Q4 2023 Results & 2024 Financial Guidance Call

February 8, 2024

Bell

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 2024 annualized common share dividend and dividend growth objective, BCE's 2024 anticipated capital expenditures, the expected slower pace of BCE's fibre network expansion and reductions in capital expenditures over 2024 and 2025, the cost savings and other benefits expected to result from workforce reductions, our transformation initiatives and the benefits expected to result therefrom, the expectation of stable adjusted EBITDA margin in 2024, expected strong subscriber and business services solutions growth in our Bell Communication and Technology Services (Bell CTS) segment, the expected financial impact of the Best Buy Canada transaction, the expected level of our net debt leverage ratio in 2024, 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, commitment* 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 Safe Harbour Notice Concerning Forward-Looking Statements dated February 8, 2024, filed with the Canadian provincial securities regulatory authorities (available at sedarplus.ca) and with the U.S. Securities and Exchange Commission (available at sec.gov), and which is also available on BCE's website at BCE.ca. For additional information, please refer to BCE's news release dated February 8, 2024 available on BCE's website.

The forward-looking statements contained in this presentation describe our expectations at February 8, 2024 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.

Executing on key 2023 strategic priorities

Financial performance

- **Achieved all 2023 guidance targets**
- **Maintained stable y/y adjusted EBITDA margin[1] of 42.2%**

Building the best networks

- **Expanded pure fibre footprint in 2023 by targeted ~650K new locations**
  - Leading Multi-Gig service eligibility with 3 Gbps symmetrical speeds offered in 6.5M locations
- **Surpassed 5G and 5G+ coverage targets for 2023**
- **Secured most 5G+ spectrum at lowest cost among national peers with acquisition of 3.8 GHz licenses**

High-value wireless subscribers

- **21% growth in consumer mobile phone postpaid net adds in 2023**
- **5.9% higher total consumer wireless revenue**
- **Positive mobile phone ARPU[2] growth of 0.3%**

(1) Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenue

(2) Effective Q1 2023, as a result of segment reporting changes impacting intersegment eliminations, ARPU has been updated and is defined as Bell CTS wireless external services revenues (previously wireless operating service revenues) divided by average mobile phone subscribers for the specified period, expressed as a dollar unit per month.

Executing on key 2023 strategic priorities (cont'd)

Broadband growth & multi-product bundling

- **Continued strong FTTH Internet subscriber momentum**
- **Residential Internet revenue up 7.1% y/y**
- **Mobility + Internet customer activations up 27% in 2023**

Digital-first media strategy

- **Digital revenue[(1)] up 19% in 2023 and now comprises 35% of total Bell Media revenues**
- **Launched ad-supported tiers on Crave**
- **Launched Addressable TV enabling tailored ads**

Champion customer experience

- **Improving the customer experience through self-install and self-serve apps**
  - Increased share of digital service transactions through self-service tools
- **Bell named the Best Major & All-Around ISP in Canada and fastest 5G/5G+ service provider[(2)]**
- **8th consecutive year of CCTS improvement leading all national service providers with a 6% y/y reduction in share of overall complaints[(3)]**

(1) 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

(2) Internet: Ookla's Q3-Q4 2023 Speedtest Awards Report and PCMag's Best ISPs 2023 Canada report; Mobile 5G/5G+: Ookla's Q4 2023 Market Analysis Report and Global Wireless Solutions OneScore™ calculated using wireless network testing in Canada against other national wireless networks

(3) Commission for Complaints for Telecom-television Services (CCTS), 2022-2023 Report

Strong execution across all key strategic initiatives in 2023
Delivering on near-term operating plan and financial targets, while taking actions to position Bell for future success

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Capex and workforce restructuring

