



Rogers Communications Inc.  
**Q4 2016 Results**

26 | 01 | 17

## Cautionary note

Certain statements made in this presentation, including, but not limited to, statements relating to expected future events, financial and operating results, guidance, objectives, plans, strategic priorities and other statements that are not historical facts, are forward-looking. By their nature, forward-looking statements require Rogers' management to make assumptions and predictions and are subject to inherent risks and uncertainties, thus there is risk that the forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future results and events to differ materially from that expressed in the forward-looking statements. Accordingly, our comments are subject to the disclaimer and qualified by the assumptions and risk factors referred to in Rogers' 2015 MD&A and Fourth Quarter 2016 Earnings Release, as filed with securities regulators at [sedar.com](http://sedar.com) and [sec.gov](http://sec.gov), and also available at [rogers.com/investors](http://rogers.com/investors). The forward-looking statements made in this presentation and discussion describe our expectations as of today and, accordingly, are subject to change going forward. Except as required by law, Rogers disclaims any intention or obligation to update or revise forward-looking statements.

---

In addition, this presentation includes non-GAAP measures, including adjusted operating profit, adjusted net income, adjusted EPS, adjusted net debt, adjusted net debt/adjusted operating profit, and free cash flow. Descriptions of these measures and why they are used can be found in the disclosure documents referenced above.

# Strong Q4 operating results & 2016 outlook achieved

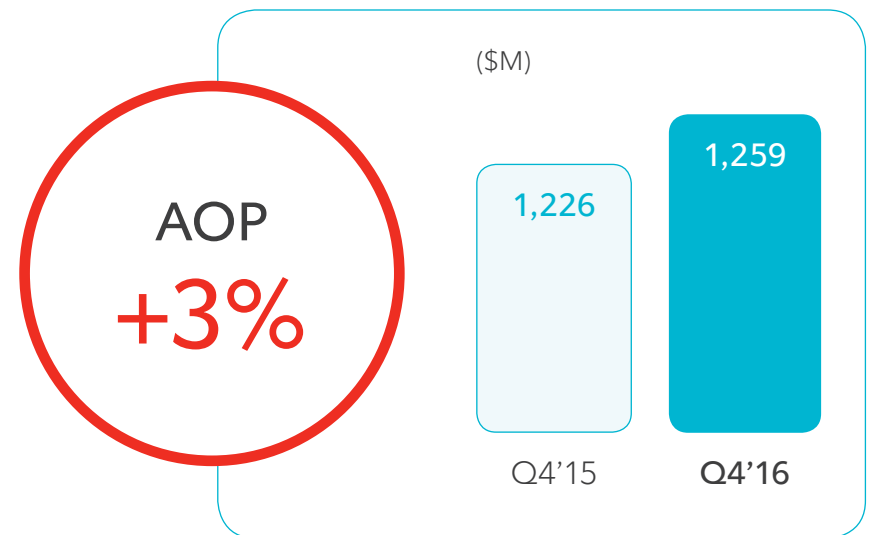
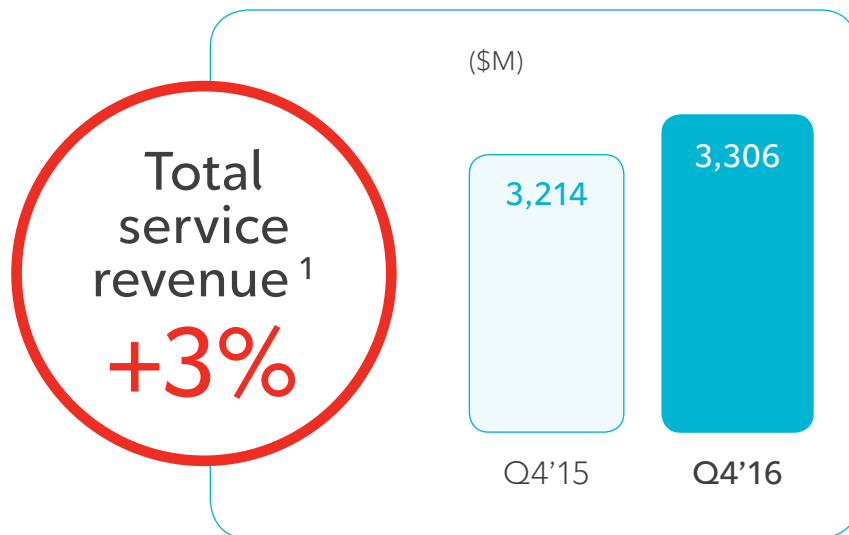
- Q4 results reflect continued strong revenue and subscriber growth, and translation to adjusted operating profit (AOP) and free cash flow improvement
- Achieved 2016 guidance and expect a stronger growth profile in 2017
- Partnered with Comcast bringing proven X1 platform to our customers

