

Q1 2024 Results Conference Call

May 2, 2024



Bell

Safe harbour notice

Certain statements made in this presentation are forward-looking statements. These forward-looking statements include, but are not limited to, statements relating to BCE's financial guidance (including revenue, adjusted EBITDA, capital intensity, adjusted EPS and free cash flow), BCE's 2024 annualized common share dividend, expected cost savings from transformation initiatives, expected revenue decrease in 2024 due to the Best Buy Canada transaction, BCE's planned 2024 capital expenditures, the expectation of stronger quarterly revenue and adjusted EBITDA growth from our Bell Communication and Technology Services (Bell CTS) segment for the balance of 2024, BCE's net debt leverage ratio target range, BCE's business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. A statement we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words *assumption, goal, guidance, objective, outlook, project, strategy, target, commitment* and other similar expressions or future or conditional verbs such as *aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive* and *will*. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws and of the United States *Private Securities Litigation Reform Act of 1995*.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. For a description of such assumptions and risks, please consult BCE's 2023 Annual MD&A dated March 7, 2024, as updated in BCE's 2024 First Quarter MD&A dated May 1, 2024, and BCE's news release dated May 2, 2024 announcing its financial results for the first quarter of 2024, all filed with the Canadian provincial securities regulatory authorities (available at sedarplus.ca) and with the U.S. Securities and Exchange Commission (available at sec.gov), and which are also available on BCE's website at BCE.ca.

The forward-looking statements contained in this presentation describe our expectations at May 2, 2024 and, accordingly, are subject to change after such date. Except as may be required by applicable securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise

Q1 highlights & progress on strategic priorities

Financial performance

- **Q1 revenue and adjusted EBITDA⁽¹⁾ generally in line with 2024 quarterly budget**
 - Results reflect one-time retroactive media subscriber revenue benefit in Q1'23 and modest revenue elimination from transition of The Source stores to Best Buy Express in Q1'24
- **Adjusted EBITDA margin⁽²⁾ up 0.8 points y/y to 42.7%**
 - Cost savings from transformation initiatives, including workforce reductions, to ramp up as year progresses
- **Net earnings down 42.0% y/y, due to severance cost related to Q1'24 workforce restructuring initiative and non-cash equity derivative loss from decline in BCE share price**

Building the best networks

- **Bell awarded top honours and ranked Canada's fastest⁽³⁾ for our fibre and 5G mobile networks**
- **Bell remains Canada's most awarded Internet service provider⁽⁴⁾**
- **Planned 2024 capex of ~\$4.1B, down at least \$500M y/y**

High-value wireless subscribers

- **Total mobile phone and connected device subscribers, up 4.8% y/y**
- **Consumer wireless service revenue up 4.0%**
- **no nameTM mobile launched by Loblaw at No Frills stores**

⁽¹⁾ Adjusted EBITDA is a total of segment measures. Refer to section *Total of segments measures* in the Appendix to this document for more information on this measure

⁽²⁾ Adjusted EBITDA margin is defined as adjusted EBITDA divided by operating revenue

⁽³⁾ Internet: Based on analysis by Ookla® of Speedtest Intelligence® data Fixed and Wi-Fi nationally aggregated Speed Score results for Q3–Q4 2023.

Mobile 5G: Based on a third party score (Global Wireless Solutions OneScore™) calculated using Bell wireless 5G network testing in Canada against other national wireless networks and by Opensignal in its 2024 Global Mobile Network Experience Awards.

⁽⁴⁾ Based on Bell competitive analysis. Bell awards include Ookla Q3-Q4 2023 Speedtest Awards; PCMag Best ISPs 2023: Canada, based on speed, price, coverage and customer satisfaction comparing major and overall Canadian ISPs from June 1, 2022 to June 27, 2023; and BrandSpark Most Trusted ISP 2023 and 2024.