Capex reduction & de-emphasis of declining businesses

- **Fibre network build continuing, but at a slower pace due to CRTC wholesale decision**
  - Fibre deployment target reduced by 700K to 8.3M locations passed by end of 2025
  - Invested $105M less capex than budgeted in Q4'23
  - At least $1B decrease in capex investment in 2024-2025, including minimum $500M reduction in 2024
  - Capping fibre speeds at 3 Gbps
- **De-emphasizing and reducing spend on overly regulated and declining businesses**
  - Sale of 45 radio stations
  - Closing 107 The Source stores
- **Accelerating growth investments, including in cloud and security services, advanced advertising and digital transformation**

~$4.1B

Planned capital expenditures in 2024

Workforce reductions

- **Reducing workforce by ~4,800 in 2024**
  - Includes elimination of ~750 contractors
  - ~9% of BCE's total employees
- **Largest workforce restructuring initiative in nearly 30 years**
- **Restructuring will yield ~$150M-$200M of cost savings in 2024 (~$250M annualized)**
- **Simplifies organization, while supporting Telco to Techco transformation**

~$150M-$200M

In-year 2024 cost savings

Regulatory policies, economic environment, technology change and customer expectations catalysts for transformation

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Laying the foundation for future growth

Accelerating investments in key growth areas

- **Strategic distribution partnership with Best Buy Canada**
- **Acquisition of FX Innovation**
- **ServiceNow partnership, the leading digital workflow company**
- **Distribution of Crave on Amazon Prime Video Channels**
- **Scaling of Crave with ads and Advanced Advertising**
- **Acquisition of OUTFRONT Media**

Transforming existing core business

- **Distribution transformation**
  - Exclusive, multi-year partnership with Staples Canada
  - Multi-brand offerings in all our national stores
  - Air Canada partnership to target newcomers to Canada
- **Product modernization**
  - Fibre Now: fibre migration & copper decommissioning
  - Reducing complexity of business markets product portfolios
  - Moving to single IPTV platform with new Fibe TV service
- **Technology, automation and simplification to enable a better customer experience**
  - Move core consumer billing systems to a single platform
  - Low-touch/no-touch customer service and Self Install
  - Leveraging AI: code assist, Virtual Agent, churn management

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2024 dividend increase

3.1%

Common share dividend increase for 2024

- **$0.12 increase for 2024 to $3.99 per share**
  – Effective with Q1'24 payment on April 15th
- **Maintaining commitment to dividend growth objective**
- **3.1% dividend growth rate for 2024 reflects current circumstances**
  – Current BCE share price and dividend yield not reflective of higher dividend growth
  – Balances capital allocation priorities and provides financial flexibility given higher-rate environment, significant workforce restructuring program and acceleration of transformation initiatives

16th consecutive year of common share dividend increase

Financial & Operating Results

Consolidated financial results

($M) except per share data	Q4'23	Y/Y	2023	Y/Y
Revenue	**6,473**	**0.5%**	**24,673**	**2.1%**
Service	5,348	(0.1%)	21,154	0.9%
Product	1,125	3.6%	3,519	9.4%
Adjusted EBITDA[1]	**2,567**	**5.3%**	**10,417**	**2.1%**
Margin	39.7%	1.9 pts	42.2%	0.0 pts
Net earnings	**435**	**(23.3%)**	**2,327**	**(20.5%)**
Statutory EPS	**0.42**	**(27.6%)**	**2.28**	**(23.5%)**
Adjusted EPS[1]	**0.76**	**7.0%**	**3.21**	**(4.2%)**
Capital expenditures (capex)	**1,029**	**37.2%**	**4,581**	**10.8%**
Capital Intensity[2]	15.9%	9.5 pts	18.6%	2.6 pts
Cash flows from operating activities	**2,373**	**15.4%**	**7,946**	**(5.0%)**
Free cash flow (FCF)[1]	**1,289**	**242.8%**	**3,144**	**2.5%**

