BCE Q4 2021 Results and 2022 Financial Guidance Call

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS
Certain statements made by BCE's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer during BCE's Q4 2021 Results and 2022 Financial Guidance Call, as reflected in this transcript, are forward-looking statements. These statements include, without limitation, statements relating to BCE's financial guidance (including revenues, adjusted EBITDA, capital intensity, adjusted EPS and free cash flow), BCE's 2022 annualized common share dividend and dividend payout ratio, BCE's network deployment plans and anticipated capital expenditures as well as the benefits expected to result therefrom, including its two-year increased capital expenditure acceleration program for the deployment of its direct fibre, Wireless Home Internet (WHI) and Fifth Generation (5G) networks, the expectation of 2022 performance surpassing pre-COVID-19 pandemic levels, expected revenue and adjusted EBITDA growth in 2022 in all our business segments, expectation of stable adjusted EBITDA margin in 2022, expected improvement in average revenue per user (ARPU) in our Bell Wireless segment, expected improving rates of business revenue and adjusted EBITDA decline, expected growth in advertising and subscription revenue as well as expected higher spend in our Bell Media segment, the potential impacts on our business, financial condition, liquidity and financial results of the COVID-19 pandemic, our anticipated pension cash funding including an expected partial contribution holiday starting in 2022 and the benefits expected to result therefrom, the expected level of our net debt leverage ratio in 2022, the expectation that BCE's free cash flow growth and available liquidity will support its common share dividend payments and its capital expenditure acceleration program, 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 February 3, 2022 and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this transcript, whether as a result of new information, future events or otherwise. From time to time, we consider potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by BCE, forward-looking statements do not reflect the potential impact of any such transactions or of special items that may be announced or that may occur after February 3, 2022. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Forward-looking statements were made during BCE's Q4 2021 Results and 2022 Financial Guidance Call for the purpose of assisting investors and others in understanding certain key elements of our expected financial results, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. The forward-looking statements made during BCE's Q4 2021 Results and 2022 Financial Guidance Call for periods beyond 2022 assume, unless otherwise indicated, that the economic, market, operation and financial assumptions as well as the material risk factors described in this transcript will remain substantially unchanged during such periods, except for an assumed improvement in the risks related to the COVID-19 pandemic and general economic conditions in future years.

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

Canadian Economic Assumptions
Our forward-looking statements are based on certain assumptions concerning the Canadian economy, which in turn depend on important assumptions about the evolution of the COVID-19 pandemic, including the progress of the vaccination rollout. Notably, it is assumed that most public health restrictions in Canada are eased in the first quarter of 2022 and pandemic-related effects on demand diminish gradually over time. In particular, we have assumed:

- *Strong economic growth as demand remains robust and supply recovers from the effects of the pandemic, given the Bank of Canada's most recent estimated growth in Canadian gross domestic product of around 4% on average in 2022*
- *Strong household consumption growth supported by improving confidence and some spending of accumulated savings*
- *Robust business investment outside the oil and gas sector due to growing demand, improving business confidence and the gradual easing of supply constraints*
- *Strong labour market*

- *Higher immigration levels*
- *Interest rates expected to increase in 2022*
- *Elevated consumer price index (CPI) inflation from strong demand, supply shortages and high energy prices over the first half of 2022. Inflation is anticipated to decline by the end of 2022 as these pandemic-related pressures dissipate.*
- *Canadian dollar expected to remain at or near current levels. Further movements may be impacted by the degree of strength of the U.S. dollar, interest rates and changes in commodity prices*

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

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

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

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

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

- *Further deployment of direct fibre to more homes and businesses within our wireline footprint and fixed WTTP technology in rural communities*
- *Continued growth in retail Internet and IPTV subscribers*
- *Increasing wireless and Internet-based technological substitution*
- *Continued aggressive residential service bundle offers from cable TV competitors in our local wireline areas, moderated by growing our share of competitive residential service bundles*
- *Continued large business customer migration to IP-based systems*
- *Ongoing competitive repricing pressures in our business and wholesale markets*
- *Continued competitive intensity in our small and medium-sized business markets as cable operators and other telecommunications competitors continue to intensify their focus on business customers*
- *Traditional high-margin product categories challenged by large global cloud and OTT providers of business voice and data solutions expanding into Canada with on-demand services*
- *Accelerating customer adoption of OTT services resulting in downsizing of TV packages*

- *Growing consumption of OTT TV services and on-demand streaming video, as well as the proliferation of devices, such as tablets, that consume large quantities of bandwidth, will require ongoing capital investment*
- *Realization of cost savings related to management workforce reductions including attrition and retirements, lower contracted rates from our suppliers, operating efficiencies enabled by a growing direct fibre footprint, changes in consumer behaviour and product innovation, expanding self-serve capabilities, and other improvements to the customer service experience*
- *No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our wireline business*

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

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

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

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

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

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

The foregoing assumptions, although considered reasonable by BCE on February 3, 2022, may prove to be inaccurate. Accordingly, our actual results could differ materially from our expectations as set forth in this transcript.

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

We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. We encourage investors to also read BCE's Safe Harbour Notice Concerning Forward-Looking Statements dated February 3, 2022, and BCE's news release dated February 3, 2022 announcing its financial results for the fourth quarter of 2021 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). These documents are also available at BCE.ca.

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PRESENTATION

Operator

Good morning, ladies and gentlemen. Welcome to the Q4 2021 Results and 2022 Financial Guidance Conference Call and Webcast.

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

Richard Bengian – Director – IR

Thank you, Maude and good morning to all.

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

Our Head of Investor Relations, Thane Fotopoulos, couldn't be here because he recently had an eye surgery that prevented him from hosting today's conference call, but he will be back next quarter.

You can find all of our Q4 disclosure documents on the Investor Relations page of the bce.ca website, which were posted this morning.

