

LEADING THE WORLD IN **SOCIAL CAPITALISM**

*Q4 2020 investor conference call
February 11, 2021*



Caution regarding forward-looking statements

This presentation and answers to questions contain forward-looking statements about our objectives and our strategies to achieve those objectives, our 2021 targets, outlook, updates, our plans and expectations regarding the impact of the COVID-19 pandemic and responses to it, our multi-year dividend growth plan, fibre network and other capital investments, leverage ratios, and the performance of TELUS. By their nature, forward-looking statements are subject to inherent risks and uncertainties and are based on assumptions, including assumptions about future economic conditions and courses of action. These assumptions may ultimately prove to have been inaccurate and, as a result, our actual results or events may differ materially from expectations expressed in or implied by the forward-looking statements. Our general outlook and assumptions for 2021 are presented in Section 9 General trends, outlook and assumptions, and regulatory developments and proceedings in our 2020 annual Management's discussion and analysis (MD&A). Readers and listeners of this presentation are cautioned not to place undue reliance on forward-looking statements as a number of factors (such as regulatory decisions and developments, competition, technological substitution, economic performance in Canada, our cost reduction and margin enhancing initiatives, our earnings and free cash flow, our capital expenditures, decisions regarding our dividend, and the still developing impact of the COVID-19 pandemic on our network, technology, infrastructure, team members, operations, and supply chain) could cause actual future performance and events to differ materially from those expressed in the forward-looking statements. Accordingly, all forward-looking statements made today are subject to the cautionary note and qualified by the qualifications and risk factors as set out in the 2020 annual MD&A and in other TELUS public disclosure documents and filings with securities commissions in Canada (on SEDAR at [sedar.com](https://www.sedar.com)) and in the United States (on EDGAR at [sec.gov](https://www.sec.gov)). Except as required by law, TELUS disclaims any intention or obligation to update or revise forward-looking statements, and reserves the right to change, at any time at its sole discretion, its current practice of updating annual targets and guidance. The forward-looking statements in this presentation are presented for the purpose of assisting our investors and others in understanding certain key elements of our objectives, strategic priorities and business outlook. Such information may not be appropriate for other purposes.

Consistently driving profitable long-term growth

- Leading performance culture driving strong operational and financial results
- Delivering premium customer experiences over our world-leading networks
- Leveraging the strength of our digital channels to drive leading customer growth
- Maintaining opportunistically our strong balance sheet and liquidity position
- Unparalleled dedication to giving back to our communities



Operating results

Q4 2020 Wireless results

+87,000

Mobile phone
net additions
+17,000 y/y

1.09%

Mobile phone
churn
11 bps improvement

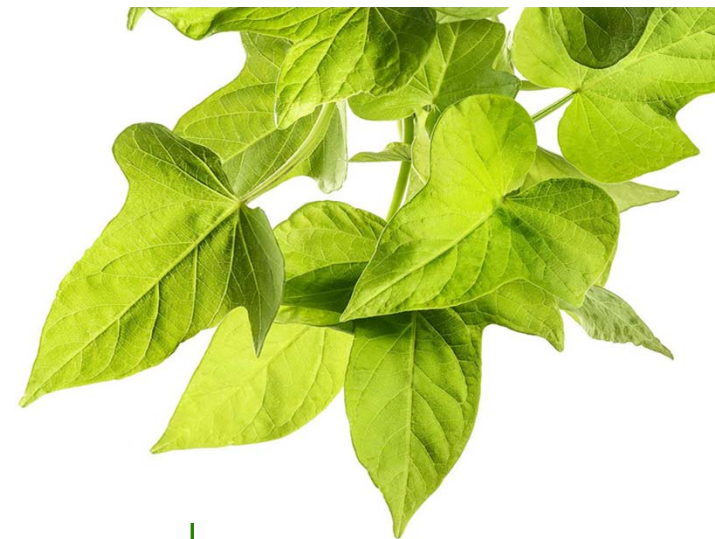
+88,000

Mobile connected
devices net additions
+28,000 y/y



Leveraging strong digital capabilities to achieve strong results
despite the unprecedented operating environment

