



Let's make the future friendly

Q2 2021 investor conference call
Friday, July 30, 2021



Caution regarding forward-looking statements

Today's discussion may contain forward-looking statements, including statements relating to our objectives and strategies, our targets, outlook, updates, our plans and expectations regarding the impact of the COVID-19 pandemic and responses to it, and 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.

Forward-looking statements are subject to inherent risks and uncertainties (such as the impact of the COVID-19 pandemic and responses to it, 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 and risks and uncertainties are described in detail in our 2020 annual management's discussion and analysis (MD&A) and updated in our second quarter 2021 MD&A, 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, whether written or oral.

Executing

on our long-standing growth strategy

- Achieving strong operational and financial results
- Industry-leading profitable customer growth
- World-leading customer-centric culture
- Delivering outstanding connected experiences
- Advancing our 5G leadership with 3500 MHz spectrum
- Differentiated and potent asset mix



Industry-leading

second quarter results



- Customer net additions of 223,000
- Consolidated revenue and Adjusted EBITDA growth of 10%
- Stable mobile phone churn of 0.81%
- Strong fixed product customer loyalty results

Mobile

Operating results

\$56.56

Mobile phone
ARPU

+0.2% y/y

0.81%

Mobile phone
churn

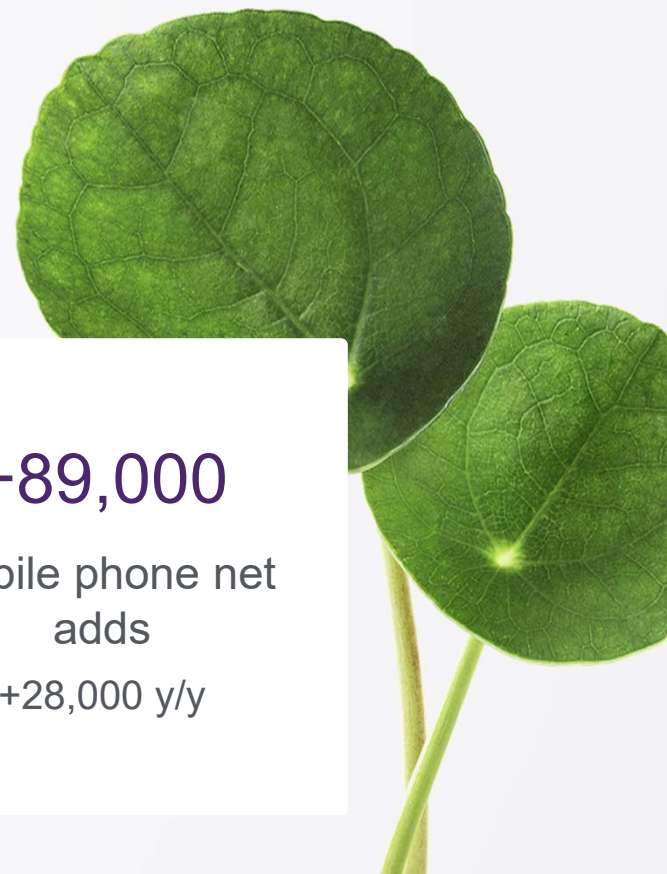
Essentially flat y/y

+89,000

Mobile phone net
adds

+28,000 y/y

Leveraging our strong digital capabilities and best-in-class customer service to sustain high-quality and profitable customer growth



Fixed

Operating results

+30,000

Internet
net adds

(7,000) y/y

+11,000

TV
net adds

+3,000 y/y

+19,000

Security
net adds

+7,000 y/y

+50,000

Total fixed
net adds

+3,000 y/y

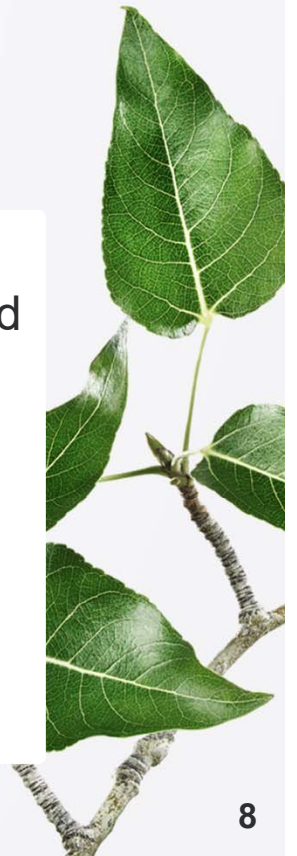
Our premium and diversified product portfolio combined with driving higher product intensity continues to deliver industry-leading customer growth

