



Supplemental
Financial
Information

Second Quarter 2019

TSX: RCI | NYSE: RCI

 ROGERS

Rogers Communications Inc.
Consolidated Financial Results
(unaudited)

(In millions of dollars, except per share amounts)	2019 Q2'19	Q1'19	2018 ¹ Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue							
Wireless	2,244	2,189	9,200	2,464	2,331	2,214	2,191
Cable	997	976	3,932	989	983	991	969
Media	591	468	2,168	540	488	608	532
Corporate items and intercompany eliminations	(52)	(46)	(204)	(55)	(33)	(57)	(59)
Revenue	3,780	3,587	15,096	3,938	3,769	3,756	3,633
Total service revenue ²	3,345	3,143	12,974	3,276	3,271	3,300	3,127
Adjusted EBITDA ³							
Wireless	1,128	1,015	4,090	1,028	1,099	1,029	934
Cable	478	445	1,874	489	490	462	433
Media	72	(84)	196	40	73	60	23
Corporate items and intercompany eliminations	(43)	(41)	(177)	(36)	(42)	(47)	(52)
Adjusted EBITDA	1,635	1,335	5,983	1,521	1,620	1,504	1,338
Deduct (add):							
Depreciation and amortization	614	609	2,211	564	558	545	544
Gain on disposition of property, plant and equipment	—	—	(16)	—	(5)	—	(11)
Restructuring, acquisition and other	39	20	210	94	47	26	43
Finance costs	206	189	793	205	176	193	219
Other (income) expense	(1)	(13)	(32)	(26)	15	2	(23)
Net income before income tax expense	777	530	2,817	684	829	738	566
Income tax expense	186	139	758	182	235	200	141
Net income	591	391	2,059	502	594	538	425
Earnings per share:							
Basic	\$1.15	\$0.76	\$4.00	\$0.97	\$1.15	\$1.04	\$0.83
Diluted	\$1.15	\$0.76	\$3.99	\$0.97	\$1.15	\$1.04	\$0.80
Net income	591	391	2,059	502	594	538	425
Add (deduct):							
Restructuring, acquisition and other	39	20	210	94	47	26	43
Loss on bond forward derivatives	—	—	21	21	—	—	—
Loss on repayment of long-term debt	—	—	28	—	—	—	28
Gain on disposition of property, plant and equipment	—	—	(16)	—	(5)	—	(11)
Income tax impact of above items	(10)	(6)	(61)	(32)	(11)	(10)	(8)
Income tax adjustment, legislative tax change	(23)	—	—	—	—	—	—
Adjusted net income ³	597	405	2,241	585	625	554	477
Adjusted earnings per share ³ :							
Basic	\$1.17	\$0.79	\$4.35	\$1.14	\$1.21	\$1.08	\$0.93
Diluted	\$1.16	\$0.78	\$4.34	\$1.13	\$1.21	\$1.07	\$0.90

¹ Effective January 1, 2019, we adopted IFRS 16, Leases (IFRS 16), with the ongoing impacts of this standard included in our results prospectively from that date. Our 2018 results have not been restated. See "Critical Accounting Policies and Estimates" in our Second Quarter 2019 Management's Discussion & Analysis.

² See "Key Performance Indicators".

³ Adjusted EBITDA, adjusted net income, and adjusted basic and diluted earnings per share are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

Rogers Communications Inc.
Additional Information
(unaudited)