Q1 highlights & progress on strategic priorities (cont'd)

Broadband growth & multi-product bundling

- Highest Q1 retail Internet net additions in 17 years
- Households in fibre footprint subscribing to Mobility + Internet bundles up 22% y/y
- Cellular and Internet CPI down 26.2% and 15.5% respectively vs. overall CPI increase of 2.9%⁽¹⁾

Accelerating investments in key growth areas

- Partnership with Google Cloud to offer contact centre AI managed solutions services
- Collaboration with Microsoft on new hybrid work solutions for businesses
- Partnership with SentinelOne to expand security capabilities for Bell's enterprise customers

Digital-first media strategy

- Digital revenues⁽²⁾ represented 41% of total Bell Media revenues in Q1, up 12 pts y/y
- Digital advertising revenues⁽³⁾ up 72% on continued strong growth of Bell Media's SAM TV sales tool and new products, including Crave with Ads and Addressable TV
- Crave now available directly on Amazon's Prime Video Channels in Canada
- Launch of 10 FAST channels spanning news, sports and entertainment

⁽¹⁾ Statistics Canada Consumer Price Index (CPI) – March 2024 (03/01/2023 to 03/01/2024)

⁽²⁾ Digital revenues are comprised of advertising revenue from digital platforms including web sites, mobile apps, connected TV apps and OOH digital assets/platforms, as well as advertising procured through Bell digital buying platforms and subscription revenue from direct-to-consumer services and Video on Demand services

⁽³⁾ Digital advertising revenues are comprised of advertising revenue from digital platforms including web sites, mobile apps, connected TV apps and OOH digital assets/platforms, as well as advertising procured through Bell digital buying platforms

Executing on transformation and cost reduction initiatives to position Bell for future growth and efficiency gains, while delivering profitable, margin-accretive customer growth

Q1 operating metrics

Wireless

45,247

Mobile phone postpaid net adds

+4.5% y/y

- Highest Q1 result since 2018

56%

Postpaid subscribers on 5G-capable devices

+12 pts y/y

\$58.14

Blended ARPU⁽¹⁾

0% y/y

- Monthly recurring charges portion of ARPU up 0.4% y/y

66,406

Mobile connected device net adds

-6.1% y/y

⁽¹⁾ ARPU is defined as Bell CTS wireless external services revenues, divided by the average mobile phone subscriber base for the specified period, expressed as a dollar unit per month. In Q1 2024, we adjusted our mobile phone postpaid subscriber base to remove very low to non-revenue generating business market subscribers of 105,802.

Wireline

31,078

Retail Internet net adds

+13.9% y/y

- Best Q1 performance since 2007

+39%

Mobility + Internet sales growth

14,174

Retail IPTV net adds

+30.0% y/y

- Best Q1 for Fibe TV app activations since launch

43,911

Retail residential NAS net losses

Improved 6.3% y/y

⁽²⁾ TSN: Numeris, P2+, Total Canada, Q1 2024

⁽³⁾ CTV: Numeris, Winter 2023-24, Total Canada, Core Primetime (8-11pm)

⁽⁴⁾ RDS: Numeris, P2+ & A25-54, French Quebec, Q1 2024 (excl. news)

Media

+1.6%

Advertising revenue growth

- 1st quarter of growth since Q4'22

+33%

Digital revenue growth

- Crave DTC subscribers up 7% y/y
- 31% growth in sports DTC subscribers

English TV

TSN #1 specialty channel⁽²⁾

- Record viewership for Super Bowl LVIII
- CTV #1 primetime network⁽³⁾
- 4 of top 5 entertainment specialty channels in Q1 (A25-54)

French TV

RDS #1 non-news specialty⁽⁴⁾

- #1 entertainment specialty broadcaster⁽⁵⁾
- Noovo full-day audiences up 4% y/y⁽⁶⁾

⁽⁵⁾ Numeris, P2+ and A25-54, French Quebec, Q1 2024, Rank among French Entertainment Specialty and Pay channels

⁽⁶⁾ Noovo: Numeris, A25-54, French Quebec, Q1 2024

Leveraging our leading broadband networks and products, customer experience focus and digital capabilities to deliver the highest Q1 mobile phone and Internet subscriber net loadings in years



Financial Results

Consolidated financial results

(\$M) except per share data	Q1'24	Y/Y
Revenue	6,011	(0.7%)
Service	5,192	(0.6%)
Product	819	(1.6%)
Adjusted EBITDA	2,565	1.1%
Margin	42.7%	0.8 pts
Net earnings	457	(42.0%)
Statutory EPS	0.44	(44.3%)
Adjusted EPS⁽¹⁾	0.72	(15.3%)
Capital expenditures (capex)	1,002	7.7%
Capital Intensity ⁽²⁾	16.7%	1.2 pts
Cash flows from operating activities	1,132	(9.2%)
Free cash flow (FCF)⁽¹⁾	85	0.0%

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

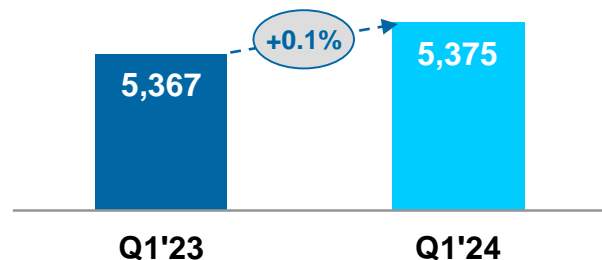
⁽²⁾ Capital intensity is defined as capital expenditures divided by operating revenues.

