BCE ACQUISTION OF ZIPLY FIBER ANALYST CONFERENCE CALL

Monday, November 4th, 2024 at 8:30 a.m

SPEAKER LIST

Mirko Bibic
President
Chief Executive Officer

Curtis Millen
Executive Vice President
Chief Financial Officer

Thane Fotopoulos
Vice President, Investors Relations

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 the BCE acquisition of Ziply Fiber analyst conference call, as reflected in this transcript, are forward-looking statements. These statements include, without limitation, statements relating to the proposed acquisition by Bell of Ziply Fiber, the expected timing and completion thereof, Ziply Fiber’s expected adjusted EBITDA in 2025, BCE’s intention to maintain its annual common share dividend at the current level during 2025 and the potential future resumption of common share dividend growth, certain potential benefits expected to result from the proposed acquisition including Ziply Fiber’s target number of fibre locations to be reached by the end of 2028 and the combined Ziply Fiber and Bell Canada target number of fibre locations to be reached by the end of 2028, BCE’s expanded fibre footprint and cost synergies expected to result from the proposed acquisition, the estimated total cash financing requirement at closing and the sources of liquidity we expect to use to fund the proposed acquisition, potential future issuances by BCE of new common shares pursuant to its intended discounted treasury Shareholder Dividend Reinvestment and Stock Purchase Plan (DRP), the expected timing of commencement thereof and the anticipated benefits expected to result from such equity issuances, such as the expectation that the intended discounted treasury DRP will accelerate the improvement of BCE’s dividend payout ratio and support its deleveraging plans, BCE’s expected net debt leverage ratio upon the closing of the proposed acquisition, the expected immediate accretive impact of the proposed acquisition of Ziply Fiber on BCE’s operating cash flow, the expected accretive impact of the proposed acquisition of Ziply Fiber on BCE’s free cash flow post completion by Ziply Fiber of its planned target number of fibre passings by the end of 2028, the maintenance of Bell’s long-term debt investment-grade credit ratings, BCE’s network deployment plans, Ziply Fiber’s expected accelerated adjusted EBITDA growth, footprint expansion and subscriber growth, BCE’s long-term revenue, adjusted EBITDA, free cash flow and dividend growth expected to result from the proposed acquisition, BCE’s growth prospects, 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, commitment* and other similar expressions or future or conditional verbs such as *aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive* and *will*. All such forward-looking statements are made pursuant to the ‘safe harbour’ provisions of applicable Canadian securities laws and of the United States *Private Securities Litigation Reform Act of 1995*.

Forward-looking statements are subject to inherent risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results or events could differ materially from our expectations. 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 November 4, 2024 and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this transcript, whether as a result of new information, future events or otherwise. The timing and completion of the proposed acquisition of Ziply Fiber are subject to customary closing conditions, termination rights and other risks and uncertainties including, without limitation, relevant regulatory approvals, which may affect its completion, terms or timing. Accordingly, there can be no assurance that the proposed acquisition will occur, or that it will occur on the terms and conditions, or at the time, contemplated in this transcript. The proposed acquisition could be modified, restructured or terminated. There can also be no assurance that the potential benefits expected to result from the proposed acquisition will be realized. In addition, the level of BCE's common share dividend, its dividend policy and the declaration of dividends are subject to the discretion of BCE's board of directors. Consequently, there can be no assurance that BCE's common share dividend level will be maintained or increased, that BCE's dividend payout policy will be maintained or achieved or that dividends will be declared. The level of BCE's common share dividend and the declaration of dividends by the BCE board, as well as the maintenance of investment-grade credit ratings and BCE's deleveraging capacity, are ultimately dependent on BCE's operations and financial results, which are in turn subject to various assumptions and risks, including those described in BCE's public disclosure documents. For additional information on assumptions and risks underlying certain of our forward-looking statements made in this transcript, please consult BCE's 2023 Annual MD&A dated March 7, 2024, BCE's 2024 First Quarter MD&A dated May 1, 2024, BCE's 2024 Second Quarter MD&A dated July 31, 2024 and BCE's news release dated August 1, 2024 announcing its financial results for the second quarter of 2024, filed with the Canadian provincial securities regulatory authorities (available at sedarplus.ca) and with the U.S. Securities and Exchange Commission (available at SEC.gov). These documents are also available at BCE.ca.

