



Q1

Supplementary Financial Information

First Quarter 2024

BCE Investor Relations

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BCE

Consolidated Operational Data

<i>(In millions of Canadian dollars, except share amounts) (unaudited)</i>	Q1 2024	Q1 2023	\$ change	% change
Operating revenues				
Service	5,192	5,222	(30)	(0.6%)
Product	819	832	(13)	(1.6%)
Total operating revenues	6,011	6,054	(43)	(0.7%)
Operating costs	(3,446)	(3,516)	70	2.0%
Adjusted EBITDA ^(A)	2,565	2,538	27	1.1%
Adjusted EBITDA margin ^{(B)(3)}	42.7%	41.9%		0.8 pts
Severance, acquisition and other costs	(229)	(49)	(180)	n.m.
Depreciation	(946)	(918)	(28)	(3.1%)
Amortization	(316)	(283)	(33)	(11.7%)
Finance costs				
Interest expense	(416)	(344)	(72)	(20.9%)
Net return on post-employment benefit plans	16	27	(11)	(40.7%)
Impairment of assets	(13)	(34)	21	61.8%
Other (expense) income	(38)	121	(159)	n.m.
Income taxes	(166)	(270)	104	38.5%
Net earnings	457	788	(331)	(42.0%)
Net earnings attributable to:				
Common shareholders	402	725	(323)	(44.6%)
Preferred shareholders	47	46	1	2.2%
Non-controlling interest	8	17	(9)	(52.9%)
Net earnings	457	788	(331)	(42.0%)
Net earnings per common share - basic and diluted	\$ 0.44	\$ 0.79	\$ (0.35)	(44.3%)
Dividends per common share	\$ 0.9975	\$ 0.9675	\$ 0.0300	3.1%
Weighted average number of common shares outstanding - basic (millions)	912.3	912.1		
Weighted average number of common shares outstanding - diluted (millions)	912.3	912.3		
Number of common shares outstanding (millions)	912.3	912.2		
Adjusted net earnings and adjusted EPS				
Net earnings attributable to common shareholders	402	725	(323)	(44.6%)
Reconciling items:				
Severance, acquisition and other costs	229	49	180	n.m.
Net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans	90	(18)	108	n.m.
Net losses on investments	6	-	6	-
Impairment of assets	13	34	(21)	(61.8%)
Income taxes for the above reconciling items	(85)	(18)	(67)	n.m.
Non-controlling interest (NCI) for the above reconciling items	(1)	-	(1)	-
Adjusted net earnings ^(A)	654	772	(118)	(15.3%)
Adjusted EPS ^(A)	\$ 0.72	\$ 0.85	\$ (0.13)	(15.3%)

n.m. : not meaningful

^(A) Adjusted EBITDA is a total of segments measure, adjusted net earnings is a non-GAAP financial measure and adjusted EPS is a non-GAAP ratio. Refer to note 2.3, *Total of segments measures*, note 2.1, *Non-GAAP financial measures* and note 2.2, *Non-GAAP ratios* in the Accompanying Notes to this report for more information on these measures.

^(B) Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenues.

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Consolidated Operational Data - Historical Trend

