Q2 2022 Results
Conference Call
August 4, 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 plans to deliver faster wireless and Internet speeds and related offerings, the expectation that our financial position supports strategic priorities for 2022, including increased capital expenditures and dividend growth, 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 and Second Quarter MD&As dated May 4, 2022 and August 3, 2022, respectively, and BCE’s news release dated August 4, 2022 announcing its financial results for the second 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 August 4, 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.
Q2 highlights & progress on strategic imperatives

Financial performance

• Continued consistent, disciplined execution
• 3.8% consolidated service revenue growth and 4.6% higher adjusted EBITDA\(^{(1)}\)
• Net earnings declined 10.9% due to non-cash equity derivatives net loss

Capital acceleration to build the best networks

• On track to deliver approximately 900K new pure fibre locations in 2022
  – 350K new homes and businesses delivered in 1\(^{st}\) half of 2022 with another 240K under construction
• ~80% of broadband fibre buildout plan to be completed by year end
• Highest-ever annual capex in Canadian telecom with planned spend of ~$5B in 2022, bringing total capex since 2020 to ~$14B

New product launches enhance leadership position

• Mobile 5G+ network launched on 3.5 GHz spectrum, delivering fastest technology in Canada with peak theoretical data download speeds of 3 Gbps over time
  – Service footprint to cover ~60% of addressable population by year end\(^{(2)}\)
• Delivering the most advanced services in the home to Canadians
  – Upcoming launch of 8 Gbps symmetrical Internet service\(^{(3)}\) with upload speeds 250x faster than cable
  – Raising the bar on Wi-Fi with upgrade to Wi-Fi 6E technology
  – Next evolution of TV leadership with launch of new Fibe TV leveraging Google Android TV

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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

\(^{(2)}\) Addressable population excludes population impacted by 5G restrictions near airports and areas where 3.5 GHz spectrum is not yet available due to timing. National coverage to ~40% of total population.

\(^{(3)}\) In select areas of Toronto
Q2 highlights & progress on strategic imperatives (cont’d)

High-value wireless subscribers

- Continued strong wireless financial results: 7.8% service revenue growth; 8.3% higher adjusted EBITDA; 3.8% y/y increase in mobile phone blended ARPU(1)
- 110,761 total mobile phone net additions, up 65K y/y
- 87% of Unlimited Plan subscribers on monthly data plans higher than 10GB

Broadband growth & residential market share

- 36,473 retail FTTH Internet net adds, up 19.5%
- 8% residential Internet revenue growth
- Bell recognized as fastest major ISP in its wireline footprint(2)

Digital-first media strategy

- Digital revenues(3) increased 55% y/y and now represent 27% of total Bell Media revenue
- Crave subscriber base up 2% to 3M on direct-to-consumer growth of 8%
- SAM TV(4) revenue up more than four-fold y/y, generating ~60% of total digital ad revenues

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(1) 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.
(2) Visit Bell.ca/Bell_Internet for more information
(3) 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.
(4) 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.
Q2 highlights & progress on strategic imperatives (cont’d)

Champion customer experience

- 3rd consecutive quarter of improved y/y wireless, retail residential Internet and IPTV churn
- More than 85% of Bell customers now mainly interacting online
- Industry recognition for Bell’s MyBell, Virgin Plus My Account and Lucky Mobile My Account apps(1) — the highest-rated telecom apps in Canada

Bell For Better

- #1 telecom company globally and #4 overall in Canada on the Best 50 Corporate Citizens list(2)
- Recognized as one of Canada’s Greenest Employers for 6th consecutive year
  - 1st communications company in North America to receive ISO 50001 certification for energy management
- Bell Blue Box program has collected over 2.7 million mobile devices in past 18 years
- Recognized by IDC as cyber-security telco leader in Canada(3)

(1) 2022 Internet Advertising Competition (IAC) Awards and The Association of Marketing and Communication Professionals (AMCP) 2022 Hermes Creative Awards
(2) Corporate Knights’ 2022 Best 50 Corporate Citizens in Canada
(3) International Data Corporation (IDC) Canada Canadian Security Services 2022 Vendor Assessment

Q2 results highlight consistent execution and continued momentum, underscoring Bell’s stability, resiliency and strength of our leading broadband networks and services
## Q2 operating metrics

