyone. Thanks for taking my question.

First one is on the ARPU trend. During the quarter, obviously, we have the data for the whole quarter, but I'm trying to assess the impact of the—of January with Omicron here. Was there a material difference between the period during which there were restrictions and when the economy was more reopened, and then second, in

terms of your guidance, you had a broader range than usual? The pandemic is now better understood. We've seen a competitor increasing its guidance. Would it be fair to assume you maybe now expect EBITDA to land toward the higher end of your guided range now?

Thanks.

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**Glen LeBlanc – Executive Vice President and CFO**

Good morning, Jérôme. It's Glen. I'll handle the last part first, and the guidance ranges that we provided, I reconfirmed this morning. We remain very comfortable that those ranges are an accurate depiction of where we'll end up, and I'm not going guide with more specificity on where we fit into that guidance.

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**Mirko Bibic – President and CEO**

On ARPU growth, January versus February versus March, I mean I don't really have much to add there. There's not much, frankly, deviation between the three months, but let me—since you raised ARPU, let me provide a little bit more colour on our ARPU growth.

Certainly, the roaming rebound was a factor there, but it accounted for just about half or slightly more than half of the ARPU growth, so nowhere near the full growth is accounted for by roaming. I'm really pleased with that, because it really demonstrates a healthy mix in the business. We've got roaming. That was part of it, but nowhere near the entirety of it, so you're really talking about some strong organic growth there in terms of showing that the strategy that we are on is working.

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**Jérôme Dubreuil – Desjardins Securities – Analyst**

Great. That's helpful. Thanks.

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**Glen LeBlanc – Executive Vice President and CFO**

Thank you, Jérôme.

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**Operator**

Thank you.

The next question is from David Joyce with Barclays.

Please go ahead.

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**David Joyce – Barclays – Analyst**

Thank you very much.

Just a question on the EBOX acquisition. What should we expect from a product and subscriber roadmap from this, and what is the leverageability of this asset into other geographies, if you could please provide some more colour on that.

Thank you.

**Mirko Bibic – President and CEO**

Yes, so you asked some pretty important strategic questions there, which kind of I'm not going to disclose on a call for competitive reasons. I'll just leave it at—kind of repeat what I said in my opening remarks. It was an important strategic acquisition for us. because it will allow us to be that—even more competitive than we currently are, particularly in the kind of value-conscious segment of the Quebec market, so we're going to continue to be competitive and put the pressure on in the province of Quebec, both with our aggressive fibre expansion and the continuation of the EBOX service and the EBOX brand.

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**David Joyce – Barclays – Analyst**

Okay. I appreciate that. Thank you.

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**Operator**

Thank you.

The next question is from Simon Flannery with Morgan Stanley.

Please go ahead.

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**Simon Flannery – Morgan Stanley – Analyst**

Thank you very much. Good morning.

The churn was very impressive, down about 10 basis points year-over-year. If we looked at the U.S. guys, they were up a couple of basis points year-over-year, so it'd be great to just unpack that a little bit in terms of what you're seeing involuntary/voluntary churn and how we should think about your ability to sustain or even improve from here.

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**Mirko Bibic – President and CEO**

Well, maybe I'll take the very last part of it, and Glen, if you have anything to add, please do, so sustainability, I think—well, I hope it is. I mean, because we're doing a number of things. We've been doing a number of things strategically to get churn down, so clearly, the customer-first approach that we're on is working, so we have better customer experience overall.

We are offering tremendous overall value, right, whether or not it's on pricing on quality, 5G, etc., and certainly, we're at the forefront of that, but the industry is doing a tremendous job overall. Instalment plans, the launch of those a couple of years ago certainly has helped churn, in my view, and devices are lasting longer, which is helping churn, and then on—the involuntary churn is stable and voluntary churn is down.

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**Glen LeBlanc – Executive Vice President and CFO**

Exactly. Simon, just as Mirko said, it's—we're seeing lower transactions in the industry, and that obviously benefits all in churn, and to your point, incredibly pleased with our postpaid churn in the quarter at 0.79 percent and the improvements quarter-over-quarter and year-over-year.