We have a lot of material to get through this morning. However, before we begin, I would like to draw your attention to the Safe Harbour statement, reminding you that today's slide presentation and remarks made during the call will include forward-looking information and, therefore, are subject to risks and uncertainties. Results could differ materially. We disclaim any obligation to update forward-looking statements, except as required by law. Please refer to the company's publicly filed documents for more details on assumptions and risks.

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

Mirko Bibic – President and CEO

Thank you, Richard, and good morning everyone.

We had another successful year at Bell, as we continue to execute on our purpose, which is to advance how Canadians connect with each and the world. A laser-focus on our key strategic imperatives enabled us to deliver for all our stakeholders over the past year, and remains the foundation for Bell's future success.

With the right strategic roadmap for future growth and a clear near-term tactical plan for every part of our business, the Bell team delivered positive results across all operating segments in 2021, hitting the sweet spot between market share growth and financial performance.

We achieved our objective of steadily improving results each quarter since Q2 of 2020, and, in fact, we're now essentially at 2019 levels, having reached approximately 99 percent of pre-COVID consolidated revenue and adjusted EBITDA in 2021.

We not only met, but we actually surpassed, our upsized network expansion targets for 2021, delivering approximately 1.1 million new locations equipped with either direct fibre or Wireless Home Internet connections, and we expanded mobile 5G coverage to more than 70 percent of Canadians, as we also successfully secured $2.1 billion worth of critical 3.5 GHz spectrum.

Notably, I'm pleased to report that we effectively completed our Wireless Home Internet buildout program for the benefit of hundreds of rural communities, having now reached our 1 million household target one year earlier than originally planned. This a testament to the exceptional work of the Bell network team, local government co-operation and supportive regulatory policies.

In our Wireless segment, we remain focused on growing high-value postpaid mobile phone subscribers, managing customer churn and delivering industry-leading service revenue growth and profitability. Total mobile phone postpaid net additions in 2021 nearly doubled year-over-year to 301,706, driving service revenue growth of 4 percent and 5 percent higher adjusted EBITDA, despite a muted recovery in roaming.

In Residential Wireline, Bell's leading broadband networks are clearly delivering immediate tangible benefits on subscriber growth, market share and Internet revenue. In fact, in the past two quarters, we achieved positive total retail residential net customer additions, including satellite TV and home phone. It's the first time we've done so in seven years, driving our best annual Residential RGU performance since 2011.

We also continue to win share in our rapidly expanding fibre footprint, with 202,000 new net fibre customer additions, up 20 percent over 2020, which contributed to strong annual Internet growth of close to 11 percent.

As our team continues to manage near-term COVID financial impacts and ongoing legacy service decline, the organization remains focused on putting the building blocks in place to ensure Bell is strategically well positioned to capture a leading share of the IoT and next generation solutions revenue enabled 5G fibre convergence.

With significant high capacity, 3.5 GHz airwaves at our disposal, we have the mid-band spectrum necessary to drive the rollout of true 5G across Canada, but success in 5G and IoT will depend on more than just coverage. Industry leadership requires delivering the fastest speeds and the lowest latency, and Bell's wireless network offers the fastest data speeds and quickest response times, as certified by PCMag, Ookla, Tutela and Global Wireless Solutions in their latest studies of mobile network performance.

Leadership also requires leveraging network points of presence, such as central offices for MEC, that support product development. In that regard, Bell's already entered into strategic partnerships with Amazon Web Services, Google Cloud, and other major hyper-scalers, to expand our IoT, MEC and cloud offerings. And leadership, of course, requires cultivating deep relationships with the biggest Canadian companies. So, no matter which critical success factor you look at, we're very well positioned.

We're continuing to build 5G momentum with innovative new business and consumer applications. Recent 5G enterprise initiatives include our recent announcement that Bell became a Founding Partner and exclusive telecom provider of the The Pier at the Halifax Seaport. We're deploying a 5G-ready wireless private network to enable a living lab that will shape the future of the transportation, supply chain and logistics industries in Canada.

Another initiative I'd like to highlight is the launch of Smart Supply Chain, powered by Bell IoT Smart Connect, a Software-as-a-Service IoT aggregation solution designed for fleet and supply chain operators. One of the first applications is Cold Chain Monitoring, a solution to automatically record temperature levels and provide real-time alerts when they fall outside safe ranges while cargo is in transit.

On the consumer side of things, earlier this week, we launched our new unlimited Ultimate plans. We believe these plans will truly demonstrate the value prop of 5G and serve as a catalyst for the upcoming upgrade cycle from 4G to 5G handsets. We're also going to drive existing 5G customers up the unlimited rate plan curve by distinguishing the superior video quality offered by our Ultimate plans and leveraging Crave Mobile.

As we execute on our strategy, it's definitely worth highlighting that we're hitting the public policy sweet spot of quality, coverage and price. Our quality speaks for itself. As for coverage, it's accelerated considerably in both urban and underserved rural areas, as a result of our capital advancement program. And on price, we achieved the federal government's 25 percent price reduction target well ahead of the January 2022 deadline, and that's for mid-range wireless plans.

According to recent StatsCan data, pricing for services for wireless services declined 15 percent in 2021, while the price Canadians pays for all goods and services has actually increased 4.8 percent. We're seeing the impacts of elevated price inflation across the Canadian economy, yet our industry is delivering the highest quality services at decreasing prices.

I'll turn now to Media. Our Media segment experienced a notable rebound from COVID in 2021, as TV ad revenue returned to pre-pandemic levels in Q3, while our focus on French language TV led Noovo to outpace its main competitors in viewership growth. We're also gaining significant traction from our pivot to a digital-first strategy, which I've discussed in the past. A little bit more on that.

Like consumers, advertisers gravitate towards quality, and that's what we're delivering to them with industry-leading content delivered on high-quality online and traditional platforms to the largest audiences, a growing proportion of which is addressable. Advertisers want the most effective way to reach a specific audience for a specific message. Sometimes that requires a broad reach and sometimes that requires addressing a specific or targeted audience. With SAM TV and the Bell advertising platform, we deliver powerful ad tech to advertisers for all those needs, and the strategy is working.