Operator: Good morning. Welcome to the BCE Conference Call following the announcement of the acquisition of Ziply Fiber. I would now like to turn the meeting over to Mr. Thane Fotopoulos. Please go ahead, Mr. Fotopoulos.

Thane Fotopoulos: Thank you, Matthew. Good morning to everyone and thank you for joining us on such short notice today. As you are aware by now, this morning we did announce that BCE will be acquiring Ziply Fiber. And the purpose of today's call is to provide you with some additional details and perspectives on that transaction. On the call with me today, as usual, are Mirko Bibic, president and CEO of BCE, and Curtis Millen, our CFO. Mirko and Curtis have a few prepared remarks for you, after which we'll proceed to Q&A. However, before we begin, I want to call your attention to our safe harbour notice on slide two, reminding all listeners that today's presentation and remarks by the speakers will contain certain forward-looking statements, including with respect to the proposed acquisition of Ziply Fiber by BCE and the prospective timing and financial impact of these transactions. Several assumptions were made by us in preparing these forward-looking statements, and there are risks that actual results may differ materially from those contemplated by our forward-looking statements. These forward-looking statements represent BCE's expectations as of today and accordingly are subject to change after such time. Except as may be required by Canadian securities law, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. And I'm making this cautionary statement on behalf of all the speakers today whose remarks will contain forward-looking statements. With that, over to you, Mirko.

Mirko Bibic: Thank you, Thane. And good morning to all and thank you for joining us on short notice. I'm very pleased to announce BCE's proposed acquisition of Ziply Fiber, the leading broadband and fibre network provider in the U.S. Pacific Northwest. We will be acquiring 100% of Ziply Fiber's equity for 3.65 billion USD in cash. Curtis will take you through the key transaction and financing details in a few moments. This acquisition marks a bold milestone in Bell's history. It's a significant investment in our growth strategy and it will help us take our competitive edge beyond Canada. Fibre is at the core of Bell's purpose by bringing together Bell with Ziply Fiber's experienced management team and our shared fibre strategic vision. The acquisition enhances long-term growth by providing us with a foothold in the underpenetrated U.S. fibre market while increasing our scale, diversifying our operating footprint, and establishing a platform for further expansion opportunities. BCE began its fibre journey in 2010, and we currently offer multi-gigabit speeds to 7.7 million households and business locations across Canada. We have an intimate first-hand appreciation for the power of fibre, and we are well positioned to support Ziply Fiber's fibre investment strategy. The acquisition is immediately accretive to BCE's operating cash flow while also enhancing BCE's financial growth profile. In terms of size, Ziply Fiber is forecasted to generate EBITDA in excess of 400 million CAD in 2025. To reinforce our fibre growth objectives and balance sheet management with this acquisition, with a view to long-term value creation for shareholders, we intend on pausing dividend growth and maintaining the annual BCE common share dividend at the current level of $3.99 per share for 2025. By maintaining the current dividend level, Bell is reallocating capital to fund the acquisition of Ziply Fiber, ensuring that our company can seize new growth opportunities without compromising on total shareholder returns. By reinvesting in fibre growth today, we are building a stronger foundation for tomorrow. We intend to pause dividend growth until BCE's dividend payout and net debt leverage ratios are tracking towards our target policy ranges. And I'll remind you that the BCE Board of Directors reviews the dividend policy annually.

I'm going to turn now to slide five of our presentation. The acquisition represents a highly attractive U.S. market entry point for BCE, and it's one that's well aligned with our fibre-first strategy and core competencies, repositioning the company for growth across a more diversified geographic landscape with opportunities to scale further. The transaction, which cements Bell's position as the third largest fibre network and internet service provider in North America, will build upon our leading position in deep fibre expertise gained over the past 15 years. We will be bringing the very best of Bell to the underpenetrated U.S. fibre market to capitalize on the significant growth opportunity, where Ziply Fiber plans to expand its current highly fiberized footprint by approximately two million more locations over the next four years. The U.S. is a natural expansion market for BCE. As I just said, but which bears repeating, we plan to bring the best of Bell and the best of Canadian innovation and competitiveness beyond our traditional borders to provide increased scale and geographic diversification. The U.S. has low fibre availability compared to Canada. It has attractive fibre economics with a low cost to build and strong ARPU growth, as well as favourable competitive dynamics, particularly in Ziply Fiber footprint. Moreover, the acquisition advances Bell Business Markets' positioning in North America by enabling the sale of our leading technology services to a broader base of enterprise customers. We also expect to surface annual run-rate cash cost synergies totalling 30 million USD from efficiencies including in procurement, customer care, and IT development.