- **Revenue down 0.7% y/y**
 - ~\$300M revenue decrease expected in 2024 due to Best Buy Canada transaction
 - Result impacted by media revenue adjustment in Q1'23 and lower business wireline product sales
- **Adjusted EBITDA up 1.1% on 2.0% lower operating costs, driving 0.8-pt higher y/y margin of 42.7%**
- **Net earnings down y/y, due to \$234M in severance charges and equity derivative loss**
- **Adjusted EPS down y/y on increased interest expense, higher depreciation & amortization and gains from sale of land in Q1'23 related to our real estate optimization strategy**
- **Consistent with plan for 2024, capex down 7.7%**
- **FCF stable y/y**

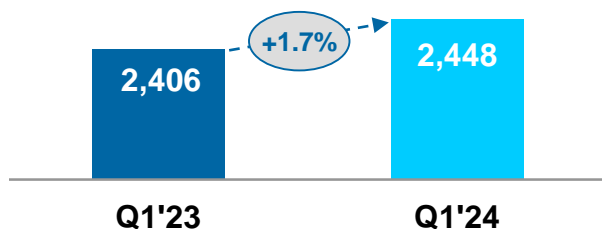
**Financial results generally in line with Q1 budget
with adjusted EBITDA and FCF ahead of plan**

Bell Communication & Technology Services

Revenue (\$M)



Adjusted EBITDA (\$M)



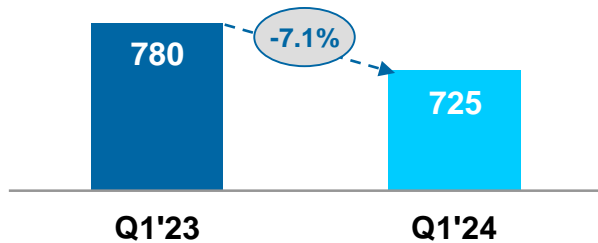
- Residential Internet revenue up ~3% y/y
- Total wireless service revenue growth of 3.0% impacted by aggressive rate plan pricing
- Business wireline strength due to FX Innovation acquisition and higher service solutions sales
 - ~12% organic business solutions revenue⁽¹⁾ growth
- Wireline product revenue down 34.5% y/y, reflecting business sales volume normalization following supply chain recovery in 2023
 - Wireless product revenue up 9.3% on greater sales mix of higher-value devices and timing of government bulk buys
- Adjusted EBITDA up 1.7%

Adjusted EBITDA margin in Q1 up 0.7 pts to 45.5%

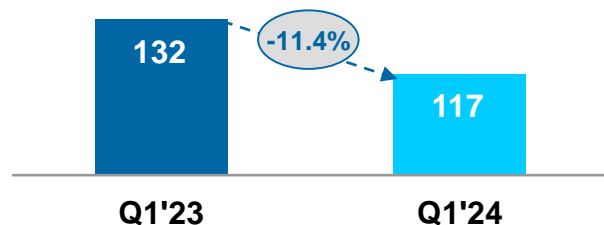
⁽¹⁾ Business solutions revenues are comprised of managed services, which include network management, voice management, hosting and security, and professional services, which include consulting, integration and resource services.