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**Simon Flannery – Morgan Stanley – Analyst**

All right. Thank you.

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**Glen LeBlanc – Executive Vice President and CFO**

Thanks, Simon.

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**Operator**

Thank you.

The next question is from Sebastiano Petti with J.P. Morgan.

Please go ahead

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**Sebastiano Petti – J.P. Morgan – Analyst**

Thank you.

Just following up on the Wireline segment. I think, Glen, you talked about opex down 4 percent there on a year-on-year basis. Outside of perhaps the lower margin kind of product sales that perhaps didn't come through, anything else to unpack there; what you're seeing perhaps related to Vince's question on the network decommissioning? Any underlying drivers we should be thinking about there as it pertains to the rest of the year outside of perhaps the product sales impact?

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**Glen LeBlanc – Executive Vice President and CFO**

No. I mean, obviously, when we have low product sales, both in our Wireless segment and in our Wireline segment, you're starting—you see that play out in margin expansion, low-margin product sales not there, so naturally, the consolidated margin improves. Couple that with on our Wireless segment, we had a significant flow-through of roaming, which comes at extremely high margin, so that drives margin expansion on the consolidated business as well.

You mentioned copper decommissioning. These are early days. It's a little early for that. The more we continue to roll out fibre, though, everywhere we roll out fibre, we start to see reduced truck rolls, improved operating, and I mentioned 4 percent. Four percent is our net improvement when you consider that we are absorbing inflationary pressures, which affect both wages and benefits, and in our business, fuel probably will cost us \$15 million to \$20 million more this year than normal—than last year due to the escalating prices, that 4 percent is even more impressive. So, it's really just blocking and tackling, being cost-conscious, as we always are, trying to find improvements, reducing calls into our contact centres, doing a really good job with self-serve, and fibre is the gift that just keeps on giving. Everywhere we expand fibre, we have lower cost to operate, and as Mirko mentioned earlier, with our aggressive fibre program go forward, I'm pretty excited about the future and what that's going to do for us on cost benefit.

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**Mirko Bibic – President and CEO**

Yes, and to be pretty blunt, I mean, the copper decommissioning journey has pretty much not started, so that's not—the benefits you're seeing in this quarter aren't because of copper decommissioning, although it's a very important and significant future tailwind, that's for sure.

**Sebastiano Petti – J.P. Morgan – Analyst**

Great. Great, and so maybe we're getting some of the lower customer service costs as the business migrate to fibre customers, but the decommissioning's still later, longer-dated kind of benefit.

Anything on the Wireless postpaid loading environment? Obviously, the trends seem to be pretty solid across the industry. Any update perhaps on 2Q and how you're thinking on a full year basis?

Thanks.

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**Mirko Bibic – President and CEO**

No, I think on postpaid loading, we're pleased with Q1, that's for sure. The team executed very well, and as you've heard me say before, including this morning, we're very targeted on the high-value smartphone category, and I would say getting even more targeted in that category itself, and you can see the benefits in our financial results. I mean, there's a—looking forward, I think if you look back a couple—the last couple of quarters, including this one that we're reporting on, the operating momentum has been good and it's clearly continuing, and it looks like good growth across the industry, so we continue to have things like integration upside and the easing of the store constraints and early 5G momentum and the roaming bounce back, and hazard to say that competitive intensity between two potentially emerging parties isn't quite there as it used to be and that's probably benefiting the entire industry. So, I'd say those are the elements that our—that I look at to see how things are going to go in future quarters, and it's looking good.

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**Sebastiano Petti – J.P. Morgan – Analyst**

Thanks again.

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**Operator**

Thank you.

The next question is from David McFadgen with Cormark Securities.

Please go ahead.

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**David McFadgen – Cormark Securities – Analyst**

Yes, just a question on the retail Internet. So, when I look at your presentation, you had 38,000 fibre-to-the-home net additions, but the total retail Internet net additions are 26. You lost 12 in DSL. Just wondering how would that compare to the prior year in terms of DSL subscriber losses? Then quickly, just on EBOX, can you just confirm that most of their subscribers are on Videotron and I guess would be logical that, over time, you'd try and move those subscribers from Videotron over to your network?

