



# BCE

## BCE Q1 2020 Results Conference Call

**Mirko Bibic**  
President and Chief Executive Officer

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Executive Vice President and Chief Financial Officer

May 7, 2020

### **CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

*Certain statements made by BCE's President and Chief Executive Officer and Executive Vice-President and Chief Financial Officer during BCE's Q1 2020 Results Conference Call, as reflected in this transcript, are forward-looking statements. These forward-looking statements include, without limitation, statements relating to the potential impacts on our business, financial condition, liquidity and financial results of the outbreak of the COVID-19 pandemic, the expected continued payment of BCE's common share dividend for the foreseeable future, BCE's dividend payout ratio, our network deployment and capital investment plans, the sources of liquidity we expect to use to meet our anticipated 2020 cash requirements, our expected cash pension funding requirements, the expected timing and completion of the proposed acquisition of conventional TV network V and related digital assets, BCE's business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. Forward-looking statements are typically identified by the words assumption, goal, guidance, objective, outlook, project, strategy, target and other similar expressions or future or conditional verbs such as aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive and will. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.*

*Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. The forward-looking statements contained in this transcript describe our expectations as of May 7, 2020 and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this transcript, whether as a result of new information, future events or otherwise. Except as otherwise indicated by BCE, forward-looking statements do not reflect the potential impact of any special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after May 7, 2020. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Forward-looking statements were made during BCE's Q1 2020 Results Conference Call for the purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.*

#### **Material Assumptions**

*The forward-looking statements set out in this transcript are based on certain assumptions including, without limitation, the following assumptions. Due to the speed with which the COVID-19 pandemic is developing and the uncertainty of its severity, duration and potential outcomes, we are not able at this time to estimate the impacts of the pandemic on our business or future financial results and related assumptions. Accordingly, the assumptions outlined in this transcript and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate.*

*Our liquidity from our cash and cash equivalents balance, the remaining undrawn capacity under our committed credit facilities, our cash flows from operations, continued access to the public capital, bank credit and commercial paper markets based on investment-grade credit ratings, and continued access to our securitized trade receivables programs, will be sufficient to meet our cash requirements for the remainder of 2020*

*No material financial, operational or competitive consequences of changes in regulations affecting any of our business segments*

#### **Material Risks**

*Important risk factors that could cause our assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in, or implied by, our forward-looking statements include, without limitation: pandemics, epidemics and other public health risks including, in particular, the COVID-19 pandemic, and the severity and duration of the adverse effects thereof; our inability to access adequate sources of capital and generate sufficient cash flows from operating activities to meet our cash requirements; our failure to maintain operational networks in the context of significant increases in capacity demands; the risk that we may need to make significant capital expenditures in order to provide additional capacity and reduce network congestion; our inability to drive a positive customer experience; labour disruptions and shortages; our dependence on third-party suppliers, outsourcers and consultants to operate our business; uncertainty as to whether dividends will be declared by BCE's board of directors or whether the dividend on common shares will be increased; pension obligation volatility and increased contributions to post-employment benefit plans; regulatory initiatives, proceedings and decisions, and government consultations, positions, actions and measures that affect us and influence our business; the intensity of competitive activity, including from new and emerging competitors, coupled with the launch of new products and services; the level of technological substitution and the presence of alternative service providers contributing to the acceleration of disruptions and disintermediation in each of our business segments; the adverse effect of changing viewer habits and the expansion of OTT TV on subscriber and viewer growth and on the advertising market; rising content costs, as*

*an increasing number of domestic and global competitors seek to acquire the same content, and challenges in our ability to acquire or develop key content; the proliferation of content piracy impacting our ability to monetize products and services, as well as creating bandwidth pressure; higher Canadian smartphone penetration and increased device costs could challenge subscriber growth and cost of acquisition and retention; the inability to protect our physical and non-physical assets from events such as information security attacks, fire and natural disasters; the failure to transform our operations, enabling a truly customer-centric service experience, while lowering our cost structure; the failure to continue investment in next-generation capabilities; the complexity in our operations resulting from multiple technology platforms, billing systems, sales channels, marketing databases and a myriad of rate plans, promotions and product offerings; the failure to implement or maintain highly effective IT systems; the failure to generate anticipated benefits from our corporate restructurings, system replacements and upgrades, staff reductions, process redesigns and the integration of business acquisitions; our failure to test, maintain, replace or upgrade our networks, IT systems, equipment and other facilities; in-orbit and other operational risks to which the satellites used to provide our satellite TV services are subject; the failure to attract and retain employees with the appropriate skill sets and to drive their performance in a safe environment; changes to our base of suppliers or outsourcers that we may decide on or be required to implement; the failure of our vendor selection, governance and oversight processes; security and data leakage exposure if security control protocols affecting our suppliers are bypassed; the quality of our products and services and the extent to which they may be subject to manufacturing defects or fail to comply with applicable government regulations and standards; the inability to manage various credit, liquidity and market risks; new or higher taxes due to new tax laws or changes thereto or in the interpretation thereof, and the inability to predict the outcome of government audits; the failure to reduce costs, as well as unexpected increases in costs; the failure to evolve practices to effectively monitor and control fraudulent activities; the unfavourable resolution of legal proceedings and, in particular, class actions; new or unfavourable changes in applicable laws and the failure to proactively address our legal and regulatory obligations; the failure to recognize and adequately respond to climate change concerns or public and governmental expectations on environmental matters; and health concerns about radiofrequency emissions from wireless communication devices and equipment*

*We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. We encourage investors to also read BCE's 2020 First Quarter MD&A dated May 6, 2020 for additional information with respect to certain of these and other assumptions and risks, filed by BCE with the Canadian provincial securities regulatory authorities (available at Sedar.com) and with the U.S. Securities and Exchange Commission (available at SEC.gov). This document is also available at BCE.ca.*

*The terms "adjusted EBITDA", "adjusted EBITDA margin", "adjusted EPS", "free cash flow", "dividend payout ratio", "net debt", "net debt leverage ratio" and "adjusted EBITDA to net interest expense ratio" used in this transcript are non-GAAP financial measures and do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Refer to section 7.2, Non-GAAP financial measures and key performance indicators (KPIs), in BCE's 2020 First Quarter MD&A dated May 6, 2020 for more details.*

## **CORPORATE PARTICIPANTS**

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## **PRESENTATION**

### **Operator**

Good morning, ladies and gentlemen. Welcome to the BCE Q1 2020 Results Conference Call. I would now like to turn the meeting over to Mr. Thane Fotopoulos. Please go ahead, Mr. Thane Fotopoulos.