Let's turn now to slide six. For those of you not familiar with Ziply Fiber, they are the largest fibre network and broadband internet provider in the Pacific Northwest, covering more than two million customer premises across four states. 1.3 million of these locations, representing 64% of its current ILEC footprint, already have been deployed with high-speed pure fibre. And to put Ziply Fiber size into better perspective for you, their fibre footprint is, in fact, larger than that of Bell Aliant and Bell MTS combined. Ziply Fiber delivers high-speed internet to approximately 400,000 retail subscribers. 82% of them are on pure fibre service. They also benefit from low legacy copper exposure and a favourable operating mix, with 52% of total revenues generated by fibre, which is growing in the high single-digit range annually. Significant whitespace remains across Ziply Fiber's operating footprint that also benefits from an attractive competitive and market environment. U.S. fibre availability lags behind Canada and other global markets. Only 51% of homes in the U.S. have access to fibre, compared to 75% in Canada. So, we're getting in at a very opportune time when there's still meaningful growth ahead, particularly in light of Ziply Fiber's plan to expand its fibre footprint by approximately two million more locations over the next four years. This will bring BCE's total target fibre passings to more than 12 million by the end of 2028. And notably, all of this against the backdrop of an attractive market structure with one or fewer gigabit-capable competitors and 93% of Ziply Fiber's footprint and relatively less fibre overbuilding or fixed wireless access overlap than other U.S. regions. So, in short, we're entering it--you know, we're forging ahead with an acquisition where the demographics and Ziply Fiber's markets are best in class in terms of market growth and GDP per household. There's an attractive competitive environment in Ziply Fiber's footprint, frankly unique in the lack of overbuilders. Ziply Fiber's is EBITDA growth rate is best in class relative to its fibre peers. And Ziply Fiber's capital efficiency, and by that, I mean the capital required to achieve growth, is also best in class. And Ziply Fiber has an outstanding management team. It is the ideal platform for us to enter the U.S. residential fibre market, and there's no platform better than Ziply Fiber.

Now, I'm gonna move over to slide seven. Again, the transaction increases Bell's scale and financial growth profile while providing a platform to support continued growth and expansion. Ziply Fiber currently represents around 4% of BCE's standalone annual revenue and adjusted EBITDA. Fibre has powered their impressive EBITDA growth of 11% over the past year. And this is projected to accelerate going forward, given significant growth runway ahead from the more than 1.3 million fibre locations already built, as I mentioned, and where penetration is still relatively low, particularly in areas deployed more recently, and as mentioned, the fibre footprint expansion growth to come by the end of 2028. From a Bell perspective, we know how to operate a traditional telco that is converting to fibre at scale and we know how to capture fibre growth efficiently while managing the decline in legacy infrastructure services. And Ziply Fiber has already reached an inflection point in their business, with fibre growth exceeding legacy revenue declines. Once a transaction is closed, Ziply Fiber will operate as a separate business unit. The combination of Bell and Ziply Fiber will create economies of scale, accelerate innovations in the market, and unlock new value for both existing and new customers in both Canada and the U.S., as demand for faster, more reliable internet and data services increases. The two companies will bring a depth of management, product leadership, and technical expertise aligned on a customers first culture, vision, and long-term strategy. So, in closing, again, this is a very exciting and historic day for Bell. This transaction is a bold approach to growth anchored to what we do best in a business we know really well. Simply put, the operating and geographic diversification will make Bell even better. It's good for customers on both sides of the border, as we can invest more aggressively in innovation with the costs spread out over a larger customer base, it's good for employees as it takes our competitive fibre edge beyond our Canadian borders and enhances our growth profile, and it's good for BCE's shareholders as this deal will unlock new value and drive long-term free cash flow growth. By giving us a foothold in the lucrative U.S. market, Ziply Fiber will enable us to continue to scale and to grow at an even faster pace. And with that, I'm going to turn the call over to Curtis.