<table>
<thead>
<tr>
<th>Bell Wireless</th>
<th>Bell Wireline</th>
<th>Bell Media</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>83,197</strong></td>
<td><strong>22,620</strong></td>
<td><strong>55%</strong></td>
</tr>
<tr>
<td>Postpaid net adds</td>
<td>Retail Internet net adds</td>
<td>Digital revenue growth</td>
</tr>
<tr>
<td>Up 87.2% y/y</td>
<td>Up 27.9% y/y</td>
<td>• Advertising revenue up ~5% y/y</td>
</tr>
<tr>
<td><strong>0.75%</strong></td>
<td><strong>56%</strong></td>
<td><strong>TSN &amp; RDS</strong></td>
</tr>
<tr>
<td>Postpaid churn</td>
<td>Fibre footprint overlap</td>
<td>#1 sports TV channels(1),(2)</td>
</tr>
<tr>
<td>Best-ever quarterly result</td>
<td>with cable competitors</td>
<td>• 2022 Canadian Grand Prix most-watched F1 race on record across all Bell Media properties</td>
</tr>
<tr>
<td><strong>$59.54</strong></td>
<td><strong>3,838</strong></td>
<td><strong>Noovo</strong></td>
</tr>
<tr>
<td>Blended ARPU</td>
<td>IPTV net adds</td>
<td>Primetime viewership</td>
</tr>
<tr>
<td>Up 3.8% y/y</td>
<td>Up 2.8% y/y</td>
<td>Up 5%(3)</td>
</tr>
<tr>
<td>• 5th straight quarter of y/y growth</td>
<td>• 15,365 Satellite net loss, up 6K y/y</td>
<td></td>
</tr>
<tr>
<td><strong>27%</strong></td>
<td><strong>52,712</strong></td>
<td><strong>Upfront</strong></td>
</tr>
<tr>
<td>Postpaid subscribers with 5G-enabled devices</td>
<td>Residential NAS net loss</td>
<td>Record 1st day bookings</td>
</tr>
<tr>
<td></td>
<td>Up 2.8% y/y</td>
<td>• 100 original titles for 2022/2023, up 75% over last year</td>
</tr>
</tbody>
</table>

- **Strong Q2 performance across all Bell growth services**

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(1) 2021/2022 broadcast YTD
(2) RDS was top non-news French specialty channel in Q2
(3) 2021/2022 broadcast YTD among adults A25-54
Financial & Operating Results
# Consolidated financial results

<table>
<thead>
<tr>
<th>($M) except per share data</th>
<th>Q2’22</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,861</td>
<td>2.9%</td>
</tr>
<tr>
<td>Service</td>
<td>5,233</td>
<td>3.8%</td>
</tr>
<tr>
<td>Product</td>
<td>628</td>
<td>(4.6%)</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin(1)</td>
<td>2,590</td>
<td>4.6%</td>
</tr>
<tr>
<td></td>
<td>44.2%</td>
<td>0.7 pts</td>
</tr>
<tr>
<td>Net earnings</td>
<td>654</td>
<td>(10.9%)</td>
</tr>
<tr>
<td>Statutory EPS</td>
<td>0.66</td>
<td>(13.2%)</td>
</tr>
<tr>
<td>Adjusted EPS(2)</td>
<td>0.87</td>
<td>4.8%</td>
</tr>
<tr>
<td>Capital expenditures (capex)</td>
<td>1,219</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>Capital Intensity(3)</td>
<td>20.8%</td>
<td>0.4 pts</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td>2,597</td>
<td>3.9%</td>
</tr>
<tr>
<td>Free cash flow (FCF)(2)</td>
<td>1,333</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

- 3.8% higher service revenue delivered strong 4.6% growth in adjusted EBITDA
- Product revenue reflects ongoing data equipment supply chain bottlenecks
- Net earnings and statutory EPS down 10.9% and 13.2%, respectively, due to non-cash equity derivatives net loss
- Adjusted EPS up 4.8% y/y
- Over $1.2B in capex focused on accelerated fibre rollout and 5G network deployment
- Cash flows from operating activities up 3.9% y/y, fuelling 7.1% increase in FCF to $1,333M

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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.