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

Thank you, Alana, and good morning, everyone.

Joining me on the call today are Mirko Bibic, BCE's President and CEO, and Glen LeBlanc, our CFO.

As a reminder, our first quarter results package and other disclosure documents, including today's slide presentation, are available on BCE's Investor Relations webpage.

However, before we get started, I want to draw your attention to the Safe Harbour statement on Slide 2. Information in this presentation and remarks made by the speakers today will contain statements about expected future events and financial results that are forward-looking and, therefore, subject to risks and uncertainties.

These forward-looking statements represent our expectations as of today and, accordingly, are subject to change. We disclaim any obligation to update forward-looking statements, except as required by law. Factors that may affect future results are contained in BCE's filings with both the Canadian Securities Commission and the SEC, and are also available on our corporate website.

With that, I will turn it over to Mirko.

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

Thank you, Thane, and good morning, everyone. We hope that you are all staying safe and following government measures, so that we may resume as much as possible, given the circumstances, our daily lives.

I also want to open up by acknowledging government efforts at all levels and extending our deepest gratitude to all health professionals and other frontline workers, who are working tirelessly around the clock.

And speaking of frontline workers, I am especially proud of the Bell team, whose outstanding work to keep Canadians connected 24/7 is being widely recognized as critical to our country's ability to withstand the COVID-19 crisis. This is the biggest challenge our country has faced in generations and I am so proud to be working alongside the more than 50,000 Bell employees as we build on our legacy as a company that is always there when Canadians need us. Our people and our networks have certainly risen to the challenge. Thank you.

I will now turn to highlighting the key operational priorities that have guided us over the last few weeks.

One of the key operational priorities is to keep Canadians connected and informed at a time when the country needs it the most. We have taken a number of steps to ensure continuity of critical services, including advanced capacity and redundancy for our Wireless, Wireline and Broadcast Media networks, ongoing special support for healthcare providers and first responders, and a commitment to delivering the latest news to Canadians at the local, regional and national levels.

We have been operating our networks at a remarkable 99.99% overall availability despite surging demand, while maintaining Internet speeds, even with increases in peak daily traffic of up to 60%.

Rural customers are also keeping connected with a 40% increase in usage of our innovative Wireless Home Internet service, and by the end of April, we made this service available to 137,000 more rural homes than we had initially planned. We understand the importance of this service for rural communities.

We have also seen an increase in voice traffic, including a 250% increase in conference call usage, as Canadians are keeping connected to their family, their friends and offices while sheltering and working from home.

And Canadians are turning to Bell Media for news and entertainment now more than ever, with significant increases in viewership across our platforms including Crave that is registering 75% higher usage.

Now, turning our focus to a second key operational priority, which has been to meet the needs of our team members, our customers and our communities, we are safeguarding our people with stringent sanitation and safety procedures, enhanced support for remote work capability, and we have sourced significant supplies of personal protective equipment.

Our assisted self-installation and repair program enables field technicians to perform installations and repairs entirely from outside the home by voice and video links. While technicians will enter a customer's premises where necessary, the new program has decreased time spent by technicians in customers' homes by up to 85%.

With disruptions to our call centre operations, remote customer service has ramped up. We have equipped 4,000 agents with specialized and secure connections to work at home, further reducing the number of people at our work sites.

We have also built service capacity by redeploying team members, including retail employees displaced by store closings, to frontline customer service roles. The team has done an amazing job re-establishing service levels in extremely difficult circumstances.

We are also enhancing self-serve capabilities. Digital self-serve now represents more than 50% of all customer transactions across all channels since the start of the COVID-19 crisis.

These initiatives are protecting our team members and our customers, while improving the customer experience in this time of crisis. In that regard, we are also providing significant additional support for customers isolated and working from home in our efforts to champion customer experience. We removed any extra usage fees for customers not already on unlimited residential Internet plans and waived wireless roaming fees for customers traveling abroad.

We also understand many are facing financial difficulties right now because of the economic impact of COVID-19, and we will work with customers on flexible payment arrangements if they are having trouble. This is also why we have delayed implementation of previously planned price increases for home phone and certain TV services.

Bell TV has made CTV news channel, CP24, and other Canadian news services available as free previews, in addition to a variety of family, lifestyle and entertainment channels. Bell Media is also offering 30-day free trials of Crave.

From a broader community perspective, we are supporting the frontline response to COVID-19 with over 3,500 Bell Mobility phones and air time for a wide range of organizations across the country, including mental health and other healthcare facilities, homeless shelters, children's aid societies, and other social service providers, and we donated 1.5 million protective masks for use on the frontlines throughout Canada, while at the same time procuring the personal protective equipment needed for our own team members. We increased our Bell Let us Talk commitment by an additional \$5 million, with particular emphasis on funding agencies delivering remote mental health services.

In taking all these steps, we have been guided by our new goal unveiled on January 6, advancing how Canadians connect with each other and the world, and focusing on these key operational priorities has

reinforced that our updated strategic imperatives are the right ones to guide us not only through this period, but also over the long term.

Building the best networks will always be a core strategic imperative for Bell in good times and bad. To that end, we are making the necessary investments now to keep up with the demand from all sectors of society. At the same time, we are maintaining our network deployment plan, whether that be fibre-to-the-home, expanding our leading wireless networks, getting ready for 5G, or accelerating our Wireless Home Internet service footprint, with, as I said, 137,000 additional homes passed in April.