<i>(In millions of Canadian dollars, except share amounts) (unaudited)</i>	Q1 24	TOTAL 2023	Q4 23	Q3 23	Q2 23	Q1 23
Operating revenues						
Service	5,192	21,154	5,348	5,281	5,303	5,222
Product	819	3,519	1,125	799	763	832
Total operating revenues	6,011	24,673	6,473	6,080	6,066	6,054
Operating costs	(3,446)	(14,256)	(3,906)	(3,413)	(3,421)	(3,516)
Adjusted EBITDA	2,565	10,417	2,567	2,667	2,645	2,538
Adjusted EBITDA margin	42.7%	42.2%	39.7%	43.9%	43.6%	41.9%
Severance, acquisition and other costs	(229)	(200)	(41)	(10)	(100)	(49)
Depreciation	(946)	(3,745)	(954)	(937)	(936)	(918)
Amortization	(316)	(1,173)	(299)	(295)	(296)	(283)
Finance costs						
Interest expense	(416)	(1,475)	(399)	(373)	(359)	(344)
Net return on post-employment benefit plans	16	108	27	27	27	27
Impairment of assets	(13)	(143)	(109)	-	-	(34)
Other (expense) income	(38)	(466)	(147)	(129)	(311)	121
Income taxes	(166)	(996)	(210)	(243)	(273)	(270)
Net earnings	457	2,327	435	707	397	788
Net earnings attributable to:						
Common shareholders	402	2,076	382	640	329	725
Preferred shareholders	47	187	48	47	46	46
Non-controlling interest	8	64	5	20	22	17
Net earnings	457	2,327	435	707	397	788
Net earnings per common share - basic and diluted	\$ 0.44	\$ 2.28	\$ 0.42	\$ 0.70	\$ 0.37	\$ 0.79
Dividends per common share	\$ 0.9975	\$ 3.8700	\$ 0.9675	\$ 0.9675	\$ 0.9675	\$ 0.9675
Weighted average number of common shares outstanding - basic (millions)	912.3	912.2	912.3	912.3	912.2	912.1
Weighted average number of common shares outstanding - diluted (millions)	912.3	912.2	912.3	912.3	912.5	912.3
Number of common shares outstanding (millions)	912.3	912.3	912.3	912.3	912.3	912.2
Adjusted net earnings and adjusted EPS						
Net earnings attributable to common shareholders	402	2,076	382	640	329	725
Reconciling items:						
Severance, acquisition and other costs	229	200	41	10	100	49
Net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans	90	103	(6)	128	(1)	(18)
Net equity losses on investments in associates and joint ventures	-	581	204	-	377	-
Net losses (gains) on investments	6	(80)	(2)	1	(79)	-
Early debt redemption costs	-	1	-	-	1	-
Impairment of assets	13	143	109	-	-	34
Income taxes for the above reconciling items	(85)	(100)	(39)	(38)	(5)	(18)
NCI for the above reconciling items	(1)	2	2	-	-	-
Adjusted net earnings	654	2,926	691	741	722	772
Adjusted EPS	\$ 0.72	\$ 3.21	\$ 0.76	\$ 0.81	\$ 0.79	\$ 0.85

BCE ⁽¹⁾
Segmented Data

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2024	Q1 2023	\$ change	% change
Operating revenues				
Bell Communication and Technology Services (Bell CTS)	5,375	5,367	8	0.1%
Bell Media	725	780	(55)	(7.1%)
Inter-segment eliminations	(89)	(93)	4	4.3%
Total	6,011	6,054	(43)	(0.7%)
Operating costs				
Bell CTS	(2,927)	(2,961)	34	1.1%
Bell Media	(608)	(648)	40	6.2%
Inter-segment eliminations	89	93	(4)	(4.3%)
Total	(3,446)	(3,516)	70	2.0%
Adjusted EBITDA				
Bell CTS	2,448	2,406	42	1.7%
Margin	45.5%	44.8%		0.7 pts
Bell Media	117	132	(15)	(11.4%)
Margin	16.1%	16.9%		(0.8) pts
Total	2,565	2,538	27	1.1%
Margin	42.7%	41.9%		0.8 pts
Capital expenditures				
Bell CTS	975	1,052	77	7.3%
Capital intensity ^{(A)(3)}	18.1%	19.6%		1.5 pts
Bell Media	27	34	7	20.6%
Capital intensity	3.7%	4.4%		0.7 pts
Total	1,002	1,086	84	7.7%
Capital intensity	16.7%	17.9%		1.2 pts

^(A) Capital intensity is defined as capital expenditures divided by operating revenues.

Segmented Data - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 24	TOTAL 2023	Q4 23	Q3 23	Q2 23	Q1 23
Operating revenues						
Bell CTS	5,375	21,926	5,744	5,461	5,354	5,367
Bell Media	725	3,117	822	710	805	780
Inter-segment eliminations	(89)	(370)	(93)	(91)	(93)	(93)
Total	6,011	24,673	6,473	6,080	6,066	6,054
Operating costs						
Bell CTS	(2,927)	(12,206)	(3,325)	(2,997)	(2,923)	(2,961)
Bell Media	(608)	(2,420)	(674)	(507)	(591)	(648)
Inter-segment eliminations	89	370	93	91	93	93
Total	(3,446)	(14,256)	(3,906)	(3,413)	(3,421)	(3,516)
Adjusted EBITDA						
Bell CTS	2,448	9,720	2,419	2,464	2,431	2,406
Margin	45.5%	44.3%	42.1%	45.1%	45.4%	44.8%
Bell Media	117	697	148	203	214	132
Margin	16.1%	22.4%	18.0%	28.6%	26.6%	16.9%
Total	2,565	10,417	2,567	2,667	2,645	2,538
Margin	42.7%	42.2%	39.7%	43.9%	43.6%	41.9%
Capital expenditures						
Bell CTS	975	4,421	975	1,123	1,271	1,052
Capital intensity	18.1%	20.2%	17.0%	20.6%	23.7%	19.6%
Bell Media	27	160	54	36	36	34
Capital intensity	3.7%	5.1%	6.6%	5.1%	4.5%	4.4%
Total	1,002	4,581	1,029	1,159	1,307	1,086
Capital intensity	16.7%	18.6%	15.9%	19.1%	21.5%	17.9%