Q4 2020 Wireline results



+44,000

Internet
net adds

+16,000 y/y

+20,000

TV
net adds

+5,000 y/y

+23,000

Security
net adds

+8,000 y/y

+78,000

Total wireline
net adds

+32,000 y/y

Our premium and diversified product portfolio and customer service excellence driving industry-leading customer growth

Investing in our leading broadband network

- Approx. 2.5 million premises now have immediate access to our PureFibre network
- 81% PureFibre coverage of our high-speed broadband footprint
- LTE covering 99% of Canadians and 5G covering more than 28% of Canadians

**\$613
million**

consolidated capex
(17.4%) y/y



2021 consolidated financial targets¹

	2021 Targets
Revenues and other income	8 to 10 per cent
Adjusted EBITDA	6 to 8 per cent
Free cash flow²	Approx. \$1.5 billion
Capital expenditures³	Approx. \$2.75 billion

¹ See slide 2 – Caution regarding forward looking statements.

² Before dividends paid

³ Excluding spectrum licenses



Annual targets reflect continued customer demand for our leading networks and supported by our unique and diversified growth assets

Giving back to the communities where we live, work, and serve



1.25 million hours of volunteered service



More than **\$85 million** contributed to charitable and community organizations



28,000 patient visits supported by our mobile health clinics, including **12,700** COVID-19 assessments and tests



14,200 mobile devices donated to keep isolated and at-risk Canadians connected

Supporting our communities through the pandemic and beyond as the global leader in social capitalism



Consistent shareholder returns

**\$14
billion**

Dividends paid

**\$19
billion**

Total capital returned

**\$1.2448
+6.8% y/y**

Annualized dividend

Supporting citizens through the pandemic, while thoughtfully
returning capital to shareholders



Financial results

Q4 2020 Wireless results



(1.0%)

Network
revenue

\$1,515 million

(3.4%)

Mobile phone
ARPU

\$57.29

(1.1%)

Adjusted
EBITDA

\$898 million

Our consistent focus on profitable customer growth helped
mitigate the persisting impacts of the pandemic

Q4 2020 Wireline results



+14.3%

External
revenue

\$1,946 million

+21.6%

Data services
revenue

\$1,617 million

+1.5%

Adjusted
EBITDA

\$511 million

Delivered stable wireline financial results driven by
our consistent customer growth and unique asset mix

Q4 2020 Consolidated results



+5.2%

External
revenue

\$4,060 million

(0.2%)

Adjusted
EBITDA

\$1,409 million

+61.5%

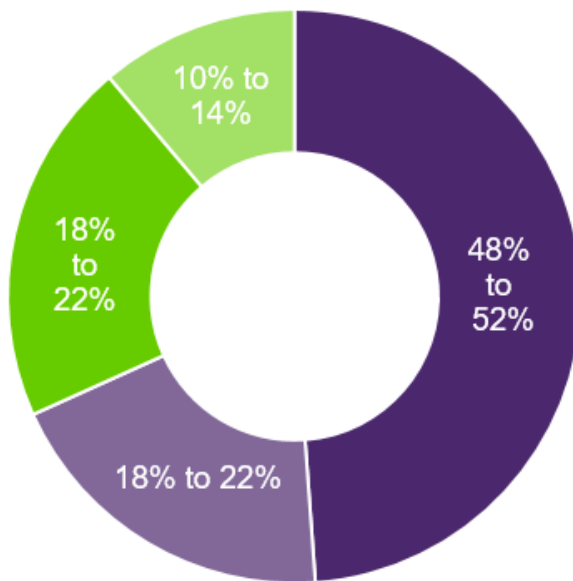
Free
cash flow

\$218 million

Consolidated results are reflective of our team's agility and Innovation in a challenging and rapidly changing environment

Capital spend driving strong success

2021 Outlook - Approx. \$2.75B



- Broadband Network Build and Reliability
- Success Based Capital (e.g. RGU growth)
- Product Development and System Enhancements
- Strategic Growth Areas, incl. TI, Health, Agriculture



Strong liquidity position during times of uncertainty

Successful \$500 million debt offering issued in October enhances our strong balance sheet and liquidity

\$2.8 billion total available liquidity

- \$848M in cash and temporary investments, net
- \$2.25B committed credit facility (expires May 2023)
- \$500M securitization trust (expires Dec 2021)
- No TELUS Corporation Notes maturing until 2022
- Ready access to capital markets
- Weighted avg. cost of long-term debt of 3.80%
- Average long-term debt term to maturity of 12.2 years





Questions?