Digital revenues increased an impressive 35 percent in 2021, and now represent 20 percent of total Bell Media revenue, which is up from 16 percent last year. Underpinning this very strong performance was Crave, which grew direct streaming subscribers by 28 percent in 2021. We continue to scale our CTV AVOD app, which became the top AVOD platform in Canada this past year, and, of course, I mentioned our SAM TV sales tool, which tripled sales revenue in 2021.

So, the strategic initiatives I've highlighted across our operating segments are supported by our customer experience-focused culture, as well, and that's driving improved satisfaction, loyalty and retention, with improved NPS scores and lower customer churn.

This past year saw the formalization of our commitment to hold Bell to the highest standards in ESG, with the launch of Bell for Better, through which we will support a better workplace, better communities and a better world.

I'm going to turn now to Slide 5 and give you an overview of some of our key operating metrics specifically for Q4.

Let's start with Wireless. We added 110,000 new net postpaid mobile phone subscribers, 49 percent higher than last year and 76 percent higher than Q4 of 2019. This strong result was realized despite reduced retail store traffic late in the quarter brought about by renewed COVID restrictions. Pent-up customer demand is helping drive higher new gross activations, which grew 14 percent year-over-year. That's a function of multiple things: stores reopening, immigration growth, 5G momentum, more focus on bundling of mobility with Bell's residential services, and effective customer-based management, as you can see by our low postpaid churn rate of 1.08 percent in the quarter.

For mobile connected devices, although new IoT subscriptions increased over last year to 88,000, total net additions were just 39,000, as we continue to de-emphasize unprofitable low ARPU data device transactions. In prepaid, total net additions were slightly positive, but that represented a notable improvement compared to Q4 of 2020.

Lastly, a word on ARPU. It was up a strong 3.3 percent, our third consecutive quarter of year-over-year growth. This industry-leading result is a direct reflection of our continued focus on higher value smartphone subscribers and higher roaming volumes driven by the easing of international travel restrictions.

Turning now to Wireline. We achieved a second consecutive quarter of positive RGU retail residential net additions. This represents our best Q4 performance since 2015, and caps off our strongest Residential result, including satellite TV and home phone net losses in the past 10 years.

We added 48,000 new net retail Internet customers, 7 percent higher than Q4 of 2020, during a time when we had experienced unseasonably strong demand due to COVID.

It was another standout quarter for Bell TV, with our best Q4 IPTV net additions in the past three years, as we leveraged our multiple brands and lower customer churn, particularly in our IPTV fibre footprint, to drive 29,000 new subscribers this quarter, up 38 percent, versus 2020.

Putting all of this together, at the end of the year, at the end of 2021, 91 percent of Bell residential households with TV and Internet were on our FTTH network. That's a notable data point, as the steadily increasing number of customers on Bell Fibe services is driving stronger Internet revenue growth, higher household ARPU, lower churn and improved overall EBITDA performance.

At Bell Media, TV advertiser demand remained strong throughout the quarter, supported by the return to more normal major league sports and fall TV schedules. The ongoing COVID-related challenges in radio also redirected some incremental advertiser dollars towards TV and digital. These factors drove a 14 percent year-over-year increase in total TV advertising revenue, which was above pre-pandemic levels for a second consecutive quarter, 12 percent higher than Q4 of 2019, in fact.

We also saw great results from our Quebec Media strategy in 2021, as Noovo led in primetime viewership growth versus its largest competitors, and just a few weeks ago, we launched the new Noovo Info digital platform.

Lastly, Crave subscriptions increased 6 percent over the last year to more than 2.9 million, and, in fact, 2021 was the most watched year ever for Crave streaming platforms, a great result.

Okay, I'll turn to Slide 6.

2021 was a reset year, as we transitioned towards a return to pre-pandemic levels of financial performance and operating momentum, and although COVID turbulence is still expected to ebb and flow in the near term because of Omicron, we're optimistic about our business outlook, as reflected in our financial guidance targets for 2022. We're entering 2022 with a clear set of priorities and a focus on execution built on the operating progress in 2021, which I outlined in detail.

We expect that revenue and adjusted EBITDA will surpass pre-COVID 2019 levels—2019 levels, sorry, pre-COVID 2019 levels, supporting a second year of historic growth in capital investment, and that historic growth in capital investment will be approximately $5 billion in 2022.

We're forging ahead with our most ambitious annual fibre buildout yet and the launch of a standalone 5G core that will enable faster data speeds and lower latencies than what is available with 5G today.

As we look forward, with even more fibre and 5G growth upside on the horizon and a cost structure that reflects these advantages, not only do we realize operational benefits sooner, but we're also supporting future free cash flow growth to support our dividend growth model.

Dividend growth continues to be a top capital markets priority. You see this commitment with our announcement this morning of a 5.1 percent increase to BCE's common share dividend for 2022. It's our 14th consecutive year of a 5 percent, or higher, dividend increase, and my third as CEO. Normalized for the advanced capital investments we're making once again this year, our dividend payout ratio in 2022 will be around 80 percent, above our historical free cash flow target range of 65 percent to 75 percent.

Our healthy free cash flow growth and a strong liquidity position fully support the execution of this second year of our two-year capital advancement program and BCE's higher common share dividend.

So, now what I want to do is go to Slide 7 and unpack for you the second year of our capital acceleration program.

Our 2022 capex includes $900 million in accelerated investments, on top of the approximately $4 billion in baseline capital that we've typically spent each year over the last decade. This compares to total capex of $4.8 billion in 2021, which, in 2021, included $800 million of incremental spending under the first year of the two-year program.

As a result of the early completion of our planned WHI buildout initiative, we're allocating more of the incremental capital earmarked for 2022 towards fibre. The plan this year is to reach up to an additional 900,000 homes and businesses across our footprint with fibre. This is our most aggressive annual fibre build ever, representing an increase of 300,000 new locations, compared to 2021. At the end of this year, approximately 80 percent of our planned broadband Internet build will be completed, representing more than 8.1 million total combined fibre and Wireless Home Internet locations. That's up from 7.2 million premises at the end of 2021.