Thanks.

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**Mirko Bibic – President and CEO**

I don't have at my fingertips the exact ratio of this quarter compared to previous quarters on DSL versus fibre, but it has been a trend for several quarters that—a consistent trend that we—our fibre loadings are higher than

the net loadings you see and we are gaining in fibre footprint and we're losing subscribers in copper footprint, so that continues to be the case.

On EBOX, not to give a—precise numbers, I won't do that, but yes, strategically, those EBOX subscribers that are on a competitor's network, we will migrate, over time, to our network.

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**David McFadgen – Cormark Securities – Analyst**

Okay. Thank you.

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**Operator**

Thank you.

The next question is from Aravinda Galappathige with Canaccord Genuity.

Please go ahead.

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**Aravinda Galappathige – Canaccord Genuity – Analyst**

Good morning. Thanks for taking my question.

I wanted to start off with a follow-up. Mirko, you talked about sort of what you've described as the beginning of the upgrade cycle from 4G to 5G. Thinking about the consumer side, you've already launched TSN 5G, but I wanted to get a sense of what your visibility is around the sophistication of sort of consumer level applications that are in the horizon, because it's sort of more, I guess, advanced applications that would sort of really kind of push that migration along, wanted to get your thoughts on that. Then on a more general level in wireless, I mean, some of the U.S. telecoms have kind of talked about some impact from the economic clouds that we're starting to see, including in-store traffic and maybe some other items as well. I just wanted to get a sense of, looking at April, maybe are you seeing any hints of that at all in Canada?

Thanks.

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**Glen LeBlanc – Executive Vice President and CFO**

Good morning, Aravinda, I'll handle the last part before Mirko discusses the migration from 4G to 5G, but no is the short answer. We're not seeing any economic impacts. Even in April, the challenges of inflation or the strong economy is not impacting, and I think we're still, in many regards, coming out of COVID, albeit it feels at times it's two steps forward and one step back. Store traffic and I think consumer confidence to start moving around again is, I think, driving more of an impact than any economic headwind is, so the short answer is, Aravinda, not feeling any impacts, and that would be true with April as well. I think most importantly, as Canadians get more and more confident, we're excited that we'll see more foot traffic back in our stores to more pre-pandemic levels.

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**Mirko Bibic – President and CEO**

Yes, and on the 4G to 5G upgrade cycle, Aravinda, I mean, in the early days, really what's driving it likely just a better experience on the network; faster, lower latency, better, more powerful handsets. I think that's what's driving the initial upgrade cycle, and we are doing our part trying to create consumer awareness and buzz around the power of 5G, and you referenced TSN RDS 5G View, and that certainly has worked to elevate the brand, the awareness of the power of 5G and the brand awareness of Bell as being a premium 5G network.

In terms of what's next, well, I think the limits—probably our imagination is the limit. It will be a bit like 10, 15 years ago when we moved to 4G, and who would have foreseen at the very, very, very beginning the extent of the apps that would be unveiled for the consuming public to enjoy on their handsets, and I'm expecting the same kind of thing with 5G, and I'm also expecting it on the enterprise side in a completely different way, but with 5G—low latency converged fibre and 5G with MEC, Cloud, etc., so I think there's a lot of potential there on both the consumer side and the business side, of course.

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**Aravinda Galappathige – Canaccord Genuity – Analyst**

Thank you.

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**Operator**

Thank you.

There are no further questions registered at this time.

I will now turn the meeting back over to Mr. Fotopoulos.

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**Thane Fotopoulos – Vice President – IR**

Thank you, Alana.

I want to thank everybody for their participation on the call this morning. That said, I will be available throughout the day for any follow-up questions or clarifications, so have a great rest of the day, everybody.

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**Mirko Bibic – President and CEO**

Thank you, everyone.

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**Glen LeBlanc – Executive Vice President and CFO**

Thank you.

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**Operator**

Thank you.

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

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