- **Q4 adjusted EBITDA up 5.3%**
  - 39.7% margin, up 1.9 pts y/y
- **Q4 net earnings and statutory EPS down 23.3% and 27.6%, respectively, due to higher other expense**
  - $204M non-cash loss on share of an obligation to repurchase at fair value the minority interest in a joint venture equity investment
- **Q4 adjusted EPS of $0.76, up 7.0%**
- **Cash flows from operating activities up 15.4% in Q4, on timing of tax instalments and higher cash from working capital**
- **Invested $105M less capex than planned for in Q4 due to CRTC fibre wholesale decision**
- **$913M y/y increase in Q4 FCF as profiled in quarterly 2023 forecast**

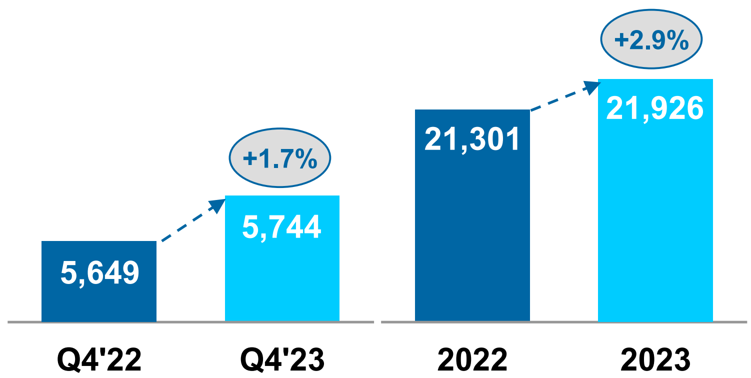
All 2023 financial guidance targets achieved

[1] Adjusted EBITDA is a total of segments measure, adjusted EPS is a non-GAAP ratio and free cash flow (FCF) is a non-GAAP financial measure. Refer to section *Total of segments measures*, section *Non-GAAP ratios* and section *Non-GAAP financial measures* in the Appendix to this document for more information on these measures.

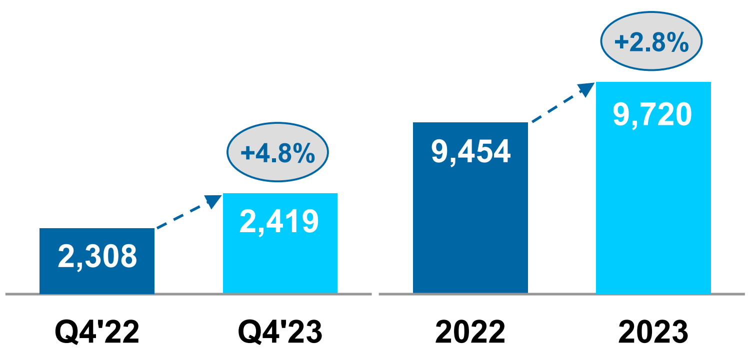
[2] Capital intensity is defined as capital expenditures divided by operating revenues.

Bell Communication & Technology Services

Revenue ($M)



Adjusted EBITDA ($M)



Q4 operating metrics

- **128,715 mobile phone postpaid net adds**
  - 2nd highest Q4 consumer postpaid net adds after Q4'22
- **Mobile phone ARPU up 0.4% y/y to $58.71**
- **55,591 total retail Internet net adds**
  - 2nd best Q4 performance in 19 years
- **23,537 retail IPTV net adds in line with expectations**
  - 25,855 Satellite net losses improved 0.7% y/y