So, not only are we delivering the best Internet experience in the home today, with 1.5 Gbps speeds and unmatched Wi-Fi, but we also have a low-cost transition to a multi-gig future with 10G-PON upgrades to our fibre backbone already underway, and that will evolve to 25G-PON over time, and, as well, upgrades to Wi-Fi 6E service.

In Wireless, our accelerated capital investment will expand the reach of our national 5G network to more than 80 percent of Canadians, further densify the network with 1,100 new 5G sites to meet growing customer usage requirements, and it will enable the launch of a 5G standalone core, leveraging recently acquired 3.5 GHz spectrum, that will drive enhanced speeds, lower latency, and other 5G network slicing features.

Taken all together, and normalized for the $900 million capital advancement, our capital intensity ratio is expected to be in the range of 16 percent to 17 percent in 2022, consistent with typical pre-COVID levels.

I'll close now by highlighting that, of course, the entire Bell team looks forward to delivering for our customers and our shareholders in 2022, and on that, I'll turn the call over to Glen.

Glen LeBlanc – Executive Vice President and CFO

Thank you, Mirko, and good morning, everyone.

As Mirko said, Q4 capped off a great year in our COVID recovery, with a healthy 3 percent increase in service revenue, driven by continued strong Wireless, Residential Internet and Media growth.

Total revenue was up a more modest 1.8 percent, due to lower year-over-year product revenue, reflecting COVID-related softness in business data equipment sales and mobile device transactions.

Consolidated adjusted EBITDA growth slowed to 1.1 percent in Q4. As I signaled on our Q3 call in November, this result was anticipated given the resetting of Bell Media's TV programming and broadcast rights costs to a more normal pre-COVID run rate.

Net earnings decreased 29.4 percent, as our result in Q4 of 2022 included a one-time gain realized, as you will recall, on the divestiture of our data centres.

Similarly, adjusted EPS was down 6.2 percent this quarter to $0.76, due to favorable tax adjustments recognized last year, again related to the sale of data centres.

Capital expenditures remained elevated in Q4 at $1.46 billion, as we advanced spending consistent with our two-year capex program that Mirko just detailed.

Despite substantial capital spending this quarter, free cash flow increased year-over-year due to timing-related decreases in cash taxes and interest payments on Bell Canada MTN debt.

Let's turn to Bell Wireless financials, on Slide 10. Another standout performance that led national peers once again with service revenue and EBITDA that surpassed pre-pandemic 2019 levels for a second consecutive quarter.

Service revenue grew a strong 6.3 percent, our best quarterly result in four years. This was achieved even as roaming remained below pre-pandemic volumes, reflecting the successful execution of our strategy to grow high-value mobile phone subscribers and effectively manage the decline in data overage revenue as we move postpaid customers to higher tier unlimited plans to take advantage of 5G network speeds and services.

Mobile device inventory in Q4 continued to be constrained by global supply chain challenges. Similar to Q3, but to a lesser degree, this contributed to fewer customer smartphone upgrades and a higher proportion of new customers activating service with preowned devices, resulting in a 3.6 percent year-over-year decrease in product revenue.

The high flow-through of strong service revenue growth yielded EBITDA growth of 5.3 percent and a 90-point increase in margin to 38.4 percent.

Let's turn to Slide 11, on Bell Wireline. The year-over-year revenue decline in Q4 was similar to last quarter, as we continued to face COVID-related challenges in our Business Markets unit, and a step-up in Residential promotional offer intensity, compared to Q4 of 2020, when competitor activity was more restrained.

Service revenue was stable year-over-year, driven by strong residential Internet revenue growth of 7 percent, while product revenue decreased 10.5 percent, due to the softer data equipment sales contributed to delayed business customer spending, and, again, global supply chain challenges because of COVID.

On a positive note, despite near-term COVID impacts, Q4 represented the best quarterly service revenue performance of 2021 for Bell Business Markets, where higher customer spending on cloud and security solutions drove a 5 percent year-over-year increase in Business Solutions revenue.

The combined impact of the continued Residential strength and improving Business Wireline results delivered healthy Q4 EBITDA growth of 1.1 percent and a 70-point expansion in margins to 43.1 percent.

Turning to Slide 12, on Bell Media, another good quarter overall, with strong advertiser spending across our TV and out of home platforms, and continued subscriber growth, that Mirko detailed earlier. That collectively drove a 7.3 percent year-over-year increase in total Media revenue.

Total advertising revenue increased 12 percent, driven by stronger year-over-year conventional and specialty TV performance, reflecting the return to more normal, regular major league sports and fall TV programming schedules, higher out-of-home revenue and increased leisure and travel activity with the easing of COVID restrictions, and robust digital media growth, as Mirko mentioned. However, radio has been slow to recover and disproportionately impacted by the pandemic, due to ongoing COVID-related restrictions on local businesses and work-from-home protocols.

Despite a strong revenue performance this quarter, EBITDA was down 19 percent. This result was expected, given significantly higher year-over-year programming and broadcast rights costs with the return to regular major league sports schedules and a higher volume of original TV productions, compared to 2020, when cancellations and delays had a favourable impact on operating costs.

I'll now turn to our financial outlook for 2022, starting with revenue and EBITDA, on Slide 14.

Growth rates are similar to 2021, with a slightly wider range for revenue of 1 percent to 5 percent. This, together with targeted adjusted EBITDA growth of 2 percent to 5 percent, should yield a relatively stable year-over-year consolidated margin and help enable us to surpass full year 2019 financial performance levels.

Broadening our revenue guidance range for 2022 is prudent, given ongoing economic uncertainty with the latest Omicron wave that is slowing the pace of recovery in roaming, product sales, business customer spending and non-TV media advertising. Underpinning this outlook is positive top line and EBITDA growth for all Bell segments.