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Appendix – Q4 2020 EPS summary

Basic EPS (Q4 2019)	\$0.30
Restructuring and other costs	\$0.02
Adjusted basic EPS (Q4 2019)	\$0.32
Higher depreciation and amortization	(\$0.07)
Higher net financing costs	(\$0.01)
Other	(\$0.02)
Adjusted basic EPS (Q4 2020)	\$0.22
Restructuring and other costs	(\$0.04)
Income tax-related adjustments	\$0.02
Basic EPS (Q4 2020)	\$0.20

Appendix – free cash flow continuity (\$M)

C\$ millions	Q4 2019	Q4 2020	2019	2020
EBITDA	1,368	1,336	5,554	5,494
Restructuring and other costs, net of disbursements	(1)	14	(36)	35
Effect of contract asset, acquisition and fulfilment (IFRS 15 impact) and TELUS Easy Payment device financing	(140)	(112)	(118)	43
Effects of lease principal (IFRS 16 impact)	(119)	(110)	(333)	(365)
Leases formerly accounted for as finance leases (IFRS 16 impact)	69	16	108	86
Non-cash gains from the sale of property, plant, and equipment	(8)	(1)	(21)	(4)
Items from the condensed interim consolidated statements of cash flows:				
Share-based compensation, net	(55)	(62)	(2)	27
Net employee defined benefit plans expense	19	25	78	102
Employer contributions to employee defined benefit plans	(2)	(14)	(41)	(51)
Interest paid, net	(180)	(166)	(707)	(727)
Capital expenditures (excluding spectrum licenses)	(742)	(613)	(2,906)	(2,775)
Free cash flow before income taxes	209	313	1,576	1,865
Income taxes paid, net of refunds	(74)	(95)	(644)	(430)
Free Cash Flow	135	218	932	1,435
Spectrum	-	-	(942)	-
Shares of subsidiary issued to non-controlling interest	(9)	191	(9)	400
Common shares Issued	-	-	-	1,495
Dividends paid to holders of common shares	(223)	(236)	(1,149)	(930)
Cash payments for acquisitions and related investments	(757)	(1,445)	(1,105)	(3,205)
Real estate joint ventures	(4)	(3)	(28)	(95)
Working capital and other	(168)	57	(21)	202
Funds available for debt redemption	(1,026)	(1,218)	(2,322)	(698)
Net issuance of debt	1,191	1,445	2,443	1,011
Increase (decrease) in cash	165	227	121	313

Appendix – definitions

Our presentation and answers include the following non-GAAP measures, which may not be comparable to similar measures used by other issuers:

- EBITDA is a non-GAAP measure and does not have any standardized meaning prescribed by IFRS-IASB. We issue guidance on and report EBITDA because it is a key measure used to evaluate performance. For further definition and explanation of this measure, see 'Non-GAAP and other financial measures' in our fourth quarter 2020 news release.
- Adjusted EBITDA is a non-GAAP measure and does not have any standardized meaning prescribed by IFRS-IASB. Adjusted EBITDA for the fourth quarter excludes restructuring and other costs and other equity losses related to real estate joint ventures. For further definition and explanation of this measure, see 'Non-GAAP and other financial measures' in our fourth quarter 2020 news release.
- Adjusted basic EPS is a non-GAAP measure and does not have any standardized meaning prescribed by IFRS-IASB. Adjusted basic EPS for the fourth quarter excludes the effects of restructuring and other costs, income tax-related adjustments, and other equity losses related to real estate joint ventures. For further analysis of adjusted basic EPS, see 'Non-GAAP and other financial measures' in our fourth quarter 2020 news release.
- Free cash flow is a non-GAAP measure and does not have any standardized meaning prescribed by IFRS-IASB, and there is no generally accepted industry definition of free cash flow. For further definition and explanation of this measure, see 'Non-GAAP and other financial measures' in our fourth quarter 2020 news release.