



Q1

Supplementary Financial Information

First Quarter 2021

BCE Investor Relations

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BCE

Consolidated Operational Data

<i>(In millions of Canadian dollars, except share amounts) (unaudited)</i>	Q1 2021	Q1 2020	\$ change	% change
Operating revenues				
Service	4,968	5,018	(50)	(1.0%)
Product	738	622	116	18.6%
Total operating revenues	5,706	5,640	66	1.2%
Operating costs ^(A)	(3,203)	(3,147)	(56)	(1.8%)
Post-employment benefit plans service cost	(74)	(75)	1	1.3%
Adjusted EBITDA ⁽²⁾	2,429	2,418	11	0.5%
Adjusted EBITDA margin ⁽²⁾	42.6%	42.9%		(0.3) pts
Severance, acquisition and other costs	(89)	(16)	(73)	n.m.
Depreciation	(895)	(858)	(37)	(4.3%)
Amortization	(238)	(230)	(8)	(3.5%)
Finance costs				
Interest expense	(267)	(277)	10	3.6%
Interest on post-employment benefit obligations	(5)	(12)	7	58.3%
Impairment of assets	(3)	(7)	4	57.1%
Other income (expense)	8	(47)	55	n.m.
Income taxes	(253)	(243)	(10)	(4.1%)
Net earnings from continuing operations	687	728	(41)	(5.6%)
Net earnings from discontinued operations	-	5	(5)	(100.0%)
Net earnings	687	733	(46)	(6.3%)
Net earnings from continuing operations attributable to:				
Common shareholders	642	675	(33)	(4.9%)
Preferred shareholders	32	38	(6)	(15.8%)
Non-controlling interest	13	15	(2)	(13.3%)
Net earnings from continuing operations	687	728	(41)	(5.6%)
Net earnings attributable to:				
Common shareholders	642	680	(38)	(5.6%)
Preferred shareholders	32	38	(6)	(15.8%)
Non-controlling interest	13	15	(2)	(13.3%)
Net earnings	687	733	(46)	(6.3%)
Net earnings per common share - basic and diluted				
Continuing operations	\$ 0.71	\$ 0.74	\$ (0.03)	(4.1%)
Discontinued operations	\$ -	\$ 0.01	\$ (0.01)	(100.0%)
Net earnings per common share - basic and diluted	\$ 0.71	\$ 0.75	\$ (0.04)	(5.3%)
Dividends per common share	\$ 0.8750	\$ 0.8325	\$ 0.0425	5.1%
Weighted average number of common shares outstanding - basic (millions)	904.5	904.1		
Weighted average number of common shares outstanding - diluted (millions)	904.5	904.5		
Number of common shares outstanding (millions)	904.6	904.3		
Adjusted net earnings and EPS				
Net earnings attributable to common shareholders	642	680	(38)	(5.6%)
Severance, acquisition and other costs	65	12	53	n.m.
Net mark-to-market (gains) losses on derivatives used to economically hedge equity settled share-based compensation plans	(44)	20	(64)	n.m.
Net gains on investments	-	(10)	10	100.0%
Early debt redemption costs	39	12	27	n.m.
Impairment of assets	2	5	(3)	(60.0%)
Net earnings from discontinued operations	-	(5)	5	100.0%
Adjusted net earnings ⁽²⁾	704	714	(10)	(1.4%)
Adjusted EPS ⁽²⁾	\$ 0.78	\$ 0.79	\$ (0.01)	(1.3%)

