



# Making a world of difference

Q2 2023 investor conference call  
**August 4, 2023**





# Caution regarding forward-looking statements

Today's discussion may contain forward-looking statements, including statements relating to our objectives and our strategies to achieve those objectives, our 2023 targets, outlook, updates, our expectations regarding trends in the telecommunications industry (including demand for data and ongoing subscriber base growth), and our financing plans (including our multi-year dividend growth program). Forward-looking statements use words such as assumption, goal, guidance, objective, outlook, strategy, target and other similar expressions, or future or conditional verbs such as aim, anticipate, believe, could, expect, intend, may, plan, predict, seek, should, strive and will. Our 2023 targets and outlook are presented for the purpose of assisting our investors and others in understanding certain key elements of our expected 2023 financial results as well as our objectives, strategic priorities and business outlook. Such information may not be appropriate for other purposes.

Forward-looking statements are subject to inherent risks and uncertainties (such as regulatory decisions and developments, the performance of the Canadian and provincial economies, the competitive environment, the impact of technological substitution, challenges in deploying technology, our earnings and free cash flow, and our capital expenditures), and are based on assumptions, including about future economic conditions and courses of action. These assumptions may ultimately prove inaccurate and, as a result, our actual results or events may differ materially from expectations expressed today.

These assumptions, risks, and uncertainties are described in detail in our 2022 annual management's discussion and analysis (MD&A) and updated in our second quarter 2023 MD&A, and in other TELUS public disclosure documents and filings with securities commissions in Canada (on SEDAR+ at [sedarplus.com](https://www.sedarplus.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, whether written or oral.



# Demonstrating Continued Execution Excellence

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- Achieving resilient operational and financial results for second quarter
- Leading customer growth underpinned by industry-best client loyalty
- Delivering exceptional customer experiences over our globally-leading networks
- Accelerating cost efficiency programs to drive EBITDA expansion, margin accretion and accelerated cash flow growth
- Returning capital to shareholders through our leading dividend growth program
- Demonstrating our unwavering commitment to put our customers and communities first



# Mobile Operating Results

Q2 2023

**\$58.80**

Mobile phone  
ARPU  
+1.8% y/y

**0.91%**

Mobile phone  
churn  
+10 bps y/y

**+110,000**

Mobile phone  
net adds  
+17,000 y/y

**+124,000**

Connected device  
net adds  
+32,000 y/y

Continued high-quality and profitable customer growth leveraging our strong digital capabilities and ability to deliver outstanding customer experiences over our world-leading network

# Fixed Operating Results

Q2 2023

**+35,000**

Internet  
net adds  
+1,000 y/y

**+17,000**

TV  
net adds  
+2,000 y/y

**+15,000**

Security  
net adds  
(5,000) y/y

**+59,000**

Total fixed  
net adds  
(3,000) y/y

Superior product portfolio and leading PureFibre network driving  
leading customer growth and higher product intensity



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# Our leading mobile and fixed broadband networks

- PureFibre network connecting approximately 3.1 million premises
- 5G covering approximately 84% of Canadians
- Expanding world-leading connectivity to rural and indigenous communities
- Actively removing, retiring and monetizing legacy copper cables

Consistently strong performance is powered by our highly engaged team, who passionately deliver customer experience excellence and digital capabilities over our world-leading broadband networks

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# Health Services

Revolutionizing Access to Healthcare  
Q2 2023

**\$428 million**

Services revenue  
+\$291 million y/y

**68.3 million**

Lives covered  
+45.9 million y/y<sup>1</sup>

**5.3 million**

Virtual care members  
+1.7 million y/y

**152.9 million**

Digital transactions  
+7.5 million y/y

<sup>1</sup> During the third quarter of 2022, we added 36.9 million healthcare lives covered as a result of the LifeWorks acquisition.