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2024	Q1 2023	% change
Bell CTS			
Operating revenues			
Wireless	1,774	1,723	3.0%
Wireline data	2,012	2,001	0.5%
Wireline voice	683	726	(5.9%)
Other wireline services	81	78	3.8%
External service revenues	4,550	4,528	0.5%
Inter-segment service revenues	6	7	(14.3%)
Operating service revenues	4,556	4,535	0.5%
Wireless	684	626	9.3%
Wireline	135	206	(34.5%)
External/Operating product revenues	819	832	(1.6%)
Total external revenues	5,369	5,360	0.2%
Total operating revenues	5,375	5,367	0.1%
Operating costs	(2,927)	(2,961)	1.1%
Adjusted EBITDA	2,448	2,406	1.7%
<i>Adjusted EBITDA margin</i>	45.5%	44.8%	0.7 pts
Capital expenditures	975	1,052	7.3%
<i>Capital intensity</i>	18.1%	19.6%	1.5 pts

Bell CTS - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 24	TOTAL 2023	Q4 23	Q3 23	Q2 23	Q1 23
Bell CTS						
Operating revenues						
Wireless	1,774	7,120	1,803	1,828	1,766	1,723
Wireline data	2,012	8,084	2,030	2,032	2,021	2,001
Wireline voice	683	2,862	697	717	722	726
Other wireline services	81	312	81	78	75	78
External service revenues	4,550	18,378	4,611	4,655	4,584	4,528
Inter-segment service revenues	6	29	8	7	7	7
Operating service revenues	4,556	18,407	4,619	4,662	4,591	4,535
Wireless	684	2,885	961	672	626	626
Wireline	135	634	164	127	137	206
External/Operating product revenues	819	3,519	1,125	799	763	832
Total external revenues	5,369	21,897	5,736	5,454	5,347	5,360
Total operating revenues	5,375	21,926	5,744	5,461	5,354	5,367
Operating costs	(2,927)	(12,206)	(3,325)	(2,997)	(2,923)	(2,961)
Adjusted EBITDA	2,448	9,720	2,419	2,464	2,431	2,406
<i>Adjusted EBITDA margin</i>	45.5%	44.3%	42.1%	45.1%	45.4%	44.8%
Capital expenditures	975	4,421	975	1,123	1,271	1,052
<i>Capital intensity</i>	18.1%	20.2%	17.0%	20.6%	23.7%	19.6%

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2024	Q1 2023	% change
Mobile phone subscribers⁽³⁾			
Gross subscriber activations	507,439	405,535	25.1%
Postpaid	366,874	272,609	34.6%
Prepaid	140,565	132,926	5.7%
Net subscriber activations (losses)	25,208	26,635	(5.4%)
Postpaid	45,247	43,289	4.5%
Prepaid	(20,039)	(16,654)	(20.3%)
Subscribers end of period ^(A)	10,206,452	9,902,492	3.1%
Postpaid ^(A)	9,362,275	9,039,947	3.6%
Prepaid	844,177	862,545	(2.1%)
Blended average revenue per user (ARPU) (\$/month) ^{(3)(A)}	58.14	58.15	-
Blended churn (%) (average per month) ⁽³⁾	1.59%	1.29%	(0.30) pts
Postpaid	1.21%	0.90%	(0.31) pts
Prepaid	5.74%	5.28%	(0.46) pts
Mobile connected device subscribers⁽³⁾			
Net subscriber activations	66,406	70,742	(6.1%)
Subscribers EOP	2,798,954	2,509,983	11.5%
Retail high-speed Internet subscribers⁽³⁾			
Retail net subscriber activations	31,078	27,274	13.9%
Retail subscribers EOP ^{(B)(C)(D)}	4,496,712	4,278,497	5.1%
Retail internet protocol television (IPTV) subscribers^{(3)(E)}			
Retail IPTV net subscriber activations	14,174	10,899	30.0%
Retail IPTV subscribers EOP ^(D)	2,084,516	1,999,080	4.3%
Retail residential network access services (NAS)⁽³⁾			
Retail residential NAS lines net losses	(43,911)	(46,881)	6.3%
Retail residential NAS lines ^(D)	1,977,706	2,143,890	(7.8%)

(A) In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802.