n.m. : not meaningful

^(A) Excludes post-employment benefit plans service cost

Consolidated Operational Data - Historical Trend

<i>(In millions of Canadian dollars, except share amounts) (unaudited)</i>	Q1 21	TOTAL 2020	Q4 20	Q3 20	Q2 20	Q1 20
Operating revenues						
Service	4,968	19,832	5,090	4,924	4,800	5,018
Product	738	3,051	1,012	863	554	622
Total operating revenues	5,706	22,883	6,102	5,787	5,354	5,640
Operating costs ^(A)	(3,203)	(13,007)	(3,633)	(3,268)	(2,959)	(3,147)
Post-employment benefit plans service cost	(74)	(269)	(65)	(65)	(64)	(75)
Adjusted EBITDA	2,429	9,607	2,404	2,454	2,331	2,418
Adjusted EBITDA margin	42.6%	42.0%	39.4%	42.4%	43.5%	42.9%
Severance, acquisition and other costs	(89)	(116)	(52)	(26)	(22)	(16)
Depreciation	(895)	(3,475)	(872)	(876)	(869)	(858)
Amortization	(238)	(929)	(233)	(232)	(234)	(230)
Finance costs						
Interest expense	(267)	(1,110)	(274)	(279)	(280)	(277)
Interest on post-employment benefit obligations	(5)	(46)	(11)	(12)	(11)	(12)
Impairment of assets	(3)	(472)	(12)	(4)	(449)	(7)
Other income (expense)	8	(194)	(38)	(29)	(80)	(47)
Income taxes	(253)	(792)	(191)	(262)	(96)	(243)
Net earnings from continuing operations	687	2,473	721	734	290	728
Net earnings from discontinued operations	-	226	211	6	4	5
Net earnings	687	2,699	932	740	294	733
Net earnings from continuing operations attributable to:						
Common shareholders	642	2,272	678	686	233	675
Preferred shareholders	32	136	32	32	34	38
Non-controlling interest	13	65	11	16	23	15
Net earnings from continuing operations	687	2,473	721	734	290	728
Net earnings attributable to:						
Common shareholders	642	2,498	889	692	237	680
Preferred shareholders	32	136	32	32	34	38
Non-controlling interest	13	65	11	16	23	15
Net earnings	687	2,699	932	740	294	733
Net earnings per common share - basic and diluted						
Continuing operations	\$ 0.71	\$ 2.51	\$ 0.75	\$ 0.76	\$ 0.26	\$ 0.74
Discontinued operations	\$ -	\$ 0.25	\$ 0.23	\$ 0.01	\$ -	\$ 0.01
Net earnings per common share - basic and diluted	\$ 0.71	\$ 2.76	\$ 0.98	\$ 0.77	\$ 0.26	\$ 0.75
Dividends per common share	\$ 0.8750	\$ 3.3300	\$ 0.8325	\$ 0.8325	\$ 0.8325	\$ 0.8325
Weighted average number of common shares outstanding - basic (millions)	904.5	904.3	904.4	904.3	904.3	904.1
Weighted average number of common shares outstanding - diluted (millions)	904.5	904.4	904.4	904.4	904.4	904.5
Number of common shares outstanding (millions)	904.6	904.4	904.4	904.3	904.3	904.3
Adjusted net earnings and EPS						
Net earnings attributable to common shareholders	642	2,498	889	692	237	680
Severance, acquisition and other costs	65	85	38	19	16	12
Net mark-to-market (gains) losses on derivatives used to economically hedge equity settled share-based compensation plans	(44)	37	-	10	7	20
Net gains on investments	-	(46)	(3)	(22)	(11)	(10)
Early debt redemption costs	39	37	9	16	-	12
Impairment of assets	2	345	9	3	328	5
Net earnings from discontinued operations	-	(226)	(211)	(6)	(4)	(5)
Adjusted net earnings	704	2,730	731	712	573	714
Adjusted EPS	\$ 0.78	\$ 3.02	\$ 0.81	\$ 0.79	\$ 0.63	\$ 0.79

(A) Excludes post-employment benefit plans service cost

BCE ⁽¹⁾
Segmented Data

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2021	Q1 2020	\$ change	% change
Operating revenues				
Bell Wireless	2,100	2,035	65	3.2%
Bell Wireline	3,081	3,036	45	1.5%
Bell Media	713	752	(39)	(5.2%)
Inter-segment eliminations	(188)	(183)	(5)	(2.7%)
Total	5,706	5,640	66	1.2%
Operating costs				
Bell Wireless	(1,177)	(1,107)	(70)	(6.3%)
Bell Wireline	(1,718)	(1,701)	(17)	(1.0%)
Bell Media	(570)	(597)	27	4.5%
Inter-segment eliminations	188	183	5	2.7%
Total	(3,277)	(3,222)	(55)	(1.7%)
Adjusted EBITDA				
Bell Wireless	923	928	(5)	(0.5%)
Margin	44.0%	45.6%		(1.6) pts
Bell Wireline	1,363	1,335	28	2.1%
Margin	44.2%	44.0%		0.2 pts
Bell Media	143	155	(12)	(7.7%)
Margin	20.1%	20.6%		(0.5) pts
Total	2,429	2,418	11	0.5%
Margin	42.6%	42.9%		(0.3) pts
Capital expenditures				
Bell Wireless	286	130	(156)	n.m.
Capital intensity ⁽³⁾	13.6%	6.4%		(7.2) pts
Bell Wireline	707	622	(85)	(13.7%)
Capital intensity	22.9%	20.5%		(2.4) pts
Bell Media	19	25	6	24.0%
Capital intensity	2.7%	3.3%		0.6 pts
Total	1,012	777	(235)	(30.2%)
Capital intensity	17.7%	13.8%		(3.9) pts