Delivering strong revenue growth while continuing to focus intensely on integrating and scaling our global health operations to build the healthiest communities and workplaces on the planet



# Agriculture & Consumer Goods Services

Digitally connecting the food value chain  
Q2 2023

**\$79 million**

Agriculture and  
Consumer Goods  
services revenue

(2.5)% y/y

**1,600+ team  
members  
globally**

**Serving  
customers in  
over 50 countries**

Remain focused on becoming the world's largest global independent provider of digital technologies and data insights connecting customers across the agricultural products, food and packaged goods industries



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# Returning Capital to Shareholders

- Targeting 7 to 10% annual dividend growth from 2023 through 2025
- Quarterly dividend declared of \$0.3636 payable October 2, 2023, up 7.4% y/y
- 24 dividend increases since dividend growth program initiated in May 2011
- Returning approximately \$24 billion to shareholders since 2004, including nearly \$19 billion in dividends and \$5 billion in share purchases

Ability to deliver on our dividend growth program reflects our confidence in executing our global growth strategy, and our ability to drive sustainable free cash flow growth



# Leading the World in Social Capitalism

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- Hosting our 18th annual **TELUS Days of Giving** across **32 countries** with **more than 80,000 TELUS team members, retirees, family and friends** volunteering around the world in **260 local communities**, making this year's event our most giving year on record.
- Since 2000, our TELUS family has contributed **2.2 million days of volunteerism**, helping to improve the lives of people across the globe.
- Supporting the health and well-being of **more than 650,000 youth** during the first half of 2023, through TELUS Friendly Future Foundation (the Foundation) and TELUS Community Board grants of over **\$4 million** to **315 charitable projects**
- Since its inception in 2018, the Foundation has provided **\$40 million** in cash donations to our communities, helping **14 million youth** reach their full potential.



# Our 20+ years of sustainability leadership



2000

## First CSR Report

Enhanced disclosure to environmental, social & economic performance



2008

## Launched Work Styles

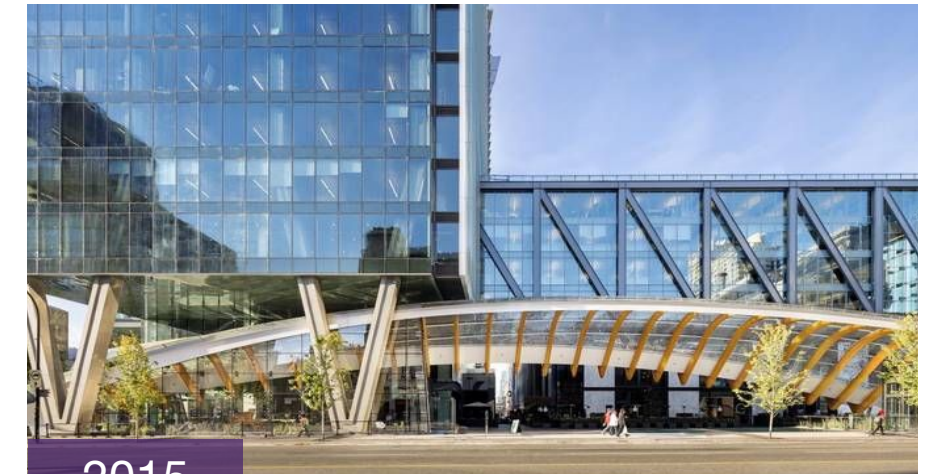
Improved team member engagement and productivity while reducing Scope 3 emissions



2011

## Initial 10-year climate change targets

Exceeded 2020 target early: 31% emissions reduction over 2010 levels in 2019



2015

TELUS Garden corporate green mortgage bond \$225 million; first corporate mortgage bond in North America for real estate financing



2017

First Virtual Power Purchase Agreement (VPPA); First utility-scale solar farm in Western Canada



2021

Net carbon neutral operations by 2030 or sooner



2022

3 more renewable VPPAs operational  
TELUS has executed the most renewable energy VPPAs in Canada across all industries



2021-2023

TELUS one of the largest sustainability-linked bond issuer in the Canadian fixed income market



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# Financial Results





# TELUS Technology solutions (TTech)

Q2 2023

**\$1.72  
billion**

Mobile network  
revenue  
+5.9% y/y

**\$1.15  
billion**

Fixed data  
services revenue<sup>1</sup>  
+6.2% y/y

**\$4.21  
billion**

Operating  
revenues  
+13.8% y/y

**\$1.55  
billion**

Adjusted  
EBITDA  
+8.1% y/y

<sup>1</sup> Excludes health services as well as agriculture & consumer goods services revenues.