Curtis Millen: Thanks, Mirko. And good morning, everyone. I'm on slide nine. And let me start by reiterating Mirko's excitement for this transaction that will definitely support BCE's long-term capital markets objectives. Transaction enterprise value is approximately $7 billion Canadian, which includes Ziply Fiber's debt that will be rolled over and remain outstanding at closing. This equates to a multiple of 14.3 times Ziply Fiber's estimated 2025 adjusted EBITDA, when taking into consideration both the net present value of tax attributes and cost synergies. Assets like Ziply Fiber transact at premiums to legacy telco multiples given their higher fibre revenue mix and superior growth prospects. We're actually paying a lower multiple than precedent transactions involving pure fibre companies and modernized ILECs, which have been more in the range of approximately 19 to 25 times EBITDA. The acquisition is not conditional on any financing, and no incremental debt will be required to fund the transaction. In fact, the sale proceeds from MLSE will be used to largely fund the acquisition of a high-growth on-strategy fibre asset that generates more than $400 million in standalone EBITDA annually, and that will be accretive to BCE's long-term free cash flow. In contrast, as you know, we do not consolidate MLSE's results, and therefore generate no cash flow for Bell. The transaction agreement contains standard deal protections, including a reverse break fee as well as the usual conditions to closing, including no material adverse change and U.S. regulatory approvals including FCC consent and various state public utilities commissions. We expect the acquisition to close in the second half of 2025.

Turning to slide 10. The acquisition is an all-cash deal with a total financing requirement at closing estimated at $5 billion Canadian. As I mentioned, no incremental debt is required as the acquisition will be funded with MLSE net sale proceeds, totalling $4.2 billion, together with cash surface from a discounted treasury drip program that we announced this morning. And then we will commence with BCE's Q4 2024 common share dividend payment. In the event that the sale of MLSE is completed after the closing of Ziply Fiber, we have entered into a 3.7 billion U.S. fully committed, delayed draw term loan facility to finance the acquisition. Concurrently, the discounted treasury drip will accelerate improvement of BCE's dividend payout ratio and support our objective to deleverage over time. Assuming a participation rate of approximately 30%, which is consistent with comparable programs implemented by other companies, we anticipate our payout ratio to improve by more than 30% in 2025. Bell's pro forma net debt leverage ratio at transaction close is projected to remain relatively unchanged compared to 3.7 times adjusted EBITDA currently, and that reflects $2 billion of incremental Ziply Fiber net debt that will be assuming at close. The transaction is immediately accretive to BCE's operating cash flow and will be accretive to free cash flow once Ziply Fiber completes its planned fibre build out by the end of 2028. We expect to retain our long-term debt investment-grade credit ratings throughout this period. So, those are the key elements of today's acquisition announcement, which, as Mirko stated earlier, is a compelling and historic transaction for all BCE's stakeholders. On that, I will turn the call back over to Thane and the operator to begin Q&A.

Thane: Great. Thanks, Curtis. So, with that done, Matthew, we are ready to take our first question.

Operator: Thank you. Our first question is from Sebastiano Petti from J.P. Morgan. Please go ahead.

Sebastiano Petti: Hi. Thank you for taking the question. I think congrats on the deal. Mirko, I mean, the why now? I guess perhaps would be my first question just thinking about, you know, what was the impetus? Is it, you know, a unique transaction in--or a unique opportunity within Ziply? Or is there perhaps other broader factors at play? And, you know, maybe in your local market, whether it be regulatory competitive environment. And then next, you did allude to, you know, this is a platform for perhaps further opportunities, I presume within the U.S.. Just help us think about that. I mean, you know, as it pertains to, I guess, the comments about your leverage ratio and trying to get the dividend payout ratio down. You know, are there other perhaps asset monetizations that maybe would help fund that? Because I think that's a question we're getting from investors as it pertains to how do you fund additional transactions or what does that look like over time. Thank you.