n.m. : not meaningful

BCE
Segmented Data - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 21	TOTAL 2020	Q4 20	Q3 20	Q2 20	Q1 20
Operating revenues						
Bell Wireless	2,100	8,683	2,408	2,318	1,922	2,035
Bell Wireline	3,081	12,206	3,095	3,032	3,043	3,036
Bell Media	713	2,750	791	628	579	752
Inter-segment eliminations	(188)	(756)	(192)	(191)	(190)	(183)
Total	5,706	22,883	6,102	5,787	5,354	5,640
Operating costs						
Bell Wireless	(1,177)	(5,017)	(1,505)	(1,362)	(1,043)	(1,107)
Bell Wireline	(1,718)	(6,960)	(1,783)	(1,712)	(1,764)	(1,701)
Bell Media	(570)	(2,055)	(602)	(450)	(406)	(597)
Inter-segment eliminations	188	756	192	191	190	183
Total	(3,277)	(13,276)	(3,698)	(3,333)	(3,023)	(3,222)
Adjusted EBITDA						
Bell Wireless	923	3,666	903	956	879	928
<i>Margin</i>	44.0%	42.2%	37.5%	41.2%	45.7%	45.6%
Bell Wireline	1,363	5,246	1,312	1,320	1,279	1,335
<i>Margin</i>	44.2%	43.0%	42.4%	43.5%	42.0%	44.0%
Bell Media	143	695	189	178	173	155
<i>Margin</i>	20.1%	25.3%	23.9%	28.3%	29.9%	20.6%
Total	2,429	9,607	2,404	2,454	2,331	2,418
<i>Margin</i>	42.6%	42.0%	39.4%	42.4%	43.5%	42.9%
Capital expenditures						
Bell Wireless	286	916	392	212	182	130
<i>Capital intensity</i>	13.6%	10.5%	16.3%	9.1%	9.5%	6.4%
Bell Wireline	707	3,161	1,053	792	694	622
<i>Capital intensity</i>	22.9%	25.9%	34.0%	26.1%	22.8%	20.5%
Bell Media	19	125	49	27	24	25
<i>Capital intensity</i>	2.7%	4.5%	6.2%	4.3%	4.1%	3.3%
Total	1,012	4,202	1,494	1,031	900	777
<i>Capital intensity</i>	17.7%	18.4%	24.5%	17.8%	16.8%	13.8%

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2021	Q1 2020	% change
Bell Wireless			
Operating revenues			
External service revenues	1,503	1,535	(2.1%)
Inter-segment service revenues	11	12	(8.3%)
Total operating service revenues	1,514	1,547	(2.1%)
External product revenues	584	487	19.9%
Inter-segment product revenues	2	1	100.0%
Total operating product revenues	586	488	20.1%
Total external revenues	2,087	2,022	3.2%
Total operating revenues	2,100	2,035	3.2%
Operating costs	(1,177)	(1,107)	(6.3%)
Adjusted EBITDA	923	928	(0.5%)
<i>Adjusted EBITDA margin (Total operating revenues)</i>	44.0%	45.6%	(1.6) pts
Capital expenditures	286	130	n.m.
<i>Capital intensity</i>	13.6%	6.4%	(7.2) pts
Mobile phone subscribers ^{(3)(A)}			
Gross activations			
Postpaid	248,990	209,550	18.8%
Prepaid	91,137	124,007	(26.5%)
Net activations (losses)			
Postpaid	32,925	1,559	n.m.
Prepaid	(30,520)	(4,055)	n.m.
Subscribers end of period (EOP)			
Postpaid	8,361,264	8,177,205	2.3%
Prepaid	805,484	793,967	1.5%
Blended average billing per user (ABPU) (\$/month)⁽³⁾	70.34	72.78	(3.4%)
Blended churn (%) (average per month)⁽³⁾	1.23%	1.26%	0.03 pts
Postpaid	0.89%	0.89%	-
Prepaid	4.68%	5.03%	0.35 pts
Mobile connected device subscribers ^{(3)(A)}			
Net activations	74,159	48,964	51.5%
Subscribers EOP	2,130,312	1,877,136	13.5%

n.m. : not meaningful

^(A) Effective January 1, 2021, we changed our wireless operating metrics to reflect our revised approach to reporting wireless subscriber units. Consequently, we are now reporting in two categories, mobile phone subscriber units and mobile connected device subscriber units (e.g. tablets, wearables and mobile Internet devices). Additionally, mobile connected device subscribers now include previously undisclosed Internet of Things (IoT) units (e.g. connected telematics services, monitoring devices, connected cars and fleet management solutions). These changes are consistent with the way we manage our business, reflect our focus on mobile phone subscribers and align to industry peers. As a result, previously reported 2020 subscribers and associated operating metrics (gross and net activations (losses), ABPU and churn) have been restated for comparability.