(In millions of dollars, except capital intensity and per share amounts)	2019	2018	2018	2018	2018	2018	2018
	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Capital expenditures ¹							
Wireless	390	282	1,086	309	277	240	260
Cable	285	289	1,429	422	358	352	297
Media	17	22	90	43	18	14	15
Corporate	50	24	185	54	47	51	33
Capital expenditures ¹	742	617	2,790	828	700	657	605
Capital intensity ²							
Wireless	17.4%	12.9%	11.8%	12.5%	11.9%	10.8%	11.9%
Cable	28.6%	29.6%	36.3%	42.7%	36.4%	35.5%	30.7%
Media	2.9%	4.7%	4.2%	8.0%	3.7%	2.3%	2.8%
Consolidated	19.6%	17.2%	18.5%	21.0%	18.6%	17.5%	16.7%
Adjusted EBITDA ³	1,635	1,335	5,983	1,521	1,620	1,504	1,338
Deduct:							
Capital expenditures	742	617	2,790	828	700	657	605
Interest on borrowings, net of capitalized interest	183	168	689	168	168	171	182
Cash income taxes paid	101	145	370	54	125	81	110
Free cash flow ^{3,4}	609	405	2,134	471	627	595	441
Dividends declared	256	257	988	247	247	247	247
Dividends per share	\$0.50	\$0.50	\$1.92	\$0.48	\$0.48	\$0.48	\$0.48

¹ Includes additions to property plant and equipment net of proceeds on disposition, but does not include expenditures for spectrum licences or additions to right-of-use assets.

² See "Key Performance Indicators".

³ Adjusted EBITDA and free cash flow are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

⁴ Effective January 1, 2019, we have redefined free cash flow such that we no longer adjust for the "net change in contract asset and deferred commission cost asset balances". We have redefined free cash flow to simplify this measure and believe removing it will make us more comparable within our industry. 2018 free cash flow has been restated accordingly.

Rogers Communications Inc.

Free Cash Flow

(unaudited)

(In millions of dollars)	2019	2018	2018	2018	2018	2018	2018
	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Cash provided by operating activities	1,057	998	4,288	1,051	1,304	1,048	885
Add (deduct):							
Capital expenditures	(742)	(617)	(2,790)	(828)	(700)	(657)	(605)
Interest on borrowings, net of capitalized interest	(183)	(168)	(689)	(168)	(168)	(171)	(182)
Restructuring, acquisition and other	39	20	210	94	47	26	43
Interest paid	139	220	726	151	192	145	238
Program rights amortization	(22)	(19)	(58)	(19)	(9)	(16)	(14)
Net change in contract asset balances	20	9	354	186	74	25	69
Change in non-cash operating working capital items	209	13	114	42	(77)	128	21
Other adjustments	92	(51)	(21)	(38)	(36)	67	(14)
Free cash flow ^{1,2}	609	405	2,134	471	627	595	441

¹ Effective January 1, 2019, we have redefined free cash flow such that we no longer adjust for the "net change in contract asset and deferred commission cost asset balances". We have redefined free cash flow to simplify this measure and believe removing it will make us more comparable within our industry. 2018 free cash flow has been restated accordingly.

² Free cash flow is a non-GAAP measure and should not be considered a substitute or alternative for GAAP measures. It is not a defined term under IFRS and does not have a standard meaning, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about this measure, including how we calculate it.

Rogers Communications Inc.

Adjusted Net Debt

(unaudited)

(In millions of dollars, except ratios)	2019	2019	Jan 1'19¹	2018	2018	2018	2018
	Q2'19	Q1'19		Q4'18	Q3'18	Q2'18	Q1'18
Current portion of long-term debt	500	500	900	900	400	400	2,205
Long-term debt	15,663	13,224	13,390	13,390	13,465	13,600	13,432
Deferred transaction costs and discounts	141	111	114	114	117	117	120
	16,304	13,835	14,404	14,404	13,982	14,117	15,757
Add (deduct):							
Net debt derivative assets	(1,004)	(1,059)	(1,373)	(1,373)	(785)	(975)	(1,200)
Credit risk adjustment related to net debt derivative assets	(29)	(45)	(75)	(75)	(26)	(31)	(19)
Short-term borrowings	1,989	2,648	2,255	2,255	1,903	2,176	747
Current portion of lease liabilities ¹	196	187	190	—	—	—	—
Lease liabilities ¹	1,412	1,371	1,355	—	—	—	—
(Cash and cash equivalents) bank advances	(404)	(264)	(405)	(405)	(57)	11	49
Adjusted net debt ²	18,464	16,673	16,351	14,806	15,017	15,298	15,334
Divided by: trailing 12-month adjusted EBITDA ^{1,2}	6,196	6,109	6,157	5,983	5,898	5,781	5,666
Debt leverage ratio ^{1,2}	3.0	2.7	2.7	2.5	2.5	2.6	2.7