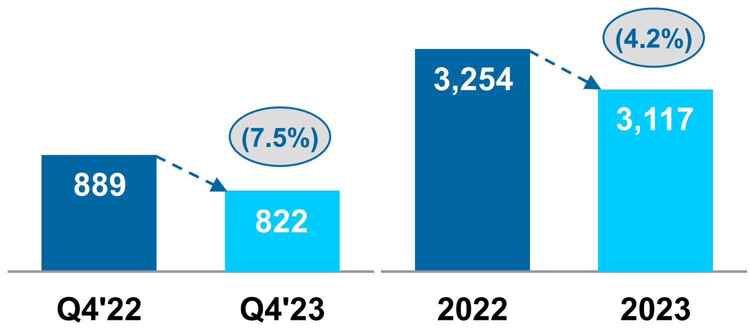
Q4 financials

- **Service revenue up 1.2% y/y**
  - Residential Internet up 5.4% y/y
  - Continued focus on premium mobile phone subscribers and higher y/y outbound roaming
  - Business wireline strength driven by FX Innovation acquisition and higher y/y service solutions spending
- **Product revenue up 3.6% y/y**
  - Higher sales mix of premium mobile phones
  - Lower y/y discounting during Black Friday/Boxing Week
- **Adjusted EBITDA up 4.8% with 1.2-point higher y/y margin of 42.1%**

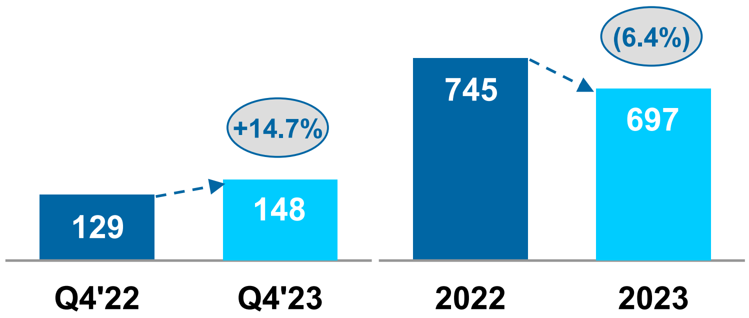
Strong adjusted EBITDA growth and margin expansion reflects disciplined balance between volume growth and ARPU management

Bell Media

Revenue ($M)



Adjusted EBITDA ($M)



Q4 operating Metrics

- **Digital revenues up 27% y/y**
- **~3.1M Crave subscribers**
  - DTC subscribers up 14%
- **TSN and RDS are leading sports networks[1]**
  - TSN: #1 specialty TV channel overall
  - RDS: top non-news specialty TV channel overall
- **French-language entertainment and pay specialty market #1 in full-day viewership[2]**

Financials

- **Advertising revenue down 13.7%, reflecting lower spending due to economy, Hollywood strikes and FIFA World Cup in Q4’22**
- **Subscriber revenue up 1.0% y/y, due to retroactive BDU revenue adjustment**
- **Adjusted EBITDA 14.7% higher y/y**
  - 11.3% operating cost improvement driven by lower TV programming costs and restructuring initiatives undertaken in Q2’23

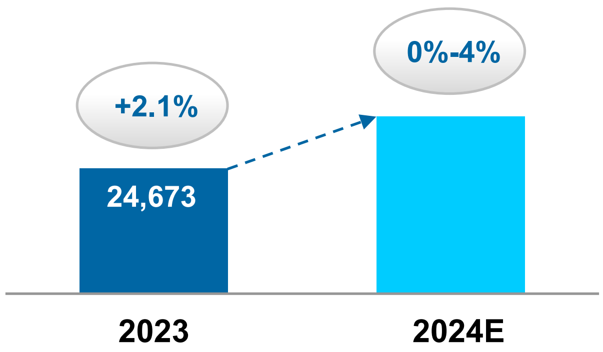
Managing secular and regulatory pressures with best media platforms and content, digital-first strategy and cost control

[1] Source: Numeris, P2+, Q4 2023 (10/01/2023 - 12/31/2023), Final Data. TSN: Total Canada, RDS: French Quebec - Rank among French Specialty and Pay Channels in French Québec market (excluding news channels).
[2] Source: Numeris, French Quebec, Q4 2023 (01/10/2023 to 31/12/2023), Rank among French Specialty and Pay Channels (including Super Écran and Cinépop) in French Québec market, A25-54.