Bell Wireless - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 21	TOTAL 2020	Q4 20	Q3 20	Q2 20	Q1 20
Bell Wireless						
Operating revenues						
External service revenues	1,503	6,122	1,543	1,563	1,481	1,535
Inter-segment service revenues	11	47	11	12	12	12
Total operating service revenues	1,514	6,169	1,554	1,575	1,493	1,547
External product revenues	584	2,508	851	742	428	487
Inter-segment product revenues	2	6	3	1	1	1
Total operating product revenues	586	2,514	854	743	429	488
Total external revenues	2,087	8,630	2,394	2,305	1,909	2,022
Total operating revenues	2,100	8,683	2,408	2,318	1,922	2,035
Operating costs	(1,177)	(5,017)	(1,505)	(1,362)	(1,043)	(1,107)
Adjusted EBITDA	923	3,666	903	956	879	928
<i>Adjusted EBITDA margin (Total operating revenues)</i>	44.0%	42.2%	37.5%	41.2%	45.7%	45.6%
Capital expenditures	286	916	392	212	182	130
<i>Capital intensity</i>	13.6%	10.5%	16.3%	9.1%	9.5%	6.4%
Mobile phone subscribers^(A)						
Gross activations	340,127	1,545,173	445,322	457,161	309,133	333,557
Postpaid	248,990	1,025,748	328,051	308,558	179,589	209,550
Prepaid	91,137	519,425	117,271	148,603	129,544	124,007
Net activations (losses)	2,405	190,675	61,716	119,345	12,110	(2,496)
Postpaid	32,925	152,693	73,388	78,706	(960)	1,559
Prepaid	(30,520)	37,982	(11,672)	40,639	13,070	(4,055)
Subscribers EOP	9,166,748	9,164,343	9,164,343	9,102,627	8,983,282	8,971,172
Postpaid	8,361,264	8,328,339	8,328,339	8,254,951	8,176,245	8,177,205
Prepaid	805,484	836,004	836,004	847,676	807,037	793,967
Blended ABPU (\$/month)	70.34	72.01	72.13	73.25	69.88	72.78
Blended churn (%) (average per month)	1.23%	1.26%	1.40%	1.25%	1.11%	1.26%
Postpaid	0.89%	0.92%	1.06%	0.98%	0.76%	0.89%
Prepaid	4.68%	4.60%	4.79%	3.98%	4.63%	5.03%
Mobile connected device subscribers^(A)						
Net activations	74,159	227,981	98,949	41,225	38,843	48,964
Subscribers EOP	2,130,312	2,056,153	2,056,153	1,957,204	1,915,979	1,877,136

^(A) Effective January 1, 2021, we changed our wireless operating metrics to reflect our revised approach to reporting wireless subscriber units. Consequently, we are now reporting in two categories, mobile phone subscriber units and mobile connected device subscriber units (e.g. tablets, wearables and mobile Internet devices). Additionally, mobile connected device subscribers now include previously undisclosed IoT units (e.g. connected telematics services, monitoring devices, connected cars and fleet management solutions). These changes are consistent with the way we manage our business, reflect our focus on mobile phone subscribers and align to industry peers. As a result, previously reported 2020 subscribers and associated operating metrics (gross and net activations (losses), ABPU and churn) have been restated for comparability.

Bell Wireline ⁽¹⁾

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2021	Q1 2020	% change
Bell Wireline			
Operating revenues			
Data	1,965	1,891	3.9%
Voice	803	872	(7.9%)
Other services	74	62	19.4%
Total external service revenues	2,842	2,825	0.6%
Inter-segment service revenues	85	76	11.8%
Total operating service revenues	2,927	2,901	0.9%
Data	144	123	17.1%
Equipment and other	10	12	(16.7%)
Total external product revenues	154	135	14.1%
Inter-segment product revenues	-	-	-
Total operating product revenues	154	135	14.1%
Total external revenues	2,996	2,960	1.2%
Total operating revenues	3,081	3,036	1.5%
Operating costs	(1,718)	(1,701)	(1.0%)
Adjusted EBITDA	1,363	1,335	2.1%
<i>Adjusted EBITDA margin</i>	44.2%	44.0%	0.2 pts
Capital expenditures	707	622	(13.7%)
<i>Capital intensity</i>	22.9%	20.5%	(2.4) pts
Retail high-speed Internet subscribers ⁽³⁾			
Retail net activations	21,208	22,595	(6.1%)
Retail subscribers EOP ^(A)	3,730,576	3,578,196	4.3%
Retail TV subscribers ⁽³⁾			
Retail net subscriber (losses) activations	(9,112)	(18,555)	50.9%
Internet protocol television (IPTV)	10,696	2,852	n.m.
Satellite	(19,808)	(21,407)	7.5%
Total retail subscribers EOP ^(B)	2,723,368	2,753,909	(1.1%)
IPTV	1,817,069	1,770,034	2.7%
Satellite ^(B)	906,299	983,875	(7.9%)
Retail residential network access services (NAS)⁽³⁾			
Retail residential NAS lines net losses	(51,069)	(61,595)	17.1%
Retail residential NAS lines	2,432,863	2,635,888	(7.7%)