¹ As a result of adopting IFRS 16 effective January 1, 2019, we have modified our definition of adjusted net debt such that it now includes the total of "current portion of lease liabilities" and "lease liabilities". We have not restated comparative periods prior to 2019 due to our transition method. We have calculated the debt leverage ratio as at June 30, 2019 and March 31, 2019 using pro forma adjusted EBITDA for the six and nine months ended December 31, 2018, respectively, to remove rent expense as if we had adopted IFRS 16 retrospectively. We have also calculated debt leverage ratio as at January 1, 2019 using pro forma adjusted EBITDA for the twelve months ended December 31 2018.

² Adjusted net debt, adjusted EBITDA, and debt leverage ratio are non-GAAP measures and should not be considered substitutes or alternatives for GAAP measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare us to other companies. See "Non-GAAP Measures" for information about these measures, including how we calculate them.

Rogers Communications Inc.
Consolidated Statements of Financial Position
(unaudited)

(In millions of dollars)	2019 Q2'19	Q1'19	Jan 1'19 ¹	2018 Q4'18	Q3'18	Q2'18	Q1'18
ASSETS							
Current assets:							
Cash and cash equivalents	404	264	405	405	57	—	—
Accounts receivable	2,193	2,088	2,259	2,259	2,085	2,071	1,900
Inventories	459	462	466	466	383	390	356
Current portion of contract assets	1,120	1,081	1,052	1,052	944	884	861
Other current assets	445	411	413	436	456	468	435
Current portion of derivative instruments	146	201	270	270	131	145	442
Total current assets	4,767	4,507	4,865	4,888	4,056	3,958	3,994
Property, plant and equipment	13,538	13,327	13,261	11,780	11,506	11,350	11,227
Intangible assets	8,899	7,188	7,205	7,205	7,203	7,203	7,222
Investments	2,569	2,458	2,134	2,134	2,124	2,156	2,277
Derivative instruments	1,191	1,119	1,339	1,339	921	1,058	972
Contract assets	496	515	535	535	457	443	441
Other long-term assets	150	134	132	132	133	132	135
Deferred tax assets	—	—	—	—	3	3	3
Goodwill	3,923	3,905	3,905	3,905	3,905	3,905	3,905
Total assets	35,533	33,153	33,376	31,918	30,308	30,208	30,176
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current liabilities:							
Bank advances	—	—	—	—	—	11	49
Short-term borrowings	1,989	2,648	2,255	2,255	1,903	2,176	747
Accounts payable and accrued liabilities	2,773	2,693	2,997	3,052	2,751	2,651	2,516
Income tax payable	226	193	177	177	170	194	147
Other current liabilities	136	139	132	132	126	128	110
Contract liabilities	196	282	233	233	196	274	329
Current portion of long-term debt	500	500	900	900	400	400	2,205
Current portion of lease liabilities	196	187	190	—	—	—	—
Current portion of derivative instruments	45	134	87	87	68	74	85
Total current liabilities	6,061	6,776	6,971	6,836	5,614	5,908	6,188
Provisions	37	36	35	35	35	36	36
Long-term debt	15,663	13,224	13,390	13,390	13,465	13,600	13,432
Derivative instruments	177	87	22	22	128	102	136
Lease liabilities	1,412	1,371	1,355	—	—	—	—
Other long-term liabilities	416	529	546	546	564	525	599
Deferred tax liabilities	2,953	2,863	2,901	2,910	2,713	2,592	2,517
Total liabilities	26,719	24,886	25,220	23,739	22,519	22,763	22,908
Shareholders' equity	8,814	8,267	8,156	8,179	7,789	7,445	7,268
Total liabilities and shareholders' equity	35,533	33,153	33,376	31,918	30,308	30,208	30,176

¹ Effective January 1, 2019, we adopted IFRS 16 with the cumulative effect of initial application recognized as an adjustment to retained earnings within shareholders' equity. We have not restated prior periods.

