



Let's make the future friendly

Q1 2021 investor conference call
Friday, May 7, 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 first 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 performance culture
- Delivering outstanding connected experiences
- Differentiated and potent asset mix



Industry-leading

first quarter results

- 145,000 customer net additions
- Strong consolidated revenue and EBITDA growth
- Mobile phone churn of 0.89%
- Fixed product churn below 1%



Mobile

Operating results

\$56.10

Mobile phone
ARPU

(3.7%) y/y

0.89%

Mobile phone
churn

5 bps improvement

+31,000

Mobile phone net
adds

+10,000 y/y

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

Fixed

Operating results



+33,000

Internet
net adds

+7,000 y/y

+11,000

TV
net adds

+3,000 y/y

+17,000

Security
net adds

+2,000 y/y

+51,000

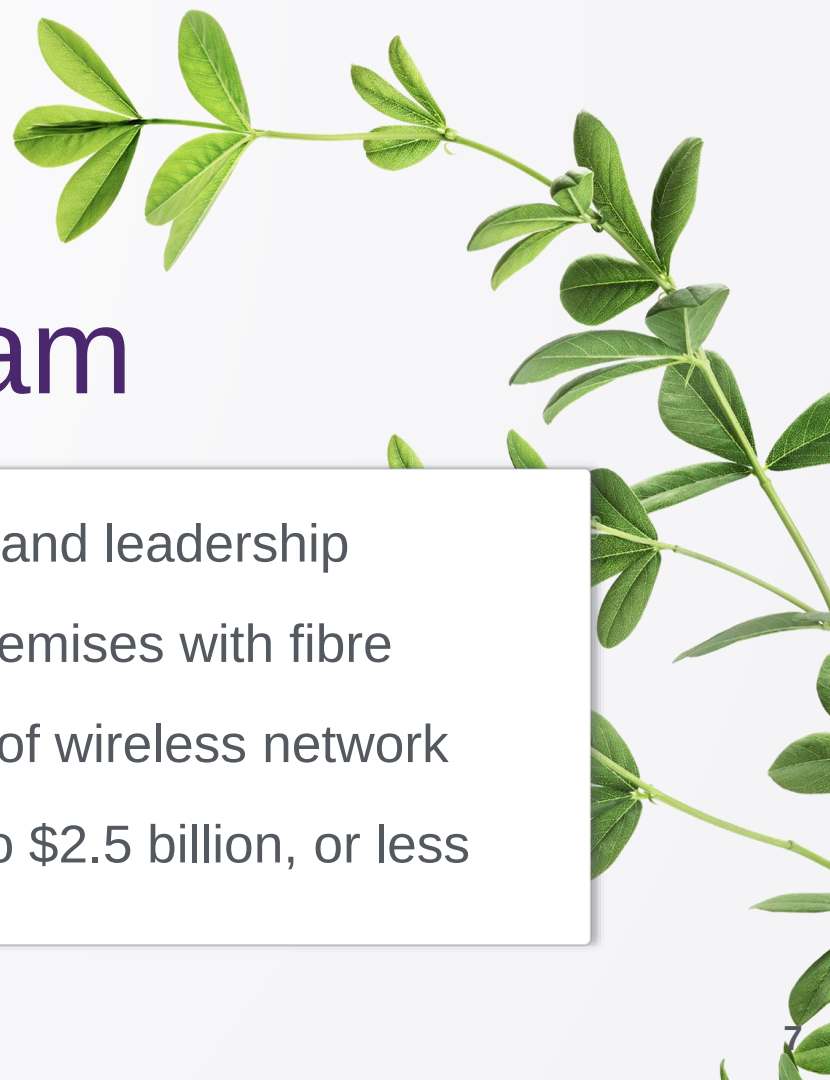
Total fixed
net adds

+15,000 y/y

Our premium, diversified, and evolving product portfolio
continues to drive industry-leading customer growth

Broadband Investment Program

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





Leading the world in social capitalism

- 1,800 TELUS team members supporting Government of B.C.'s Immunise B.C. initiative
- Over one million vaccination appointments booked for eligible British Columbians
- Health for Good clinics providing close to 18,000 COVID-19 assessments for marginalised populations

TELUS Health



- Leading integrated healthcare services and technology company
- 2020 in health revenues of over \$800 million
- Accelerated adoption of digitally-enabled healthcare tools
- Exponential growth in demand for virtual care solutions

Health services

Q1 2021 results

**\$123
million**

Services
revenue
+9.8% y/y

**17.5
million**

Lives
covered
+2.9 million y/y

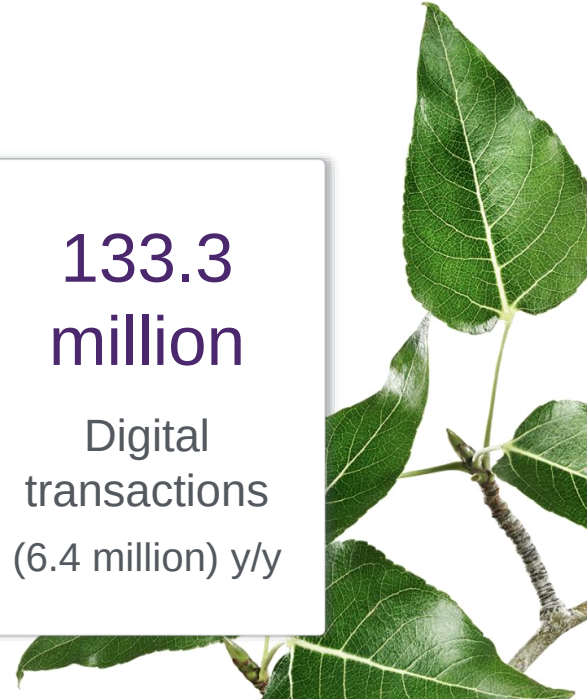
**2.0
million**

Virtual care
members
+1.3 million y/y

**133.3
million**

Digital
transactions
(6.4 million) y/y

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



Financial Results



TELUS Technology Solutions (TTech)