This is not a time to pull back capital spending on critical network infrastructure. The country is depending on us. These are healthy investments for the long-term benefit of our company, our customers and our economy. We are also making the investments we need to Champion the Customer Experience, especially as it relates to online fulfillment, self-serve automation tools, or improved app functionality. The importance of such investments has been made all the more pressing in the current environment, where retail stores were temporarily closed and only now ramping back up slowly, where call centre operations are disrupted, and where Canadians are sheltering at home and teleworking is the order of the day. In short, now is not the time to curtail strategically critical investments in customer experience. They are necessary to keep us competitive in the short term and will benefit us in so many ways over the medium and long term.

The current crisis also highlights in a very clear way the benefits of Canada's global network leadership, which has been made possible because of our massive investments, supported by long-standing facilities-based regulatory policies. It has never been more important for governments and regulators to stay the course with policies that incent continued deployment of high speed fibre networks, Wireless Home Internet in Canada's underserved rural communities, and next generation mobile 5G technology. The bottom line is Canada cannot risk losing its global leadership on networks.

Now, I will turn to slide 5 of our presentation and our financial outlook for 2020.

Like every other company, we are being affected by COVID-19. The situation is evolving continuously, and its ultimate length, severity and outcome is unknown. As a result, we are withdrawing our 2020 financial guidance previously announced on February 6. Against the backdrop of this uncertainty, I am confident BCE will exit the crisis in strong shape. We remain highly focused on managing our cost structure and ensuring continued financial flexibility.

Bell's underlying business fundamentals have not changed. Our liquidity position is strong, underpinned by a healthy balance sheet and substantial free cash flow generation that provides significant financial flexibility to execute on our capital investment priorities and to sustain BCE's common share dividend payments for the foreseeable future. In fact, we just declared this morning, as scheduled, our common share dividend for Q2 that will be paid to shareholders on July 15.

As mentioned, we plan to make the investments Canada needs now and for the future, and we will do so without putting the dividend in jeopardy. This will provide a strong foundation for growth going forward that will benefit all stakeholders, our customers, our employees and our more than 1.4 million shareholders. Maintaining our planned level of capital spending will result in a dividend payout ratio that exceeds the upper end of our historical target policy range.

Turning now to slide 6, and a quick overview of some key operating metrics by segment. I will start with Wireless.

Subscriber and promotional activity was down significantly in the last few weeks of the quarter with a temporary closure of retail stores and call centre disruptions due to COVID, which resulted in a 12% year-over-year decline in postpaid gross activations in Q1. As fewer wireless consumers are shopping, we also saw a corresponding decline in customer churn. In fact, we reported our lowest ever postpaid churn rate of 0.97% this quarter. As a result of fewer customer disconnections, combined with some temporary new COVID-19-related government activations, postpaid net additions in Q1 totaled 24,000.

With respect to prepaid, gross additions were up 38% on the continued strength of Lucky Mobile and our Dollarama distribution agreement, which drove a 66% year-over-year improvement in net subscriber losses to 4,000.

Blended ABPU was down 2.7%, compared to last year. Not an entirely unexpected result given the restrictions on travel and waiving of roaming fees due to COVID, as well as the continued decline in data overage revenue due to more subscribers on unlimited plans, including a growing mix of installment customers in the base.

Now, I will move to Bell Wireline. Our subscriber results reflect the resiliency of our household products in the current environment and should fare relatively well during the COVID crisis, as consumers are now spending more time at home using broadband, Internet and video services. Therefore, although fewer customers are installing new residential services, fewer are also disconnecting. This drove 23,000 retail Internet net additions in Q1, unchanged versus last year.

We also added another 48,000 fibre-to-the-home subscribers this quarter, bringing the total number of direct fibre customers to around 1.5 million, up 19% over last year.

On the TV side of things, we added 3,000 net new IPTV subscribers, a modest, yet reasonable result given the impact of sales channel disruptions on gross additions, as well as overall TV market maturity and maturity of our footprint. We also continue to see nice year-over-year improvement in retail satellite TV and resident home phone customer losses, which were down 5% and 8% respectively.

For Bell Media, while overall TV viewership is up 25% since the start of COVID, TSN and RDS subscriber deactivations have been minimal, even without live sports. This speaks to the quality and depth of our programming, which is unparalleled in the Canadian market.

Lastly, at the beginning of April, the CRTC approved our acquisition of television network V, supporting our growing media presence in Quebec and offering more competition in consumer choice in French language conventional TV. With all the regulatory approvals in place, the transaction is scheduled to close in the second quarter.

Thank you, and I will turn it over to Glen.

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

Thank you, Mirko, and thank you everyone for joining us and I hope you are all remaining healthy and safe.

Firstly, let me echo Mirko's thanks to our employees for ensuring Canadians remain connected and informed, and to my Finance Team, specifically, thank you. If I would have told you two months that we would close out the quarter and prepare our financial documents release remotely, we would have said that is not possible, but you did just that, and you did it flawlessly as usual. So, again, thank you.

I am going to begin on slide 8, with an overview of our Q1 financial results.

The financial impact of COVID 19 was limited in Q1, as government lockdown measures and related shutdown of businesses only went into effect towards the end of the quarter. Although difficult to assess with any pinpoint accuracy, we estimate that, normalizing for COVID, our overall consolidated results for Q1 were tracking to our now withdrawn guidance targets for 2020.

Total service revenue remained positive in Q1 despite the curtailment of commercial activity starting in mid-March, as well as the impact of initiatives to support Bell customers sheltering and working from home. However, product revenue was down, decreasing 10% year-over-year. This was the result of a significant reduction in wireless customer transactions, attributable to retail channel disruptions, as well as lower business wireline data equipment sales given last year's strength, and the current economic environment.



Despite the year-over-year revenue decline, adjusted EBITDA grew a respectable 1.4% reflecting a 2.6% decrease in total operating costs, which drove a one-point increase in margin to 43%.

As customer activity has waned, so has call volumes and technician visits to the home. This, combined with fewer promotional offers, reduced mobile handset subsidies as well as decreased advertising and travel, helped to mitigate some of the revenue softness we saw in the quarter, and as Mirko mentioned, we will continue to make the necessary changes to our cost structure to offset as much of the COVID-related financial pressure as possible.

With respect to earnings, adjusted EPS was up \$0.03 over last year. However, statutory EPS decreased due to the net mark-to-market loss on equity derivative contracts resulting from a decline in BCE share price this quarter versus a sizeable increase this time last year.

