Q3 2024 Results Conference Call

November 7, 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), the planned discontinuation of Bell-branded's prepaid wireless service by the end of Q4 2024, BCE's planned reduction in 2024 capital expenditures, BCE's network deployment plans, the cost savings expected to result from workforce reductions, the proposed acquisition by Bell Canada of Ziply Fiber, certain potential benefits expected to result from the proposed acquisition, including the expected number of Ziply Fiber fibre locations to be added to Bell's fibre footprint upon closing of the proposed acquisition and the expected number of Ziply Fiber fibre locations targeted to be reached by the end of 2028, Bell Canada's growth prospects and strategic positioning, the proposed disposition of BCE's ownership stake in Maple Leaf Sports and Entertainment Ltd. (MLSE) and the planned access to content rights for the Toronto Maple Leafs and Toronto Raptors on TSN for the next 20 years, the proposed disposition of Northwestel, certain benefits expected to result from the acquisition of HGC Technologies Inc., the expectation that the structure of the proposed acquisition of Ziply Fiber will maintain a relatively stable net debt leverage ratio for BCE and long-term debt investment-grade credit ratings for Bell Canada, the sources of liquidity we expect to use to fund the proposed acquisition of Ziply Fiber and the estimated total cash financing requirement at closing, BCE's expected net debt leverage ratio upon the closing of the proposed acquisition of Ziply Fiber, 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 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 support the funding of strategic growth initiatives such as the acquisition of Ziply Fiber and the strengthening of BCE's balance sheet, BCE's 2024 annualized common share dividend, its intention to maintain such dividend at the current level during 2025 and the potential future resumption of common share dividend growth, 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, Second and Third Quarter MD&As dated May 1, 2024, July 31, 2024 and November 6, 2024, respectively, and BCE's news release dated November 7, 2024 announcing its financial results for the third 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 November 7, 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.

Q3 highlights & progress on strategic priorities

Financial performance

- 2.1% adjusted EBITDA[(1)] growth reflects disciplined execution in a highly competitive market
- Highest adjusted EBITDA margin[(2)] in over 30 years of 45.6%, up 1.7 points y/y
- Net earnings down $1.9B y/y, due to $2.1B non-cash media asset impairment charges
- Free cash flow[(3)] 10.3% higher y/y; Cash flows from operating activities down 6.1% y/y

High-value wireless subscribers

- 158,412 total mobile phone and connected device net additions
- All new net postpaid customer additions activated on main premium Bell Mobility brand
- Discontinued prepaid service on Virgin Plus at end of Q3 and Bell-branded prepaid by end of Q4

Broadband growth & Multi-product bundling

- Pure fibre Internet continuing to drive good subscriber growth and higher product intensity
- ~5% Internet revenue growth — best quarterly result since Q2'23
- Households in fibre footprint subscribing to Mobility + Internet bundles up ~15% y/y

Digital-first media strategy

- 19% increase in digital revenues[(4)]
- Multi-year extension of Crave's partnership with Warner Bros. for HBO and Max content
- Content and licensing agreement with NBCUniversal to bring USA Network and Oxygen True Crime cable channels to Canada
- TSN and RDS now available on Amazon Prime Video Channels in Canada

(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) Free cash flow (FCF) is a non-GAAP financial measure. Refer to section *Non-GAAP financial measures* in the Appendix to this document for more information on this measure

(4) 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

Bell

Q3 highlights & progress on strategic priorities (cont'd)

Capex & Cost saving efficiencies

- **Leveraging technology, automation and simplification to drive capex and cost efficiencies**
- **At least $1B decrease in capex investment in 2024-2025, including more than $500M reduction in 2024, while still delivering on fibre build target of 8.3M locations by end of 2025**
- **On track to achieve in-year labour savings of up to $200M in 2024**

