



# BCE

## BCE Q4 2024 Results and 2025 Guidance Conference Call

**Mirko Bibic**  
President and Chief Executive Officer

**Curtis Millen**  
Executive Vice President and CFO

February 6, 2025

## **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made by BCE's President and Chief Executive Officer and Executive Vice President and Chief Financial Officer during BCE's Q4 2024 Results and 2025 Guidance Conference Call, as reflected in this transcript, are forward-looking statements. These statements include, without limitation, statements relating to BCE's 2025 guidance (including revenue, adjusted EBITDA, capital intensity, adjusted EPS, free cash flow and annualized common dividend per share); the proposed acquisition by Bell Canada of Northwest Fiber Holdco, LLC (doing business as Zipy Fiber (Zipy Fiber)), the expected timing and completion thereof, and certain potential benefits expected to result from the proposed acquisition, including Zipy Fiber's target number of fibre locations to be reached by the end of 2028 and the combined Zipy Fiber and Bell Canada target number of fibre locations to be reached in North America by the end of 2028; the sources of liquidity we expect to use to fund the proposed acquisition of Zipy Fiber; Bell Canada's growth prospects and strategic positioning; BCE's 2025 strategic and operational roadmap and ongoing business transformation; BCE's goal to reach \$1 billion of business solutions revenue by 2030; BCE's goal to reach \$1 billion in cost savings through its business transformation initiatives by 2028; BCE's capital allocation strategy for 2025, including its focus on maintaining investment-grade credit ratings for Bell Canada's senior debt, deleveraging and lowering its net debt leverage ratio; BCE's common share dividend and dividend payout policy; the objective to terminate the discount feature of BCE's Shareholder Dividend Reinvestment and Stock Purchase Plan (DRP) and the occurrence of future events on which such decision would depend; BCE's anticipated reductions in capital expenditures; BCE's network deployment plans; BCE's expected capital intensity ratio to be achieved in 2025, as well as beyond 2025 following the closing of the proposed acquisition of Zipy Fiber; Bell Canada's expected capital intensity ratio to be achieved in 2025 and beyond 2025; the potential opportunities to grow Zipy Fiber's fibre footprint in the U.S. and how they could be achieved; BCE's non-core asset review process and capital initiatives; the proposed disposition of Northwestel Inc. (Northwestel); the proposed disposition of BCE's ownership stake in Maple Leaf Sports and Entertainment Ltd. (MLSE) and the intended use by BCE of the proceeds from the proposed disposition; the anticipated aggregate amount of proceeds to be generated from the divestiture of non-core assets, including from the planned divestitures of Northwestel and BCE's ownership stake in MLSE; the expected use of proceeds from the divestiture of non-core assets (other than BCE's stake in MLSE); the expected financial impact in 2025 of The Source stores closures that took place in 2024; the expectation of higher adjusted EBITDA margin in 2025; BCE's business outlook, objectives, plans and strategic priorities, and other statements that are not historical facts. Forward-looking statements are typically identified by the words "assumption", "goal", "guidance", "objective", "outlook", "project", "strategy", "target", "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 and that our business outlook, objectives, plans and strategic priorities may not be achieved. These statements are not guarantees of future performance or events, and we caution you against relying on any of these forward-looking statements. The forward-looking statements contained in this transcript describe our expectations as of February 6, 2025 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. We regularly consider potential acquisitions, dispositions, mergers, business combinations, investments, monetizations, joint ventures and other transactions, some of which may be significant. Except as otherwise indicated by us, forward-looking statements do not reflect the potential impact of any such transactions or of special items that may be announced or that may occur after February 6, 2025. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Forward-looking statements were made during BCE's Q4 2024 Results and 2025 Guidance Conference Call for the purpose of assisting investors and others in understanding certain key elements of our expected financial results, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes. The forward-looking statements made during BCE's Q4 2024 Results and 2025 Guidance Conference Call for periods beyond 2025 assume, unless otherwise indicated, that the economic, market, operational and financial assumptions as well as the material risk factors described in this transcript will remain substantially unchanged during such periods.

### **Material Assumptions**

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

### **Canadian Economic Assumptions**

*Our forward-looking statements are based on certain assumptions concerning the Canadian economy. These assumptions do not incorporate the imposition of wide-ranging U.S. tariffs on all imports from Canada and retaliatory tariffs by the Canadian government on a wide range of goods coming from the U.S. Given the fast-evolving situation and the high degree of uncertainty around the duration of a potential trade war, it is difficult to predict how the effects would flow through the economy. New tariffs could significantly affect the outlooks for economic growth, consumer spending, inflation and the Canadian dollar. In particular, we have assumed:*

- *Strengthening economic growth, given the Bank of Canada's most recent estimated growth in Canadian gross domestic product of 1.8% in 2025, representing an increase from 1.3% in 2024*
- *Slower population growth because of government policies designed to slow immigration*
- *Growth in consumer spending supported by past decreases in interest rates*
- *Modest growth in business investment underpinned by past declines in interest rates*
- *Relatively stable level of consumer price index (CPI) inflation*
- *Ongoing labour market softness*
- *Interest rates expected to remain at or near current levels*
- *Canadian dollar expected to remain near current levels. Further movements may be impacted by the degree of strength of the U.S. dollar, interest rates and changes in commodity prices.*

#### **Canadian Market Assumptions**

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

- *A higher level of wireline and wireless competition in consumer, business and wholesale markets*
- *Higher, but slowing, wireless industry penetration*
- *A shrinking data and voice connectivity market as business customers migrate to lower-priced telecommunications solutions or alternative over-the-top (OTT) competitors*
- *The Canadian traditional TV and radio advertising market is expected to be impacted by audience declines as the advertising market growth continues to shift towards digital*
- *Declines in broadcasting distribution undertaking (BDU) subscribers driven by increasing competition from the continued rollout of subscription video on demand (SVOD) streaming services together with further scaling of OTT aggregators*

#### **Assumptions Concerning our Bell CTS Segment**

*Our forward-looking statements are also based on the following internal operational assumptions with respect to our Bell CTS segment:*

- *Stable or slight decrease in our market share of national operators' wireless mobile phone net additions as we manage increased competitive intensity and promotional activity across all regions and market segments*
- *Ongoing expansion and deployment of Fifth Generation (5G) and 5G+ wireless networks, offering competitive coverage and quality*
- *Continued diversification of our distribution strategy with a focus on expanding direct-to-consumer (DTC) and online transactions*
- *Slightly declining mobile phone blended average revenue per user (ARPU) due to competitive pricing pressure*
- *Continuing business customer adoption of advanced 5G, 5G+ and Internet of Things (IoT) solutions*
- *Continued scaling of technology services from recent acquisitions made in the enterprise market through leveraging our sales channels with the acquired businesses' technical expertise*
- *Improving wireless handset device availability in addition to stable device pricing and margins*
- *Moderating deployment of direct fibre to incremental homes and businesses within our wireline footprint*
- *Continued growth in retail Internet subscribers*
- *Increasing wireless and Internet-based technological substitution*
- *Continued focus on the consumer household and bundled service offers for mobility, Internet and content services*
- *Continued large business customer migration to Internet protocol (IP)-based systems*
- *Ongoing competitive repricing pressures in our business and wholesale markets*
- *Traditional high-margin product categories challenged by large global cloud and OTT providers of business voice and data solutions expanding into Canada with on-demand services*
- *Increasing customer adoption of OTT services resulting in downsizing of television (TV) packages and fewer consumers purchasing BDU subscriptions services*
- *Realization of cost savings related to operating efficiencies enabled by our direct fibre footprint, changes in consumer behaviour and product innovation, digital and AI adoption, product and service enhancements, expanding self-serve*

capabilities, new call centre and digital investments, other improvements to the customer service experience, management workforce reductions including attrition and retirements, and lower contracted rates from our suppliers

- No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our communication and technology services business