	4Q'16	YoY%	2016	YoY%	2016 Guidance
<b>Revenue</b>	3,510	2%	13,702	2%	1% - 3% growth ✓
<b>AOP</b>	1,259	3%	5,092	1%	1% - 3% growth ✓
<b>Capital expenditures</b>	604	(22%)	2,352	(4%)	2,300 to 2,400 ✓
<b>Free cash flow</b>	392	43%	1,705	2%	1% - 3% growth ✓

(In millions of dollars, except percentages)

# Accelerated operating momentum in Q4

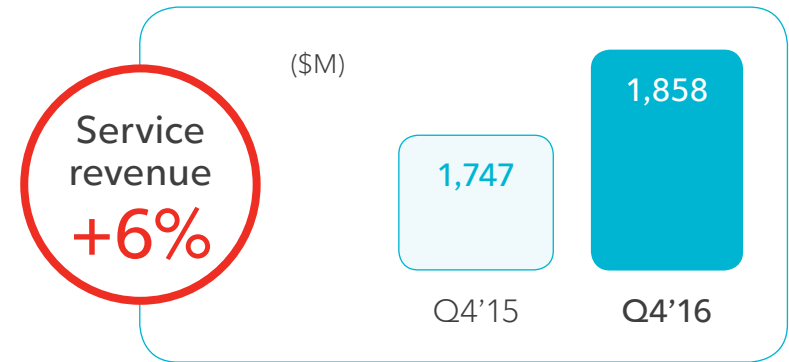
- Continued momentum in total service revenue growth and robust AOP growth driven by Wireless and Internet
- Underpinned by strong subscriber performance in both Wireless and Cable



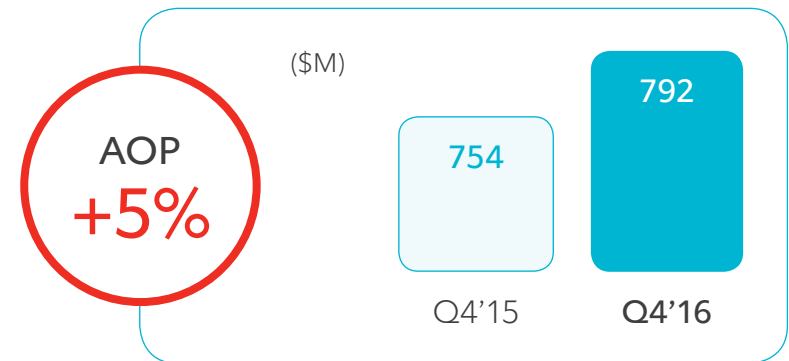
<sup>1</sup> Total revenue excluding equipment revenue in Wireless, Cable, Business Solutions, and Corporate

# Maintaining momentum in Wireless

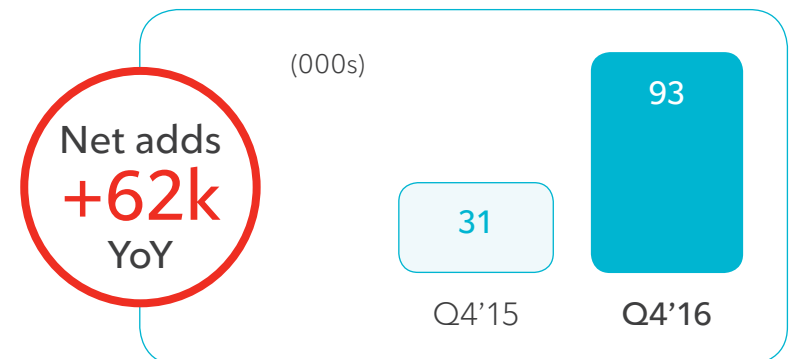
- Driven by combination of subscriber additions and blended ARPU (+3%) and postpaid ARPA growth (+7%)