Accelerating transformation & Strategic focus on key growth areas

- **Acquiring Ziply Fiber, the largest broadband fibre provider in the U.S. Pacific Northwest, for ~US$3.65B (~$C5.0B) in a transaction valued at ~US$5.1B (~C$7.0B) including acquired debt**
  - 1.3M fibre locations passed currently, representing 64% of total footprint, and growing to over 3M by the end of 2028
  - Enhances Bell's long-term growth by establishing a foothold in the fast-growing U.S. fibre market, while increasing our scale, diversifying our operating mix and establishing a platform for further expansion opportunities
- **MLSE ownership stake to be sold for $4.7B in cash (after-tax net proceeds of ~$4.2B)**
  - Monetizing a non-core asset with no impact on operating results to fund the acquisition of Ziply Fiber, an asset aligned with Bell's core business and fibre growth strategy that will be accretive to long-term BCE free cash flow
  - Access secured to content rights for Toronto Maple Leafs and Toronto Raptors on TSN for next 20 years
- **Sale of Northwestel for up to $1B in cash on track**
- **FXI's acquisition of HGC Technologies creates Canada's largest ServiceNow integration partner**
- **Expanded partnership with Palo Alto Networks to offer full suite of managed security services**

Priority on financial discipline, profitable subscriber growth and executing on transformation and cost reduction initiatives to position Bell for future growth and efficiency gains

Q3 operating metrics

Wireless

33,111

Postpaid net adds

- Balancing volume growth with economics
- All net adds on main premium Bell brand

1.28%

Postpaid churn rate(1)

- 3rd successive quarter of improvement in the y/y rate of increase

69,085

Prepaid net adds

- Best quarterly result since Q3'19

$58.26

Blended ARPU(2)
Down 3.4% y/y

Wireline

42,415

Retail Internet net adds

- Slowing industry growth, fewer newcomers and less new FTTH deployed
- 66% of EOP subscribers on fibre, up 7 pts

~50%

Internet households subscribing to a Mobility + Internet service bundle

9,197

Retail IPTV net adds

- Less pull-through due to lower Internet volumes; lower Fibe TV app activations

47,674

Retail residential NAS net losses

Media

7.9%

Advertising revenue growth

- 3rd consecutive quarter of growth

12%

Crave growth

- Crave DTC subscribers up 34% y/y
- Sports DTC subscribers up 45% y/y

English TV

TSN #1 specialty channel(3)

- TSN: 14 of top 20 specialty broadcasts(4)
- 3 of top 5 entertainment specialty channels, including #1 CTV Comedy(5)

French TV

RDS #1 non-news specialty(6)

- #1 in entertainment specialty & pay(7)
- Noovo primetime audiences up 4% y/y(8)

(1) Mobile phone churn is defined as the rate at which existing mobile phone subscribers cancel their services.

(2) 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. At September 30, 2024, we removed 77, 971 Virgin Plus prepaid mobile phone subscribers from our prepaid mobile phone subscriber base as we stopped selling new plans for this service as of that date.

(3) Numeris, P2+ Total Canada, Q3 2024, Final Data
(4) Numeris, P2+ Total Canada, Q3 2024, Final Data
(5) Numeris, all key adult demos, Total Canada, Q3 2024
(6) Numeris, P2+ & A25-54, French Quebec, Q3 2024 Rank among French Entertainment Specialty & Pay Channels (excl. news)
(7) Numeris, P2+ & A25-54, French Quebec, Q3 2024 Rank among French Entertainment Specialty & Pay Channels
(8) Numeris, P2+ French Quebec, Fall to date (09/09/24 to 10/06/24)

Focus on disciplined customer acquisition, digital capabilities and cost containment to deliver margin-accretive subscriber growth

Financial Results

Consolidated financial results

($M) except per share data	Q3'24	Y/Y
Revenue	**5,971**	**(1.8%)**
Service	5,286	0.1%
Product	685	(14.3%)
Adjusted EBITDA	**2,722**	**2.1%**
Margin	45.6%	1.7 pts
Net (loss) earnings	**(1,191)**	**n.m.**
Statutory EPS	**(1.36)**	**n.m.**
Adjusted EPS[(1)]	**0.75**	**(7.4%)**
Capital expenditures (capex)	**954**	**17.7%**
Capital Intensity[(2)]	16.0%	3.1 pts
Cash flows from operating activities	**1,842**	**(6.1%)**
Free cash flow (FCF)	**832**	**10.3%**

(1) Adjusted EPS is a non-GAAP ratio. Refer to section *Non-GAAP ratios* in the Appendix to this document for more information on this measure.