Mirko: Okay. So, thank you Sebastiano. So, there's a lot there, but all good questions and all interrelated. So, let me tackle them one by one. And at the end, maybe Curtis you can take the payout ratio and leverage ratio. Why now? Well, if you go back to--I mean, go back to frankly COVID and where we announced our accelerated CapEx program in Canada where the idea was to invest more faster to build out more fibre to more locations faster than ever before. And we had the clearly-stated build out plans in Canada, you know, trying to reach what is now 8.3 million fibre locations by the end of next year. And a little while ago, we--you know, recognizing that 2025 would be around the corner and we were kind of reaching the tail end of that near term build out plan, we started to ask ourselves, "Okay, where next for growth?" Particularly in fibre, which is kind of one segment of communications company growth that you see either in Canada and elsewhere that's really working, and it is core to our purpose, as I said. So, we started thinking, "Okay, where do we grow next in kind of our core business?" And, you know, looked at a lot of things. And frankly, Ziply Fiber came up as an opportunity fairly recently, Sebastiano. And the more we looked at it, the more we thought, this makes perfect sense, particularly as we kind of get to the 8.3 million fibre locations pass in Canada. Now, there's still more work to do in Canada, of course, but it was an opportunity that just came up recently and that we felt we couldn't pass up, particularly since it's right in our core business and what we know well and what we do well. In terms of the question about, you know, what next beyond that, like, you know, job one will be to get this transaction closed and get the approvals and forge ahead on the Ziply Fiber growth agenda within Ziply Fiber's, you know, current footprint. And we're planning to do the same as we did in Canada, which is to build more faster. And if other opportunities come along, of course, we'll take a look. And on asset monetization, I think you can see what we've been doing, right? We were looking at our portfolio of assets across the board. And if there are opportunities to allocate capital to better uses, whether or not it's growth or delivering, we're gonna do it. And I think, you know, what we've done over the past 12 months is evidence of that. And, you know, on the ratios themselves, maybe Curtis a word or two.

Curtis: Yeah, and thanks for the questions. You know, pro forma for this transaction, our payout ratio is going to be sub 100%. And the funding for this acquisition Mirko just alluded to, you know financing flexibility that we have going forward. But for this acquisition the financing is fairly straightforward. We're trading our stake in a sports asset that wasn't consolidated. So, we didn't reflect any revenue EBITDA or free cash flow. And we're reallocating capital into a fibre asset with significant growth opportunity, which is straight down the middle of our wheelhouse. So, it's pretty straightforward in terms of funding this transaction.

Mirko: And again, just maybe an extra word on that. So, if you look at the last two months in particular with the MLSE announcement in this one, you know, at the risk of repeating what Curtis said, we've converted you know, MLSE into a fast-growing core asset while strategically retaining very valuable sports content to continue to power TSN and RDS. So, across the board, two very strategic decisions that position Bell Canada and Bell Media for sustained growth.

Sebastian: Thank you.

Operator: Thank you. Our next question is from David Barden from Bank of America. Please go ahead.

David Barden: Hey, guys. Thank you so much for taking the questions. I guess, Mirko maybe, following up on that a little bit. Obviously, you know, this deal coming at this moment in time with the frontier transaction very much on people's minds. You know, would it be fair to assume that because of your strategic view of this opportunity in the U.S. that you were a part of that? And if you were, you know, why would this asset be better? And if you weren't, why wouldn't you have been involved in that process? It's my first question, I guess. And the second is if I could, Mirko, you know, a lot of your experience, a lot of Ziply's experience has been overbuilding your copper plant with fibre. It's a footprint you know. A lot of the expansion Ziply plans is from this point forward, it's gonna be out of region and kind of a new project for both of you. Could you kind of talk about how the learnings might be applicable to that next evolution of the passing plan here in the U.S.? Thanks.

Mirko: Thank you, David. So, you know, today is about the acquisition of Ziply Fiber, which as I mentioned, we feel is best in class across a number of metrics, whether or not it's the area where it operates in terms of geography, you know, in terms of market growth and GDP per household. Very unique in terms of footprint with 93% of the footprint that has one or fewer gigabit-capable competitors and no--really a lack of over builders and very little fixed wireless access penetration. And the growth rate, if you look at the EBITDA growth rate and compare it to other providers, it's quite--it stands alone, frankly. And the cost to build is very attractive. Now, there's still--when I talk about accelerating their fibre build to, you know, three million locations or more, this would be within their core operating area, the four states. So, Washington state, Oregon, Montana, and Idaho. So, areas that this management team, you know, has operated in, you know, since the formation of Ziply Fiber, an area they know really well. And, you know, they know how to do fibre just like we do. And in that sense, the approaches and the strategies and the competencies and skill sets are very aligned.