(B) In Q1 2024, we removed 11,645 turbo hubs subscribers from our retail high-speed Internet subscriber base as we are no longer actively marketing this product in our wireless-to-the-home footprint.

(C) In Q1 2024, our retail high-speed Internet subscriber base increased by 3,850 business subscribers as a result of a small acquisition.

(D) In Q2 2023, our retail high-speed Internet, retail IPTV and retail residential NAS lines subscriber bases increased by 35,080, 243 and 7,458 subscribers, respectively, as a result of small acquisitions.

(E) As of Q1 2024, we are no longer reporting retail satellite TV subscribers as this no longer represents a significant proportion of our revenues. As a result, satellite TV subscribers have been removed from our retail TV subscriber base, and we now report exclusively retail IPTV subscribers.

Bell CTS Metrics - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 24	TOTAL 2023	Q4 23	Q3 23	Q2 23	Q1 23
Mobile phone subscribers						
Gross subscriber activations	507,439	2,224,555	712,310	603,770	502,940	405,535
Postpaid	366,874	1,608,503	564,784	423,364	347,746	272,609
Prepaid	140,565	616,052	147,526	180,406	155,194	132,926
Net subscriber activations (losses)	25,208	411,189	92,085	166,930	125,539	26,635
Postpaid	45,247	426,172	128,715	142,886	111,282	43,289
Prepaid	(20,039)	(14,983)	(36,630)	24,044	14,257	(16,654)
Subscribers end of period ^(A)	10,206,452	10,287,046	10,287,046	10,194,961	10,028,031	9,902,492
Postpaid ^(A)	9,362,275	9,422,830	9,422,830	9,294,115	9,151,229	9,039,947
Prepaid	844,177	864,216	864,216	900,846	876,802	862,545
Blended ARPU (\$/month) ^(A)	58.14	59.08	58.71	60.28	59.16	58.15
Blended churn (%) (average per month)	1.59%	1.51%	2.03%	1.45%	1.27%	1.29%
Postpaid	1.21%	1.15%	1.63%	1.10%	0.94%	0.90%
Prepaid	5.74%	5.31%	6.15%	5.10%	4.68%	5.28%
Mobile connected device subscribers						
Net subscriber activations	66,406	293,307	78,746	64,282	79,537	70,742
Subscribers EOP	2,798,954	2,732,548	2,732,548	2,653,802	2,589,520	2,509,983
Retail high-speed Internet subscribers						
Retail net subscriber activations	31,078	187,126	55,591	79,327	24,934	27,274
Retail subscribers EOP ^{(B)(C)(D)}	4,496,712	4,473,429	4,473,429	4,417,838	4,338,511	4,278,497
Retail IPTV subscribers^(E)						
Retail IPTV net subscriber activations	14,174	81,918	23,537	35,976	11,506	10,899
Retail IPTV subscribers EOP ^(D)	2,084,516	2,070,342	2,070,342	2,046,805	2,010,829	1,999,080
Retail residential NAS						
Retail residential NAS lines net losses	(43,911)	(176,612)	(38,347)	(41,776)	(49,608)	(46,881)
Retail residential NAS lines ^(D)	1,977,706	2,021,617	2,021,617	2,059,964	2,101,740	2,143,890

^(A) In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802.

^(B) In Q1 2024, we removed 11,645 turbo hubs subscribers from our retail high-speed Internet subscriber base as we are no longer actively marketing this product in our wireless-to-the-home footprint.

^(C) In Q1 2024, our retail high-speed Internet subscriber base increased by 3,850 business subscribers as a result of a small acquisition.

^(D) In Q2 2023, our retail high-speed Internet, retail IPTV and retail residential NAS lines subscriber bases increased by 35,080, 243 and 7,458 subscribers, respectively, as a result of small acquisitions.

^(E) As of Q1 2024, we are no longer reporting retail satellite TV subscribers as this no longer represents a significant proportion of our revenues. As a result, satellite TV subscribers have been removed from our retail TV subscriber base, and we now report exclusively retail IPTV subscribers.