#### **Assumptions Concerning our Bell Media Segment**

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

- Overall digital revenue expected to reflect continued scaling of our Strategic Audience Management (SAM) TV and demand-side platform buying platforms, expansion of Addressable TV, as well as DTC subscriber growth, contributing towards the advancement of our digital-first media strategy
- Leveraging of first-party data to improve targeting, advertisement delivery including personalized viewing experience and attribution
- Continued escalation of media costs to secure quality content
- Continued scaling of Crave through optimized content offering, user experience improvements and expanded distribution
- Continued support in original French content with a focus on digital platforms such as Crave, Noovo.ca and iHeartRadio Canada, to better serve our French-language customers through a personalized digital experience
- Ability to successfully acquire and produce highly-rated and differentiated content
- Building and maintaining strategic supply arrangements for content across all screens and platforms
- No adverse material financial, operational or competitive consequences of changes in or implementation of regulations affecting our media business

#### **Financial Assumptions Concerning BCE**

Our forward-looking statements are also based on the following internal financial assumptions with respect to BCE for 2025:

- An estimated post-employment benefit plans service cost of approximately \$205 million
- An estimated net return on post-employment benefit plans of approximately \$100 million
- Depreciation and amortization expense of approximately \$5,100 million to \$5,150 million
- Interest expense of approximately \$1,775 million to \$1,825 million
- Interest paid of approximately \$1,850 million to \$1,900 million
- An average effective tax rate of approximately 17%
- Non-controlling interest of approximately \$60 million
- Contributions to post-employment benefit plans of approximately \$40 million
- Payments under other post-employment benefit plans of approximately \$60 million
- Income taxes paid (net of refunds) of approximately \$700 million to \$800 million
- Weighted average number of BCE common shares outstanding of approximately 935 million
- An annualized common share dividend of \$3.99 per share

#### **Assumptions underlying expected continuing contribution holiday in 2024 in the majority of our pension plans**

We have made the following principal assumptions underlying the expected continuing contribution holiday in 2025 in the majority of our pension plans:

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

The foregoing assumptions, although considered reasonable by BCE on February 6, 2025, may prove to be inaccurate. Accordingly, our actual results could differ materially from our expectations as set forth in this transcript.

#### **Material Risks**

Important risk factors that could cause our assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in, or implied by, our forward-looking statements, including our 2025 guidance, are listed below. The realization of our forward-looking statements, including our ability to meet our 2025 guidance targets, essentially

depends on our business performance, which, in turn, is subject to many risks. Accordingly, readers are cautioned that any of the following risks could have a material adverse effect on our forward-looking statements. These risks include, but are not limited to: the negative effect of adverse economic conditions, including a potential trade war and potential recession, reductions in immigration levels, high housing support costs relative to income, and financial and capital market volatility, and the resulting negative impact on business and customer spending and the demand for our products and services; the negative effect of adverse conditions associated with geopolitical events; the intensity of competitive activity and the failure to effectively respond to evolving competitive dynamics; the level of technological substitution and the presence of alternative service providers contributing to disruptions and disintermediation in each of our business segments; changing customer behaviour and the expansion of cloud-based, over-the-top (OTT) and other alternative solutions; advertising market pressures from economic conditions, fragmentation and non-traditional/global digital services; rising content costs and challenges in our ability to acquire or develop key content; high Canadian Internet and smartphone penetration; regulatory initiatives, proceedings and decisions, government consultations and government positions that negatively affect us and influence our business including, without limitation, concerning mandatory access to networks, spectrum auctions, the imposition of consumer-related codes of conduct, approval of acquisitions, broadcast and spectrum licensing, foreign ownership requirements, privacy and cybersecurity obligations and control of copyright piracy; the inability to implement enhanced compliance frameworks and to comply with legal and regulatory obligations; unfavourable resolution of legal proceedings; the failure to evolve and transform our networks, systems and operations using next-generation technologies while lowering our cost structure, including the failure to transition from a traditional telecommunications company to a tech services and digital media company and meet customer expectations of product and service experience; the inability to drive a positive customer experience; the inability to protect our physical and non-physical assets from events such as information security attacks, unauthorized access or entry, fire and natural disasters; the failure to implement an effective security and data governance framework; the risk that we may need to incur significant capital expenditures to provide additional capacity and reduce network congestion; service interruptions or outages due to network failures or slowdowns; events affecting the functionality of, and our ability to protect, test, maintain, replace and upgrade, our networks, information technology (IT) systems, equipment and other facilities; the failure by other telecommunications carriers on which we rely to provide services to complete planned and sufficient testing, maintenance, replacement or upgrade of their networks, equipment and other facilities, which could disrupt our operations including through network or other infrastructure failures; the complexity of our operations and IT systems and the failure to implement, maintain or manage highly effective processes and IT systems; in-orbit and other operational risks to which the satellites used to provide our satellite TV services are subject; the failure to attract, develop and retain a diverse and talented team capable of furthering our strategic imperatives and high-tech transformation; the potential deterioration in employee morale and engagement resulting from staff reductions, cost reductions or reorganizations and the de-prioritization of transformation initiatives due to staff reductions, cost reductions or reorganizations; the failure to adequately manage health and safety concerns; labour disruptions and shortages; the inability to access adequate sources of capital and generate sufficient cash flows from operating activities to meet our cash requirements, fund capital expenditures and provide for planned growth; uncertainty as to whether our dividend payout policy will be maintained or achieved, or that the dividend on common shares will be maintained or dividends on any of BCE's outstanding shares will be declared by BCE's board of directors; the failure to reduce costs and adequately assess investment priorities, as well as unexpected increases in costs; the inability to manage various credit, liquidity and market risks; the failure to evolve practices to effectively monitor and control fraudulent activities; new or higher taxes due to new tax laws or changes thereto or in the interpretation thereof, and the inability to predict the outcome of government audits; the impact on our financial statements and estimates from a number of factors; pension obligation volatility and increased contributions to post-employment benefit plans; the expected timing and completion of the proposed disposition of Northwestel Inc. (Northwestel) are subject to closing conditions, termination rights and other risks and uncertainties, including, without limitation, the purchaser securing financing and the completion of confirmatory due diligence, which may affect its completion, terms or timing and, as such, there can be no assurance that the proposed disposition will occur, or that it will occur on the terms and conditions, or at the time, currently contemplated, or that the potential benefits expected to result from the proposed disposition will be realized; the expected timing and completion of the proposed disposition of BCE's ownership stake in Maple Leaf Sports and Entertainment Ltd. (MLSE) and the planned access for Bell Media to content rights for the Toronto Maple Leafs and Toronto Raptors for the next 20 years through a long-term agreement with Rogers Communications Inc. are subject to closing conditions, termination rights and other risks and uncertainties, including, without limitation, relevant sports league and other customary approvals, which may affect its completion, terms or timing, and the intended use of proceeds by BCE from the proposed disposition may vary based on timing of closing of the disposition and other factors and, as such, there can be no assurance that the proposed disposition, the anticipated use of proceeds and the potential benefits expected to result from the proposed disposition will occur or be realized, or that they will occur or be realized on the terms and conditions, or at the time, currently contemplated; the expected timing and completion of the proposed acquisition of Northwest Fiber Holdco, LLC (doing business as Zply Fiber (Zply Fiber)) are subject to customary closing conditions, termination rights and other risks and uncertainties, including, without limitation, relevant regulatory approvals, such as approval by the Federal Communications Commission and approvals by state Public Utilities Commissions, which may affect its completion, terms or timing and, as such, 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, currently contemplated, or that the potential benefits expected to result from the proposed acquisition will be realized; reputational risks and the inability to meaningfully integrate environmental, social and governance (ESG) considerations into our business strategy, operations

*and governance; the adverse impact of various internal and external factors on our ability to achieve our ESG targets including, without limitation, those related to greenhouse gas emissions reduction, supplier engagement and diversity, equity, inclusion and belonging; the failure to take appropriate actions to adapt to current and emerging environmental impacts, including climate change; the failure to develop and implement sufficient corporate governance practices; the inability to adequately manage social issues; health risks, including pandemics, epidemics and other health concerns, such as radio frequency emissions from wireless communications devices and equipment; our dependence on third-party suppliers, outsourcers and consultants to provide an uninterrupted supply of the products and services we need; the failure of our vendor selection, governance and oversight processes, including our management of supplier risk in the areas of security, data governance and responsible procurement; the quality of our products and services and the extent to which they may be subject to defects or fail to comply with applicable government regulations and standards.*