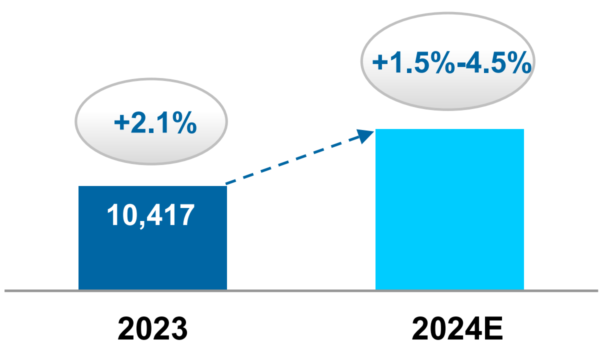
2024 financial outlook

Revenue and adjusted EBITDA outlook

BCE revenue ($M)



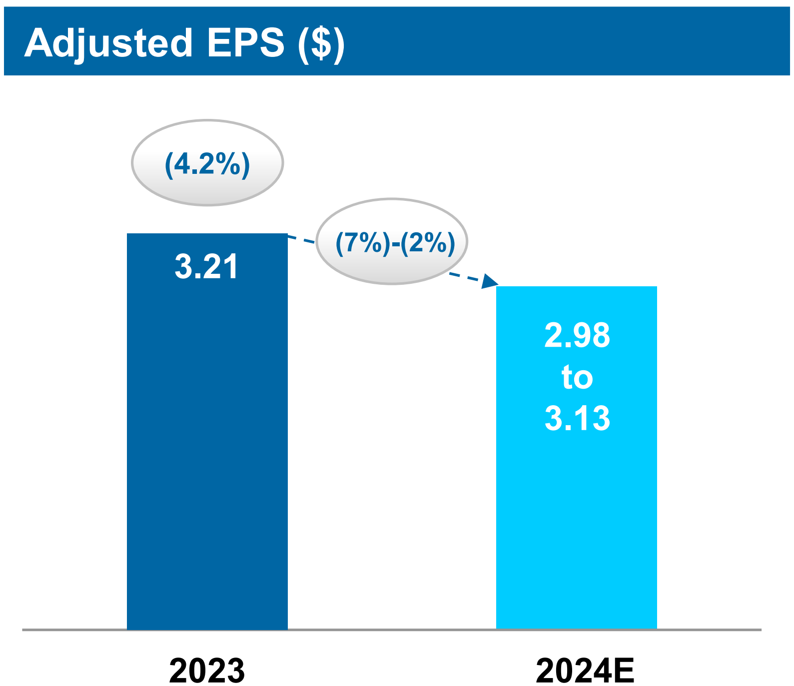
BCE adjusted EBITDA ($M)



- **Bell CTS underpinned by strong subscriber and business service solutions growth**
  - Continued focus on premium mobile phone customer loadings with increased emphasis on market growth
  - Leverage existing fibre footprint, network speed leadership and product strength to drive higher share of M+I households
  - Accelerate Bell Business Markets growth in cloud, security and workflow automation solutions
- **~$300M revenue elimination in 2024 from Best Buy Canada transaction**
  - Revenue decrease largely consumer electronics related
- **Media impacted by ongoing advertising recession, linear audience declines, higher content costs and retroactive subscriber revenue adjustments in 2023**
  - Advertising recovery timing uncertain
  - Continued digital strength driven by advanced advertising capabilities, premium inventory and new distribution initiatives
- **Cost savings from transformation initiatives, including workforce reductions, supporting a stable adjusted EBITDA margin in 2024**

Target growth ranges for 2024 consistent with previous years excluding the financial impact of Best Buy Canada transaction

Adjusted EPS outlook



- ~$200M y/y increase in interest expense reflects higher outstanding debt level and higher rates
- Depreciation and amortization expense up ~$100M y/y, reflecting significant, but reduced, capex investment in fibre and mobile 5G
- Net return on post-employment benefit plans ~$40M lower y/y
- Gains on sale of real estate realized in 2023 related to multi-year consolidation and conversion program

2024 adjusted EPS reflects the unfavourable impact of higher interest rates and growth in depreciable capital assets