Our consistent focus on profitable loading and  
our differentiated asset mix driving solid financial results





# Digitally-led customer experiences (DLCX)

Q2 2023

**\$723 million**

External  
revenue  
+7.6% y/y

**\$152 million**

Adjusted  
EBITDA  
(18.6)% y/y

**16.9%**

Adjusted EBITDA  
margin<sup>1</sup>  
(6.5) pts

<sup>1</sup> This is a non-GAAP ratio that does not have any standardized meaning prescribed by IFRS-IASB and might not be comparable to similar measures presented by other issuers. See the Appendix in this presentation.



Increasing macroeconomic pressure temporarily impacting TI service demand; TI actioning significant incremental cost efficiency programs to address lower service volumes and optimize cost structure



# Consolidated

## Q2 2023 results

<b>\$4.95 billion</b> Operating revenues and other income +12.4% y/y	<b>\$196 million</b> Net income <sup>1</sup> (60.6%) y/y	<b>\$1.70 billion</b> Adjusted EBITDA <sup>2</sup> +5.0% y/y	<b>\$1.12 billion</b> Cash provided by operating activities (10.6%) y/y	<b>\$279 million</b> Free cash flow <sup>2</sup> +36.1%
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<sup>1</sup> In Q2 2023, Adjusted Net income decreased by \$149 million or 35.3%, excluding the effects of restructuring and other costs, income tax-related adjustments, and virtual power purchase agreements unrealized change in forward element. Adjusted Net income is a non-GAAP measure that does not have any standardized meaning prescribed by IFRS-IASB and is therefore unlikely to be comparable to similar measures presented by other issuers. See the Appendix in this presentation.

<sup>2</sup> These are specified financial measures. For quantitative reconciliations, see *Section 11.1* of the Q2 2023 MD&A available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

Resilient financial results supported by record customer growth on our leading networks, diversified and powerful asset mix, and our company-wide focus on delivering exceptional customer service



# Accelerating Cost Efficiency Programs



- Announcing extensive cost efficiency programs (CEP) across TELUS
- CEP in response to the evolving regulatory, competitive and macroeconomic environment
- Investments in leading broadband networks and digitization enabling meaningfully cost optimization
- Seeking to reduce 6,000 staff positions across our global footprint
- Incremental restructuring investments of up to \$475 million in 2023, raising annual up to \$750 million
- Program expected to yield annual cost savings of more than \$325 million

Cost efficiency programs to drive EBITDA expansion,  
margin accretion and accelerated cash flow growth



# 2023 consolidated targets

Operating revenues<sup>(1)</sup>

Growth of 9.5 to 11.5%

Adjusted EBITDA

Growth of 7 to 8%

Consolidated capital expenditures<sup>(2)</sup>

Approximately \$2.6 billion  
(unchanged)

Free cash flow

Approximately \$1.5 billion

<sup>1</sup> For 2023, we are guiding on operating revenues, which excludes other income. Operating revenues for 2022 were \$18,292 million.

<sup>2</sup> Excludes \$75 million targeted towards real estate development initiatives.

Free cash flow updated to reflect costs related to significant cost efficiency programs implemented to drive EBITDA expansion, margin accretion and accelerated cash flow growth