*We caution that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect our results. We encourage investors to also read BCE's Safe Harbour Notice Concerning Forward-Looking Statements dated February 6, 2025, for additional information with respect to certain of these and other assumptions and risks, filed by BCE with the Canadian provincial securities regulatory authorities (available at [sedarplus.ca](https://www.sedarplus.ca)) and with the U.S. Securities and Exchange Commission (available at [SEC.gov](https://www.sec.gov)). This document is also available at [BCE.ca](https://www.bce.ca).*

## **CORPORATE PARTICIPANTS**

**Mirko Bibic**  
*President and CEO*

**Curtis Millen**  
*Executive Vice President and CFO*

**Thane Fotopoulos**  
*Vice President - IR*

## **CONFERENCE CALL PARTICIPANTS**

**David Barden**  
*BoA Securities – Analyst*

**Aravinda Galappaththige**  
*Canaccord Genuity - Analyst*

**Jerome Dubreuil**  
*Desjardins Securities – Analyst*

**Sebastiano Petti**  
*J.P. Morgan - Analyst*

**Patrick Ho**  
*Morgan Stanley - Analyst*

**Drew McReynolds**  
*RBC Capital Markets - Analyst*

**Maher Yaghi**  
*Scotiabank - Analyst*

**Vince Valentini**  
*TD Securities - Analyst*

## **PRESENTATION**

### **Operator**

Good morning ladies and gentlemen. Welcome to the BCE Q4 2024 Results and 2025 Guidance Call. I would now like to turn the meeting over to Mr. Thane Fotopoulos. Please go ahead, Mr. Fotopoulos.

---

### **Thane Fotopoulos – Vice President – IR**

Thank you Matthew and good morning to everyone on the call and thank you for joining us with me here today are Mirko Bibic, BCE's President and CEO and our CFO, Curtis Millen.

You can find all of our Q4 disclosure documents including the Safe Harbour notice concerning forward-looking statements for 2025 and our financial guidance targets for this year on the Investor Relations page of the bce.ca website which we posted earlier this morning.

We have a lot of material to get through on this call, however, before we begin, I'd like to draw your attention to our Safe Harbour statement on slide 2, reminding you that today's slide presentation and remarks made during the call will include forward-looking information and therefore are subject to risks and uncertainties. Results could differ materially. We disclaim any obligation to update forward-looking statements except as required by law. Please refer to our publicly filed documents for more details on assumptions and risks. With that out of the way, I'll turn the call over to Mirko.

---

### **Mirko Bibic – President and CEO**

Thank you, Thane, and good morning everyone. Our financial results in Q4 and in 2024 demonstrate our disciplined execution in an ultra-competitive market as we took the necessary near-term actions to balance growth with profitability and to reduce costs to achieve our target objectives. In terms of overall consolidated financial performance, we achieved all our non-revenue targets for 2024. We were also within our revised revenue guidance objective; Notwithstanding sustained aggressive wireless pricing in Q4 and continued softness in the traditional media advertising market.

Notably, our consolidated EBITDA margin increased 1.2 points to 43.4%, our highest annual margin performance in over 30 years. A few other select operating highlights for 2024. And I'll start with wireless. We delivered positive wireless service revenue growth despite the most pricing-intense market we've ever seen. This is a direct reflection of our focus on premium brand customer loadings and managing our promotional offers responsibly. In fact, all our new postpaid customer net activations in 2024 were on the main Bell brand which should help improve ARPU going forward.

We grew broadband Internet market share and drove higher multi-product penetration. This contributed to Internet revenue growth of 3.3% and a 12% increase in households that subscribe to mobility and Internet service bundles where we have fibre. We now have 3 million residential Internet customers on our FTTH network and that's up 10% in 2024. Our speed advantage and quality gap over cable shows in these results and that will continue to grow over time.

Turning to media, we grew digital revenue 19% over last year, helping to offset the secular pressures in traditional media. Digital now comprises 42% of total media revenue and that's up from 35% in 2023. And this strategic shift to digital will be supported going forward with investments we made this past year, including the availability of Crave, TSN and RDS content on Amazon Prime video channels in Canada, the newly launched Crave TSN and RDS bundles, a new self-serve buying platform for advertisers looking to



reach local audiences, Bell Media's multi-year extension of Crave's partnership with Warner Bros. Discovery for HBO and Max content, and the launch of 10 new fast channels.

We also made further progress in advancing our BCE transformation agenda by continuing to leverage technology, automation and simplification to drive meaningful capex and meaningful operating cost efficiencies. These transformation initiatives, together with savings realized from our workforce reduction program, delivered well over \$200 million in cost savings in 2024. We're also seeing the benefit in terms of lowering capex, which declined 684 million in 2024 to approximately \$3.9 billion, and our momentum to advance our position as a tech services leader in the business enterprise space also continued to ramp up in 2024 with strong business solutions services revenue growth of 18%.

In summary, our performance in 2024 reflects a focused company in the midst of transformation while at the same time driving day-to-day execution to serve our customers, grow subscribers profitably, and prudently manage costs. Now, I'm going to turn to slide 4 of our presentation.

Bell's an iconic company that's delivering on its purpose to advance how Canadians connect with each other and the world. At the same time, we're operating in an environment with the lowest pricing we've ever seen, as I mentioned, and with continued macroeconomic and regulatory pressures. This has resulted in revenue declines. In this context, it's incumbent on us to develop a business strategy that will generate revenue growth. And critical to the successful execution of this strategic plan is prudent management of our balance sheet and capital allocation priorities. We've spent considerable time with our shareholders and we've heard their perspectives.

So, let me outline very clearly our plan of action that will carry us for years to come that focuses on our customers and on creating value for shareholders. It plays to our strengths and it prioritizes the following core elements; putting the customer first, offering the best Internet and wireless networks and services, business technology services leadership, and fourth, building a digital media and content powerhouse. There's a fifth pillar as well, and that's to continue to transform our business by leveraging technology, automation, and simplification in a way that's more agile, lower touch and digital to drive even more meaningful capex and operating cost efficiencies than we've already delivered.

I'll now go through each element of the plan. Let's go to slide 5. As you can see, it begins and ends with the customer. Customers are our top priority. They're looking to access faster, easier experiences on their terms. We strive to make it easy for our customers to do business with us. Whether that's doing what they say--what we say we'll do, getting you the right help fast, offering bill accuracy and transparency, making it right if we fall short, or providing the same information whether you call us, visit us, or go to a store, or go online. This approach drives significant cost savings and a massively improved customer experience which results in better customer satisfaction, lower churn, and ultimately, revenue growth and higher customer lifetime value.

Bell is the first Canadian telecom company to name a dedicated Chief Customer Experience Officer with a mandate to create best-in-class experiences for our customers in every encounter across all channels. The new role is responsible for the entire customer experience from end-to-end sales, installation, billing, support, managing changes to plans and packages and technology changes.

We're prioritizing digital interactions to create smoother and more seamless processes for customers whether they want to purchase new services, change their plan, or simply get support with a technical or billing issue. And we'll continue to take advantage of the award-winning MyBell app, virtual repair, and self-install tools. But we know that everyone has a different level of comfort with technology, so we'll always provide options to those who prefer to speak to a customer service agent on the phone.

Now, let's go to slide 6. As I said, our plan is to create sustained revenue growth that will benefit customers and investors now and well into the future. Our broadband Internet and wireless networks are the

foundation of our business. Fibre is the future. It's the winning strategy offering the fastest Internet technology and providing a more durable alternative to copper, cable, or fixed wireless. We've been transforming ourselves into a fiber-first company and that is going to continue. And our fibre growth will be supercharged with the acquisition of Zply Fiber, the largest broadband and fibre internet provider in the U.S. Pacific Northwest.

This strategic acquisition will grow BCE's position as North America's third largest fibre internet provider. By year-end 2028, we expect to have approximately 12 million fibre passings in North America. This will accelerate subscriber revenue and EBITDA growth for Bell, generating long-term value for our customers and shareholders. And as we announced previously, we intend to finance the Zply Fiber deal largely with the net proceeds from the pending sale of MLSE. This is a very strategic redeployment of capital into our core business and a clear indication that we will act on compelling opportunities to monetize non-core assets.