n.m. : not meaningful

^(A) At the beginning of Q1 2021, our retail high-speed Internet subscriber base was increased by 4,778 subscribers due to the transfer of fixed wireless Internet subscribers from our mobile connected devices subscriber base.

^(B) At the beginning of Q1 2021, we adjusted our satellite TV subscriber base to remove 6,125 non-revenue generating units.

Bell Wireline - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 21	TOTAL 2020	Q4 20	Q3 20	Q2 20	Q1 20
Bell Wireline						
Operating revenues						
Data	1,965	7,691	1,953	1,931	1,916	1,891
Voice	803	3,402	828	839	863	872
Other services	74	248	67	61	58	62
Total external service revenues	2,842	11,341	2,848	2,831	2,837	2,825
Inter-segment service revenues	85	321	85	80	80	76
Total operating service revenues	2,927	11,662	2,933	2,911	2,917	2,901
Data	144	494	148	110	113	123
Equipment and other	10	49	13	11	13	12
Total external product revenues	154	543	161	121	126	135
Inter-segment product revenues	-	1	1	-	-	-
Total operating product revenues	154	544	162	121	126	135
Total external revenues	2,996	11,884	3,009	2,952	2,963	2,960
Total operating revenues	3,081	12,206	3,095	3,032	3,043	3,036
Operating costs	(1,718)	(6,960)	(1,783)	(1,712)	(1,764)	(1,701)
Adjusted EBITDA	1,363	5,246	1,312	1,320	1,279	1,335
<i>Adjusted EBITDA margin</i>	44.2%	43.0%	42.4%	43.5%	42.0%	44.0%
Capital expenditures	707	3,161	1,053	792	694	622
<i>Capital intensity</i>	22.9%	25.9%	34.0%	26.1%	22.8%	20.5%
Retail high-speed Internet subscribers						
Retail net activations	21,208	148,989	44,512	62,859	19,023	22,595
Retail subscribers EOP ^(A)	3,730,576	3,704,590	3,704,590	3,660,078	3,597,219	3,578,196
Retail TV subscribers						
Retail net subscriber (losses) activations	(9,112)	(33,859)	536	(296)	(15,544)	(18,555)
IPTV	10,696	39,191	21,106	18,837	(3,604)	2,852
Satellite	(19,808)	(73,050)	(20,570)	(19,133)	(11,940)	(21,407)
Total retail subscribers EOP ^(B)	2,723,368	2,738,605	2,738,605	2,738,069	2,738,365	2,753,909
IPTV	1,817,069	1,806,373	1,806,373	1,785,267	1,766,430	1,770,034
Satellite ^(B)	906,299	932,232	932,232	952,802	971,935	983,875
Retail residential NAS						
Retail residential NAS lines net losses	(51,069)	(213,551)	(53,759)	(49,792)	(48,405)	(61,595)
Retail residential NAS lines	2,432,863	2,483,932	2,483,932	2,537,691	2,587,483	2,635,888

^(A) At the beginning of Q1 2021, our retail high-speed Internet subscriber base was increased by 4,778 subscribers due to the transfer of fixed wireless Internet subscribers from our mobile connected devices subscriber base.

^(B) At the beginning of Q1 2021, we adjusted our satellite TV subscriber base to remove 6,125 non-revenue generating units.