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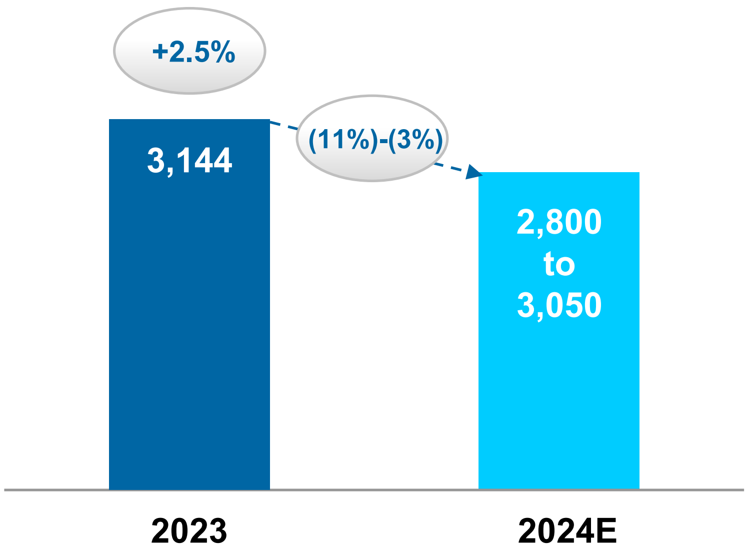
Free cash flow outlook

Free cash flow ($M)



- **Significant one-time severance payments related to 2024 workforce restructuring initiative**
  - ~$400M in 2024 related to ~4,800 employee reduction vs. ~$70M in 2023 related to ~1,300 employee reduction
- **~$300M increase in interest paid driven by higher rates and higher average debt levels**
- **Lower projected cash from working capital mainly reflects normalization of A/R and inventory in 2023 from COVID and supply chain impacts in 2022, and potential recession impacts**
- **Income taxes paid stable to higher y/y**
  - Federal government's accelerated capital cost allowance program being phased out starting in 2024
- **Capex for 2024 currently budgeted at ~$4.1B or ~$500M lower y/y**
  - Lower investment possible in 2024 depending on government policy decisions during course of year
- **Total cash pension funding stable y/y as we continue to benefit from full contribution holiday**

Underlying FCF generation supports 3.1% dividend increase for 2024

Balance sheet & liquidity position

Available liquidity(1)

$5.8B

incl. $547M in cash

*At December 31, 2023

Net debt leverage ratio(1)

3.48x

*At December 31, 2023

Solvency ratio(2)

~118%

*Aggregate of BCE DB plans at December 31, 2023

- **$5.8B total available liquidity going into 2024**
- **Net debt leverage ratio in 2024 expected to remain relatively stable y/y**
  - 2024 maturities totalling ~$2B already largely pre-funded
  - Secured 3800 MHz spectrum for $518M
- **Favourable debt maturity schedule with low average cost of debt**
  - Weighted average annual after-tax cost of public debt of ~3% with average term to maturity of ~12 years
  - 18% floating interest rate exposure lower than historical 20%-30% target range
- **All BCE DB pension plan solvency ratios above 105% despite impact of higher discount rates**
  - Solvency surplus of ~$3.6B at YE2023
  - Net impact of 1% change in discount rate is ~$230M
- **Capital leases begin to decline in 2024**
- **US-dollar spending fully hedged well into 2025**

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

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

Strong balance sheet and financial position support effective execution of strategic priorities and capital markets objectives in 2024

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Financial targets for 2024

BCE	2023 guidance	2023 results	2024 guidance
Revenue growth	1% to 5%	2.1%	0% to 4%
Adjusted EBITDA growth	2% to 5%	2.1%	1.5% to 4.5%
Capital intensity(1)	19% to 20%	18.6%	<16.5%
Adjusted EPS growth(2)	(7%) to (3%)	(4.2%)	(7%) to (2%)
Free cash flow growth(3)	2% to 10%	2.5%	(11%) to (3%)
Annual common share dividend(4)	$3.87	$3.87	$3.99