Next, we have wireless. It's a tough environment right now in Canada as the industry is going through a period of unprecedented price competition. But as that stabilizes and as we continue to focus on costs and operational simplification, wireless will remain a key growth vector. We're going to continue to focus on value accretion, delivering better quality margin accretive subscriber loadings on our main Bell brand, and increasing service bundle penetration and multi-line sales while managing pricing and churn.

The third key area focused to generate revenue growth is technology solutions leadership in enterprise. We've set an ambitious goal to generate \$1 billion in annual revenue by 2030. Our enterprise customers are transforming their businesses and they want our help. Bell has created a leading IT services and cybersecurity business accelerated by the acquisitions of FX Innovation, HGC Technologies, Stratagem, and CloudKettle. We're going to deliver among the best technology solutions in end-to-end cloud, IT, workflow automation and security, leveraging our strong partnerships with AWS, Azure, Google Cloud, Salesforce, ServiceNow, Palo Alto and others that are complementary to those acquisitions and important to our success going forward. This supports our goal to become the IT systems integrator and managed services provider of choice to key industry verticals.

The fourth big opportunity is continuing Bell Media's momentum and pivoting from a traditional broadcaster to a digital media and content powerhouse. That journey is well underway with 42% of our media revenue now coming from digital sources.

That's up from just 17% in 2020. And here's something I haven't shared with you before, about half of that \$1.3 billion in annual revenue is new digital revenue from products including direct-to-consumer streaming, Crave with ads, Connected TV and other ad-supported streaming options such as fast channels.

Notably, the other half of our digital revenue comes from advertisers buying ads on our traditional platforms and who use Bell Media's digitally enabled sales tools to optimize their ad campaigns. Bell First Party Data to optimize advertising placement on our traditional channels and Bell Analytics to measure the success of that advertising.

Importantly, this allows us to protect a large portion of our traditional revenue because of the customer experience and value add of our digital tools.

The fifth key pillar is outlined on slide 7 of our presentation. As I mentioned, our execution will continue to be supported by our ongoing business transformation from a traditional Telco to a Techco. And what I really mean by that is modernizing and simplifying how we do business and how we operate. Our goal is to generate \$1 billion in cost savings by 2028, if not sooner. We have a number of focused initiatives underway including consolidating our consumer order and billing systems, automating manual back office functions, deploying cloud-based workflow management and CRM platforms, deploying a cloud-based TV service, prioritizing digital interactions, enabling more self-install, and of course, migrating customers from

copper to fibre so we can decommission copper. We started this business transformation in 2022, and at the end of 2024, we were halfway towards our stated goal.

I'll now turn to slide 8 and address our balance sheet management and capital allocation strategy. Our approach to capital allocation is to balance long-term investment to generate growth while strengthening the balance sheet and optimizing our cost of capital. We remain focused on maintaining investment-grade credit ratings for our senior debt and lowering our leverage ratio closer to our target policy of 3 times adjusted EBITDA. Regarding our dividend, we recognize that we have an elevated payout ratio that is outside our policy range. That's reflected in BCE's share price and dividend yield which we are disappointed with. BCE's dividend and dividend policy will continue to be reviewed by the Board, taking into consideration the competitive macroeconomic and regulatory environments as well as the progress being made on the initiatives being discussed today.

I also want to make clear that the discounted DRP, the DRIP, is in place for now as opportunities arise to monetize non-core assets, access the hybrid debt market, and establish more capital-efficient ways to fund our U.S. Fiber build, all of which would drive a lower cost of capital, then we would look to turn off the DRIP program. In terms of capital investment, we continue to lower capex and capital intensity while continuing to invest significantly in our business just as we said we would back in 2021 when we first announced our accelerated capex program.

Last February, we said that our plan was to reduce capex by more than \$1 billion over the 2024-2025 timeframe. In fact, we're ahead of plan, having achieved nearly 70% of that objective by the end of 2024. However, because of the CRTC's rejection on Monday of our governor and council request to reconsider its November 2023 decision that provided Telus and other large carriers temporary wholesale tariff access to our FTTH network, we are cutting capex by more than we anticipated would be the case for 2025. And with that, our capital intensity ratio will be approximately 14% in 2025.

This reduction is clearly greater than what we would have done otherwise. Consequently, we will not be delivering our fibre build-out target of 8.3 million homes by the end of this year. So, what originally began as a 9 million deployment plan in 2021 will now be less than 8.3 million. This decrease in our fibre build-out is a direct result of the CRTC's refusal to ban Telus and other large carriers from reselling the FTTP network we've built. We will revisit our build-out plan if the CRTC reverses its decision. Our position on this issue has been stated many times. The CRTC's decision is, in our view, misguided as it goes against its long-standing facilities-based competition policies which have clearly encouraged private investment. These policies have enabled our significant network investments that brought fibre to millions of homes and businesses for the benefit of Canadians.

Post 2025, BCE's capital intensity ratio including Zipy Fiber is projected to be at most 16.5% while Bell's standalone Capital Intensity is projected to drop below 14%.

Regarding Zipy Fiber, that acquisition allows us to move capital to an asset that will drive significant growth in our core fibre business in a leveraged-neutral manner. We forecast very compelling IRRs for the targeted 3.3 million homes to be passed by Zipy Fiber by the end of 2028. We would review other potential opportunities to grow that fibre footprint, but only with a build-out structure that would bring third-party capital to invest alongside Bell, effectively reducing BCE's funding requirements.

Turning to debt. We appreciate that many shareholders would like us to focus on deleveraging. We're carefully reviewing our non-core assets and will continue to capitalize on opportunities to monetize them where it makes financial and strategic sense. This review process has already resulted in the planned divestitures of Northwestel & MLSE. Additional non-core assets have been identified and any proceeds of their sale are expected to be used to strengthen our balance sheet, improve our leverage ratio, and optimize our cost of capital.

Between Northwestel, MLSE, and potential other non-core asset divestitures, we see up to \$7 billion being generated. In addition, there's a significant amount of untapped value that exists in our telecom infrastructure, and we're assessing the best ways to surface that value. Financial advisors have been retained to assist in this regard, given the importance of such potential transactions.

In conclusion, the strategic and operational roadmap I've shared in detail today will guide our actions for 2025 and beyond. To quickly recap and to summarize the main elements of that roadmap, here's what we're going to do. Put the customer first in our decisions, continue to execute in a disciplined manner in Canada focusing on margin accretive subscriber growth using our fibre and 5G wireless network advantages, work towards building a billion-dollar-plus revenue technology services business, rapidly accelerate Bell Media's digital revenue mix, generate \$500 million in further transformation savings to reach \$1 billion by 2028, consider divesting up to \$7 billion in non-core assets inclusive of our pending sales of Northwest Tel and MLSE, and optimize our cost of capital as we continue to focus on maintaining investment grade credit ratings for our senior debt.

We will share our progress on these various elements with the investment community transparently and regularly. And before I hand it over to Curtis for a review of our Q4 operating results and financial guidance targets for 2025, let me conclude with a couple of thank you. First, to the entire Bell team for your perseverance, dedication and resourcefulness in a challenging environment. And second, to Thane as this is his last analyst call after many years of outstanding service to our company which we greatly appreciate.

And with that, Curtis, over to you.

---

#### **Curtis Millen – Executive Vice President and CFO**

Right, thank you, Mirko and good morning, everyone. I'll begin on slide 10 with BCE's consolidated financial results. Adjusted EBITDA was up 1.5%, which drove a 90-point margin improvement to 40.6%. As expected, total revenue was down 0.8% reflecting the flow-through impact of sustained competitive pricing pressures over the past year and ongoing declines in legacy voice, data, and satellite TV services.

Both Q4 net earnings and adjusted EPS were up over last year reflecting higher EBITDA and some non-cash mark-to-market gains on FX hedges and options. capex was down \$66 million in Q4 bringing total capex savings to 684 million this year, which was, as Mirko commented, well ahead of our plan to reduce capital investment by at least \$500 million in 2024. Lastly, Q4 free cash flow was in line with our quarterly forecast, reflecting higher interest paid as well as the timing of cash tax, instalment payments, and working capital.