As for free cash flow, the modest year-over-year decline was driven mainly by a reduction in cash from working capital, which I am going to expand on later.

Lastly, I want to bring your attention to a couple of reporting changes we made in Q1.

Our public safety radio network business, which builds and manages private land mobile radio networks primarily for the government sector, will now be managed within our Bell Business Markets, in order to better align with how we manage that part of our business and assess performance. Therefore, those operating results are now included within our Wireline segment, with prior periods restated for comparative purposes. Previously, these results were included within the Bell Wireless segment.

In addition, our wireless ABPU definition was updated to include billing from device payment plans. With the growing mix of EIP customer activations, this metric now more accurately reflects the full monthly cash amounts received from customers.

Let us turn to Wireless on slide 9.

Of our three operating segments, COVID-19 had the biggest immediate impact on Wireless, with a reduction in new customer loadings and device upgrades. As a result, product revenue decreased 9.1% in the quarter.

This subscriber slowdown, together with reduced roaming volumes and the ongoing steady decline in overage revenue from customer adoption of unlimited data and installment plans, also moderated service revenue growth, which saw a stepdown versus last quarter.

Consistent with the decrease in wireless market activity, variable COA costs, including device subsidization and other marketing and selling expenses, also decreased, driving a 6.6% year-over-year improvement in operating costs. Therefore, the impact of COVID on wireless EBITDA, which grew a solid 4%, was not overly material in Q1. However, the longer the COVID shutdown persists, the more significant effect on EBITDA, given the financial impact of slower subscriber growth, the declining roaming revenue and the amortization of deferred customer acquisition costs from previous periods.

Let us move on to Wireline, on slide 10.

Wireline results for Q1 were impacted only minimally by COVID. Although we experienced a reduction in new residential service installation requests, waived Internet overage fees and implemented flexible payment options for customers financially impacted by the crisis, our consumer wireline unit delivered stable and consistent results this quarter.

Combined Internet and TV revenue was up approximately 3% year-over-year, while the rate of voice revenue decline improved, reflecting fewer deactivations and increased long distance usage.

For business wireline, a softer quarter, as we lapped the revenue growth acceleration enjoyed in the first half of 2019, and saw a reduced or delayed customer spending given the current economic situation. Despite more near-term financial risk from the after-effects of COVID, compared to our residential services unit, the impact-to-

date on business wireline has been relatively contained. While we have seen an increase in pricing concessions to customers, particularly in the SME space, as well as lower data equipment and business service solutions sales to larger enterprise customers, we also provide critical connectivity services needed to maintain business continuity.

Against this backdrop, we have reduced discretionary expenses and digitized customer service delivery to optimize our cost structure. This resulted in a 1.6% reduction in our operating costs this quarter, which drove positive wireline EBITDA growth of 0.5% and a 50-basis point improvement in margin.

Let us turn to slide 11 on our Media business.

Total revenue was up 0.9% in the quarter. This was as a result of a 5.6% year-over-year increase in subscriber revenue, driven by Crave growth over the past year and contract renewals with Canadian TV distributors.

Not surprisingly, advertising revenue was down 2.5% year-over-year, affected by the industry-wide decline in ad sales because of COVID. Advertising is frequently one of the first discretionary expense items that many companies cut back on. Although the reduction in spending was relatively small this quarter, that should accelerate in Q2, as advertisers rationalize, delay or eliminate advertising budgets in light of COVID-related impacts on their business, and although media consumption and TV viewership is up, as Mirko described, ad spending will not necessarily follow. Much, of course, will depend on the length of the shutdown and the depth of the resulting economic downturn.

Due largely to the fact that advertising has a very high revenue flow-through, Bell Media's EBITDA decreased 6.1% in Q1.

Let us turn to slide 12, which provides a walk-down of the main components of adjusted EPS, which was \$0.80 per share in Q1, up 3.9%, compared to last year. In addition to higher EBITDA, which drove \$0.03 of earnings growth this quarter, adjusted EPS also reflected lower net interest expense due to the impact of lower interest rates on our short-term debt and a favourable income tax expense benefit due to the change in Nova Scotia's corporate tax rate.

Turning to slide 13, you will see that we generated \$627 million of free cash flow this quarter. Adjusted EBITDA less capex, or what I commonly refer to as simple free cash flow, grew 6.5% over last year, contributing \$106 million of higher cash year-over-year. However, this was more than offset by the large COVID-related swing in working capital, driven mainly by a buildup of mobile handset inventory in anticipation of potential supply chain constraints and a slowing in customer account collections.

This quarter's result also reflected a year-over-year decrease in cash taxes, enabled by recently enacted government measures that allow for a delay of tax installment payments until later this year, as well as higher interest paid, due mainly to a higher level of debt outstanding, as we tapped the bond markets in Q1 to strengthen our already strong liquidity position.

That is a good lead into slide 14. We ended Q1 with \$3.2 billion of liquidity, providing us with good financial flexibility to navigate through the COVID crisis. Our cash balances and undrawn portions of our \$4 billion committed credit facilities together with substantial daily cash inflows from operations and continued access to public debt and bank markets are expected to be more than adequate to meet our cash requirements for the remainder of 2020.

Our debt leverage ratio remains manageable at 2.86 times adjusted EBITDA and our interest coverage ratio is high, providing good predictability in our debt service costs. Moreover, we have no near-term refinancing requirements, as our next public debt maturity does not occur until the end of Q3 2021.

As for Bell Canada's defined benefit pension plan, the estimated funded position has declined only modestly since the end of 2019, but remains fully funded. As a result, our cash pension funding requirements for 2020 are unchanged. This can be attributed to the pension plan's assets, which are invested conservatively, have ample liquidity and are well diversified. Public equity securities make up only 22% of the plan assets. We have

allocated, over time, a greater portion of the plan's assets to fixed income securities that have returns much less impacted by the current equity markets and that serve as a natural hedge to lower interest rates.

Lastly, I would like to add that BCE's close to \$1 billion in annual U.S. dollar spending has been hedged substantially through to the end of 2021, effectively insulating our free cash flow exposure until that time.

