



# The power of our purpose

Q4 2022 investor conference call

February 9, 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 plans and expectations regarding the impact of the COVID-19 pandemic and responses to it, 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. This disclosure is 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 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, risks, and uncertainties are described in detail in our 2022 annual management's discussion and analysis (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, whether written or oral.

# Demonstrating Continued Execution Excellence

- Achieving strong operational and financial results across our business
- Leading customer growth underpinned by our consistent industry-best client loyalty
- Delivering exceptional customer experiences over our globally-leading networks
- Continuing strong momentum from our diversified and powerful asset mix
- Returning capital to shareholders through our leading dividend growth program
- Demonstrating our unwavering commitment to put our customers and communities first





# Mobile Operating Results

Q4 2022

**\$58.69**

Mobile phone  
ARPU  
+2.2% y/y

**1.22%**

Mobile phone  
churn  
+18 bps

**+112,000**

Mobile phone  
net adds  
flat

**+106,000**

Connected device  
net adds  
+25,000 y/y

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

# Mobile Operating Results

Fiscal 2022

**\$58.10**

Mobile phone  
ARPU  
+1.8% y/y

**0.95%**

Mobile phone  
churn  
+4 bps

**+401,000**

Mobile phone  
net adds  
+34,000 y/y

**+368,000**

Connected device  
net adds  
+30,000 y/y

Strong customer growth for 2022, including the highest Mobile Phone net additions for TELUS since 2010 along with industry-leading mobile phone churn below 1% for the ninth consecutive year



# Fixed Operating Results

Q4 2022

**+42,000**

Internet  
net adds  
+2,000 y/y

**+17,000**

TV  
net adds  
(1,000) y/y

**+28,000**

Security  
net adds  
(3,000) y/y

**+83,000**

Total fixed  
net adds  
+4,000 y/y

Our diversified and superior product portfolio drove higher product intensity and high quality customer growth, resulting in record high quarterly net additions of fixed customers

# Fixed Operating Results

Fiscal 2022



**+142,000**

Internet  
net adds  
(7,000) y/y

**+60,000**

TV  
net adds  
10,000 y/y

**+99,000**

Security  
net adds  
2,000 y/y

**+274,000**

Total fixed  
net adds  
+19,000 y/y

Our team achieved another best-ever year for Fixed subscriber growth of 274,000 reflecting our industry-leading PureFibre network and superior bundled offerings



# Accelerated Broadband Investment Program

- Investing from a position of strength
- Accelerated broadband build completed in 2022
- PureFibre network enabling 3.0 million premises
- Covering approximately 83% of Canadians over our 5G network



Capex to decline meaningfully in 2023 reflecting the conclusion of our accelerated broadband build at the end of 2022, supporting significant cash flow expansion



# Health Services

Revolutionizing Access to Healthcare

Fiscal 2022

**\$913 million**

Services revenue  
+\$392 million y/y

**67.7 million**

Lives covered  
+47.1 million y/y<sup>1</sup>

**4.5 million**

Virtual care members  
+1.7 million y/y

**580.5 million**

Digital transactions  
+29.4 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  
Fiscal 2022

\$354 million  
+24% revenue  
growth y/y

1,600+ team  
members globally

Serving customers in  
over 50 countries



Empowering the agriculture and consumer goods industry with digital technologies and data insights to create the best producer-to-consumer outcomes



# Returning Capital to Shareholders



- Targeting 7 to 10% annual dividend growth for 2023 through 2025
- Quarterly dividend declared of \$0.3511 payable April 3, 2023, up 7.2% YoY
- 23 dividend increases since dividend growth program initiated in May 2011
- Returning \$23 billion to shareholders since 2004, including \$18 billion in dividends and \$5.2 billion in share purchases

Dividend growth supported by strong EBITDA growth profile and significant cash flow expansion

# Leading the World in Social Capitalism

- In 2022, TELUS, our team members and retirees provided **\$125 million**, in cash, in-kind contributions, time and programs, and volunteered **1.44 million hours** in support of charitable and community organizations.
- Additionally, through TELUS Friendly Future Foundation we granted **\$10.6 million** to **548** charitable organizations directly impacting the lives of more than **1 million** youth across the country.
- Throughout 2022, we continued to expand our Connecting for Good programs, giving individuals in need access to our world-leading connectivity and technology. To date, these programs have supported a cumulative **342,000** marginalized individuals.



# 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 green mortgage bond

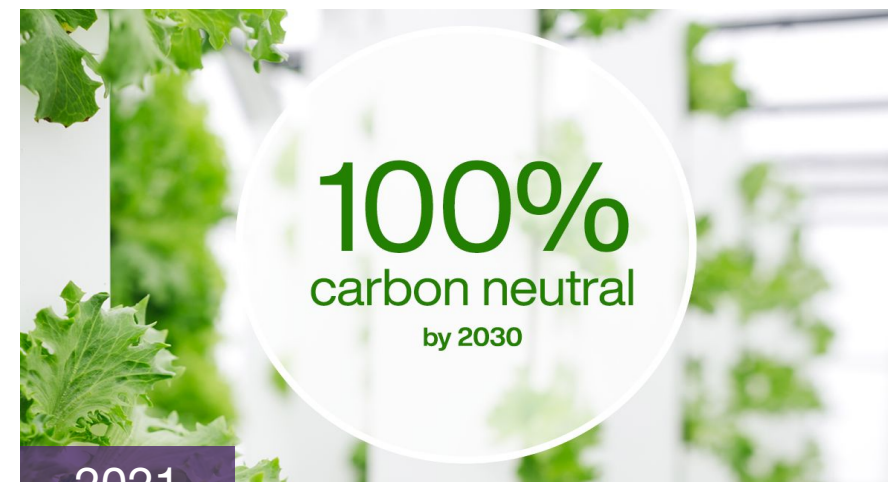
\$225 million; first green bond in North America for real estate financing