BCE - Net debt and preferred shares

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)

	March 31 2024	December 31 2023
Long-term debt	31,283	31,135
Debt due within one year	6,386	5,042
50% of preferred shares	1,807	1,834
Cash	(789)	(547)
Cash equivalents	(171)	(225)
Short-term investments	(700)	(1,000)
Net debt ^(A)	37,816	36,239
Net debt leverage ratio ^(A)	3.62	3.48

Cash flow information

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)

	Q1 2024	Q1 2023	\$ change	% change
Free cash flow (FCF) ^(A)				
Cash flows from operating activities	1,132	1,247	(115)	(9.2%)
Capital expenditures	(1,002)	(1,086)	84	7.7%
Cash dividends paid on preferred shares	(46)	(55)	9	16.4%
Cash dividends paid by subsidiaries to non-controlling interest	(14)	(21)	7	33.3%
Acquisition and other costs paid	15	-	15	n.m.
FCF	85	85	-	-

Cash flow information - Historical trend

(In millions of Canadian dollars, except where otherwise indicated) (unaudited)

	Q1 2024	TOTAL 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
FCF						
Cash flows from operating activities	1,132	7,946	2,373	1,961	2,365	1,247
Capital expenditures	(1,002)	(4,581)	(1,029)	(1,159)	(1,307)	(1,086)
Cash dividends paid on preferred shares	(46)	(182)	(46)	(35)	(46)	(55)
Cash dividends paid by subsidiaries to non-controlling interest	(14)	(47)	(12)	(13)	(1)	(21)
Acquisition and other costs paid	15	8	3	-	5	-
FCF	85	3,144	1,289	754	1,016	85

n.m. : not meaningful

^(A) Net debt and free cash flow are non-GAAP financial measures and net debt leverage ratio is a capital management measure. Refer to note 2.1, *Non-GAAP financial measures* and note 2.4, *Capital management measures* in the Accompanying Notes to this report for more information on these measures.

BCE
Consolidated Statements of Financial Position

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	March 31 2024	December 31 2023
ASSETS		
Current assets		
Cash	789	547
Cash equivalents	171	225
Short-term investments	700	1,000
Trade and other receivables	3,929	4,031
Inventory	458	465
Contract assets	435	443
Contract costs	704	633
Prepaid expenses	385	230
Other current assets	274	264
Assets held for sale	55	60
Total current assets	7,900	7,898
Non-current assets		
Contract assets	272	292
Contract costs	744	779
Property, plant and equipment	30,357	30,352
Intangible assets	16,770	16,609
Deferred tax assets	121	96
Investments in associates and joint ventures	322	323
Post-employment benefit assets	3,285	2,935
Other non-current assets	1,799	1,714
Goodwill	10,997	10,942
Total non-current assets	64,667	64,042
Total assets	72,567	71,940
LIABILITIES		
Current liabilities		
Trade payables and other liabilities	4,345	4,729
Contract liabilities	817	811
Interest payable	335	332
Dividends payable	938	910
Current tax liabilities	170	268
Debt due within one year	6,386	5,042
Liabilities held for sale	15	15
Total current liabilities	13,006	12,107
Non-current liabilities		
Contract liabilities	277	277
Long-term debt	31,283	31,135
Deferred tax liabilities	4,981	4,869
Post-employment benefit obligations	1,227	1,278
Other non-current liabilities	1,421	1,717
Total non-current liabilities	39,189	39,276
Total liabilities	52,195	51,383
EQUITY		
Equity attributable to BCE shareholders		
Preferred shares	3,614	3,667
Common shares	20,859	20,859
Contributed surplus	1,241	1,258
Accumulated other comprehensive income (loss)	46	(42)
Deficit	(5,711)	(5,513)
Total equity attributable to BCE shareholders	20,049	20,229
Non-controlling interest	323	328
Total equity	20,372	20,557
Total liabilities and equity	72,567	71,940
Number of common shares outstanding (millions)	912.3	912.3