- Improving flow-through of top-line growth to AOP

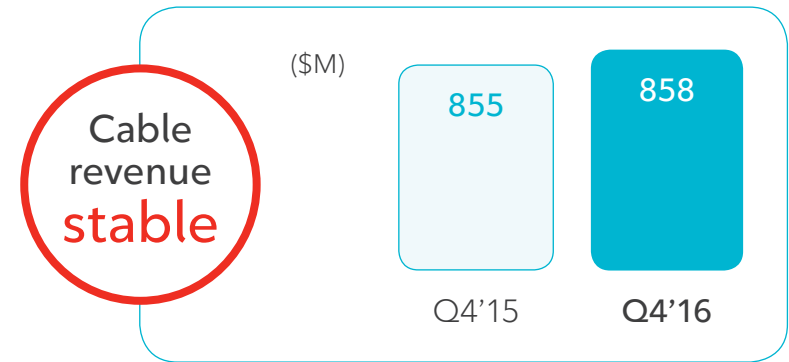


- Sixth consecutive quarter of increased postpaid net adds year on year

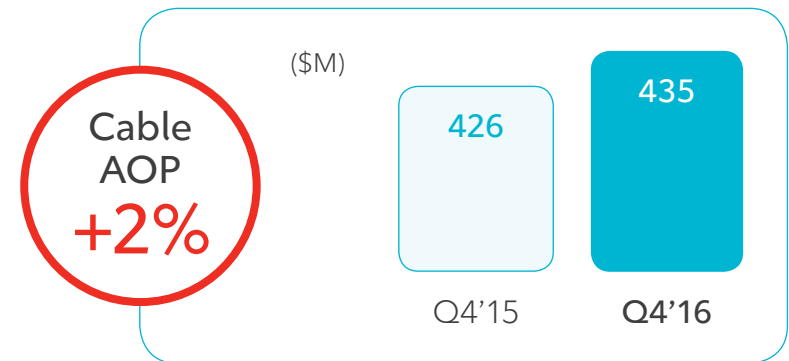


# Improving Cable on the strength of Internet

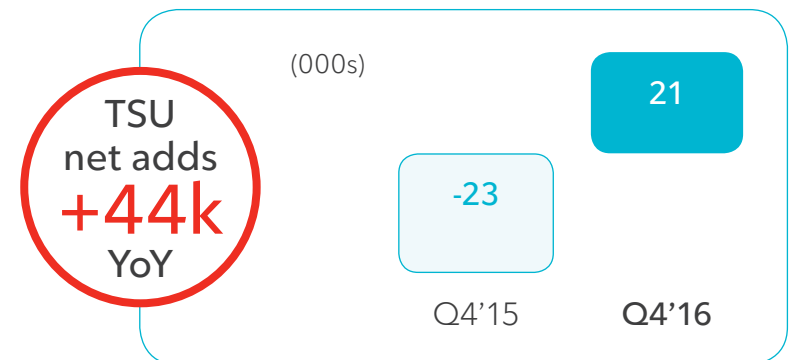
- Cable revenue increased 2% excluding the impact of lower wholesale revenue from CRTC decision



- Driven by ongoing shift in product mix to higher-margin Internet services
- Cable AOP increased 5% excluding impact of lower wholesale revenue from CRTC decision