2017

## First Power Purchase Agreement (PPA)

First utility-scale solar farm in Western Canada



2021

## New climate target: net carbon neutral operations by 2030

Additional targets approved by Science Based Targets initiative



CAD\$1,850M  
USD\$900M

TELUS issues first Canadian Sustainability-Linked Bond tied to Scope 1 and 2 emissions. Two subsequent issues in 2022



2022

## 3 more renewable PPAs operational

TELUS has executed the most renewable energy PPAs in Canada across all industries



# Financial Results





# TELUS Technology solutions (TTech)

## Q4 2022 results

**\$1,695  
million**

Mobile network  
revenue  
+6.5%

**\$1,116  
million**

Fixed data  
services revenue<sup>1</sup>  
+5.9%

**\$4,329  
million**

Operating  
revenues  
+13%

**\$1,479  
million**

Adjusted  
EBITDA  
+9.9%

<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 strong financial results



# TELUS Technology solutions (TTech)

## Fiscal 2022 results

**\$6,591  
million**

Mobile network  
revenue  
+6.2%

**\$4,351  
million**

Fixed data  
services revenue<sup>1</sup>  
+5.2%

**\$15,615  
million**

Operating  
revenues  
+7.5%

**\$5,874  
million**

Adjusted  
EBITDA  
+7.3%

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



Strong full year results reflecting our consistent operational execution and focus on high quality customer growth and customer service excellence



# Digitally-led customer experiences (DLCX)

## Fiscal 2022 results

**\$2,677 million**

Operating  
revenues  
+16%

**\$769 million**

Adjusted  
EBITDA  
+30%

**23.9%**

Adjusted EBITDA  
margin<sup>1</sup>  
+2.3 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.

TELUS International achieved an impressive 2022 performance, marked by double-digit revenue growth and leading profitability, despite the challenging macroeconomic conditions

# Consolidated

## Q4 2022 results

**\$5,023  
million**

Operating  
revenues  
+13%

**\$265  
million**

Net  
income<sup>1</sup>  
-60.0%

**\$1,689  
million**

Adjusted  
EBITDA<sup>2</sup>  
+11%

**\$1,126  
million**

Cash provided  
by operating  
activities  
+26%

**\$323  
million**

Free  
Cash Flow<sup>2</sup>  
+651%

<sup>1</sup> Net income in the fourth quarter of 2021 included the gain on sale of our financial solutions business of \$349 million tax effected; adjusted Net income for Q4 2022 was higher by 0.6%. 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 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com)

Strong 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



# Consolidated

## Fiscal 2022 results

\$18,292

million

Operating  
revenues

+8.6%

\$1,718

million

Net  
income<sup>1</sup>

+1.2%

\$6,643

million

Adjusted  
EBITDA<sup>2</sup>

+9.5%

\$4,811

million

Cash provided  
by operating  
activities

+9.6%

\$1,274

million

Free  
Cash Flow<sup>2</sup>

+64%

<sup>1</sup> Net income in the fourth quarter of 2021 included the gain on sale of our financial solutions business of \$349 million tax effected; adjusted Net income for 2022 was higher by 15%. 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 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com)

Strong results in line with our revised 2022 guidance, including free cash flow growth of 64%, exceeding our original free cash flow target

# 2023 consolidated targets

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

Growth of 11 to 14%

Adjusted EBITDA

Growth of 9.5 to 11%

Consolidated capex (excluding spectrum licences)<sup>(2)</sup>

Approximately \$2.6 billion

Free cash flow

Approximately \$2.0 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.

Establishing ambitious financial targets, further enhancing our leading growth profile, and building upon our well established operating momentum and execution excellence



# Strong liquidity position

Leading results driving our strong balance sheet and liquidity position

- Weighted average cost of long-term debt of 4.03%
- Average long-term debt term to maturity of 12.1 years
- Available liquidity<sup>1</sup> of \$2.8 billion
- \$2.75 billion syndicated credit facility expiring April 2026
- \$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.



# Questions?

Investor relations

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# Appendix 1:

## Ad hoc disclosure items

- Mobile and fixed net additions of 301,000 in Q4/22, up 29,000 over last year, our strongest fourth quarter on record.
- Record fourth quarter connected device net additions of 106,000 and best fixed customer growth on record with 83,000 net additions.
- Total mobile and fixed net additions for the year surpassing one million for the first time, including mobile phone net additions of 401,000, our best annual result since 2010, and record fixed subscriber growth of 274,000.
- Industry-leading postpaid wireless churn of 0.75% below one percent for the ninth consecutive year.
- Blended Mobile Phone, PureFibre internet, Optik TV, Security and Voice churn all below one percent for the year.
- Net debt to EBITDA elevated notably by spectrum purchases (approximately 0.47x); excluding the impact from the acquisition of spectrum licences over the past 12 months, net debt to EBITDA was 3.16x<sup>(1)</sup>.
- As at December 31, 2022, our average cost and maturity of long-term debt was 4.03% and 12.1 years, respectively; 86% of our debt is fixed<sup>(2)</sup>.
- Dividend payout ratio excluding accelerated broadband capex of \$823 million for the most recent four quarters, as at December 31, 2022, was 61%.

<sup>1</sup> Net debt to EBITDA is excluding restructuring and other costs.

<sup>2</sup> Excluding commercial paper, TELUS bank credit facilities, the revolving components of the TI credit facility, lease liabilities and other long-term debt.

# Appendix 2:

## 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 2022 MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com) and ‘Non-GAAP and other financial measures’ in our fourth quarter 2022 news release dated February 9, 2023.



Let's make the  
future friendly,  
together.