BCE
Consolidated Cash Flow Data

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2024	Q1 2023	\$ change
Net earnings	457	788	(331)
Adjustments to reconcile net earnings to cash flows from operating activities			
Severance, acquisition and other costs	229	49	180
Depreciation and amortization	1,262	1,201	61
Post-employment benefit plans cost	44	31	13
Net interest expense	384	330	54
Impairment of assets	13	34	(21)
Losses on investments	6	-	6
Income taxes	166	270	(104)
Contributions to post-employment benefit plans	(18)	(15)	(3)
Payments under other post-employment benefit plans	(16)	(15)	(1)
Severance and other costs paid	(46)	(25)	(21)
Interest paid	(448)	(439)	(9)
Income taxes paid (net of refunds)	(335)	(164)	(171)
Acquisition and other costs paid	(15)	-	(15)
Change in contract assets	28	45	(17)
Change in wireless device financing plan receivables	57	41	16
Net change in operating assets and liabilities	(636)	(884)	248
Cash flows from operating activities	1,132	1,247	(115)
Capital expenditures	(1,002)	(1,086)	84
Cash dividends paid on preferred shares	(46)	(55)	9
Cash dividends paid by subsidiaries to non-controlling interest	(14)	(21)	7
Acquisition and other costs paid	15	-	15
Free cash flow	85	85	-
Business acquisitions	(82)	(25)	(57)
Acquisition and other costs paid	(15)	-	(15)
Short-term investments	300	-	300
Spectrum licences	(104)	(11)	(93)
Other investing activities	(10)	31	(41)
Increase (decrease) in notes payable	979	(83)	1,062
Increase in securitized receivables	-	500	(500)
Issue of long-term debt	2,191	1,504	687
Repayment of long-term debt	(2,113)	(299)	(1,814)
Repurchase of a financial liability	-	(149)	149
Issue of common shares	-	10	(10)
Purchase of shares for settlement of share-based payments	(104)	(93)	(11)
Repurchase of preferred shares	(38)	(31)	(7)
Cash dividends paid on common shares	(883)	(839)	(44)
Other financing activities	(18)	(8)	(10)
	103	507	(404)
Net increase in cash	242	552	(310)
Cash at beginning of period	547	99	448
Cash at end of period	789	651	138
Net (decrease) increase in cash equivalents	(54)	40	(94)
Cash equivalents at beginning of period	225	50	175
Cash equivalents at end of period	171	90	81

BCE
Consolidated Cash Flow Data - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 24	TOTAL 2023	Q4 23	Q3 23	Q2 23	Q1 23
Net earnings	457	2,327	435	707	397	788
Adjustments to reconcile net earnings to cash flows from operating activities						
Severance, acquisition and other costs	229	200	41	10	100	49
Depreciation and amortization	1,262	4,918	1,253	1,232	1,232	1,201
Post-employment benefit plans cost	44	98	23	23	21	31
Net interest expense	384	1,408	374	358	346	330
Impairment of assets	13	143	109	-	-	34
Losses (gains) on investments	6	(80)	(2)	1	(79)	-
Net equity losses on investments in associates and joint ventures	-	581	204	-	377	-
Income taxes	166	996	210	243	273	270
Contributions to post-employment benefit plans	(18)	(52)	(12)	(12)	(13)	(15)
Payments under other post-employment benefit plans	(16)	(64)	(16)	(16)	(17)	(15)
Severance and other costs paid	(46)	(178)	(59)	(55)	(39)	(25)
Interest paid	(448)	(1,486)	(326)	(451)	(270)	(439)
Income taxes paid (net of refunds)	(335)	(700)	(169)	(167)	(200)	(164)
Acquisition and other costs paid	(15)	(8)	(3)	-	(5)	-
Change in contract assets	28	(11)	(81)	(8)	33	45
Change in wireless device financing plan receivables	57	(46)	(127)	16	24	41
Net change in operating assets and liabilities	(636)	(100)	519	80	185	(884)
Cash flows from operating activities	1,132	7,946	2,373	1,961	2,365	1,247
Capital expenditures	(1,002)	(4,581)	(1,029)	(1,159)	(1,307)	(1,086)
Cash dividends paid on preferred shares	(46)	(182)	(46)	(35)	(46)	(55)
Cash dividends paid by subsidiaries to non-controlling interest	(14)	(47)	(12)	(13)	(1)	(21)
Acquisition and other costs paid	15	8	3	-	5	-
Free cash flow	85	3,144	1,289	754	1,016	85
Business acquisitions	(82)	(222)	(2)	1	(196)	(25)
Business dispositions	-	209	-	1	208	-
Acquisition and other costs paid	(15)	(8)	(3)	-	(5)	-
Short-term investments	300	(1,000)	(1,000)	-	-	-
Spectrum licences	(104)	(183)	(24)	(3)	(145)	(11)
Other investing activities	(10)	(4)	(3)	(16)	(16)	31
Increase (decrease) in notes payable	979	(646)	(162)	(300)	(101)	(83)
(Decrease) increase in securitized receivables	-	-	-	-	(500)	500
Issue of long-term debt	2,191	5,195	1,331	1,161	1,199	1,504
Repayment of long-term debt	(2,113)	(1,858)	(293)	(920)	(346)	(299)
Repurchase of a financial liability	-	(149)	-	-	-	(149)
Issue of common shares	-	18	-	-	8	10
Purchase of shares for settlement of share-based payments	(104)	(223)	(44)	(44)	(42)	(93)
Repurchase of preferred shares	(38)	(140)	(50)	(27)	(32)	(31)
Cash dividends paid on common shares	(883)	(3,486)	(882)	(883)	(882)	(839)
Other financing activities	(18)	(24)	(4)	(5)	(7)	(8)
	103	(2,521)	(1,136)	(1,035)	(857)	507
Net increase (decrease) in cash	242	448	(22)	119	(201)	552
Cash at beginning of period	547	99	569	450	651	99
Cash at end of period	789	547	547	569	450	651
Net (decrease) increase in cash equivalents	(54)	175	175	(400)	360	40
Cash equivalents at beginning of period	225	50	50	450	90	50
Cash equivalents at end of period	171	225	225	50	450	90