Turning to Bell CTS on slide 11. Postpaid net additions of 56,550 were down versus a very strong Q4 last year. Consistent with our focus on margin accretive subscriber acquisition, all new customers were on the main Bell brand. While postpaid churn was up and remains higher than we'd like, it did represent a fourth straight quarter of deceleration in the year-over-year rate of increase. Mobile phone ARPU was down 2.7%. This is a notable improvement versus the 3.4% decline in Q3. In Internet, we delivered over 34,000 total new net retail subscribers. We continue to capture the majority of new growth in our markets because of fibre even as industry growth is slowing due to high broadband penetration, fewer newcomers and less new fibre footprint expansion.

In TV, we lost 444 net IPTV subscribers in Q4 compared to a net gain of 23,537 a year ago due to lower Internet volumes and fewer Fibe TV app activations which can vary quarter to quarter. Moving to Bell CTS Financials. Total revenue decreased 1.1%, a sequential improvement from the -3.3% in Q3. Wireless service revenue is down 1.5%. We expect the rate of decline will improve going forward as ARPU improves. However, the industry will be feeling the effects of the last 18 months of competitive pricing on

their service revenue for a while longer. Internet revenue is up 3.4%, a solid result showing we're striking a balance between market share growth and disciplined pricing.

We also saw continued Business Solutions strength where revenue grew 14% over last year. This was driven by higher sales of technology services as well as acquisitions made over the past year. When excluding the impact of those acquisitions, Business Solutions revenue still grew a healthy 6% organically. On the product side, overall revenue was up in Q4, marking a reversal from prior quarters in 2024. This was mainly the result of higher sales of LAN mobile radio systems to large enterprise customers in the government sector. Lastly, Bell's CTS EBITDA was positive, growing 0.7% to yield a strong 42.9% margin. That's an increase of 80 points over last year driven by our continued focus on cost management as evidenced by a 2.4% decrease in operating costs this quarter.

Over to Bell Media on slide 12. Continued digital momentum and good overall financial performance marked by a third consecutive quarter of revenue and EBITDA growth, Digital revenues were up 6%, mainly on the back of strong Crave direct-to-consumer streaming growth which drove an 18% increase in Crave subscribers to more than 3.6 million subscribers. On the strength of our digital strategy and contribution of Outedge Media, total advertising revenue increased for a fourth consecutive quarter. The Bell Media team also did a great job managing operating costs which contributed to EBITDA growth of 14.2% and a 2.3 point increase in margin to 20.3%. That does it for quarterly results.

I'll now turn to our 2025 financial outlook starting with revenue and EBITDA on slide 14. Our consolidated revenue and adjusted EBITDA guidance for 2025 reflects the latest economic forecasts and industry outlooks. There also remains continued regulatory uncertainty as a result of this week's CRTC decision. The competitive pricing environment has created flow-through revenue pressure in our Bell CTS segment for 2025. A sustained improvement in wireless and broadband Internet pricing will be key in our ability to deliver positive consolidated revenue growth this year. We also expect restrained enterprise customer spending on traditional network products and services and a continued market shift by wireless customers to BYOD mobile phone transactions.

Additionally, we estimate a revenue loss in the range of \$125 million in 2025 following a 260 million elimination last year due to the timing of the source store closures and transition to Best Buy Express in 2024. As this revenue is largely consumer electronics related, the impact on EBITDA will not be material given the low margins for such products. While declines in legacy voice and data revenues will continue to weigh on Bell CTS EBITDA, our fibre 5G wireless and B2B solutions business continue to present attractive growth opportunities.

Underpinning this expectation is our continued focus on premium mobile phone subscribers as we lean on our 5G network leadership and ongoing market expansion driven by population growth and our progress in the newcomer market, multiple device penetration gains and multi-product bundling with Internet and Bell Media content.

In our wireline B2B operations, our objective is to build on the momentum from 2024 to be the best systems integrator and managed services provider for our customers while also leveraging our broadband fibre footprint to grow share in SMB.

At Bell Media, we expect to deliver higher revenue. This reflects continued digital advertising and D2C streaming growth as well as the contribution of Outedge Media which are expected to outpace declines in traditional media and favourable retroactive subscriber revenue adjustments in 2024. We also anticipate absorbing higher year-over-year content costs.

Given these segment outlooks and consistent with 2024 results, we're setting our 2025 guidance growth ranges at (3%) to 1% for total revenue and (2%) to positive 2% for adjusted EBITDA.

We also anticipate a higher year-over-year margin supported by further cost savings from the transformation initiatives that Mirko outlined earlier, and I will qualify that our revenue and adjusted EBITDA guidance ranges are unaffected by the pending divestitures of Northwestel and exclude the favourable impact of Ziplly Fiber. That acquisition is only expected to close in the second half of this year, at which time we will update our financial guidance targets as required.

Over to slide 15 for a summary of our adjusted EPS outlook, which we project to be 8% to 13% lower compared to 2024. This year-over-year decline can be attributed mainly to the same factors as last year, namely a year-over-year step up in interest expense, higher depreciation and amortization expense consistent with ongoing but reduced spending in our broadband networks, and lower gains on the sale of real estate related to our multi-year consolidation and conversion program.

Additionally, for 2025, we're forecasting tax adjustments to be around \$0.03 per share less than last year and a higher average number of common shares outstanding because of the discounted DRIP. Turning to slide 16, free cash flow is projected to increase by 11% to 19% in 2025. This marks a return to growth driven by lower capex and an improved working capital position partly offset by higher interest paid. As Mirko stated, given this week's CRTC decision, we are now currently budgeting approximately \$3.4 billion in capex for 2025, which is \$500 million lower than last year.

Our free cash flow outlook for 2025 also reflects stable to slightly lower cash taxes compared to last year, a relatively unchanged working capital position and cash pension funding that remains essentially unchanged as we continue to benefit from a full contribution holiday given the strong solvency position of our defined benefit plans. Severance payments are also anticipated to be relatively the same as 2024 at around 300 million, which remains higher than run rate given that a portion of employee departures related to the workforce restructuring initiative we announced last February were only computed--completed, excuse me, in Q4 with associated one-time payments to be made in Q1 of this year.

Turning to slide 17. I want to take a moment to drill down on our expectations for capital intensity over the next several years both for standalone Bell and on a combined pro forma basis with Ziplly Fiber included. Given that capex is such a critical free cash flow driver, Bell's standalone capex spending going forward is now on a declining path given the planned slowdown of our fibre build in Canada as well as efficiencies from significant prior investments in digital transformation initiatives. As a result, we can operate Bell at a very efficient capital intensity ratio of approximately 14% this year and below 14% beyond 2025.

As for Ziplly Fiber, they are currently accelerating their fibre build-out like Bell did back in the 2021 to 2023 time frame. Therefore, they will be at a peak capex spending over the next few years which will increase BCE's capital intensity ratio more than on a standalone basis. Ziplly Fiber's base case in footprint fibre build-out to approximately 3.3 million locations by the end of 2028 can be fully executed at a pro forma combined company capital intensity level of around 16.5%, during which time they are projected to generate double-digit EBITDA growth annually.

Turning to slide 18. As we begin the year, we have access to \$4.5 billion of liquidity which is enhanced--has been enhanced with a \$500 million increase in our committed credit facilities to \$4 billion and a balance sheet with a sizable pension solvency surplus totalling \$3.7 billion. All this provides us with the financial flexibility to execute our business plan for 2025.

Our net debt leverage ratio at the end of 2024 was approximately 3.8 times adjusted EBITDA. Importantly, the acquisition funding for Ziplly Fiber is leverage- neutral and has been structured to maintain our senior debt credit ratings investment grade. We're keenly focused on reducing our leverage ratio which is projected to begin decreasing this year as we capitalize on opportunities to monetize non-core assets and use the sale of proceeds to strengthen our balance sheet and optimize our cost of capital.

Furthermore, all of our \$2.1 billion of public debt maturities in 2025 have been largely pre-financed and the Zply Fiber transaction is being fully funded with the net sale proceeds from MLSE together with cash generated from the discounted DRIP. I'm pleased to report that the initial participation rate has been strong with a 34% enrolment rate for the Q4 common dividend payment in January which resulted in \$308 million of cash being retained.