David: Thanks, Mirko.

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

Vince Valentini: Hey, thanks very much. First, just to clarify on the 300 million tax value, Curtis. I assume that is only applicable to U.S.-based profits, or can you bring those to Canada some way?

Curtis: Yeah, we've assumed when we were NPVing that, Vince, thanks for the question, that it would be used in the U.S. only. I mean, of course, if there's an opportunity to accelerate, we'll of course look at that. But that's not our base assumption.

Vince: Excellent. The second question. I'll be quite honest, the 11% EBITDA growth, when I saw it, was lower than what I had initially thought when I saw your release this morning. I thought, given the percentage of fibre and the growth in homes, the growth in ARPU, it would be higher than that. Can you give us any sense of where you think this evolves to over the next couple of years? Can this be more like 15 to 20% in your mind? And I asked that 'cause I think some people are saying it seems expensive. And, you know, you just took your debt down, now you're taking it back up. I think people would need to see something really attractive here to justify why you'd want to take on more debt so quickly. So, maybe that growth rate is expected to be better than 11 over time. So, if you can help us there, I think it would help everybody.

Curtis: Yeah, I think that's right, Vince. I mean, you kind of answered the question for me. I do think that growth will continue to accelerate as they continue to build out more fibre and frankly, penetrate the fibre that's recently been built, right? I mean, if you look at their more kind of mature fibre markets relative to their newer builds, there's almost a doubling of penetration that we expect to grow into as well as the footprint expansion.

Mirko: And that's why it's an opportune time to make this acquisition. Vince, you've got 64% of the fibre of the footprint that's been fiberized. So, there's still a lot of runway in terms of new build, which we plan to accelerate. So, there's future growth there. And a lot of what's been fiberized already, just repeating what Curtis said, is newly built fibre that hasn't been fully penetrated. So, on both those prongs, there's significant growth ahead. And their subscriber growth has been rather impressive. And so, we expect that to accelerate. So, indeed, we do anticipate that the growth will be faster than what it has already been, which has been quite solid and impressive in its own right.

Vince: Thank you.

Operator: Thank you. Our next question is from Maher Yaghi from Scotiabank. Please go ahead.

Maher Yaghi: Great. Thank you for taking my question. I'm still trying to wrap my head around this transaction from a strategic point of view. You know, you're leveraging the balance sheet compared to post-closing of MLSE. You're implementing a drip that will be dilutive to shareholders and capping the dividend for many years to expand into a market where you don't have any primary wireless service to resell as a converged service with the fibre. And from my calculation, it does look like this will be free cash flow dilutive for many years. So, can you just make--you know, just explain maybe a little bit what you think this acquisition will mean to free cash flow for BCE? Because, you know, when we look at BCE shareholder base, it's a shareholder base that is looking for dividend growth, free cash flow growth, not necessarily top line growth or EBITDA growth. They can get that from other industries. So, I'm just trying to--like, are you changing what BCE represents? Thank you.

Mirko: No, we're leaning in our core business, which is to generate growth from fibre. And we're allocating capital quite responsibly to seize a growth agenda and without compromising total shareholder returns. So, it really is about reinvesting capital to build a stronger foundation for both today and tomorrow. And it's going to be in an area that's going to clearly generate long-term free cash flow growth. And that's what we are doing with the decision to acquire Ziply Fiber and pursue the fibre growth agenda that we've been on for the last several years, albeit in Canada. And then by doing this, we're going to diversify our revenue streams and geographic footprint. Curtis.

Curtis: No, that's right. I mean, ultimately I'd only layer on. I mean, even from a credit perspective, this is credit-positive. I mean, it's bigger scale, geographic diversity, as Mirko said, and positive boost to revenue, EBITDA, and free cash flow growth profiles. So, ultimately long-term, this supports dividend growth and free cash flow growth.

Mirko: And, Maher, I would point out just--you know, I'm gonna repeat what I said in my opening remarks, right. You know, we did announce today that we intend to pause the dividend growth. But I reminded everyone in my opening remarks that the BCE

Board of Directors reviews the dividend policy annually. So, as we get track towards our target policy ranges, you know, that will be revisited. And we'll revisit year after year. And with the dividend reinvestment program, we will have a dividend payout ratio that's 30% better than what it is today. So, again, balanced allocation of capital.