- (1) Our results are reported in two segments: Bell Communication and Technology Services (Bell CTS) and Bell Media.

Throughout this report, *we, us, our, BCE and the company* mean, as the context may require, either BCE Inc. or, collectively, BCE Inc., Bell Canada, their subsidiaries, joint arrangements and associates. *Bell* means, as the context may require, either Bell Canada or, collectively, Bell Canada, its subsidiaries, joint arrangements and associates.

(2) **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* (NI 52-112), prescribes disclosure requirements that apply to the following specified financial measures:

- Non-GAAP financial measures;
- Non-GAAP ratios;
- Total of segments measures;
- Capital management measures; and
- Supplementary financial measures.

This section provides a description and classification of the specified financial measures contemplated by NI 52-112 that we use in this report 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 report if the supplementary financial measures' labelling is not sufficiently descriptive.

(2.1) **Non-GAAP financial measures**

A non-GAAP financial measure is a financial measure used to depict our historical or expected future financial performance, financial position or cash flow and, with respect to its composition, either excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in BCE's consolidated primary financial statements. We believe that non-GAAP financial measures are reflective of our on-going operating results and provide readers with an understanding of management's perspective on and analysis of our performance.

Below are descriptions of the non-GAAP financial measures that we use in this report to explain our results. Reconciliations to the most directly comparable IFRS financial measures on a consolidated basis are set out earlier in this report.

Adjusted net earnings

The term adjusted net earnings 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 net earnings as net earnings attributable to common shareholders before severance, acquisition and other costs, net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net equity losses (gains) on investments in

associates and joint ventures, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and NCI.

We use adjusted net earnings and we believe that certain investors and analysts use this measure, among other ones, to assess the performance of our businesses without the effects of severance, acquisition and other costs, net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net equity losses (gains) on investments in associates and joint ventures, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and NCI. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring.

The most directly comparable IFRS financial measure is net earnings attributable to common shareholders. Refer to pages 2 and 3 of this report for a reconciliation of net earnings attributable to common shareholders to adjusted net earnings on a consolidated basis.

Free cash flow

The term free cash flow does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define free cash flow as cash flows from operating activities, excluding cash from discontinued operations, acquisition and other costs paid (which include significant litigation costs) and voluntary pension funding, less capital expenditures, preferred share dividends and dividends paid by subsidiaries to NCI. We exclude cash from discontinued operations, acquisition and other costs paid and voluntary pension funding because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring.

We consider free cash flow to be an important indicator of the financial strength and performance of our businesses. Free cash flow shows how much cash is available to pay dividends on common shares, repay debt and reinvest in our company. We believe that certain investors and analysts use free cash flow to value a business and its underlying assets and to evaluate the financial strength and performance of our businesses. The most directly comparable IFRS financial measure is cash flows from operating activities. Refer to pages 10, 12 and 13 of this report for a reconciliation of cash flows from operating activities to free cash flow on a consolidated basis.

Net debt

The term net debt does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers.

We define net debt as debt due within one year plus long-term debt and 50% of preferred shares, less cash, cash equivalents and short-term investments, as shown in BCE's consolidated statements of financial position. We include 50% of outstanding preferred shares in our net debt as it is consistent with the treatment by certain credit rating agencies.

We consider net debt to be an important indicator of the company's financial leverage because it represents the amount of debt that is not covered by available cash, cash equivalents and short-term investments. We believe that certain investors and analysts use net debt to determine a company's financial leverage.

Net debt is calculated using several asset and liability categories from the statements of financial position. The most directly comparable IFRS financial measure is long-term debt. Refer to page 10 of this report for a reconciliation of long-term debt to net debt on a consolidated basis.

(2.2) **Non-GAAP ratios**

A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage or similar representation and that has a non-GAAP financial measure as one or more of its components.