(1) For 2024, we expect a slowdown in fibre build and lower spending in declining and overly regulated businesses, due to government regulatory policies, to drive lower capex

(2) For 2024, we expect increased interest expense, higher depreciation and amortization expense, and lower gains on sale of real estate to drive lower adjusted EPS

(3) For 2024, we expect higher severance payments related to workforce restructuring intiatives, higher interest paid and lower cash from working capital to drive lower free cash flow

(4) Increase to $3.99 per share from $3.87 per share effective with Q1 2024 dividend

Financial targets for 2024 are appropriate given the current economic, competitive and regulatory backdrops, while also reflecting the impact of our workforce reduction and other transformation initiatives

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Appendix

Key financial assumptions for 2024

BCE ($M except per share data)	2023	2024E
Post-employment benefit plans service cost	206	~215
Net return on post-employment benefit plans	108	~70
Depreciation & amortization expense	4,918	~5,000 to 5,050
Interest expense	1,475	~1,650 to 1,700
Average effective tax rate	30.0%	~25%
Non-controlling interest	64	~60
Payments under other post-employment benefit plans	64	~60
Contributions to post-employment benefit plans	52	~55
Income taxes paid (net of refunds)	700	~700 to 800
Interest paid	1,486	~1,750 to 1,800
Weighted average BCE common shares outstanding	912.2	~912
Annual dividend per common share	$3.87	$3.99

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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 Appendix provides a description and classification of the specified financial measures contemplated by NI 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

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 presentation to explain our results as well as reconciliations to the most comparable IFRS financial measures.

Non-GAAP and other financial measures (cont'd)

Non-GAAP Financial Measures (cont'd)

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.

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.

The following table is a reconciliation of net earnings attributable to common shareholders to adjusted net earnings on a consolidated basis.

($M)	**Q4 2023**	**Total 2023**	Q4 2022	Total 2022
Net earnings attributable to common shareholders	**382**	**2,076**	528	2,716
Reconciling items:				
Severance, acquisition and other costs	**41**	**200**	19	94
Net mark-to-market (gains) losses on derivatives used to economically hedge equity settled share-based compensation plans	**(6)**	**103**	(27)	53
Net equity losses on investments in associates and joint ventures	**204**	**581**	-	42
Net (gains) losses on investments	**(2)**	**(80)**	29	(24)
Early debt redemption costs	**-**	**1**	-	18
Impairment of assets	**109**	**143**	150	279
Income taxes for the above reconciling items	**(39)**	**(100)**	(37)	(117)
NCI for the above reconciling items	**2**	**2**	(8)	(4)
Adjusted net earnings	**691**	**2,926**	654	3,057

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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.

We define available liquidity as cash, cash equivalents, short-term investments and amounts available under our securitized receivables program and our committed bank credit facilities, excluding credit facilities that are available exclusively for a pre-determined purpose. In Q4 2023, we updated our definition of available liquidity to account for short-term investments as these funds are liquid and can be used to meet our cash requirements. This change does not impact the available liquidity amounts previously presented.

We consider available liquidity to be an important indicator of the financial strength and performance of our businesses because it shows the funds available to meet our cash requirements, including for, but not limited to, capital expenditures, post-employment benefit plans funding, dividend payments, the payment of contractual obligations, maturing debt, on-going operations, the acquisition of spectrum, and other cash requirements. We believe that certain investors and analysts use available liquidity to evaluate the financial strength and performance of our businesses. The most directly comparable IFRS financial measure is cash.

The following table is a reconciliation of cash to available liquidity on a consolidated basis.

