

## FOURTH QUARTER HIGHLIGHTS

OPERATING REVENUES	Q4 2019	Q4 2018	\$ CHANGE	% CHANGE
Bell Wireless	2,493	2,407	86	3.6%
Bell Wireline	3,138	3,137	1	–
Bell Media	879	850	29	3.4%
Inter-segment eliminations	(194)	(179)	(15)	(8.4%)
<b>Total BCE operating revenues</b>	<b>6,316</b>	<b>6,215</b>	<b>101</b>	<b>1.6%</b>

  

ADJUSTED EBITDA	Q4 2019	Q4 2018	\$ CHANGE	% CHANGE
Bell Wireless	944	879	65	7.4%
Bell Wireline	1,359	1,339	20	1.5%
Bell Media	205	176	29	16.5%
<b>Total BCE adjusted EBITDA</b>	<b>2,508</b>	<b>2,394</b>	<b>114</b>	<b>4.8%</b>

**BCE operating revenues** grew by 1.6% in Q4 2019, compared to Q4 2018, driven by growth in Bell Wireless and Bell Media, while Bell Wireline remained stable year over year. The year-over-year increase reflected both higher service and product revenues of 0.9% and 5.7%, respectively.

**BCE net earnings** increased by 12.6% in Q4 2019, compared to Q4 2018, mainly due to higher adjusted EBITDA, lower other expense and lower severance, acquisition and other costs. This was partly offset by higher depreciation and amortization expense and finance costs. The adoption of IFRS 16 did not have a significant impact on net earnings.

**BCE adjusted EBITDA** increased by 4.8% in Q4 2019, compared to Q4 2018, driven by growth across all three of our segments. This resulted in an adjusted EBITDA margin of 39.7% in the quarter, up 1.2 pts over Q4 2018, primarily due to the favourable impact from the adoption of IFRS 16 in 2019.

**Bell Wireless operating revenues** increased by 3.6% in Q4 2019, compared to Q4 2018, driven by higher service and product revenues. Service revenues grew by 1.6% year over year due to continued growth in both our postpaid and prepaid subscriber base along with rate increases and a greater mix of customers subscribing to higher-value monthly plans including unlimited data plans. This was moderated by greater sales of premium handsets along with the impact of higher-value monthly plans, and lower data overage driven by increased customer adoption of unlimited data plans. Product revenues grew by 7.4% year over year, driven by increased sales of premium handsets and the impact of higher-value monthly plans in our sales mix.

**Bell Wireless adjusted EBITDA** increased by 7.4% in Q4 2019, compared to the same period last year, mainly driven by the flow-through of higher revenues, partially offset by higher operating expenses of 1.4% year over year. The increase in operating expenses was primarily due to higher product cost of goods sold from greater mix of premium handsets and increased handset costs, higher network operating costs to support the growth in our subscriber base and data consumption and higher bad debt expense driven by the growth in revenues. This was offset in part by the favourable impact from the adoption of IFRS 16 in 2019. Adjusted EBITDA margin, based on wireless operating revenues, of 37.9% increased by 1.4 pts over Q4 2018, mainly due to the impact from the adoption of IFRS 16, greater service revenue flow-through and promotional spending discipline during the holiday season, moderated by higher low-margin product sales in our total revenue base.

**Bell Wireline operating revenues** remained unchanged in Q4 2019, compared to Q4 2018, resulting from stable year-over-year service revenue which increased 0.1%, as the continued expansion of our retail Internet and IPTV subscriber bases, residential rate increases, contribution from the federal election and higher business solution services revenue were offset by ongoing subscriber erosion in voice and satellite TV, greater acquisition, retention and bundle discounts on residential services to match competitor promotions, lower TV pay-per-view revenues and a decline in IP connectivity revenues due in part to migration to Internet based services. Product revenues were relatively stable year over year, declining 0.6% or \$1 million.

**Bell Wireline adjusted EBITDA** grew by 1.5% in Q4 2019, compared to Q4 2018, mainly due to lower operating costs of 1.1%, driven by the favourable impact from the adoption of IFRS 16 in 2019 and continued effective cost containment. Adjusted EBITDA margin increased 0.6 pts to 43.3% in Q4 2019, compared to Q4 2018, mainly due to the favourable impact from the adoption of IFRS 16 in 2019.

**Bell Media operating revenues** increased by 3.4% in Q4 2019, compared to the same period last year, driven by increased subscriber revenues from the continued growth in Crave due to higher subscribers along with rate increases following the launch of our enhanced Crave service in November 2018 and also reflected the favourability from BDU contract renewals. Advertising revenues declined modestly in Q4 2019, compared to Q4 2018, from lower conventional TV advertising revenues and ongoing market softness in radio, partially offset by continued growth in specialty TV and OOH advertising revenues.

**Bell Media adjusted EBITDA** increased by 16.5% in Q4 2019, compared to the same period last year, driven by higher operating revenues coupled with stable operating expenses as the favourable impact from the adoption of IFRS 16 in 2019 was offset by the growth in programming and content costs related to higher sports broadcast rights costs and ongoing Crave content expansion.

**BCE capital expenditures** of \$1,153 million in Q4 2019 increased by \$179 million over Q4 2018 and corresponded to a capital intensity ratio of 18.3% compared to 15.7% last year. The growth in capital investments was driven by increases across all three of our segments. Wireline capital spending was \$96 million higher year over year, mainly due to the timing of our spending, driven by the roll-out of fixed WTTT to rural locations in Ontario and Québec. Capital spending at Bell Wireless was