To conclude, I think it is worth reiterating what Mirko said earlier, and that is that BCE's dividend remains safe. Our substantial free cash flow generation provides the required funding to support our planned network investments and dividend payments for 2020. While we expect a higher than normal dividend payout ratio this year, the dividend is secure, given BCE's resilient free cash flow profile, reasonable leverage, and the company's relatively easy access to liquidity markets, if required.

That concludes my formal remarks, so I would like to turn the call back over to Thane and the Operator to begin questions.

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**Thane Fotopoulos – Vice President – IR**

Thanks, Glen. Before we start the Q&A period, I want to remind participants that, due to the time constraint this morning because of our AGM, which is taking place right after this call, please limit yourselves to one question and a brief follow-up, so we can get to as many of you as possible in the queue.

With that, Alana, we are ready to take our first question.

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**QUESTION AND ANSWER SESSION**

**Operator**

Certainly. Thank you. Please press star, one at this time if you have a question.

The first question is from Richard Choe with J.P. Morgan. Please go ahead.

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**Richard Choe – J.P. Morgan – Analyst**

Hi. Service revenue in wireless was up in the quarter, but there was some impact at the end due to COVID, and ABPU was down. What is going to be the full impact going forward? How much roaming and data overage exposure do you have relative to overall service revenue? Thank you.

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**Mirko Bibic – President and CEO**

Thanks, Richard. As I mentioned at the outset, in terms of our ABPU, we have data overage impact there, and like I have said in past quarters, our overage decline actually in Q1 of this year was relatively muted like in Q4 2019, and it is just another quarter where we have demonstrated that base management, it really is one of our core competencies and that will continue.

As far as roaming, clearly that is going to have an impact in Q2 given the restrictions on, basically, the outright restrictions on travel. So, whether or not that is inbound or outbound roaming, that is going to be significantly impacted in Q2 and for as long as the crisis lasts and travel restrictions remain in place.

Glen, do you have anything you want to add to that?

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

Not much, Mirko, I think that is pretty good. Richard, I am not going to try to forecast the duration and severity of COVID and try to predict its implications on service revenues go-forward. Certainly, I am not equipped to do that. I think, as Mirko said, naturally, roaming revenue is going to be significantly impacted for the foreseeable future. We are managing the data overage. Transactions are significantly down in wireless. But, all in all, I think the underlying health of our business remains, and as Mirko said in his opening remarks, the fundamentals remain strong.

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**Richard Choe – J.P. Morgan – Analyst**

No, it seems like you are managing the service revenue part well. To follow up on the equipment side, what was the kind of decline in the second half of March versus the 9%, 10% that you saw in the overall quarter?

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

I am not going to provide any specifics on that, Richard. Suffice to say that as retail channels closed, we saw a significant reduction in transactions and that has continued well through the month of April. The good news is we are starting to see signs across the country that retail channels are opening, storefronts are coming back online, and let us hope that this is relatively short-lived and we start to see Canadians shopping again and transactions picking up.

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**Richard Choe – J.P. Morgan – Analyst**

Great, thank you.

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

Thank you, Richard.

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**Operator**

Thank you. The next question is from Aravinda Galappathige with Canaccord Genuity. Please go ahead.

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**Aravinda Galappathige – Canaccord Genuity – Analyst**

Good morning. Thanks for taking my questions. You referred to some of the impacts you expect on the SMB side, or you are seeing on the SMB side. Can you expand a little bit on what you believe will be the impacts on enterprise? Obviously, there could be some pricing pressure as the contracts roll over, but at the same time, I think, as you alluded to you in your prepared remarks, there could be some upside because of the increased spend on connectivity, including content, video content, etc. Maybe just talk to some of the dynamics there.

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**Mirko Bibic – President and CEO**

Sure. Thank you, pleased to. The pandemic certainly has highlighted the importance of our wireline services generally to Canadian homes and businesses. We are seeing usage up and churn down.

Now, as it relates to the enterprise segment, we are seeing an increase, or saw early increases in demand for connectivity, which was a positive. That said, there has been lower demand for data equipment and some lower demand for service solutions. But, ultimately, Canadian businesses do rely on Bell to keep them connected, so

it is no surprise that we are seeing that stability, you know, from stability to an increase in demand for connectivity. Now, that is in the enterprise segment. In the small business segment, that is clearly more exposed, given the economic circumstances that small businesses are facing, but that also is a smaller portion of our business segment revenue.

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**Aravinda Galappathige – Canaccord Genuity – Analyst**

Thank you, and just as my follow-up. You talked to some of the cost reductions in wireless. Can you speak to your expectations in terms of industries that are potentially moving towards lower handset subsidies in general? I know that the current period is not necessarily the best representation, but I know there was some progress even prior to COVID-19 hitting. I just wanted to get your thoughts on that. Thank you.

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**Mirko Bibic – President and CEO**

Right, okay. So, we are seeing—we are seeing some subsidy savings from two sources. One is clearly the decrease in transactions due to the retail store closures—Glen touched on that, so no need repeating that—but we also saw a reduction in subsidy due to scaling of installment plans, and they have been scaling quite nicely, we are quite pleased with it. As we have said in previous calls, we are quite favourably disposed to the installment plan model and we like the early results. Whether or not that was the latter part of Q4 of last year and into Q1 of this year, nice scaling, and we see the financial benefits that will come.

A couple of points to highlight. At the end of April, the Bell brand has fully switched over to the SmartPay model, and I believe I mentioned on our last call together that we were doing the IT work necessary to transition the Virgin brand over to installment plans. I am happy to report that installment plans will be available on the Virgin brand this month actually.

So, it is looking good, we like the early results and I think that answers the question.

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**Aravinda Galappathige – Canaccord Genuity – Analyst**

Thank you.

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**Operator**

Thank you. The next question is from David Barden with BoA Securities. Please go ahead.

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**David Barden – BofA Securities – Analyst**

Hey, guys. Thanks. I guess, could you talk a little bit about what behavioral changes we saw emerge in the wireless business kind of in the last month, month-and-a-half; specifically, with respect to whether you saw customers ratcheting down spend to lower end meter plans, or from postpaid to prepaid, or whether, as a function of kind of the greater need for connectivity, we saw a great uptick of (inaudible)?