Bell Media

Revenue (\$M)



Adjusted EBITDA (\$M)



- **Advertising revenue up 1.6% y/y**
 - 72% increase in digital advertising revenue
 - Super Bowl ad sales up 23% y/y
 - Return to growth for Out of Home and Radio in Q1
- **Subscriber revenue down 13.8% y/y**
 - Q1'23 result included a favourable one-time retroactive revenue adjustment
- **Total digital revenues up 33% y/y**
- **Adjusted EBITDA down 11.4% y/y**
 - Operating costs down 6.2%, due to lower TV programming costs reflecting content delivery delays as a result of Hollywood strikes in 2023, and savings from restructuring initiatives over the past year

First quarter of positive growth in advertising since Q4'22

Balance sheet & liquidity update

Available liquidity⁽¹⁾

\$4.7B

incl. \$789M in cash

*At March 31, 2024

Net debt leverage ratio⁽¹⁾

~3.6x

*At March 31, 2024

Solvency ratio⁽²⁾

~120%

*Aggregate of BCE DB plans at March 31, 2024

- **\$4.7B total available liquidity at end of Q1**
 - US\$1.45B public debt offering completed February 15th
- **Lowest net debt leverage ratio among national peers at ~3.6x**
 - All 2024 public debt maturities refinanced
 - Weighted average annual after-tax cost of public debt of ~3.2% with average term to maturity of ~13.2 years
 - Updated internal target range to 3x adjusted EBITDA from 2.0-2.5x
- **Cash pension funding stable in 2024 as we continue to benefit from full contribution holiday with all BCE DB plan solvency ratios remaining above 105%**

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

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

Balance sheet and substantial liquidity support strategic priorities and higher common share dividend for 2024

Financial targets for 2024

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

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

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

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

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

Reconfirming all 2024 financial guidance targets



Appendix

Non-GAAP and other financial measures

BCE uses various financial measures to assess its business performance. Certain of these measures are calculated in accordance with International Financial Reporting Standards (IFRS or GAAP) while certain other measures do not have a standardized meaning under GAAP. We believe that our GAAP financial measures, read together with adjusted non-GAAP and other financial measures, provide readers with a better understanding of how management assesses BCE's performance.

National Instrument 52-112, *Non-GAAP and Other Financial Measures Disclosure (NI 52-112)*, prescribes disclosure requirements that apply to the following specified financial measures: (i) non-GAAP financial measures; (ii) non-GAAP ratios; (iii) total of segments measures; (iv) capital management measures; and (v) supplementary financial measures. This Appendix identifies and classifies the specified financial measures contemplated by National Instrument 52-112 that we use in this presentation to explain our financial results except that, for supplementary financial measures, an explanation of such measures is provided where they are first referred to in this presentation if the supplementary financial measures labelling is not sufficiently descriptive.

Non-GAAP financial measures

Adjusted net earnings

Adjusted net earnings is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 8.1, *Non-GAAP financial measures – Adjusted net earnings*, of BCE's 2024 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to net earnings attributable to common shareholders, being the most directly comparable IFRS financial measure.

Available liquidity

Available liquidity is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 8.1, *Non-GAAP financial measures – Available liquidity*, of BCE's 2024 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to cash, being the most directly comparable IFRS financial measure.

Free cash flow

Free cash flow is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 8.1, *Non-GAAP financial measures – Free cash flow and excess free cash flow*, of BCE's 2024 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to cash flows from operating activities, being the most directly comparable IFRS financial measure.

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

Non-GAAP financial measures (cont'd)

Net debt

Net debt is a non-GAAP financial measure and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. Refer to section 8.1, *Non-GAAP financial measures – Net debt*, of BCE's 2024 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to long-term debt, being the most directly comparable IFRS financial measure.

Non-GAAP ratios

Adjusted EPS

Adjusted EPS is a non-GAAP ratio and it does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measures presented by other issuers. We define adjusted EPS as adjusted net earnings per BCE common share. Adjusted net earnings is a non-GAAP financial measure. For further details on adjusted net earnings, refer to section *Non-GAAP financial measures* above. Refer to section 8.2, *Non-GAAP ratios – Adjusted EPS*, of BCE's 2024 First Quarter MD&A, which is incorporated by reference herein, for more information concerning adjusted EPS.

Total of segments measures

Adjusted EBITDA

Adjusted EBITDA is a total of segments measure. Refer to section 8.3, *Total of segments measures – Adjusted EBITDA*, of BCE's 2024 First Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to net earnings, being the most directly comparable IFRS financial measure.

Capital management measures

Net debt leverage ratio

The net debt leverage ratio is a capital management measure and represents net debt divided by adjusted EBITDA. Net debt used in the calculation of the net debt leverage ratio is a non-GAAP financial measure. For further details on net debt, refer to section *Non-GAAP financial measures* above. For the purposes of calculating our net debt leverage ratio, adjusted EBITDA is twelve-month trailing adjusted EBITDA. We use, and believe that certain investors and analysts use, the net debt leverage ratio as a measure of financial leverage.