Accelerated Broadband Investment Program

- Investing from a position of strength and leadership position
- Enabling up to 225,000 additional premises with PureFibre
- Enhancing the speed and coverage of our 5G network
- Declining capex beginning in 2023 to \$2.5 billion, or less

Enhancing our leading 5G network with 3500 MHz

- Acquired 16.4 MHz of 3500 MHz spectrum licences nationally; hold 40 MHz in key markets including spectrum acquired privately
- Securing the spectrum necessary to bring transformational, next-generation, 5G connectivity to Canadians
- Enhancing our globally leading network for our fellow citizens to realize improved outcomes in our digital world





Leading the world in social capitalism

- Over 290,000 volunteer hours through TELUS #FriendlyFuture Days and \$4.8 million in grants through the TELUS Friendly Future Foundation and Community Boards in 2021
- Health for Good clinics have provided 24,000 COVID-19 assessments and 5,400 vaccinations for marginalised populations, since the start of the pandemic
- Provided 3 million vulnerable Canadians with access to low-cost internet, free mobile phones, specialised technology solutions and quality healthcare through Connecting for Good

Health services

Q2 2021 results

**\$127
million**

Services
revenue
+26% y/y

**18.1
million**

Lives
covered
+2.6 million y/y

**2.2
million**

Virtual care
members
+1.0 million y/y

**137.1
million**

Digital
transactions
+13 million y/y



Continuously innovating and transforming how Canadians
experience healthcare to drive better health outcomes

TELUS Agriculture



- Targeting double digit revenue growth in 2021 to approximately \$400M
- Supporting thousands of customers across 50+ different countries
- Over 87 million acres under active management
- 1,200+ team members around the world including N.A., Europe, APAC
- Providing digital solutions to 6 of the top 10 food and beverage suppliers and 9 of the top 10 agriculture companies globally

Financial Results



TELUS Technology Solutions (TTech)

Q2 2021 results

**\$1,526
million**

Mobile network
revenue

+3.7%

**\$1,091
million**

Fixed data
services revenue

+13.9%

**\$3,561
million**

External
revenue

+10.6%

**\$1,353
million**

Adjusted
EBITDA

+7.3%



Our consistent focus on profitable loading and our diversified asset mix continues delivering strong financial results

Digitally-led customer experiences (DLCX)

Q2 2021 results



**\$550
million**

Operating
revenue
+26%

**\$137
million**

Adjusted
EBITDA
+36.5%

5%

Capital
intensity
Unchanged

**\$106
million**

Adjusted EBITDA
less capex
+47%

Driving digital transformation journeys and enabling clients globally to embrace digital technologies to deliver better business and customer outcomes

Strong liquidity position

Successful equity and debt offerings enhances our strong balance sheet and liquidity position

- Weighted average cost of long-term debt of 3.70%
- Average long-term debt term to maturity of 12.3 years
- Over \$5.1 billion total available liquidity
- \$2.75 billion syndicated credit facility expiring April 2026
- \$500 million securitization trust expiring December 2021



Questions?

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Appendix



Appendix 1:

Q2 2021 EPS summary

Basic EPS (Q2 2020)	\$0.23
Restructuring and other costs	\$0.02
Adjusted basic EPS (Q2 2020)	\$0.25
Higher adjusted EBITDA	\$0.07
Higher depreciation and amortization	(\$0.04)
Higher outstanding shares	(\$0.02)
Adjusted basic EPS (Q2 2021)	\$0.26
Restructuring and other costs	(\$0.01)
Basic EPS (Q2 2021)	\$0.25

Appendix 2:

Free cash flow continuity (\$M)