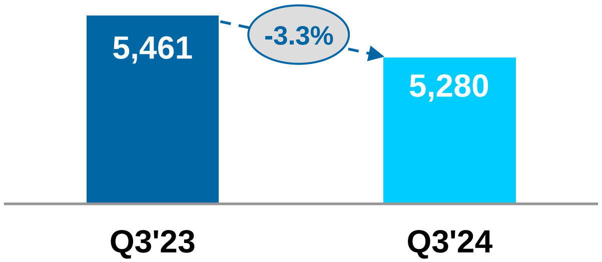
(2) Capital intensity is defined as capital expenditures divided by operating revenues.

- **Positive service revenue growth delivered in a challenging competitive environment**
- **Revenue down 1.8% y/y, driven by 14.3% decrease in product revenue**
- **Adjusted EBITDA up 2.1% y/y, yielding 1.7-point margin increase to 45.6% on 4.8% lower costs**
- **Decline in net earnings and statutory EPS reflects ~$2.1B media asset impairment charges related mainly to continued traditional ad market weakness**
- **Adjusted EPS down 7.4% y/y**
- **Cash flows from operating activities down 6.1% y/y on higher severance and interest paid, and lower cash from working capital**
- **Capex $205M lower y/y, reflecting planned spending reduction of at least $500M in 2024**
- **FCF up 10.3% to $832M in Q3**

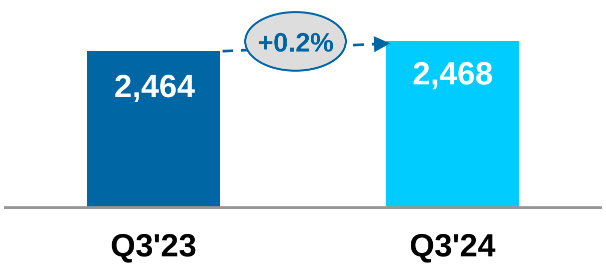
Disciplined execution and focus on cost savings drove 2.1% higher adjusted EBITDA and strong margin expansion to 45.6% in Q3, contributing to FCF growth of 10.3%

Bell Communication & Technology Services

Revenue ($M)



Adjusted EBITDA ($M)



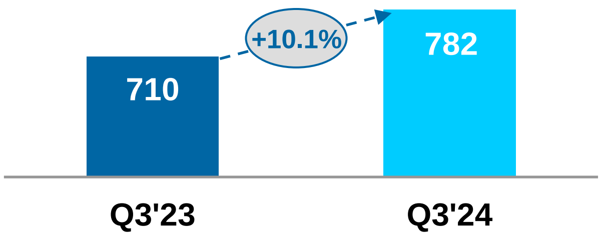
- **Product revenue down 14.3% or $114M y/y**
  - $61M of the decline attributable to The Source store closures and timing of transition to Best Buy Express
  - 25% decline in mobile phone contracted sales
  - Timing of B2B mobile and data equipment sales
- **Stronger Internet revenue growth of ~5% — best quarterly performance since Q2’23**
- **Business solutions revenues[1] up 10%, driven by strong demand for cybersecurity, cloud and digital workflow automation services and acquisitions**
- **Wireless service revenue down 0.9% y/y, reflecting the cumulative impact of competitive pricing and rate plan pressures over the past year**
- **Adjusted EBITDA up 0.2% y/y**

Adjusted EBITDA margin up 1.6 pts y/y to 46.7%, reflecting disciplined subscriber acquisition and flow-through of cost savings initiatives