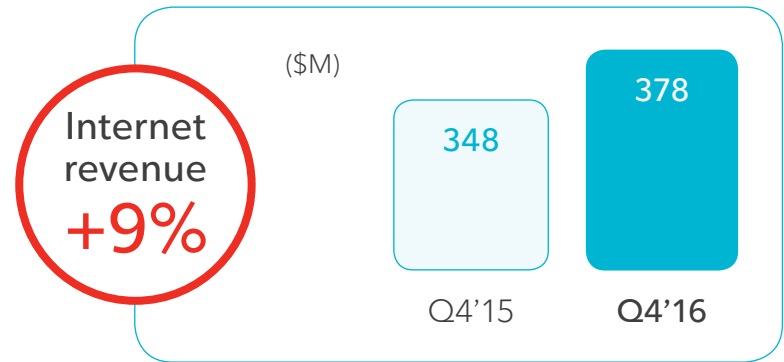


- TSU net adds positive for second consecutive quarter driven by Internet

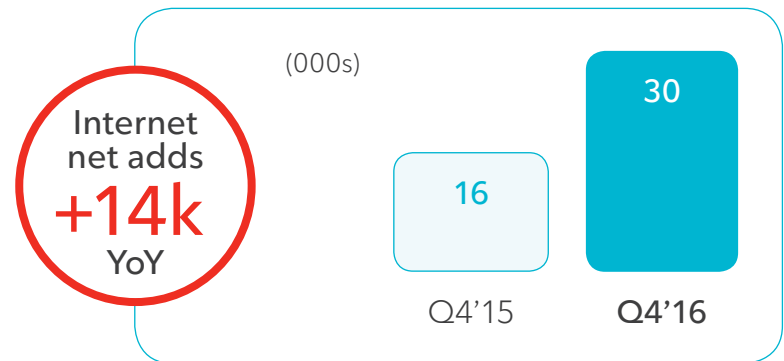


# Internet results reflect our competitive advantage

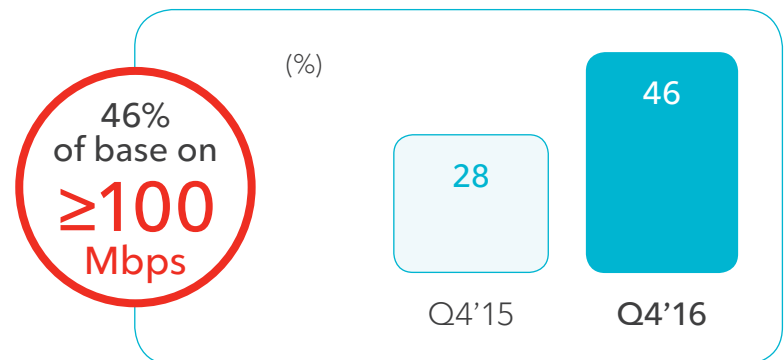
- Internet revenue increased 12% excluding the impact of lower wholesale revenue from CRTC decision



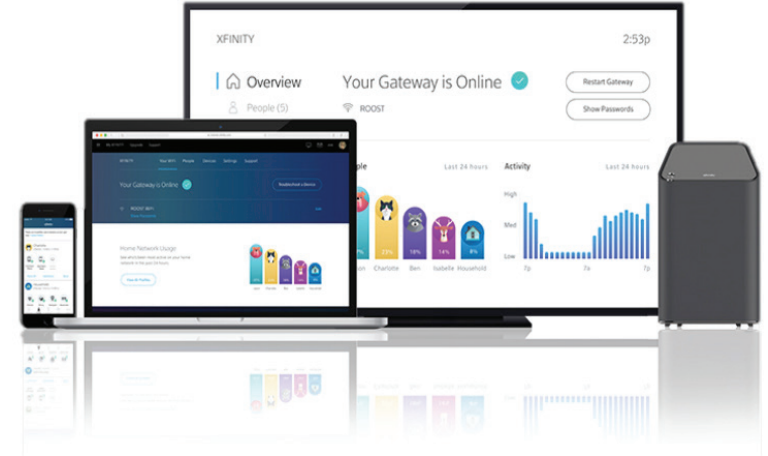
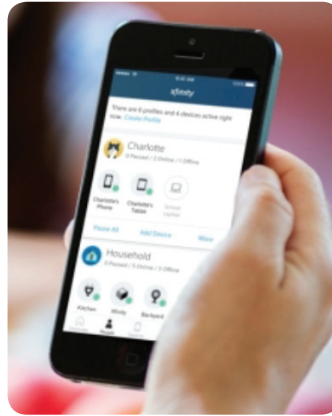
- Strong net adds reflect competitive advantage in Internet



- 46% of Internet base on speeds  $\geq 100$  Mbps
- Ignite Gigabit Internet service available to entire footprint



# Strengthening Cable with our Comcast partnership

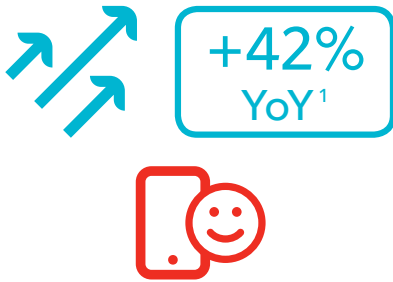


- Plan to bring customers the proven, best-in-class X1 IPTV platform in early 2018
- Includes access to Comcast's state-of-the-art customer premise equipment, including advanced DOCSIS 3.1 WiFi Gateways – to begin launching in mid-2017
- Variable opex model and shifting capex to success-based investment
- Our customers will benefit from a continuous stream of industry-leading innovations, including the new Digital Home solution
- Builds on our Internet leadership and furthers strategy to deliver all-IP services