Adjusted EPS

The term adjusted EPS 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, see note 2.1 – *Non-GAAP financial measures* above.

We use adjusted EPS, and we believe that certain investors and analysts use this measure, among other ones, to assess the performance of our businesses without the effects of severance, acquisition and other costs, net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net equity losses (gains) on investments in associates and joint ventures, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and NCI. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply they are non-recurring.

(2.3) **Total of segments measures**

A total of segments measure is a financial measure that is a subtotal or total of 2 or more reportable segments and is disclosed within the Notes to BCE's consolidated primary financial statements.

Adjusted EBITDA

We define adjusted EBITDA as operating revenues less operating costs as shown in BCE's consolidated income statements.

The most directly comparable IFRS financial measure is net earnings. The following table provides reconciliations of net earnings to adjusted EBITDA on a consolidated basis.

	Q1 2024	Total 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net earnings	457	2,327	435	707	397	788
Severance, acquisition and other costs	229	200	41	10	100	49
Depreciation	946	3,745	954	937	936	918
Amortization	316	1,173	299	295	296	283
Finance costs						
Interest expense	416	1,475	399	373	359	344
Net return on post-employment benefit plans	(16)	(108)	(27)	(27)	(27)	(27)
Impairment of assets	13	143	109	-	-	34
Other expense (income)	38	466	147	129	311	(121)
Income taxes	166	996	210	243	273	270
Adjusted EBITDA	2,565	10,417	2,567	2,667	2,645	2,538

(2.4) Capital management measures

A capital management measure is a financial measure that is intended to enable a reader to evaluate our objectives, policies and processes for managing our capital and is disclosed within the Notes to BCE's consolidated financial statements.

The financial reporting framework used to prepare the financial statements requires disclosure that helps readers assess the company's capital management objectives, policies, and processes, as set out in IFRS in IAS 1 – *Presentation of Financial Statements*. BCE has its own methods for managing capital and liquidity, and IFRS does not prescribe any particular calculation method.

Net debt leverage ratio

The net debt leverage ratio 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, see note 2.1, *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.

(2.5) Supplementary financial measures

A supplementary financial measure is a financial measure that is not reported in BCE's consolidated financial statements, and is, or is intended to be, reported periodically to represent historical or expected future financial performance, financial position, or cash flows.

An explanation of such measures is provided where they are first referred to in this report if the supplementary financial measures' labelling is not sufficiently descriptive.

(3) **Key performance indicators (KPIs)**

In addition to the non-GAAP financial measures and other financial measures described previously, we use the following KPIs to measure the success of our strategic imperatives. These KPIs are not accounting measures and may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenues.

Capital intensity is defined as capital expenditures divided by operating revenues.

Mobile phone blended ARPU is defined as Bell CTS wireless external services revenues divided by the average mobile phone subscriber base for the specified period, expressed as a dollar unit per month.

Mobile phone churn is the rate at which existing mobile phone subscribers cancel their services. It is a measure of our ability to retain our customers. Mobile phone churn is calculated by dividing the number of mobile phone deactivations during a given period by the average number of mobile phone subscribers in the base for the specified period and is expressed as a percentage per month.

Mobile phone subscriber unit is comprised of a recurring revenue generating portable unit (e.g. smartphones and feature phones) on an active service plan, that has access to our wireless networks and includes voice, text and/or data connectivity. We report mobile phone subscriber units in two categories: postpaid and prepaid. Prepaid mobile phone subscriber units are considered active for a period of 90 days following the expiry of the subscriber's prepaid balance.

Mobile connected device subscriber unit is comprised of a recurring revenue generating portable unit (e.g. tablets, wearables, mobile Internet devices and Internet of Things) on an active service plan, that has access to our wireless networks and is intended for limited or no cellular voice capability.

Wireline subscriber unit⁽¹⁾ consists of an active revenue-generating unit with access to our services, including retail Internet, IPTV, and/or residential NAS. A subscriber is included in our subscriber base when the service has been installed and is operational at the customer premise and a billing relationship has been established.

- Retail Internet and IPTV subscribers have access to stand-alone services, and are primarily represented by a dwelling unit or a business location
- Retail residential NAS subscribers are based on a line count and are represented by a unique telephone number

(1) As of Q1 2024, we are no longer reporting retail satellite TV subscribers as this no longer represents a significant proportion of our revenues. As a result, satellite TV subscribers have been removed from our retail TV subscriber base, and we now report exclusively retail IPTV subscribers.