We expect an even stronger financial contribution from Bell Wireless in 2022, driven by our ongoing focus on higher value mobile phone subscribers, a more robust roaming recovery, rational device discounting, and a greater volume of customers transacting as COVID-related supply constraints alleviate.

The decline in data overage revenue is expected to be relatively stable year-over-year, again due to our base management strategy. We also anticipate further ARPU improvement through a greater mix of customers on higher value rate plans, including unlimited data plans as the 5G upgrade cycle accelerates, and higher year-over-year roaming. Despite the improvement in roaming volumes projected, total roaming revenue is expected to remain below pre-COVID levels.

At Bell Wireline, we expect to generate positive revenue and EBITDA growth on a full-year basis. This is predicated on continued strong Residential performance on the back of a rapidly growing fibre footprint and product leadership, that positions us extremely well to continue growing Internet market share and revenue faster than our competitors. We also expect improving rates of year-over-year business revenue and EBITDA decline as COVID-related turbulence dissipates. Against that backdrop, we will be maintaining a sharp focus on costs to offset the financial impact of ongoing legacy erosion, which continues to slow.

As for Bell Media, total advertising is expected to climb back to pre-COVID levels, as strong TV advertiser demand continues and the rebound in radio and out of home takes hold more fully. We also expect to benefit from contract renewals with TV distributors and continued Crave growth to drive higher year-over-year subscription revenue, while continuing to grow our share of digital ad spend.

Lastly, despite a resetting of the cost structure in Q4 that brought TV programming costs closer to pre-COVID run rate levels, we will be absorbing even higher spend in 2022, as we return to normal broadcast schedules for the full year, grow French language content and further increase Crave programming inventory.

I'm now going to turn to Slide 15, and discuss pensions.

Our solvency ratio across our major defined benefit pension plans was above 105 percent at the end of 2021, with the Bell Canada DB plan by far the largest of all BCE pension plans at 111 percent. This strong valuation position was achieved even without a material increase in interest rates in 2021, and a solid 5.5 percent return on plan assets.

Having reached surplus positions of over 105 percent, contribution holidays can now be taken on the annual cash funding, which totals approximately $200 million, in aggregate, across all BCE plans. However, we can only take advantage of a partial reduction in 2022, since we file our final actuarial evaluations at the end of June. As a result, BCE's pension cash funding for 2022 is projected to be about $75 million lower than last year at around $275 million in total. Although the in-year cash funding reduction is actually closer to $90 million, this includes a pre-existing contribution holiday in the range of $15 million on one of our smaller plans we've previously taken.

All things being equal, I believe that in 2023, we will be able to take advantage of full cash funding closer to the amount of $200 million, which should also continue for the foreseeable planning horizon, as we project a solvency ratio for each DB plan to remain above the required 105 percent threshold. So, we're talking about a very real $1 billion free cash flow opportunity over the next five years that we didn't have in our long-range plan just a few years ago, that could be used to fund continued fibre acceleration and, of course, support our dividend growth model.

Moving to our tax outlook, on Slide 16, the statutory tax rate for 2022 remains unchanged at 27 percent. Our effective tax rate for accounting purposes is also projected to be relatively stable again at 27 percent, reflecting a similar year-over-year level of tax adjustments of approximately $0.05 per share. We're also expecting cash taxes to decrease to within the $800 million to $900 million range, as higher planned capital spending in 2022 will generate incremental tax savings under the federal government's accelerated CCA program, more than offsetting the impact of increased income taxes from higher year-over-year taxable income as our operations recover more fully from the effects of this pandemic.

Slide 17 summarizes our adjusted EPS outlook for 2022, which we project to be $3.25 to $3.40 a share, or 2 percent to 7 percent higher year-over-year. This is similar to last year's growth range and reflects the strong underlying contribution from operations driven by the positive EBITDA growth across all three Bell segments and the lower pension financing costs I referenced earlier. These factors will be partially offset by approximately a $100 million to $150 million increase in depreciation and amortization, as more capital assets will be put into service sooner as a result of our two-year accelerated capital investment plan, a step-up in interest expense due to higher outstanding debt, and higher year-over-year income tax expense.

Let's turn to Slide 18. Free cash flow is projected to grow in the range of 2 percent to 10 percent in 2022, reflecting strong flow-through of higher EBITDA, as well as a reduction in cash taxes and pension funding, that will largely offset the year-over-year increase in capital expenditures. BCE's consolidated capital intensity ratio for 2022 should be similar to that of 2021, around 21 percent of total revenue. As Mirko mentioned, this includes the $900 million of capital advancement that we are targeting in 2022 as part of our upsized two-year capital acceleration program. Again, as mentioned earlier, normalizing for this incremental capital investment, our absolute dollar capex in 2022 decreases closer to a $4 billion range, which is in line with pre-COVID historical spending.

A quick update on our balance sheet and liquidity position, on Slide 19.

As we begin the year, we have access to $3.4 billion of liquidity and a balance sheet with a pension solvency surplus totaling $2.3 billion that provides good overall financial flexibility, supporting the execution of our strategic priorities and higher BCE dividend for 2022.

Our capital structure is aligned with our investment grade credit ratings, which all have stable outlooks, and our net debt leverage ratio, which remains lowest among national peers, is projected to remain relatively stable in 2022, at around 3.2 times adjusted EBITDA, reflecting the impact of our recent 5G spectrum purchases and the capital advancement program.

Also highlighted on the slide is Bell's favourable long-term debt maturity schedule, that has an average term of less than 13 years and a low after-tax cost of debt of just 2.8 percent, and no material debt refinancing requirements until March of 2023, as $1.7 billion of the 2022 MTN maturities were pre-financed and early redeemed in 2021. However, as we've always done, we intend to access debt markets on an opportunistic basis throughout 2022, if market conditions are favourable, to strengthen our liquidity position, extend durations ahead of the maturities, and various spectrum auctions taking place over the next few years.