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YTD financial performance supports 2022 guidance targets
Wireless financials

Service revenue ($M)

- Strong service revenue growth of 7.8% reflects successful execution of higher-value mobile phone strategy and higher y/y roaming revenue
- Product revenue down 0.9% y/y, due to fewer customer device upgrades
- Strong adjusted EBITDA up 8.3% with 1.2-point margin increase to 46.7%

Adjusted EBITDA ($M)

Consistently strong wireless financial results reflect disciplined focus on higher-value subscriber growth and customer lifetime value
Wireline financials

- Improving performance trajectory with total revenue down 0.3% vs. 2.2% in Q1’22
  - Positive overall service revenue growth of 0.6%
  - Product revenue down 23.2%

- Healthy residential wireline revenue growth driven by 8% y/y increase in Internet revenue

- Business wireline results continue to be impacted by current macroeconomic backdrop
  - Global supply chain shortages delaying data equipment availability and related service solutions\(^{(1)}\) sales
  - Sale of Createch on March 1, 2022

- Adjusted EBITDA up 1.7% with 0.8-point y/y margin increase to 43.9%
  - $44M wholesale Internet regulatory charge in Q2’21
  - Operating costs down 1.8%, despite over $20M in storm-related costs and inflationary pressures absorbed in Q2

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\(^{(1)}\) 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

- **8.7% increase in total revenue**
  - Return of Formula 1 Canadian Grand Prix and increased activity as COVID recovery continues

- **Advertising revenue up 4.7% y/y**
  - Stronger specialty TV sports and news performance
  - Improved y/y radio and out of home results

- **Subscriber revenue up 3.5% y/y, reflecting continued Crave streaming growth**

- **Adjusted EBITDA 5.6% higher y/y**

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**Leading media platforms and content underpin strong Q2 financial results**
Balance sheet & liquidity update

- $3.1B total available liquidity at end of Q2
- Manageable net debt leverage ratio at 3.1x
- Good predictability over debt service costs
  - ~85% fixed-rate debt
  - Adjusted EBITDA to adjusted net interest expense ratio\(^1\) above target policy at 9.0x
  - 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
- Total pension cash funding down $36M y/y in Q2, reflecting start of contribution holiday
  - Solvency ratio above 105% for all major DB plans

Available liquidity\(^1\)

$3.1B incl. $596M in cash
*At June 30, 2022

Net debt leverage ratio\(^1\)

3.1x
*At June 30, 2022

Solvency ratio\(^2\)

~115%
*Aggregate of major BCE DB plans at June 30, 2022

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\(^1\) Available liquidity is a non-GAAP financial measure and net debt leverage ratio and adjusted EBITDA to adjusted net interest expense ratio are capital management measures. 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.

Healthy financial position supports strategic priorities for 2022, including increased capex and dividend growth
## 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(1)</td>
<td>20.7%</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(1),(2)</td>
<td>(11.0%)</td>
<td>2% to 10%</td>
</tr>
<tr>
<td>Annual common share dividend(3)</td>
<td>$3.50</td>
<td>$3.68</td>
</tr>
</tbody>
</table>

(1) In Q2 2022, we applied the IFRIC Agenda Decision on Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7 – Statement of Cash Flows) retrospectively to each prior period presented. For further details, refer to Note 2, Basis of presentation and significant accounting policies in BCE’s 2022 Second Quarter MD&A.

(2) 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.

(3) 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 Second 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.

**Adjusted net interest expense**

Adjusted net interest expense 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 interest expense, of BCE’s 2022 Second Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to net interest expense, being the most directly comparable IFRS financial measure.
Non-GAAP and other financial measures (cont’d)

**Non-GAAP financial measures (cont’d)**

**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 Second 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 and excess free cash flow*, of BCE’s 2022 Second 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.

**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 Second 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 Second Quarter MD&A, which is incorporated by reference herein, for more information concerning adjusted EPS.
Non-GAAP and other financial measures (cont’d)

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 Second 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

Adjusted EBITDA to adjusted net interest expense ratio

The adjusted EBITDA to adjusted net interest expense ratio is a capital management measure and represents adjusted EBITDA divided by adjusted net interest expense. For the purposes of calculating our adjusted EBITDA to adjusted net interest expense ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA. Adjusted net interest expense used in the calculation of the adjusted EBITDA to adjusted net interest expense ratio is a non-GAAP financial measure defined as twelve-month trailing net interest expense as shown in our consolidated statements of cash flows, plus 50% of twelve-month trailing net earnings attributable to preferred shareholders as shown in our consolidated income statements. For further details on adjusted net interest expense, refer to section Non-GAAP financial measures above. We use, and believe that certain investors and analysts use, the adjusted EBITDA to adjusted net interest expense ratio, among other measures, to evaluate the financial health of the company.

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.