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Net debt and other information

BCE - Net debt and preferred shares

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

	March 31 2021	December 31 2020
Debt due within one year	3,786	2,417
Long-term debt	24,965	23,906
50% of preferred shares	2,002	2,002
Cash and cash equivalents	(2,607)	(224)
Net debt ⁽²⁾	28,146	28,101
Net debt leverage ratio ⁽²⁾	2.93	2.93
Adjusted EBITDA /net interest expense ratio ⁽²⁾	8.40	8.32

Cash flow information

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

	Q1 2021	Q1 2020	\$ change	% change
Free cash flow (FCF) ⁽²⁾				
Cash flows from operating activities	1,992	1,451	541	37.3%
Capital expenditures	(1,012)	(777)	(235)	(30.2%)
Cash dividends paid on preferred shares	(31)	(36)	5	13.9%
Cash dividends paid by subsidiaries to non-controlling interest	(13)	(14)	1	7.1%
Acquisition and other costs paid	4	9	(5)	(55.6%)
Cash from discontinued operations (included in cash flows from operating activities)	-	(22)	22	100.0%
FCF	940	611	329	53.8%

Cash flow information - Historical trend

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

	Q1 2021	TOTAL 2020	Q4 2020	Q3 2020	Q2 2020	Q1 2020
FCF						
Cash flows from operating activities	1,992	7,754	1,631	2,110	2,562	1,451
Capital expenditures	(1,012)	(4,202)	(1,494)	(1,031)	(900)	(777)
Cash dividends paid on preferred shares	(31)	(132)	(31)	(32)	(33)	(36)
Cash dividends paid by subsidiaries to non-controlling interest	(13)	(53)	(16)	(11)	(12)	(14)
Acquisition and other costs paid	4	35	2	13	11	9
Cash from discontinued operations (included in cash flows from operating activities)	-	(54)	-	(15)	(17)	(22)
FCF	940	3,348	92	1,034	1,611	611

BCE
Consolidated Statements of Financial Position

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	March 31 2021	December 31 2020
ASSETS		
Current assets		
Cash	1,907	224
Cash equivalents	700	-
Trade and other receivables	3,247	3,528
Inventory	459	439
Contract assets	563	687
Contract costs	424	402
Prepaid expenses	345	209
Other current assets	244	199
Total current assets	7,889	5,688
Non-current assets		
Contract assets	236	256
Contract costs	344	362
Property, plant and equipment	27,370	27,513
Intangible assets	13,227	13,102
Deferred tax assets	107	106
Investments in associates and joint ventures	745	756
Post-employment benefit assets	2,601	1,277
Other non-current assets	1,124	1,001
Goodwill	10,606	10,604
Total non-current assets	56,360	54,977
Total assets	64,249	60,665
LIABILITIES		
Current liabilities		
Trade payables and other liabilities	3,723	3,935
Contract liabilities	762	717
Interest payable	181	222
Dividends payable	804	766
Current tax liabilities	271	214
Debt due within one year	3,786	2,417
Total current liabilities	9,527	8,271
Non-current liabilities		
Contract liabilities	242	242
Long-term debt	24,965	23,906
Deferred tax liabilities	4,285	3,810
Post-employment benefit obligations	1,723	1,962
Other non-current liabilities	1,141	1,145
Total non-current liabilities	32,356	31,065
Total liabilities	41,883	39,336
EQUITY		
Equity attributable to BCE shareholders		
Preferred shares	4,003	4,003
Common shares	20,400	20,390
Contributed surplus	1,154	1,174
Accumulated other comprehensive income	163	103
Deficit	(3,693)	(4,681)
Total equity attributable to BCE shareholders	22,027	20,989
Non-controlling interest	339	340
Total equity	22,366	21,329
Total liabilities and equity	64,249	60,665
Number of common shares outstanding (millions)	904.6	904.4