Maher: Right. But it will be dilutive to shareholders in the long-term, the drip I mean. And the second one, I'm trying to figure out the free cash flow contribution here because Ziply is still growing its fibre footprint. It's gonna cost it a lot of money to expand that footprint and to acquire new customers as well. So, can you discuss a little bit the free cash flow profile that you expect Ziply to bring in in '25, '26, '27? We understand you say '28 will be free cash flow accretive. But in the meantime, what are we talking about here in terms of free cash flow dilution?

Curtis: Look, Maher, we're managing the company here for the long-term. Job is strategic. Strategically, we are building the foundation for continued success of BCE for decades to come. Fibre is a long-life infrastructure asset and shareholders will benefit for frankly for decades to come as we execute on our fibre growth plans in Canada and the U.S. and solidify our position as the third largest fibre infrastructure player in North America. This bodes well for accelerated growth, and that's what we're doing. We are putting this company on a position for long-term revenue, EBITDA, and free cash flow growth. And that's what we--you know, as stewards of this phenomenal Canadian icon, that's what we have to do. And so, you know, not managing it only for the next quarter, but managing it for next quarter and 10 years from now. And that's what I'm gonna keep doing for this company and for our shareholders.

Mirko: Thank you. Next question please.

Operator: Thank you. Our next question is from Batya Levi from UBS. Please go ahead.

Batya Levi: Great. Thank you. A couple of questions. First, I believe Ziply also has copper assets. When you include them, can you give us a sense on the overall growth rate that Ziply has been seeing and the projection for that over the next few years?

And then a little bit more on the strategy. As you think about the long-term strategy of owning this asset, the theme of convergence in the U.S. is taking on, what are your thoughts about that and how do you plan to participate in it? Thank you.

Mirko: Thanks for the question. So, right now, if you see from Ziply Fiber's performance and actually the performance of other fibre operators across the United States, you know, the consumers are seeking the very best broadband. And fibre is the best broadband that there is out there. And there is no better network and faster speeds than that offered by Ziply Fiber. And so, you know, in the United States, you see customers are just, you know, choosing fibre from whoever is providing it, regardless of whether or not they're a converged operator. And that manifests itself in the success and the growth rates of Ziply Fiber. And in terms of the copper versus fibre, you know, just some key stats. I've probably shared a number of them already. But, you know, over half of Ziply Fiber's revenues are fibre revenues. They're now at 64% of the footprint covered with fibre. And, you know, more than 80% of their retail subscribers are already on fibre. So, you can see, you know, the crossover point has been reached with still a lot of growth runway.

Batya: Okay. Thank you.

Operator: Thank you. Our next question is from Jérome Dubreuil from Desjardins Securities. Please go ahead.

Jérome Dubreuil: Hi. Good morning. Thanks for taking my question. Mine is with regards to the opportunity to deploy more fibre in the U.S.. Right now, there really seems to be a foot race in the U.S. for fibre deployments. What's your degree of confidence with regard to your ability to be kind of first and alone in the 1.7 million fibre passings that you are guiding for, and maybe the competition in this footprint? Thank you.

Mirko: Well, we're very confident having done our due diligence and extensive discussions with the Ziply Fiber management team. And with Bell's scale behind Ziply Fiber, we are well positioned to continue to be first in that footprint with fibre, you know, across the--obviously, the 1.3 million homes are already done. But the remaining two million homes, we plan to be first.

Jérome: Great. And the second question is on deleveraging after 2025. So, you provided guidance on your leverage at closing and free cash flow numbers. But do you expect you will be able to deleverage between 2025 and 2028 when you turn free cash accretive on that deal?

Curtis: Yeah, no. Appreciate the question, but we're not gonna provide guidance that far out on this call, Jerome. Thank you.

Jérome: Thank you.

Thane: I see, Matthew, that there are no further questions at this time. So, on that I wanna thank everybody for joining us on such short notice this morning. And of course, as always, the IR department will be available to take any follow up calls during the course of the day. On that, thank you very much.

Curtis: Thanks, everyone.

Mirko: Thank you.

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