($M)	**December 31, 2023**	December 31, 2022
Cash	**547**	99
Cash equivalents	**225**	50
Short-term investments	**1,000**	-
Amounts available under our securitized receivables program(1)	**700**	700
Amounts available under our committed bank credit facilities(2)	**3,303**	2,651
Available liquidity	**5,775**	3,500

(1) At December 31, 2023 and December 31, 2022, $700 million was available under our securitized receivables program, under which we borrowed $1,200 million in U.S. dollars ($1,588 million in Canadian dollars) and $1,173 million in U.S. dollars ($1,588 million in Canadian dollars) as at December 31, 2023 and December 31, 2022, respectively. Loans secured by receivables are included in Debt due within one year in our consolidated financial statements.

(2) At December 31, 2023 and December 31, 2022, respectively, $3,303 million and $2,651 million were available under our committed bank credit facilities, given outstanding commercial paper of $149 million in U.S. dollars ($197 million in Canadian dollars) and $627 million in U.S. dollars ($849 million in Canadian dollars) as at December 31, 2023 and December 31, 2022, respectively. Commercial paper outstanding is included in Debt due within one year in our consolidated financial statements

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Non-GAAP and other financial measures (cont'd)

Non-GAAP Financial Measures (cont'd)

Free cash flow

Free cash flow is a non-GAAP financial measure and 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.

The following table is a reconciliation of cash flows from operating activities to free cash flow on a consolidated basis.

($M)	**Q4 2023**	**Total 2023**	Q4 2022	Total 2022
Cash flows from operating activities	**2,373**	**7,946**	2,056	8,365
Capital expenditures	**(1,029)**	**(4,581)**	(1,638)	(5,133)
Cash dividends paid on preferred shares	**(46)**	**(182)**	(42)	(136)
Cash dividends paid by subsidiaries to non-controlling interest	**(12)**	**(47)**	(3)	(39)
Acquisition and other costs paid	**3**	**8**	3	10
Free cash flow	**1,289**	**3,144**	376	3,067

Non-GAAP and other financial measures (cont'd)

Non-GAAP Financial Measures (cont'd)

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. In Q4 2023, we updated our definition of net debt to account for short-term investments as these funds are liquid and may be used to repay the debt due within one year. This change does not impact the net debt amounts previously presented.

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 and cash equivalents. 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. The following table is a reconciliation of long-term debt to net debt on a consolidated basis.

($M)	**December 31, 2023**	December 31, 2022
Long-term debt	**31,135**	27,783
Debt due within one year	**5,042**	4,137
50% of preferred shares	**1,834**	1,935
Cash	**(547)**	(99)
Cash equivalents	**(225)**	(50)
Short-term investments	**(1,000)**	-
Net debt	**36,239**	33,706

Non-GAAP and other financial measures (cont'd)

<u>Non-GAAP Ratios</u>

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

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.

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.

Non-GAAP and other financial measures (cont'd)

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

Adjusted EBITDA is a total of segments measure. 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 is a reconciliation of net earnings to adjusted EBITDA on a consolidated basis.

($M)	**Q4 2023**	**Total 2023**	Q4 2022	Total 2022
Net earnings	**435**	**2,327**	567	2,926
Severance, acquisition and other costs	**41**	**200**	19	94
Depreciation	**954**	**3,745**	922	3,660
Amortization	**299**	**1,173**	270	1,063
Finance costs				
Interest expense	**399**	**1,475**	319	1,146
Net return on post-employment benefit plans	**(27)**	**(108)**	(13)	(51)
Impairment of assets	**109**	**143**	150	279
Other expense (income)	**147**	**466**	(19)	115
Income taxes	**210**	**996**	222	967
Adjusted EBITDA	**2,567**	**10,417**	2,437	10,199

Non-GAAP and other financial measures (cont’d)

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

Net debt leverage ratio is a capital management measure and it 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.

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 presentation if the supplementary financial measures’ labelling is not sufficiently descriptive.

Key performance indicators (KPIs)

We use adjusted EBITDA margin, blended ARPU, capital intensity, churn and subscriber (or customers or NAS) units to measure the success of our strategic imperatives. These key performance indicators are not accounting measures and may not be comparable to similar measures presented by other issuers.