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**Mirko Bibic – President and CEO**

I did not hear the last part of it, but I will start with the answer. We saw—let me answer the question by contrasting wireline to wireless for a second. We saw the huge surges in usage on the wireline side, whether or not it is broadband or voice. On the wireless side, it was pretty stable, usage was pretty stable, we did not see much of a spike up or down. We did see greater usage in rural areas than in urban areas, but pretty stable, and also pretty stable in terms of the behavior on acquisition of the various data packages and did not see downgrades from customers in the packages they were acquiring.

**David Barden – BofA Securities – Analyst**

Thank you.

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**Mirko Bibic – President and CEO**

We cannot hear you, your connection is not clear.

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**David Barden – BofA Securities – Analyst**

Can you hear me better now?

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**Mirko Bibic – President and CEO**

Yes, that is better.

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**David Barden – BofA Securities – Analyst**

Sorry. Just as a quick follow-up—and thanks for that answer—as a quick follow-up, on your comments with respect to SMB, we did see, for instance, AT&T and Verizon take bad debt reserves for potential payment misses from that category. I apologize if I missed it, but did you take any of those reserves yet or do you plan to in coming quarters?

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

Good morning, David. It is Glen. Look, absolutely great question. We are monitoring our daily cash collections like never before. They remain strong. We are not seeing what I would call disturbing trends. That said, your observation is a good one. We are ensuring that we increase our provisions across our business, whether that be in SMB, SME, whether that be in our Media operations, or that be in our consumer segment of our business.

Naturally, the longer this goes on, Canadians are going to run into their own liquidity challenges and they are going to be looking for reasonable payment terms and payment arrangements and we are going to have to be cognizant of how that impacts reserves, but I can assure you I am monitoring that daily. We have taken additional reserves, modest albeit, in Q1, but that will accelerate for additional reserves in Q2. Thank you, David.

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**Mirko Bibic – President and CEO**

I will just add a little bit to that by saying that we are seeing those small businesses that are the most affected, and who we are working with, we are seeing suspensions rather than just everyone necessarily disconnecting, which is favourable, in relative terms, and we are also working with those affected small businesses on alternative payment arrangements, and Glen, as he mentioned, is taking the appropriate provisions.

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**David Barden – BofA Securities – Analyst**

Okay, great. Thank you, guys.

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**Operator**

Thank you. The next question is from Simon Flannery with Morgan Stanley. Please go ahead.

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**Simon Flannery – Morgan Stanley – Analyst**

Great, thank you very much. Good morning. You talked about maintaining your capital spending program. Could you talk a little bit about your 5G plans and where does that stand at this point with potential 5G iPhone coming later this year; and maybe layer into that, when are we going to get some clarity from the government on Huawei's potential role in the networks? Thanks.

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**Mirko Bibic – President and CEO**

Okay, thanks for the question. We are ready with our initial 5G network but frankly, we have made—frankly, we do not think that it is the right time right now to officially launch it for marketing purposes. I just do not think that customers are paying attention to this right now, and that is not what is top of mind for our customer base, they have other priorities, understandably, but we are ready. I think we are carrying the first 5G phones that have been brought to market. Samsung GS20 would be one example. As the economy opens up, we will have more news on when we will launch our initial 5G services.

As for Huawei and the government, I really do not know and could not provide more insight than I have provided the last couple of times we spoke. We are waiting for the government's decision and we will follow all government rules with respect to usage of equipment in our 5G network, and, as you know, we work with multiple suppliers in our supply chain.

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**Simon Flannery – Morgan Stanley – Analyst**

Great, and do you think the auction timing could be impacted by the crisis?

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**Mirko Bibic – President and CEO**

On the auction timing, look, here is what I—back to my opening comments about—my general comments in my opening about we cannot risk as a country falling behind in communication networks, and now it makes it as clear as ever how important world-leading communications are. So, with that as context, I do not think we can, or should not want to, fall behind on 5G, and 3500 MHz, as we all know, is the backbone of 5G. So, my point of view is we need to have that auction as planned, or very soon after. If it is not December 15, then very soon after December 15. That would be our position, let us have the auction, let us move forward, let us make that spectrum available, let us lead in 5G.

Now, with that having been said, I would also say that given how our industry has stepped up with accelerated investments this year, in particular, if the government would be open to delaying payments until calendar year 2022, that would be helpful to everyone concerned, but ultimately the short answer to your question is let us have the auction.

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**Simon Flannery – Morgan Stanley – Analyst**

Great, thank you.

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**Operator**

Thank you. The next question is from Vince Valentini with TD Securities. Please go ahead.

**Vince Valentini – TD Securities – Analyst**

Yes, thanks very much. I would like to start with one clarification. Glen, you talked about the equipment revenues in wireless and the volume declining in March. Are you able to give us what the figures are on how much both the opex for equipment costs, as well as the cash costs for equipment subsidies, went down in Q1?

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

Vince, I do not have that at my fingertips, but obviously it is not overly material, due to the fact that we basically had 10 or so weeks of what I would deem normality prior to the COVID. Naturally, what I have experienced in the past month has been substantial in April, and you will see that in our Q2 results.

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**Vince Valentini – TD Securities – Analyst**

Okay, and a bigger picture question, Mirko. Do you have any thoughts about when we come out of this crisis—and, obviously, there is a lot of people talking about a new way for society to interact and more work from home and more embracing of a digital economy. When you think about your business telecom operations, is this a net positive or a negative, in your view? If there is less office lines and less people in offices, but more connectivity required and services so people can work from home, is it a net neutral or positive or negative, in your mind?

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**Mirko Bibic – President and CEO**

I view it as a medium- to long-term net positive, for all the reasons you mentioned in the question, Vince, and also, as we—we have all had to adjust the way we serve customers, and that is why I mentioned in the opening remarks that we are making the investments necessary now in digital adoption in self-serve, in self-install, in apps and online fulfillment, because—on January 6, when we updated our strategic imperatives and we added one that talked about operating with agility and cost efficiency, and we talked about the need for digital adoption, we identified it then, that we are all going to be on this journey. Now, of course, this crisis highlighted how important it is to serve customers in that manner, and customers, we are seeing, are prepared and very comfortable being served in this manner. So, what that does, is a lot of goodness on the cost structure, because if we can accelerate those investments in the long term, it is going to reduce our cost of operations, much like building fibre has an obvious win in terms of market share, but a win in terms of cost structure.