EBITDA
Non-cash gains from the sale of property, plant, and equipment
Restructuring and other costs, net of disbursements
Effect of contract asset, acquisition and fulfilment (IFRS 15 impact) and TELUS Easy Payment device financing
Effects of lease principal (IFRS 16 impact)
Leases formerly accounted for as finance leases (IFRS 16 impact)
Items from the condensed interim consolidated statements of cash flows:
Share-based compensation, net
Net employee defined benefit plans expense
Employer contributions to employee defined benefit plans
Interest paid, net
Capital expenditures (excluding spectrum licenses)
Free cash flow before income taxes
Income taxes paid, net of refunds
Free Cash Flow
Spectrum
Shares of subsidiary issued and sold to non-controlling interest
Common shares Issued
Dividends paid to holders of common shares
Cash payments for acquisitions and related investments
Real estate joint ventures
Working capital and other
Funds available for debt redemption
Net issuance of debt
Increase (decrease) in cash

Q2 2021	Q2 2020	YTD 2021	YTD 2020
1,451	1,359	2,912	2,768
-	1	-	(2)
(2)	14	(14)	26
33	102	85	214
(124)	(81)	(247)	(165)
-	27	-	54
52	41	87	64
30	25	56	52
(12)	(12)	(28)	(27)
(172)	(196)	(369)	(370)
(913)	(756)	(1,598)	(1,421)
343	524	884	1,193
(133)	(13)	(353)	(137)
210	511	531	1,056
(21)	-	(272)	-
-	-	827	209
-	-	1,300	1,495
(251)	(240)	(502)	(462)
(13)	(107)	(150)	(1,211)
(1)	(7)	(15)	(85)
202	235	23	24
126	392	1,742	1,026
154	(479)	(407)	(590)
280	(87)	1,335	436

Appendix 3:

DLCX to TELUS International (TI) reconciliation - Revenue

Millions (except foreign exchange (FX) rate)

	Q2 2021	Q2 2020	Y/Y growth (%)
TI revenue (USD\$)	533	391	36%
CAD\$ equivalent, in constant currency (Q2 2020 rate)	739	541	
Subtract: FX impact (stronger CAD to USD)	(81)	-	
Add: Xavient put option reversal	-	71	
Revenue per TELUS DLCX segment (CAD\$)	658	612	8%
Average FX rate (USD-CAD)	1.2286	1.3859	

Appendix 4:

DLCX to TELUS International (TI) reconciliation - Adjusted EBITDA

Millions (except foreign exchange (FX) rate)

	Q2 2021	Q2 2020	Y/Y growth (%)
TI Adjusted EBITDA (USD\$)	131	84	56%
CAD\$ equivalent, in constant currency (Q2 2020 rate)	182	116	
Subtract: FX impact (stronger CAD to USD)	(21)		
Subtract: Share-based compensation	(24)	(15)	
Adjusted EBITDA per TELUS DLCX segment (CAD\$)	137	101	37%
Average FX rate (USD-CAD)	1.2286	1.3859	

Appendix 5:

Ad hoc disclosure items

- PureFibre internet, Optik TV, Residential voice churn all below 1%
- Enabled nearly 60,000 homes and business with fibre this quarter
- Mobile phone customer renewals up 23% year over year
- 70% of mobile rate plan changes either step-ups or flat on revenue
- Peace of Mind unlimited plans have increased by 10%+ per quarter since launch
- Over 30,000 customers migrated to our PureFibre network during the quarter
- Relative to copper, PureFibre sees 25% higher product intensity, 15% higher ARPU per home, a churn profile that is 20% lower, and cost to serve that is 25-30% lower
- Liquidity position of approximately \$2.1 billion, factoring in the 3500 MHz investment and early redemption of \$1 billion Series CT notes

Appendix 6:

Key definitions

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

- EBITDA, Adjusted EBITDA, Adjusted net income, Adjusted basic EPS and Free cash flow are non-GAAP measures and do not have any standardized meaning prescribed by IFRS-IASB. For further definitions and explanations of these measures, see 'Non-GAAP and other financial measures' in our second quarter 2021 news release dated July 30, 2021.
- Adjusted EBITDA for the second quarters of 2021 and 2020 excludes restructuring and other costs of \$38 million and \$70 million, respectively, and other equity losses related to real estate joint ventures of \$1 million and \$3 million, respectively, while the second quarter of 2020 also excludes a \$71 million gain on the retirement of a provision arising from business acquisition-related written put options within DLCX.



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