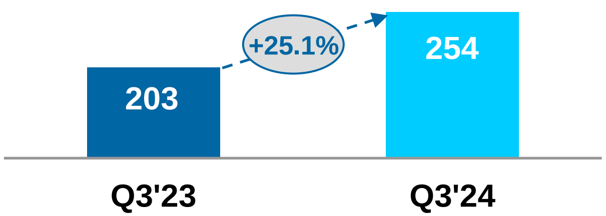
[1] Business solutions revenues are comprised of managed services, which include network management, voice management, hosting and security, and professional services, which include consulting, integration and resource services.

Bell Media

Revenue ($M)



Adjusted EBITDA ($M)



- **Total revenue grew 10.1% y/y**
  - Digital revenues increased 19% and now represent 42% of total media revenue, up 3 pts from Q3'23
- **Advertising revenue 7.9% higher y/y**
  - 23% growth in digital advertising revenue[1]
  - Stronger sports performance driven by NFL, Presidents Cup, UEFA Euro 2024, 2024 COPA América and Olympics
  - Contribution from OUTEDGE Media acquisition
- **Subscriber revenue up 13.5% y/y on retroactive BDU revenue adjustment and continued strong Crave and sports DTC streaming growth**
- **Adjusted EBITDA up 25.1% y/y, yielding 3.9-point margin increase to 32.5%**

[1] 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.

Double-digit revenue and adjusted EBITDA growth delivered in Q3

Balance sheet & liquidity update

Available liquidity(1)

$4.4B

incl. $1.86B in cash

*At September 30, 2024

Net debt leverage ratio(1)

~3.7x

*At September 30, 2024

Solvency ratio(2)

~120%

*Aggregate of BCE DB plans at September 30, 2024

(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.

- **$4.4B total available liquidity at end of Q3**
- **DB pension plans solvency surplus of ~$4.1B**
- **Net debt leverage ratio at ~3.7x**
- **Ziply Fiber acquisition structured to maintain relatively stable net debt leverage ratio and Bell's long-term debt investment grade credit ratings**
  - MLSE net sale proceeds of ~$4.2B to be used towards total cash financing requirement at closing of ~$5B
  - Pro forma net debt leverage ratio at closing to remain relatively unchanged compared to current Q3'24 level
  - Transaction immediately operating cash flow accretive
  - FCF accretive post completion of Ziply Fiber's planned fibre build by the end of 2028
- **2% discounted treasury DRP commencing with Q4'24 BCE common share dividend**
  - Cash obtained will help fund strategic growth initiatives, including Ziply Fiber, and strengthen the balance sheet
- **Maintaining the annual BCE common dividend at the current level of $3.99 per share for 2025**
  - Pausing dividend growth until payout and leverage ratios are tracking towards target policy ranges

Continued healthy balance sheet and liquidity position

Updated financial targets for 2024

BCE	Prior guidance	Current guidance
Revenue growth	0% to 4%	~(1.5%)
Adjusted EBITDA growth	1.5% to 4.5%	No change
Capital intensity[1]	< 16.5%	No change
Adjusted EPS growth[2]	(7%) to (2%)	No change
Free cash flow growth[3]	(11%) to (3%)	No change
Annual common share dividend[4]	$3.99	No change

(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 intiatives, 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.

- **Revenue guidance revision required due mainly to lower-than-anticipated wireless product revenues, including from The Source**
  - Greater-than-forecasted reduction in mobile device sales volumes
  - Timing of mobile equipment sales to certain large enterprise customers
  - Delayed transition of The Source stores to Best Buy Express
  - Cumulative impact of pricing pressures over the past year on mobile phone blended ARPU
- **All other financial guidance targets for 2024 remain unchanged**

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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 Third Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to net (loss) 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 Third 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 Third 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.

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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 Third 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 Third 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 Third Quarter MD&A, which is incorporated by reference herein, for more information concerning this measure, including a reconciliation to net (loss) 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.