So, to answer your question, I do see it on the business side as a net positive, and the whole way we are shifting in how we are serving the customer is also going to have some medium- and long-term benefits on the cost side.

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**Vince Valentini – TD Securities – Analyst**

Thank you.

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**Operator**

Thank you. The next question is from Jeffrey Fan with Scotiabank. Please go ahead.

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**Jeffrey Fan – Scotiabank – Analyst**

Thanks. Good morning. Hope you guys are doing well.

My first question is just a clarification, probably for Glen. Regarding your capex comment, normally you give capex intensity guidance, but it looks like what you guys are saying is you are going to keep the same capex



dollar. Are you calculating that based on the previous, I guess, revenue guidance in getting to, roughly, a \$4 billion number. I just wanted to check the math to make sure that is the number that you are referring to on capex.

Then, the second question, probably looking beyond COVID-19 in wireless, as stores start to reopen, as we start to get back to some kind of a normalcy, I am wondering how, Mirko, you think about the post-shutdown, competitive environment, given a lot of contracts have probably lapsed, a lot of pent-up, perhaps, demand on upgrades, I am wondering how you see that competitive environment sort of play out post the shutdown. Thanks.

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**Mirko Bibic – President and CEO**

Why do not you go ahead, Glen, on the first one?

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

Sure. Good morning, Jeff. On capex, you are absolutely right in your assessment of what we were attempting to say, if I was not clear. Obviously, our ability to forecast CI, or capital intensity, in this environment is extraordinarily difficult, because we really do not know the length, the duration, the severity of COVID, and how that is going to impact our top line. So, what I said on capex, or what I intended to say is that we intend to spend, roughly, on an absolute dollar basis, consistent to what our target was, I said in our February 6 guidance, that we would spend approximately 16.5% intensity, and if you took that against our revenue guidance of 1% to 3% growth, you would get a number of \$4 billion, \$4.1 billion, I believe. So, our intended remarks were that we intend to spend to that level.

As Mirko said, this is not a time to be shy, this is a time to lean forward. We are going to make the investments we need to keep this business healthy, to keep this business vibrant, and to keep Canadians connected. With the strength of our balance sheet, the healthy liquidity position, the health of our balance sheet, we are going to lean in and we are going to make the investments we need.

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**Mirko Bibic – President and CEO**

Okay, thanks, Glen. Jeff, on the second question in terms of wireless demand this thing opened up, I feel pretty good about our position as the economy slowly opens up and as our stores open up, and we will see how long it takes for customers to—consumers to get comfortable to go out and start shopping. Put aside predictions as to when that will be, when that does happen, we are in a very good position. We have strong inventory, as the stores open up. We lead in distribution, which is great news, and we have the best networks, and we will have our 5G network lit up, and that puts us in a very strong position competitively, and kind of leave it at that, and I think when people do start going out, we will see, I think—my sense is those who go out to shop are going out to shop with a purpose, and that is to buy, rather than to just browse.

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**Jeffrey Fan – Scotiabank – Analyst**

Thank you both.

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**Operator**

Thank you. The next question is from Maher Yaghi with Desjardins Securities. Please go ahead.

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**Maheer Yaghi – Desjardins Securities – Analyst**

Thank you for taking my questions. I wanted to just go back to your comments about your wireline business. Now that you are looking at April, can you maybe just tell us the effect of the shutdown on small and medium-sized businesses, how is that being reflected on your P&L? Are these businesses asking for credit for the months that they are closed or they are deciding to reduce actual spending on their bill? I am trying to just figure out how you are dealing with the situation on cash flow versus P&L on that business.

My other question is a follow-up question on wireless. We have been seeing an alarming increase in the number of criminal acts on towers, starting more and more in Canada, which we have not seen in the past. It used to be more in Europe. It seems like the pandemic has increased alarm for some people against the wireless towers. In Quebec, we have seen a few criminal acts. How are you expected—or what are you looking at in terms of protecting your assets in this situation that this could continue to increase in the future?

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**Mirko Bibic – President and CEO**

Okay, thank you. I will take the second one first, Glen, and then I will turn it over to you.

On the vandalism, those are really unfortunate criminal acts against our wireless towers across the industry. These are facilities that communities need for critical communications and that our first responders need out there in the field, and so it is rather unfortunate. What we are doing is, as you would expect we would be doing, we are hardening our security, we are being very vigilant, we are working with law enforcement, and I noted that the Prime Minister did issue communication, a tweet, not that long ago, actually, decrying these acts of vandalism. So, thank you to the Prime Minister for that, because it is important for us to educate consumers and the public that there is no link between our wireless facilities and the coronavirus. I think there have been a couple of arrests, actually, related to some of these recent acts of vandalism, so that is positive news.

So, over to you, Glen.

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

Sure. Good morning, Maheer. On the SME activity, what are we seeing? We are literally seeing everything that you alluded to. When you think about restaurants and bars, many of them have suspended service and, therefore, they have taken a pause, so that impacts our cash flow, naturally, but it impacts the P&L, as well, as they are not in operations. Other small businesses that are continuing to operate, but operate in a more limited capacity, have retained their services.

We have seen minimal requests for payment arrangement or changes in the manner in which they pay, but in some instances we have provided that, and we are trying to do everything we can to make it easy and possible for our small and medium-sized businesses to remain healthy and to ensure that they return, but we have seen it across the board, as you can appreciate. Some have suspended service, some have continued operations with no disruption in the manner in which they are paying, and others have requested—a modest amount of requests for additional terms for paying.

But, I would say at this point—I am going to go back to my earlier comments—we have changed the way we track cash collections. We literally track it daily. Compared to the day-to-day comparisons, we do comparisons to previous week, previous month and same period last year. We are monitoring everything on cash collections, to ensure that we are proactive in the way we reach customers and introduce terms to them that make the flexibility available to them, so that ultimately we do not result in unforeseen bad debt. But, as I say, it is across the board, and thanks for the question, Maheer.