To conclude on slide 11, the financial guidance targets we are providing today for 2025 are prudent given continued competitive pricing pressures and economic and regulatory uncertainty. As we focus on the key strategic priorities that Mirko outlined to drive future growth and undertake a proactive review of BCE's asset portfolio to unlock value. We remain confident in our proven consistent operational execution and cost discipline to deliver under any circumstances. I will now turn the call back over to Thane and the operator to begin Q and A.

---

## **QUESTION AND ANSWER SESSION**

### **Thane Fotopoulos – Vice President – IR**

Thanks, Curtis. So, given the volume of information we presented this morning, I'm sensitive to the time we have left. So I would ask you to please limit yourselves to one question and a brief follow-up so that we can get to everybody in the queue. With that, Matthew, we're ready to take our first question.

---

### **Operator**

Thank you. The first question is from Maher Yaghi from Scotiabank. Please go ahead.

---

### **Maher Yaghi – Scotiabank – Analyst**

Uh, great, great. Thank you for taking my question. And please let me join you, Mirko, with thanking Thane for his help over the years. Thane, you will be greatly missed. So, a quick question, Mirko, on your prepared remarks, you mentioned, in the context of your U.S. fibre footprint expansion, you mentioned the buildup structures that could include third-party capital. Can you elaborate a little bit on what that means in terms of additional capex or investments that BCE is expected to deploy in the U.S. and what could be deployed by third-party capital? And you also referred to non-core asset sales. Does that include Bell Media? And finally on the dividend, in your November press release, you indicated that the dividend was set until the end of 2025. However, in today's press release, you indicate that the dividend could be reassessed if economic conditions change. Does this mean the dividend could be changed even before the end of 2025 if conditions change? Thank you.

---

### **Mirko Bibic – President and CEO**

Thank you, Maher. So, let me take those on--on the reference. I think it was your second question on the non-core assets and Bell Media. I think I can--I'll deal with that one first because I can deal with it pretty simply. So, in my prepared remarks, I did outline four core elements of our strategic roadmap to generate revenue growth.

And you'll have noticed that one of them is to build a digital media and content powerhouse. So, I think that kind of answers your question right there. Bell Media and particularly the digital pivot is a key strategic growth vector for us. And I think that's the best way to answer that question.

On the U.S. Fiber build, I think the best way to answer that right now is just to reiterate that our priority now is to close the acquisition of Ziply Fiber. And as I've--as I've mentioned several times, I think that transaction is going to move capital to an asset that's going to drive significant growth in our core fibre business, which is again, best networks and FibreFirst companies, one of key strategic growth vectors. And we're going to do that in a leverage-neutral manner. I want to emphasize that again.

And beyond--I think beyond repeating what I said in my remarks, I did say that we'd review other potential opportunities to grow the Ziply Fiber footprint, but with a build-out structure that will bring third-party capital to invest alongside us to reduce our funding requirements. I won't give specifics as to--as to the extent of what that might look like other than I think what's important to note, which I did not say in the opening remarks, is that we have received a number of inbound calls asking us if we'd be interested in doing that. And to me, I mean, that's quite interesting, right?



First of all, it speaks to the value and the attractiveness of the Ziply Fiber asset and the potential for growth in the U.S. and it also speaks to the desire of third parties to work with Bell in particular. And it speaks to, kind of, our expertise in fibre. So, I'll leave it at that. On dividend, um, I guess I'd say that what we're going to do here on capital allocation is balance long-term investment to generate growth. You asked me two questions already about that. But at the same time, we're going to strengthen the balance sheet and optimize the cost of capital. And that's how we're going to return value to our shareholders. And as I said in the opening remarks, the dividend payout ratio is elevated right now. It's outside our policy range. I don't like where the share price is at. And so, you know, the dividend and the dividend policy will continue to be reviewed by the BCE Board. And as we do that, we'll take into consideration, like I said, the competitive environment, the macroeconomic environment, the regulatory environment, and the progress we're making on the various strategic and operational initiatives that I outlined.

So, you wrap those three questions together, Maher, I'd say kind of the message to take away from me is we're going to continue to execute in the market along the four or five core vectors that I outlined. We're going to focus on our investment grade rating, we're going to delever, and we're going to optimize the cost of capital.

---

**Maher Yaghi – Scotiabank – Analyst**

Thank you, Mirko.

---

**Operator**

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

---

**Drew McReynolds – RBC Capital Markets – Analyst**

Yeah, thanks very much. Good morning. Maybe I'll just also echo, congrats, Thane, and we'll definitely miss you. So, first question, just on leverage, you ended the year at 3.8 times. And Mirko, in your prepared remarks, obviously pretty extensive, kind of, blueprint that you outlined just to give you additional financial flexibility, like where would you like to see leverage by the end of 2025 and beyond 2025? What does that kind of pace and timeline look like? And related to that, can you talk to your expectation of closing additional non-core assets or some of the infrastructure options you may have in 2025? And then I'll have a follow-up after that. Thank you.

---

**Curtis Millen – Executive Vice President and CFO**

Hi, Drew. Thanks for the question. It's Curtis. So, I'd--I'd say we're focused on maintaining our strong investment credit rating and we are focused on reducing our net leverage ratio, as you say. So, you know, continued focus on driving free cash flow growth. The asset review process, as Mirko mentioned, it resulted as has already been publicly announced, our divestitures of MLSE and Northwestel. And there are a number of other incremental initiatives on the go, each of which would actually help strengthen our balance sheet and optimize cost of capital and reduce leverage. Don't have more details in terms of those initiatives. When they're ready to be announced, we will do so and of course, we'll keep everyone informed on a transparent manner as we make progress.

---

**Drew McReynolds – RBC Capital Markets – Analyst**

Okay. Okay. And a follow-up then on just the revenue growth guidance range, - 3% to +1%. I think I caught, Curtis, in your remarks, the +1% depends on a constructive competitive environment. But--but more broadly, you know, you've called out macro, regulatory, and competitive. On the macro and regulatory side--first on the macro, obviously a fairly tariff--potential tariff situation for Canada to be determined. Just, you know, what--what is your assumption in and around that?

And then secondly on the regulatory side, is it really--and I don't want to belittle it, just the TPIA ultimate framework with big three, um, restrictions or, you know, that-- that treatment that's--that's still pending, that's really at issue with respect to that revenue growth guidance range. So, set it a different way. If we get decent outcomes on macro, decent outcomes on regulatory, decent outcomes on competitive, you know, are you comfortable in getting the flat to plus one as opposed to the bottom end of the range? Thank you.

---

**Curtis Millen – Executive Vice President and CFO**

Yep, thanks for the question, Drew. And look, I think on the tariff side of the world, it's a little early to know what the actual impact would be. As of this date, there are no tariffs. So we'll--we'll obviously be--be looking at that closely. Shouldn't be-- shouldn't be a material impact. But again, let's--let's wait for details and see how that plays out. In terms of regulatory, kind of, a similar question. I mean it's the status quo at this point. And unfortunately, the CRTC, kind of, pushed the decision down the line. We don't think it's conducive to driving innovation and investment in Canada and especially in our networks. But again, we'll have to wait for a final decision.

And then ultimately, as you know and as the market knows, I mean, revenue growth is dependent on pricing in market. And right now, it's--it's a very competitive pricing environment. We've seen certain green shoots and improvements in certain areas over the last few weeks. But again, it's a matter of how long those pricing increases will be sustained.

---

**Mirko Bibic – President and CEO**

I'd add--It's Mirko. I'd add, on the regulatory front, you know, quite--to put it bluntly, we're not in the business of building fibre for Telus's benefit. And that's what the CRTC policy that's in place right now forces us to do. So, to us it makes no sense that the CRTC is forcing incumbent resale at a time--you know. If you, kind of, combine your two questions together, Drew, I mean at this particular point in time when Canadian productivity is already lagging and we're having conversations about how to boost the Canadian economy and boost productivity, I don't understand, you know, why a regulator would put in place policies that create disincentives to investments, puts jobs at risks, and puts at risk the building out of critical infrastructure. Um, it seems like the wrong policy at exactly the wrong time. And we all know that our world-leading, and say Canada here, our world-leading communications infrastructure was built on a long-standing facilities-based competition policy that served this country very well for years and years.