BCE
Consolidated Cash Flow Data

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 2021	Q1 2020	\$ change
Net earnings from continuing operations	687	728	(41)
Adjustments to reconcile net earnings from continuing operations to cash flows from operating activities			
Severance, acquisition and other costs	89	16	73
Depreciation and amortization	1,133	1,088	45
Post-employment benefit plans cost	79	87	(8)
Net interest expense	263	270	(7)
Impairment of assets	3	7	(4)
Income taxes	253	243	10
Contributions to post-employment benefit plans	(79)	(79)	-
Payments under other post-employment benefit plans	(15)	(17)	2
Severance and other costs paid	(43)	(35)	(8)
Interest paid	(306)	(316)	10
Income taxes paid (net of refunds)	(109)	(233)	124
Acquisition and other costs paid	(4)	(9)	5
Change in contract assets	144	155	(11)
Change in wireless device financing plan receivables	(91)	(76)	(15)
Net change in operating assets and liabilities	(12)	(400)	388
Cash from discontinued operations	-	22	(22)
Cash flows from operating activities	1,992	1,451	541
Capital expenditures	(1,012)	(777)	(235)
Cash dividends paid on preferred shares	(31)	(36)	5
Cash dividends paid by subsidiaries to non-controlling interest	(13)	(14)	1
Acquisition and other costs paid	4	9	(5)
Cash from discontinued operations (included in cash flows from operating activities)	-	(22)	22
Free cash flow	940	611	329
Cash from discontinued operations (included in cash flows from operating activities)	-	22	(22)
Acquisition and other costs paid	(4)	(9)	5
Acquisition of spectrum licences	-	(1)	1
Other investing activities	(21)	(5)	(16)
Cash used in discontinued operations (included in cash flows from investing activities)	-	(7)	7
Decrease in notes payable	(357)	(230)	(127)
(Decrease) increase in securitized trade receivables	(13)	400	(413)
Issue of long-term debt	2,915	3,281	(366)
Repayment of long-term debt	(226)	(709)	483
Issue of common shares	10	22	(12)
Purchase of shares for settlement of share-based payments	(91)	(94)	3
Cash dividends paid on common shares	(753)	(716)	(37)
Other financing activities	(17)	(30)	13
Cash used in discontinued operations (included in cash flows from financing activities)	-	(1)	1
	1,443	1,923	(480)
Net increase in cash and cash equivalents	2,383	2,534	(151)
Cash and cash equivalents at beginning of period	224	145	79
Cash and cash equivalents at end of period	2,607	2,679	(72)

Consolidated Cash Flow Data - Historical Trend

<i>(In millions of Canadian dollars, except where otherwise indicated) (unaudited)</i>	Q1 21	TOTAL 2020	Q4 20	Q3 20	Q2 20	Q1 20
Net earnings from continuing operations	687	2,473	721	734	290	728
Adjustments to reconcile net earnings from continuing operations to cash flows from operating activities						
Severance, acquisition and other costs	89	116	52	26	22	16
Depreciation and amortization	1,133	4,404	1,105	1,108	1,103	1,088
Post-employment benefit plans cost	79	315	76	77	75	87
Net interest expense	263	1,087	269	273	275	270
Impairment of assets	3	472	12	4	449	7
Losses on investments	-	(3)	(3)	-	-	-
Income taxes	253	792	191	262	96	243
Contributions to post-employment benefit plans	(79)	(297)	(78)	(69)	(71)	(79)
Payments under other post-employment benefit plans	(15)	(61)	(17)	(15)	(12)	(17)
Severance and other costs paid	(43)	(78)	(19)	(11)	(13)	(35)
Interest paid	(306)	(1,112)	(235)	(321)	(240)	(316)
Income taxes paid (net of refunds)	(109)	(846)	(383)	(236)	6	(233)
Acquisition and other costs paid	(4)	(35)	(2)	(13)	(11)	(9)
Change in contract assets	144	704	132	178	239	155
Change in wireless device financing plan receivables	(91)	(867)	(319)	(322)	(150)	(76)
Net change in operating assets and liabilities	(12)	636	129	420	487	(400)
Cash from discontinued operations	-	54	-	15	17	22
Cash flows from operating activities	1,992	7,754	1,631	2,110	2,562	1,451
Capital expenditures	(1,012)	(4,202)	(1,494)	(1,031)	(900)	(777)
Cash dividends paid on preferred shares	(31)	(132)	(31)	(32)	(33)	(36)
Cash dividends paid by subsidiaries to non-controlling interest	(13)	(53)	(16)	(11)	(12)	(14)
Acquisition and other costs paid	4	35	2	13	11	9
Cash from discontinued operations (included in cash flows from operating activities)	-	(54)	-	(15)	(17)	(22)
Free cash flow	940	3,348	92	1,034	1,611	611
Cash from discontinued operations (included in cash flows from operating activities)	-	54	-	15	17	22
Business acquisitions	-	(65)	(42)	-	(23)	-
Acquisition and other costs paid	(4)	(35)	(2)	(13)	(11)	(9)
Acquisition of spectrum licences	-	(86)	-	(85)	-	(1)
Other investing activities	(21)	(79)	(12)	(49)	(13)	(5)
Cash from (used in) discontinued operations (included in cash flows from investing activities)	-	892	913	(6)	(8)	(7)
(Decrease) increase in notes payable	(357)	(1,641)	(524)	317	(1,204)	(230)
(Decrease) increase in securitized trade receivables	(13)	-	23	(23)	(400)	400
Issue of long-term debt	2,915	6,006	-	750	1,975	3,281
Repayment of long-term debt	(226)	(5,003)	(1,094)	(979)	(2,221)	(709)
Issue of common shares	10	26	4	-	-	22
Purchase of shares for settlement of share-based payments	(91)	(263)	(54)	(40)	(75)	(94)
Cash dividends paid on common shares	(753)	(2,975)	(753)	(753)	(753)	(716)
Other financing activities	(17)	(93)	(6)	(32)	(25)	(30)
Cash used in discontinued operations (included in cash flows from financing activities)	-	(7)	-	(4)	(2)	(1)
	1,443	(3,269)	(1,547)	(902)	(2,743)	1,923
Net increase (decrease) in cash and cash equivalents	2,383	79	(1,455)	132	(1,132)	2,534
Cash and cash equivalents at beginning of period	224	145	1,679	1,547	2,679	145
Cash and cash equivalents at end of period	2,607	224	224	1,679	1,547	2,679