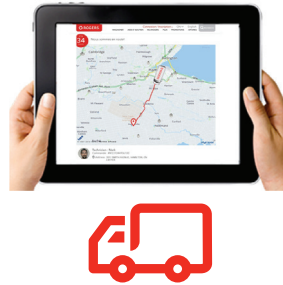


# Improving customer experience through self-serve

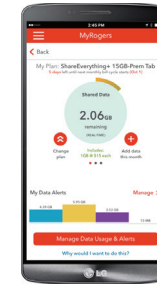
## Increase in self-serve transactions



## EnRoute saves customers time



## Data manager offers control



MyRogers app offers family data control

- Focused on being a leader in flexible self-service offerings
- Launched many tools and offerings throughout 2016:
  - ✓ simplified mobile-first billing
  - ✓ expanded worry-free wireless roaming
  - ✓ a data manager tool giving families control over wireless data usage in real time
- Most recent self-serve launch - EnRoute tool allows customers to track technician arrival time

<sup>1</sup> On Rogers brand

# Media focused on sports and shift to digital

## Sports

- Sportsnet #1 sports media brand in Canada for the second consecutive year
- Revenue and AOP impacted by fewer postseason Toronto Blue Jays games played and lower advertising revenue



## Digital

- Shifting from print to digital media to keep pace with changing audience demands
- Developing roadmap to drive innovation and new content and in turn, higher digital audiences and revenue

# Wireless and Cable drove strong operating results

	Q4'16	Q4'15	Chg
Total revenue	3,510	3,452	2%
Total service revenue <sup>1</sup>	3,306	3,214	3%
Wireless	1,858	1,747	6%
Cable	857	853	-
Business Solutions	94	94	-
Media	550	560	(2%)
Adjusted operating profit	1,259	1,226	3%
Wireless	792	754	5%
Cable	435	426	2%
Business Solutions	30	30	-
Media	49	56	(13%)
Adjusted net income	382	331	15%
Adjusted basic EPS	\$0.74	\$0.64	16%
Capital expenditures	604	773	(22%)
Free cash flow	\$392	\$274	43%
Net (loss) income	(9)	299	nm

Strong total service revenue growth largely driven by Wireless

Improving flow-through of top-line growth to Wireless AOP

Strong AOP & lower capex drove higher free cash flow

\$ millions, except per share amounts

<sup>1</sup> Total revenue excluding equipment revenue in Wireless, Cable, Business Solutions, and Corporate

# Enhancing financial flexibility

- Strong operating cash flow of \$1,053M allowed \$307M in debt repayment
- Continue to focus on meaningful progress toward target leverage ratio of  $\leq 2.5$
- Strong investment-grade debt ratings with stable outlooks
- \$2.7B in available liquidity
- Weighted average borrowing costs and maturity term of 4.72% and 10.6 years, respectively

Key  
leverage  
ratio <sup>1</sup>

3.2

Q1'16

3.1

Q2'16

3.0

Q3'16

3.0

Q4'16

<sup>1</sup> Adjusted Net Debt / 12 months trailing Adjusted Operating Profit

# Stronger growth outlook in 2017

	2016 Actuals	2017 Guidance
Revenue	13,702	3% - 5% growth
AOP	5,092	2% - 4% growth
Capital expenditures	2,352	2,250 to 2,350
Free cash flow	1,705	2% - 4% growth

(In millions of dollars, except percentages)

- Building on momentum in Wireless and our competitive advantage in Internet
- Focused on further improving customer experience and capturing cost and productivity improvements to translate top-line growth to higher AOP and free cash flow

# Well positioned to deliver increasing returns

1

**Delivering on our strategy** to reaccelerate revenue and translate into attractive margins, profits, free cash flow and return on assets

2

**Growth** centred on management **execution** of existing opportunities without the need for major acquisitions

3

**Strong** foundation in **vertically integrated asset mix** where Media is focused on sports to drive growth

4

**Robust networks** enable leading performance **without** the need for **substantial upfront incremental investment** to maintain leadership

5

**Stronger AOP** to drive growth in free cash flow and enhance financial flexibility