---

**Drew McReynolds – RBC Capital Markets – Analyst**

Got it. Thank you.

---

**Operator**

Thank you. Our next question is from Sebastiano Petti from J.P. Morgan. Please go ahead.

---

**Sebastiano Petti – J.P. Morgan – Analyst**

Hi. Thanks for taking the question. Also echo, congratulations to Thane. You will be missed. Uh, in terms of--just maybe a couple quick follow-ups here. I think, you know, kind of, on the topic of the--you know, following up on Drew's question there about just, kind of, the macro outlook. I think Curtis, in your prepared remarks you did talk about maybe a little bit of decision-making or implied essentially enterprise spend. But I mean have your conversations with large enterprises, SMBs, advertisers, you know, demonstrably changed over the last few months or is there just more kind of predictability or uncertainty, kind of, baked into the guidance as we kind of think about the macro outlook and just kind of echoing on Mirko's remarks just now as well?

And then another follow-up, um, perhaps to the--to your U.S. and, you know, U.S. fibre strategy. Um, just on convergence and partnerships. Obviously, bundling is core to the Canadian telecom ecosystem and a very big and emerging theme here in the U.S. an area of debate for the big three wireless operators. So, I mean as the wireless incumbents push harder on fibre and bundling in the coming years, I mean do you see the need to inevitably partner with a wireless operator or maybe stand up an MVNO to successfully compete in the rapidly converging market in the U.S.? Just kind of given Zply's relative scale to some of the other announcements we've seen in the U.S. market from telcos. Thank you.

---

**Mirko Bibic – President and CEO**

Thank you. It's Mirko. I'll take the second one first. The structure as you know is different in the U.S., the industry structure, than it is in--in Canada certainly at this point in time. And then I would point out, really important to point out, in the Pacific Northwest, it's a highly attractive, high-growth market. And Zply Fiber's footprint is basically either Zply with its fibre or one cable company. So Zply Fiber in its footprint isn't competing with integrated providers. And without the wireless offering at this point in time, the management team there has executed extremely well and continues to take--you know, see quite significant and impressive subscriber growth, revenue growth, and EBITDA growth. And we expect that to continue especially as we--as we, you know, proceed on its build-out plans in its current incumbent footprint.

On the macro side of things, I think the best way to kind of address the larger macro question, Sebastiano, is kind of I link it back to the pillars of growth that I outlined. If you think about our best networks proposition and what we've delivered and what we continue to think we're going to deliver, we continue to take the majority of Internet net ad growth in the market and we expect that to continue in 2025. The percentage of customers we have on the highest speeds is impressive and we expect that to continue. Our multi-product penetration in Canada is continuing apace, and you see that in our results and in our Internet revenue growth results. And our wireless loadings are all on the premium Bell brand which is something that we focus on all the time. So while the market isn't growing as fast in Internet or wireless as it had before, it's still growing and we're going to execute on these things as we have in the past.

Again, to macro, go back to now media, and digital media in particular, that's continuing. The pivot to digital is continuing apace and we expect that to continue quite strongly. On business whether or not it's small, medium or large, the big focus on business solutions. We got to be mindful of what the macro environment will bring to budgets of our enterprise customers. But you know, our business solutions revenue is going to continue to grow. And of course, we got to manage the overall environment. So costs will continue to be front and centre. So all these things are going really well.

Now, pricing, Curtis mentioned green shoots on market pricing both on broadband and wireless. So, you know, hopefully, the green shoots that we're seeing in the early days of 2025 sustain themselves through 20--through the entire year. I would hope so, particularly when you think about the tremendous value that the industry provides to consumers and enterprises, and particularly Bell. But those new pricing levels really do need to stick.

---

**Sebastiano Petti – J.P. Morgan – Analyst**

Thank you.

---

**Operator**

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

---

**Vince Valentini – TD Securities – Analyst**

Hey, thanks very much. Lots of good stuff here and lots to unpack. First up, Thane. Yes, all the best to you. At the risk of offending others I've dealt with over the years, you're definitely the best IR person I've ever dealt with in my 30 years. So you'll be sorely missed. But all the best to you in retirement. The--If I can just try to clarify the revenue guidance first. Curtis, it sounds to me like you're saying the higher- end is possible if recent pricing changes are sustained. I just want to make sure that's the case as opposed to are you saying we need even more than everything that's been announced in January in terms of broadband price increases by almost everybody and wireless price increases? If we just see--those sticks, is that enough to get you towards the higher end or do you need even more?

And I have--I'll throw the other question in now to make sure thing doesn't cut me off. On the \$7 billion target--I just want to unpack that and make sure we understand that properly. You've already announced \$5.7 billion of the \$7 billion between MLSE and Northwestel. So, that leaves 1.3 billion only as new stuff you're working on for this year. Is that the way to think of that \$7 billion target? And can you clarify this? Is this stuff of pure selling stuff that's non-core and you don't need, or is it, are you thinking these are potentially sale and leaseback transactions, or transactions with EBITDA implications? Like is it really just a full net \$1.3 billion of cash to pay down debt or is there--are there potential offsets based on some of the transactions you'd be looking at? Thank you.

---

**Curtis Millen – Executive Vice President and CFO**

Yeah, hi Vince, it's Curtis. Thanks for the questions. I'll take the second question first. So, you're right, that's the math. It's \$1.3 billion implied of other asset sales and I would characterize them as non-core. This is not meant to be, kind of, sale- leaseback that would have a capital lease component after the fact. Again, there might be some EBITDA sales, but all of this would be--EBITDA sold as part of that, but these would all be deleveraging transactions and strengthening the balance sheet. So you're thinking about it the right way.

And in terms of the first question in and around revenue and ability to hit the high-end, you know, obviously, there are many factors that flow into our revenue performance, higher pricing in market. And if this pricing increase that we've seen over the last few weeks sticks, that certainly helps right. I mean if it goes up a little more, it'll help even more. So I think it's too early to pinpoint one specific variable but certainly, pricing in market is a key driver.

---

**Vince Valentini – TD Securities – Analyst**

Very clear. Thank you.

---

**Operator**

Thank you. Our next question is from Aravinda Galappathige from Canaccord Genuity. Please go ahead.

---

**Aravinda Galappathige – Canaccord Genuity – Analyst**

Good morning. Thanks for taking my question. And let me start by, sort of, offering my best wishes to Thane. He's been a great source of support and integrity during my time covering Bell. Two questions or one clarification from me. First of all, Mirko, you indicated in your comments that--that with respect to the U.S. fibre expansion, you're open to, sort of, third-party investments. Could you say that you would go so far as maybe, sort of, having a separate entity operating that that may not be controlled by Bell or may not be consolidated by Bell with the view to, sort of, keeping that off balance sheet? I realize that's a bit of a speculative question, but just wanted general thoughts on that.

And then secondly, with respect to your Internet revenue growth, the 3.3%. We've seen that number, kind of, ebb and flow between low single digits and mid. I mean, is it fair to say that going forward it's really sort of price increases that, kind of, help keep that in the mid-single digit range given sort of the competitive dynamics in terms of subscriber share? Thanks.

---

**Mirko Bibic – President and CEO**

On the second question on the Internet revenue growth. Yes, pricing would be the key lever there, particularly as you--since you consider that we're continuing to take the majority of net additions growth. So that's going to continue and therefore pricing becomes the key lever. And on the first question, with respect to potential structures in the U.S., I think the most I can say right now is again, we'd be looking at potential opportunities to grow the fibre footprint but only with build-out structures that would effectively reduce our funding requirements. And the most direct way to answer your question at this point in time is that as we think that through, we're going to remain focused on maintaining our investment grade ratings for senior debt which is again one of the key things that I've made sure to emphasize more than once in our time together this morning. Execute in the market to drive revenue growth, focus on that investment grade rating, de-lever which Curtis again emphasized in response to Vince and optimize the cost of capital.

---

**Aravinda Galappathige – Canaccord Genuity – Analyst**

Okay, thank you, Mirko.

---

**Operator**

Thank you. Our next question is from Jerome Dubreuil from Desjardin Securities. Please go ahead.