To conclude, on Slide 20, what we are announcing today is a strong set of financial guidance targets for 2022. Essentially, all guidance ranges are similar 2021, with the exception of free cash flow, which is returning to growth despite historic capex spending, as we lapped COVID's significant impacts last year. Our outlook is underpinned by a positive financial profile for all three Bell operating segments that reflect sound industry fundamentals and our consistent execution in a competitive marketplace as we build on favourable financial performance, significant broadband investments and operating momentum we delivered in 2021.

With that, Richard, I'll turn it back over to you and the Operator to begin Q&A.

QUESTION AND ANSWER SESSION

Richard Bengian – Director – Investor Relations

Thanks, Glen.

Given the volume of information we've presented this morning, I'm sensitive to the time we have left, so before we start the Q&A period, I would ask you to please limit yourselves to one question and a brief follow-up, if you must, so that we can get to as many in the queue as possible. Thanks for your co-operation.

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

Operator

Thank you. We will now take questions from the telephone lines. There will be a brief pause while participants register for questions. We thank you for your patience.

Our first question is from Jeffrey Fan from Scotiabank. Please go ahead.

Jeffrey Fan – Scotiabank – Analyst

Thank you. Good morning, everybody, and thanks for all the colour. I think the question for me is on the network investments, and you gave so much colour for 2022, so probably not a question related to 2022. I want to look beyond 2022, if I may, and I know you don't have any guidance for that, but if I look at your network, around 7 million is Fibre-to-the-Home, so that's roughly 70 percent of your targeted footprint by the end of this year. Mirko, where does that go if you look beyond 2022? Is there any need to go at the same pace, how do you think about that, and then, also, the 1 million Wireless Home Internet footprint, is that where you'd like end, or is there overbuild? Can you just talk a little bit around that?

I guess the related question is what that means for capex. Glen made some comments about using perhaps a pension holiday or funding holiday to help fund this investment. Perhaps we can wrap it around what that means for capex beyond 2022. Thank you.

Mirko Bibic – President and CEO

Thank you, Jeff. Thanks for the question, for sure. I'm going to start off with—the first part of my answer will be something you fully expect, but very important to say. Our focus right now is on the two-year program that we're in the second year of. I guided last year to two years of capex, and right now the focus is on delivering on up to 900,000 additional fibre homes, and that will get us those percentages that you mentioned, but I do need to highlight that that's the focus right now.

But, you ask a fair question, so, as we're focused on 2022, and as the year progresses, we will continually look at the situation. We're going to base our future buildout plans on factors that include: our broadband success, it's going really well so far; our overall financial situation, which continues to improve from kind of the depths of Q2 2020; and also the availability of government subsidies. So, those will be the things we look at as we get ready for 2023 capex, and beyond.

Glen mentioned, and you highlighted it, Jeff, we have a very real billion dollars in free cash flow opportunity over the next five years due to the reduced pension funding, and that was not in my calculus when we announced the two-year program at this time last year, and that will provide us with flexibility to seize on some strategic opportunities. Ultimately, we're going to have flexibility on our capital allocation strategy. So, yes, we will be 80 percent done on the 10 million targeted broadband footprint, but that's not 100 percent done.

Those are the factors we'll look at. We have more flexibility on the allocation strategy than I expected a year ago at this time, so that's all great news.

On Wireless Home Internet, I think a 1 million connections footprint, I'm really happy that we did that a year earlier than planned. It's great for the communities we're serving. I think that's the right footprint.

Jeffrey Fan – Scotiabank – Analyst

That's great, thank you for the answer, and kudos to the Pension team.

Richard Bengian – Director – Investor Relations

We're ready for the next question.

Operator

Thank you. Our next question is from Drew McReynolds from RBC Capital Markets. Please go ahead.

Drew McReynolds – RBC Capital Markets – Analyst

Yes, thanks very much, and good morning. Jeff stole my question, so I'll move on here.

Mirko, just maybe a bigger picture one on the Internet market, and you kind of alluded to it on your last comment on fixed wireless. I think, obviously, investors see what's going on with the competitive environment in the U.S. and trying to draw conclusions here in Canada. With respect to the competitive intensity in the Internet market, the fibre that's being deployed and fixed wireless that's being deployed, the satellite broadband that's coming into play, just can you give us kind of your sense of how this plays out in the next two to three years, in terms of just managing the risk of higher competitive intensity?

Then, second, just a clarification for you, Glen, on the pension holiday. Awesome to see. Does this kind of expire after five years, or are you just kind of saying, look, illustratively, over the next five years, we get the $200 million benefit each year and that equates to a billion, but not necessarily kind of concluding anything beyond kind of year five. Thank you.

Mirko Bibic – President and CEO

Thanks, Drew. I'll start. I'll give you a more detailed answer, but the short answer is fibre can't be beat, and I think investors in Bell ought to be optimistic about that. Because fibre can't be beat and because consumers and businesses continue to choose fibre over other technologies, it may result in periods of time of some competitive intensity, particularly as COVID subsides, but we'll be ready, because we're focused on delivering a healthy balance of volume, tier mix, price—it's kind of again that sweet spot between market share and financial performance—and we've got lots of runway ahead of us.

So, first, fibre is better than the other technologies. We have runway ahead of us in terms of more fibre build. In fact, as we sit here today, against some of our larger competitors, we have 50 percent fibre overlap with their network footprint, so, to me, that's a big positive, in terms of looking ahead at what's next. Then, I look ahead not even that far out, and I referenced in my opening remarks, as we enter into a multi-gig world—and it's coming, and it's coming soon—I like the advantages we have. Our network is multi-gig-ready, and when I say "multi-gig," I mean multi-gig symmetrical up and down. I don't think anyone should underestimate the importance of upload speeds, both for consumers and for businesses. We're future-proofed on the capacity in our network. We've got no power field components to maintain. We don't have to recapture spectrum. We don't have to swap out modems in the homes served by a node in order to deliver higher speeds.

There might be an uptick in promotional intensity at particular periods of time, Drew, but when you think about the franchise we've got, we're well set up to win the household, and to win the household, you want fibre, 5G, best-in-home Wi-Fi and compelling content, so we've got the right asset mix, and we'll just continue to execute.