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**Maheer Yaghi – Desjardins Securities – Analyst**

Thank you.

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**Operator**

Thank you. The next question is from Batya Levi with UBS. Please go ahead.

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**Batya Levi – UBS – Analyst**

Great, thank you. Just to follow up on wireline, I am sorry if I missed this, but can you remind us what percentage of your wireline mix is from the business segment and, in specific, from the SME segment, and maybe if you could provide more colour on where you expect cost efficiencies to come from in light of the current environment that could potentially keep the wireline profitability more flattish, as results have been so far resilient, except for the SME pressure that you are highlighting. Thank you.

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**Mirko Bibic – President and CEO**

Business segment revenues, at large, are about a third of our wirelines revenues. Then, in terms of the puts and takes on opex, we will see subsidy savings with a lowering of transactions, as I mentioned earlier, and with the scaling of installment plans, so savings there, we will see, but of course we have to watch collections, as Glen has mentioned a couple of times already. We have savings on travel, as you would expect, and other discretionary spending. On the other hand, if we are going to talk about puts and takes, PPE and cleaning is going up. We are installing plexiglas in stores, obviously, for the safety of our customers and our team members.

Ultimately, at the end of this, as I mentioned in response to an earlier question, we are going to see in the medium term some cost savings goodness just from accelerated footprint deployment, which we are continuing to engage on or embark on throughout 2020, and as we had initially planned and as we continue to evolve our service delivery model with more self-serve, one-touch, digital, there will be savings, significant savings on the delivery side in that respect.

Look, ultimately, we generate substantial cash inflows that will continue, our cost discipline is second to none, and that will continue, and it really puts us in good stead to be able to make these long-term investments for the long-term health of BCE, as well as to continue to sustain that dividend.

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**Batya Levi – UBS – Analyst**

Okay, thank you.

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**Operator**

Thank you. The next question is from Tim Casey with BMO Capital Markets. Please go ahead.

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**Tim Casey – BMO Capital Markets – Analyst**

Thanks. Just following up on that, what other things are you considering, Mirko, in terms of permanent changes to work and processes within the company? Are you looking at having people work permanently from home, or maybe, you know, on a team basis, so you can reduce your real estate footprint, and things like that, and I am just wondering what you are contemplating to do on the permanent side.

Second, can you comment on how you are going to manage Media? Obviously, it is going to be a rough summer and the fall schedules are in disarray, so there is going to be challenges there. How will you manage the cost side on Media going forward? Thanks.

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**Mirko Bibic – President and CEO**

Thanks for the questions. The first one is a really good question in terms of future long-range planning. As we undertake our planning exercises, which we have a regular cadence, as you would expect that we would have, one of the items that we are going to be taking away is what have we learned from this crisis in terms of operations that we can adopt permanently, that will enhance our competitive position, improve our cost structure or improve the customer experience. So, we are going to be looking at everything through that lens and that will include what we do in terms of our real estate footprint, but it is still early days on that, but definitely something we will be looking at, and we will be looking at those things across the entire scope of our operations.

Look, on Media, I would say this. I mean, the Q1 impacts, as you saw, were relatively small. Obviously, there will be impacts on Media in Q2 and beyond, depending on how long this lasts. But the customers and viewers are rediscovering the value and attractiveness of linear TV, and you can see it in the ratings. You can see it in terms of the engagement with Crave, which is an absolutely phenomenal product and more customers are discovering it. We have also seen, in the last few days, last couple of weeks, some stabilization in the number of cancellations of ad buys, which is also positive sign. We have puts and takes. We see a decline across some advertising sectors, but a pickup in things like financial services, technology, consumer packaged goods. So, I would say we are going to be managing our cost structure very carefully at Media. Our subscriber revenues are remaining strong and we are seeing that some live sports are going to start coming back on fairly soon, and you will think of USC and NASCAR and the PGA tour and I think there is going to be a pent-up demand for our sports viewership, so that bodes well, as well.

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**Tim Casey – BMO Capital Markets – Analyst**

Thank you.

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**Operator**

Thank you. The next question is from David McFadgen with Cormark Securities. Please go ahead.

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**David McFadgen – Cormark Securities – Analyst**

Hi, yes, and thanks for taking my question. Just following along with that last question, I mean, now that we are into May, I was wondering can you give us an idea of what the ad trend you saw for the month of April was, how much it might be down?

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

Yes, I am not going to give forward-looking numbers, David, as you can appreciate, but suffice to say that there was a substantive decrease in advertising in the month of April. Well managed, as Mirko alluded to, on the cost side, as we took the necessary actions we could. I need to remind everybody that our Media operations represent about 8 of our consolidated EBITDA, so not overly impacting to our consolidated cash flow, but we took actions on costs.

Advertising was certainly down, but that was a relatively short window, when we think here we are in early May, and, as Mirko alluded to, NASCAR and PGA Tour, and we are starting to hear about UFC and many sports coming back online, that I am optimistic that we will start to see some return of advertising. Although, let us be honest, Q2 is going to be a difficult quarter, compared to historic advertising levels.

**David McFadgen – Cormark Securities – Analyst**

Could you give us any colour on the declines for your sports properties versus non-sport properties? Any help there would be great.

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**Mirko Bibic – President and CEO**

No, I think, look, on sports, declined advertising, and there is subscription revenue, and our sports subscription cancellations have been, frankly, minimal. So customers are not disconnecting. Customers are the ones who make the ultimate call and so far those cancellations have been, frankly, minimal, and with live sports coming back soon, I think you are going to see a pickup there, certainly, in viewership, and stability that we have seen continue in subscriptions.

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**Thane Fotopoulos – Vice President – IR**

All right. So, with that said, we have timed out, so thank you again for your participation this morning. I will be available throughout the day for follow-ups and clarifications. So, take care, everybody, and stay safe.

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**Mirko Bibic – President and CEO**

Thank you, everyone.

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

Thank you.

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**Operator**

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

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