Q1 2021 results

\$1,503 million	\$1,067 million	\$3,489 million	\$1,365 million
Mobile network revenue (0.5%)	Fixed data services revenue +10.6%	External revenue +6.0%	Adjusted EBITDA +1.8%

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

Digitally-led customer experiences (DLCX)

Q1 2021 results



**\$535
million**

External
revenue
+33.1%

**\$138
million**

Adjusted
EBITDA
+3.0%

4%

Capital
intensity
flat

**\$102
million**

EBITDA less
capex
+14.6%

Driving digital transformation journeys and enabling customers to embrace digital technologies to deliver better business outcomes

Strong liquidity position

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

- Weighted average cost of long-term debt of 3.80%
- Average long-term debt term to maturity of 12.0 years
- \$3.6 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:

Q1 2021 EPS summary

Basic EPS (Q1 2020)	\$0.28
Restructuring and other costs	\$0.04
Adjusted basic EPS (Q1 2020)	\$0.32
Higher adjusted EBITDA	\$0.01
Higher depreciation and amortization	(\$0.04)
Higher net financing costs	(\$0.01)
Higher outstanding shares	(\$0.01)
Adjusted basic EPS (Q1 2021)	\$0.27
Restructuring and other costs	(\$0.02)
Basic EPS (Q1 2021)	\$0.25

Appendix 2:

Free cash flow continuity (\$M)

C\$ millions

	Q1 2020	Q1 2021
EBITDA	1,409	1,461
Restructuring and other costs, net of disbursements	12	(12)
Effect of contract asset, acquisition and fulfilment (IFRS 15 impact) and TELUS Easy Payment device financing	112	52
Effects of lease principal (IFRS 16 impact)	(84)	(123)
Leases formerly accounted for as finance leases (IFRS 16 impact)	27	-
Non-cash gains from the sale of property, plant, and equipment	(3)	-
Items from the condensed interim consolidated statements of cash flows:		
Share-based compensation, net	23	35
Net employee defined benefit plans expense	27	26
Employer contributions to employee defined benefit plans	(15)	(16)
Interest paid, net	(174)	(197)
Capital expenditures (excluding spectrum licenses)	(665)	(685)
Free cash flow before income taxes	669	541
Income taxes paid, net of refunds	(124)	(220)
Free Cash Flow	545	321
Spectrum	-	(251)
Shares of subsidiary issued and sold to non-controlling interest	209	827
Common shares Issued	1,495	1,300
Dividends paid to holders of common shares	(222)	(251)
Cash payments for acquisitions and related investments	(1,104)	(137)
Real estate joint ventures	(78)	(14)
Working capital and other	(212)	(179)
Funds available for debt redemption	633	1,616
Net issuance of debt	(110)	(561)
Increase (decrease) in cash	523	1,055

Appendix 3:

DLCX to TELUS International (TI) reconciliation - Revenue

Millions (except foreign exchange (FX) rate)	Q1 2021	Q1 2020	Y/Y growth (%)
TI revenue (USD\$)	506	322	57
Average FX rate	1.2665	1.3429	
CAD\$ equivalent	678	433	57
Subtract: FX impact (stronger CAD to USD)	(39)		
Add: Xavient put option reversal		32	
Add: Managed IT Services contribution ¹		33	
Revenue per TELUS DLCX segment (CAD\$)	639	498	28

¹ Managed IT Services business sold by TELUS to TELUS International effective April 1, 2020

Appendix 4:

DLCX to TELUS International (TI) reconciliation - Adjusted EBITDA

Millions (except foreign exchange (FX) rate)	Q1 2021	Q1 2020	Y/Y growth (%)
TI Adjusted EBITDA (USD\$)	129	68	90
Subtract: share based compensation	(26)	(2)	
Subtotal	103	66	55
Average FX rate	1.2665	1.3429	
CAD\$ equivalent	138	89	55
Subtract: FX impact (stronger CAD to USD)	(8)		
Add: Xavient put option reversal		32	
Add: share based compensation associated with IPO	7		
Add: Managed IT Services contribution		12	
Adjusted EBITDA per TELUS DLCX segment (CAD\$)	138	134	3

Appendix 5:

Ad hoc disclosure items

- Postpaid mobile phone churn of 0.72%
- Network revenue growth of approximately 3% when excluding roaming
- Internet, TV, Security, Residential Voice churn all below 1%
- Double-digit monthly recurring revenue for new internet customers
- PureFibre stats (vs copper):
 - Number of fibre services within a home 25% greater
 - Churn 30 basis points lower
 - Household ARPU 15% higher
 - Operating expenses to support 25% lower
- Consolidated capex to decline to \$2.5 billion or less beginning in 2023 combined with capital intensity of at or below 14%

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 first quarter 2021 news release.
- Adjusted EBITDA for the first quarters of 2021 and 2020 excludes restructuring and other costs of \$41 million and \$60 million respectively, and other equity losses related to real estate joint ventures of \$1 million and \$6 million respectively.



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