Glen LeBlanc – Executive Vice President and CFO

Thanks, Mirko. Good morning, Drew. It's Glen. I'll jump in and give some additional colour on pension. You and I have been talking about this for a decade, but to think the burden that the pension has placed on our cash flow over the years, and the requirement to do special funding, as Jeff said, kudos to our Pension team. We didn't get here by accident, this has been a 10-year journey, and a remarkable job managing the pension. We followed an asset mix glide path that had us move from significantly higher equities to a point now where we're at more than 70 percent in fixed income and 30 percent in equities, and even amongst those equities, a much smaller portion of those in public.

So, we find ourselves, from 2013 to today, moving from an interest rate coverage of 40 percent to 84 percent, which has given us a tremendous opportunity, and all of that occurs while interest rates really haven't moved. I would say we'd all on this call expect that there'll be some increase in interest rates, which will only add to this opportunity.

Today, we wanted to announce that we're in a very confident position, that we see sizeable pension contribution holidays to the tune of $200 million a year for the foreseeable future, and I define "foreseeable future" as five years. There's no magic to that, Drew. Could that be longer? I certainly hope so. You know how the math works, is that you have to stay above 105 percent, and I think our Pension team's track record speaks for itself. I hope I'm here in five years telling you that it's going for longer.

Thank you, Drew.

Drew McReynolds – RBC Capital Markets – Analyst

Thank you both.

Richard Bengian – Director – Investor Relations

Next question, please.

Operator

Thank you. Your next question is from Aravinda Galappatthige from Canaccord Genuity. Please go ahead.

Aravinda Galappatthige – Canaccord Genuity – Analyst

Good morning, and thanks for taking my question. May main question is, Mirko, on the Enterprise side. When I hear some of the comments you make about the new initiatives on the IoT front, as well as even some of the SaaS initiatives that you've talked about, can you just give us a sense of that growth segment within Enterprise? I mean, where are we in terms of that piece, sort of a similar level of materiality, that it can kind of really move the needle to the aggregated number? Historically, we've thought of enterprise as kind of a drag on Bell, and maybe it's going to the be the case for a little bit longer, as well, but as we try to look beyond 2022, and some of the 5G-driven offerings become more material, can you sort of paint a picture as to what and how that can—you know, what that can look like, and are we getting closer to that timeline where that materiality develops?

Then, a quick follow-up for Glen on the guidance. The 2 percent to 5 percent EBITDA is maybe slightly wider than I would have anticipated. Given, in particular, sort of the strong sub-trends in Wireline, and obviously the really good service revenues in Wireless, I was wondering if you can give a little bit of colour as to sort of the size of that range, particularly in terms of EBITDA. Thanks.

Glen LeBlanc – Executive Vice President and CFO

Good morning, Aravinda. I'll just remind you that the guidance range we provided in calendar 2021 was 2 percent to 5 percent in revenue, and the same on EBITDA. We expanded revenue only because of the comments I made earlier and the volatility of product revenues, and we remained consistent on EBITDA, 2 percent to 5 percent. An organization that generates in excess of $10 billion a year on EBITDA, I actually do not see that as an overly broad range.

I think, if you look back historically to the last decade, we've traditionally had a range of approximately 2 percent, but this organization has grown materially in size from where we were a decade ago, and the acquisitions we've made and the growth we've enjoyed, so I think 2 to 5 is a very reasonable range, consistent to that of 2021, and our objective will be to deliver solidly within that range, and I'm confident we will.

Mirko Bibic – President and CEO

Thanks, Glen. Thanks for the question, Aravinda.

On your first question around the Enterprise side and those new revenues, look, the Enterprise side, and to some degree—well, not to some degree. The business, whether small or enterprise, there's been a COVID impact, for sure. Last year and this year, the focus really is on managing those impacts, while never losing sight of the importance of being ready to capture the growth in the segments you identify, whether or not it's 5G, MEC, IoT, that kind of solutions spending.

What I like about what we're doing is those building blocks, every quarter, keep getting more powerful, and I did refer this morning to Bell IoT Smart Connect, and I hinted at Cold Chain Monitoring, just as an example. One of our clients was using the platform as a long-haul frozen seafood transporter and they're using the platform to increase visibility into their operations, to make sure they're compliant with food safety regulations and reduce spoilage. What I think is particularly powerful about our platform is it's a Software-as-a-Service platform, it's not a simple point solution that basic providers can offer, and it'll operate across multiple verticals.

Are we there yet, where there's significant increases in those markets? No. Do we have line of sight into them? Absolutely, yes. Do we have clients? Yes. So, I expect that to grow. When it becomes material? I think 2022 will still be a learning and the initial stages of growth, but we're going to continue to put the platforms in place to be ready.

Our IoT business, I think I mentioned this last quarter, is already a nine-figure revenue business, so pretty sizeable in its own right already.

So, that's where the focus is. We're well positioned.

Last word, just if you look in the here and now—actually, in kind of Q4 of 2021, it was our Enterprise segment's best quarterly service revenue performance of 2021, and we're seeing some customer spending come back on cloud and IoT service solutions. We saw 5 percent growth in that revenue in Q4 2021, compared to Q4 2020. So, I'm optimistic, but in terms of the fundamental point of your question, it's still to come.

Aravinda Galappatthige – Canaccord Genuity – Analyst

Thank you.

Richard Bengian – Director – Investor Relations

Next question, please.

Operator

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

Vince Valentini – TD Securities – Analyst

Thanks very much. Mirko, I wanted to try to unpack the 91 percent figure that you noted is quite impressive, and I would agree, in terms of the percentage of your subscribers on fibre, but just to make sure, you didn't say fixed wireless in that, as well, you're just saying fibre. So, if you indulge me, I'm going to walk through these numbers to make sure you and Glen agree.