Accompanying Notes

- (1) Our results are reported in three segments: Bell Wireless, Bell Wireline and Bell Media. Our segments reflect how we manage our business and how we classify our operations for planning and measuring performance.

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

(2) **Non-GAAP Financial Measures**

Adjusted EBITDA and adjusted EBITDA margin

The terms adjusted EBITDA and adjusted EBITDA margin do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers.

We define adjusted EBITDA as operating revenues less operating costs (including post-employment benefit plans service cost) as shown in BCE's consolidated income statements. Adjusted EBITDA for BCE's segments is the same as segment profit as reported in BCE's consolidated financial statements. We define adjusted EBITDA margin as adjusted EBITDA divided by operating revenues.

We use adjusted EBITDA and adjusted EBITDA margin to evaluate the performance of our businesses as they reflect their ongoing profitability. We believe that certain investors and analysts use adjusted EBITDA to measure a company's ability to service debt and to meet other payment obligations or as a common measurement to value companies in the telecommunications industry. We believe that certain investors and analysts also use adjusted EBITDA and adjusted EBITDA margin to evaluate the performance of our businesses. Adjusted EBITDA also is one component in the determination of short-term incentive compensation for all management employees.

Adjusted EBITDA and adjusted EBITDA margin have no directly comparable IFRS financial measure. Alternatively, adjusted EBITDA may be reconciled to net earnings as shown in this document.

Adjusted net earnings and adjusted EPS

The terms adjusted net earnings and adjusted EPS do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers.

We define adjusted net earnings as net earnings attributable to common shareholders before severance, acquisition and other costs, net mark-to-market losses (gains) on derivatives used to economically hedge equity settled share-based compensation plans, net losses (gains) on investments, early debt redemption costs, impairment of assets and discontinued operations, net of tax and non-controlling interest (NCI). We define adjusted EPS as adjusted net earnings per BCE common share.

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

The most comparable IFRS financial measures are net earnings attributable to common shareholders and EPS, as reconciled in this document.

Free cash flow

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

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

We consider free cash flow to be an important indicator of the financial strength and performance of our businesses because it shows how much cash is available to pay dividends on common shares, repay debt and reinvest in our company.

We believe that certain investors and analysts use free cash flow to value a business and its underlying assets and to evaluate the financial strength and performance of our businesses.

The most comparable IFRS financial measure is cash flows from operating activities, as reconciled in this document.

Net debt

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

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

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

Net debt has no directly comparable IFRS financial measure, but rather is calculated using several asset and liability categories from the statements of financial position, as shown in this document.

Net debt leverage ratio

The net debt leverage ratio does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. We use, and believe that certain investors and analysts use, the net debt leverage ratio as a measure of financial leverage.

The net debt leverage ratio represents net debt divided by adjusted EBITDA. For the purposes of calculating our net debt leverage ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA.

Adjusted EBITDA to net interest expense ratio

The ratio of adjusted EBITDA to net interest expense does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. We use, and believe that certain investors and analysts use, the adjusted EBITDA to net interest expense ratio as a measure of financial health of the company.

The adjusted EBITDA to net interest expense ratio represents adjusted EBITDA divided by net interest expense. For the purposes of calculating our adjusted EBITDA to net interest expense ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA. Net interest expense is twelve-month trailing net interest expense as shown in our statements of cash flows, plus 50% of declared preferred share dividends as shown in our income statements.

(3) Key performance indicators (KPIs)

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

Capital intensity is capital expenditures divided by operating revenues.

Mobile phone average billing per user (ABPU) or subscriber approximates the average amount billed to customers on a monthly basis, including monthly billings related to device financing receivables owing from customers on contract, which is used to track our recurring billing streams. Mobile phone blended ABPU is calculated by dividing customer billings by the average mobile phone subscriber base for the specified period and is expressed as a dollar unit per month.

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

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

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

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

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