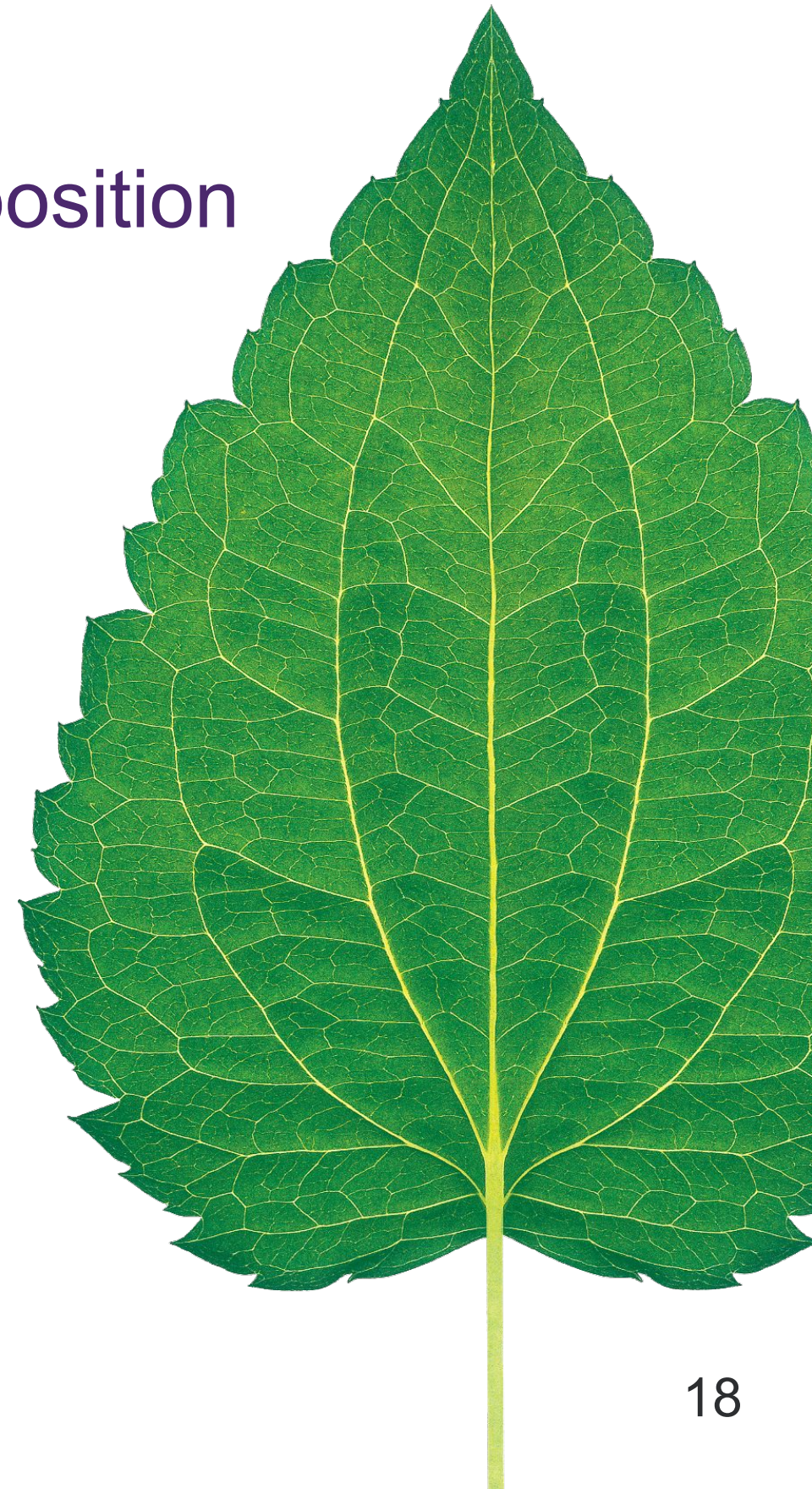


# Strong liquidity position

Leading results driving our strong balance sheet and liquidity position

- Weighted average cost of long-term debt of 4.19%
- Average long-term debt term to maturity of 11.6 years
- Available liquidity<sup>1</sup> of \$1.5 billion
- \$2.75 billion syndicated credit facility expiring July 2028
- \$600 million securitization trust expiring December 2024

<sup>1</sup> This is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS-IASB and might not be comparable to similar measures presented by other issuers. See the Appendix in this presentation.





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# Questions?

Investor relations

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# Appendix:

## Key definitions

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

- DLCX Adjusted EBITDA margin is a non-GAAP ratio. Adjusted Net income and Available liquidity are non-GAAP financial measures. Consolidated Adjusted EBITDA and Free Cash Flow are other specified financial measures. For further definitions and explanations of these measures, see *Section 11.1* of our Q2 2023 MD&A available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and ‘*Non-GAAP and other specified financial measures* in our second quarter 2023 news release dated August 4, 2023.



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Let's make the  
future friendly,  
together.