Your at 7.2 million total fibre plus Wireless Home Internet homes passed, so that would mean 6.2 million Fibre-to-the-Home passings at this point out of your total footprint, urban footprint of 10 million, or just over 10 million, so that would mean 61 percent of your homes are passed by fibre, but yet 91 percent of the subscribers that take Internet and IPTV are on that footprint. Do I have all that math right?

Mirko Bibic – President and CEO

Yes, you've got it right. So, it's 61 percent today, 61 percent of the near-term—let's back up. Our near-term planned broadband footprint—and by "near-term," I mean between now, say, 2025—well, near-term to medium-term, if you prefer. We've got kind of 10 million that's in that planned footprint over that time horizon. We're 61 percent done today with fibre, 71 percent, 72 percent done at the end of this year with fibre. For those customers who are in the fibre footprint and who take Internet and TV, 91 percent of those are on fibre.

Vince Valentini – TD Securities – Analyst

Right, which means the number of combined Internet and TV customers you have in your non-fibre footprint is quite low. Is that what you're trying to emphasise, is that the incremental risk of losing those subscribers, until you've upgraded, is pretty small?

Mirko Bibic – President and CEO

No, that's not really what I'm trying to emphasize, but let's go there. Clearly, where we have fibre, we're out-performing, and if you kind of take our footprint from Manitoba all the way to Atlantic Canada, and you see our impressive Internet net additions, we are gaining significant share in fibre, and, depending on the state of our non-fibre footprint, whether or not it's ATM or FTTN, etc., there are puts and takes there in terms of the performance, but that's a function of the network technology. So, that's one point, which I think is what you're getting at.

What I'm trying to emphasize with the 91 percent is we are well positioned to really begin leaning in on copper decommissioning, particularly in the Residential segment. I think 2022's the year where you see us pick up the pace on decommissioning to position ourselves for a clear multi-year roadmap on that front.

Vince Valentini – TD Securities – Analyst

Great. Glad I clarified that, thanks for emphasizing, and if I can, just on fixed wireless, just one follow-up question. You, obviously, have a great head start, and kudos to getting a million homes passed already, and I think you're doing pretty well on subscriber additions in those regions, good for society, but also good for your business. But other players seem to be now wanting to get into that space. Can you talk a little bit about how you protect that customer base, how sticky they are? Are there contracts used for these customers or do they have significant upfront equipment or install costs that might act as a barrier to them switching?

Mirko Bibic – President and CEO

Look, I'll put up our Wireless Home Internet product against anyone. I think, ultimately, it's going to be a function of the network quality, the speeds that you offer, and the customer service that you offer along with it. The fact that we're there—in those areas where we were there first, because there's no one else, I think the first-mover advantage is critical. There are some areas in that million household footprint, Vince, where we actually weren't first, there might have been another competitor there, smaller cable competitor, for example. So, being third or fourth in the market is going to be really difficult. In those areas, we're taking share, but we were second to market. We may be offering faster speeds. Being third, fourth is going to be tough.

So, I think, really, it's first-mover advantage, it's the kind of credibility you buy with the community by having connected that community, and it's the customer service and the quality of the networks. That package is what's going to allow us to continue to win.

Vince Valentini – TD Securities – Analyst

Fair enough. Thank you.

Richard Bengian – Director – Investor Relations

We have time for one last question.

Operator

Perfect, and the last question is from Simon Flannery from Morgan Stanley. Please go ahead.

Simon Flannery – Morgan Stanley – Analyst

Great, thank you very much. Good morning. Another strong quarter on the Wireless side, it continues to have really good momentum year-over-year. I'd love to unpack the outlook for 2022. How are you thinking about the overall Wireless opportunity and the snapback from COVID, population growth, household formation and market share in the guidance assumption? Do you think we continue at similar levels to 2022, or is there some—there's certainly concern in the U.S. about kind of a deceleration after some very good quarters? Any colour there about what's driving the industry growth and your growth, and how sustainable that is?

Mirko Bibic – President and CEO

Great question. I'll take it, and I'll take it kind of in two stages.

First, just industrywide, I think it's—I mean, it's looking like a strong, balanced Q4 across the industry, based on the results that have been released so far, and I see some good growth and strong upside for the industry, because of immigration, reopening to more customary levels in Canada, the roaming upside that we're seeing, since November, that's kind of holding. I think supply chain issues should begin to ease in the second half of the year. I think the store constraints, it's not quite as constrained as it was a year ago, and I think kind of the restrictions we're in now will begin to ease. So, I think, industrywide, that's looking fairly good.

Now, I think it's worth mentioning where we sit competitively within that. You see it in our strong service revenue growth and our ARPU growth. We know why. In our case, there's the mobile phone strategy focusing on high-quality smartphone loadings. But, it's more than that, right, because we have—within the mobile phone strategy, we're focused on premium brand, premium network within the mobile phone strategy, and I think that's driving our results. In Q4, we had some heavy year-over-year growth on the Bell brand, and I think that's important. If you look at our 6.3 percent service revenue growth, the majority of that came from organic performance, not roaming, which is also quite positive.

I'll leave you with this thought, everyone. The launch of the new plans this week, the unlimited Ultimate plans, I really want to highlight those, because this is how we're going to differentiate 4G from 5G and highlight our network superiority. So, you kind of differentiate prepaid from postpaid, you want to differentiate flanker from your premium brand, and then you want to differentiate your 4G from your 5G services. Now, with unlimited Ultimate, we have the bigger data, the buckets, the higher video quality. We're including content, and on the content, it's Crave Mobile, so we're paying ourselves, essentially. So, now you start to showcase the incremental capabilities of 5G, and you encourage people to up-tier, to move up that rate plan curve, as I said in my opening remarks, and I think that's good tailwind for 5G momentum in the Wireless segment, particularly for Bell Mobility.

Simon Flannery – Morgan Stanley – Analyst

Great, thank you.

Richard Bengian – Director – Investor Relations

Thanks again for your participation on the call this morning. We'll be available throughout the day for any follow-up questions or clarifications. Have a good rest of the day. Thank you, everyone.

Mirko Bibic – President and CEO

Thank you.