---

**Jérôme Dubreuil – Desjardins Securities – Analyst**

Good morning. Thanks for taking my questions. Two on capex. Maybe you want to clarify the comments made on the decision with regards to the CRTC earlier this week. You said the reduction is related to the CRTC's decision this week but at the same time, basically, they're just punting the decision later this year. So do you intend to increase capex again this year if the CRTC blocks incumbent resale of fibre? Well that is question number one.

And question number two is a bit more of a long-term capex neutral level. You know at the AT&T investor day, we saw them announce a way to get rid of expensive copper through more usage of fixed wireless where there's no business case for fibre. Is this something that you would consider and that would have regulatory support in Canada. And maybe if you can talk about the potential savings that this could bring longer term. Just trying to figure out if there's ways to reduce capex further even if fibre builds come to a halt. Thanks.

---

**Mirko Bibic – President and CEO**

So, on the first--Curtis will answer the second one. Jerome, on the first--on the first question, our capex guidance is, you know, set for the year as we outlined this morning. And really as it relates to the regulatory decision and where it ultimately ends up later on the year, it's going to dictate how we allocate the capital within the guidance range, if you know what I mean. So we're going to have our capex budget and where we make the investments throughout the year and into the following years will--will, you know, in a significant way be guided by that decision. So that's how I would answer the question.

So we can pull back on fibre build or we can increase fibre build but that will remain within the intensity ratio that we've--we've guided. But what I do know given this week's decision is that right now it doesn't look like we'll be hitting the 8.3 million target homes that we had outlined over a year ago. And over to this--for the second question, over to Curtis.

---

**Curtis Millen – Executive Vice President and CFO**

Yeah, and the second question, Jerome, it's a good one. Not as much clarity in the near term. I'd say long term, we're in alignment with you in terms of there's just an overall benefit to reduce legacy technologies and legacy networks. Obviously, the path there is dependent on regulatory, so it's not complete within our hands. We do see in the U.S., a little bit more willingness to retire legacy networks and convert to newer technologies. Hopefully, that's the case up here. I do think there would be significant efficiencies in terms of maintenance costs as well as frankly our ability to sell copper and real estate of COs, etc. So I think it's a--I think you're directionally right. It's difficult at this point to know timeline or scale, but certainly, eventually a win for us all.

---

**Jérôme Dubreuil – Desjardins Securities – Analyst**

Thanks and congrats, Thane as well.

---

**Thane Fotopoulos – Vice President – IR**

Thank you.

---

**Operator**

Thank you. Our next question is from David Barden from BofA Securities. Please go ahead.

---

**David Barden – BofA Securities – Analyst**

Hey guys, thanks so much for taking my questions. I feel like it's a privilege to be part of the last time that we all have an opportunity to ignore Thane's admonition to have one question and one follow-up. But thank you for everything, Thane. Mirko, so... I wonder if you could elaborate a little bit because, you know, your statement about not--choosing not to hit your original fibre investment goal because of the regulatory environment, and this is a little bit of an escalation from last year's commentary, you're basically saying that the Canadian fibre broadband business is uninvestable and that you'd rather invest in the U.S., and if the CRTC continues going down this path, bad things will happen. And we haven't had a conversation about what those bad things look like. What does--what do you fear happening if Telus does come in to resell your fibre? And what opportunities do you have to perhaps resell fibre, you know, in other markets of the future? I'd like to hear that, like that--that scenario that is so dire that it's changing your whole outlook about the capital investment opportunity that you foresee in the cap--you know, in the Canadian market?

And my follow-up question would be just specifically on towers. Is towers a non-core asset? And are towers a thing that you think about monetizing, you know, as you address the balance sheet? Thank you.

---

**Mirko Bibic – President and CEO**

Okay, so on, on your second question, I guess I'll just reiterate what I said in my opening remarks, which is there's a significant amount of untapped value in our, you know, telecom infrastructure. So we're looking at ways that we could, you know, surface value there. And that's why I pointed out that we've retained financial advisors to retain--to assist us in that regard. But, you know, however we do that, that wouldn't be part of--of the \$7 billion that I outlined and that Curtis reiterated when he was responding to Vince's question.

On your first point, I think what I'm really trying to convey is the following. I mean, it's pretty clear that the most sustainable form of competition is through companies who build their own infrastructure. So we would always rather compete on the basis of networks we own. So I think that's the simplest way to get at, you know, a couple of points that you were making in your first question. We want to build, we want to compete against other, well-capitalized companies that build their own. And we're prepared to do that here obviously in Canada, and we're prepared to seize on the growth opportunities in the U.S. So what happens going forward? I didn't say that we would stop entirely building in Canada. What I said is that we're not going to hit the 8.3 million homes. So, there's going to be a significant slowdown in the pace of build. You know, if they're--you know, in green fields, as new housing continues to be built, of course we'll be looking at the--at opportunities so long as we can generate the appropriate return to build infrastructure to new greenfield areas.

But again that--that means that a much, much slower pace of build in Canada than otherwise could have been the case. And it really comes down to, you know, where--where is the best use of the next incremental dollar of capital and fibre. That's where we're always going to be looking at. And now we're going to be able to look at it from a kind of a broader footprint area, um, you know, brownfield in Canada where we have legacy copper versus greenfield in Canada versus Pacific Northwest. The fact that we're--we're having this conversation actually speaks to how inappropriate that CRTC decision was. And I know there's going to be a final ruling later in the year. And that's all well and good, except that Cabinet had clearly asked the CRTC to make a ruling by this week and they didn't.

---

**David Barden – BofA Securities – Analyst**

Appreciate it, Mirko. Thank you.

---

**Thane Fotopoulos – Vice President – IR**

Thank you. Next question.

---

**Operator**

Thank you. Our next question is from Patrick Ho from Morgan Stanley. Please go ahead.

---

**Patrick Ho – Morgan Stanley – Analyst**

Hello, good morning, Patrick Ho on the line from Morgan Stanley. Also want to echo my congrats to Thane. Thanks for all the help over the last few years. Just a couple of questions for me. Firstly, on the DRIP program, when exactly are you looking to turn this off? And are you guys targeting a specific payout ratio or leverage level or simply the closing of Zipy in order to decide to turn it off? And then, I guess, secondly, just wanted to ask about your current back-book as it relates to wireless. How much of this has been repriced to reflect the current pricing environment right now? Thank you.

---

**Curtis Millen – Executive Vice President and CFO**

Thanks Patrick. It's Curtis. I'll address the first one. So look, as Mirko said a few times here, our intention is always to optimize cost of capital. So you know, we recognize that issuing equity at these levels is expensive. So the DRIP is not something we intend to keep in place long term. There's not a specific date I can give you, but ultimately the balance sheet actions and benefits that we've talked about throughout this call, prepared remarks and Q and A that we've outlined, you know, obviously that's going to accelerate the turning off of that DRIP.

---

**Mirko Bibic – President and CEO**

And in terms of the back book, our key priority is to get churned down so customers that are with us, we want to have them stay with us. That's how I'd answer the back book.

---

**Patrick Ho – Morgan Stanley – Analyst**

Great. Thank you.

---

**Operator**

Thank you. There are no further questions registered at this time. I would now like to turn the meeting over to Mr. Fotopoulos.

---



**Thane Fotopoulos – Vice President – IR**

Thank you, Matthew. So I just want to take a quick second to say thank you to Mirko for his kind words and to all the analysts who have--who've reached out to me in the past few months with their good wishes. And you challenged me, as has the investment community. And I've been very privileged and honoured to have been part of such a great company for the past 20 years and the industry for the past 27 years, well, over 110 quarters.

It's been an honour to be part of such an amazing company. I've witnessed the transformation of Bell from what it was to what it is now. And there's--the best is yet to come, and we have the best team and leaders in place to do that, to take Bell to the next level. And I'll be watching from the sidelines very keenly. And thank you to everybody, and I wish everybody the best. On that, that said, as usual, Richard and I will be available throughout the day for any follow-up questions and clarification. So thank you again and have a great day.

---

**Curtis Millen – Executive Vice President and CFO**

Thank you.

---

**Mirko Bibic – President and CEO**

Thanks everyone.

---

**Thane Fotopoulos – Vice President – IR**

Thank you.

---