Rogers Communications Inc.
Consolidated Statements of Cash Flows
(unaudited)

(In millions of dollars)	2019		2018				
	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Cash provided by (used in):							
Operating activities:							
Net income for the period	591	391	2,059	502	594	538	425
Adjustments to reconcile net income to cash provided by operating activities:							
Depreciation and amortization	614	609	2,211	564	558	545	544
Program rights amortization	22	19	58	19	9	16	14
Finance costs	206	189	793	205	176	193	219
Income tax expense	186	139	758	182	235	200	141
Post-employment benefits contributions, net of expense	(123)	8	(44)	(6)	31	(86)	17
Gain on disposition of property, plant and equipment	—	—	(16)	—	(5)	—	(11)
Net change in contract asset balances	(20)	(9)	(354)	(186)	(74)	(25)	(69)
Other	30	30	33	18	20	21	(26)
	1,506	1,376	5,498	1,298	1,544	1,402	1,254
Change in non-cash operating working capital items	(209)	(13)	(114)	(42)	77	(128)	(21)
	1,297	1,363	5,384	1,256	1,621	1,274	1,233
Income taxes paid	(101)	(145)	(370)	(54)	(125)	(81)	(110)
Interest paid	(139)	(220)	(726)	(151)	(192)	(145)	(238)
Cash provided by operating activities	1,057	998	4,288	1,051	1,304	1,048	885
Investing activities:							
Capital expenditures	(742)	(617)	(2,790)	(828)	(700)	(657)	(605)
Additions to program rights	(7)	(7)	(54)	(26)	(16)	(6)	(6)
Changes in non-cash working capital related to capital expenditures and intangible assets	26	(107)	(125)	107	(37)	(57)	(138)
Acquisitions and strategic transactions, net of cash acquired	(1,731)	—	—	—	—	—	—
Other	(7)	(3)	25	9	5	1	10
Cash used in investing activities	(2,461)	(734)	(2,944)	(738)	(748)	(719)	(739)
Financing activities:							
Net (repayment) proceeds received on short-term borrowings	(642)	430	508	256	(255)	1,355	(848)
Net issuance (repayment) of long-term debt	2,676	(400)	(823)	—	—	(1,761)	938
Net (payments) proceeds on settlement of debt derivatives and forward contracts	(93)	(11)	388	26	16	362	(16)
Principal payments of lease liabilities	(38)	(41)	—	—	—	—	—
Transaction costs incurred	(33)	—	(18)	—	(2)	—	(16)
Repurchase of Class B Non-Voting Shares	(69)	(136)	—	—	—	—	—
Dividends paid	(257)	(247)	(988)	(247)	(247)	(247)	(247)
Cash provided by (used in) financing activities	1,544	(405)	(933)	35	(488)	(291)	(189)
Change in cash and cash equivalents	140	(141)	411	348	68	38	(43)
Cash and cash equivalents (bank advances), beginning of period	264	405	(6)	57	(11)	(49)	(6)
Cash and cash equivalents (bank advances), end of period	404	264	405	405	57	(11)	(49)

Rogers Communications Inc.
Wireless
(unaudited)

	2019		2018				
(In millions of dollars, except margins)	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue							
Service revenue	1,813	1,747	7,091	1,806	1,837	1,761	1,687
Equipment revenue	431	442	2,109	658	494	453	504
Revenue	2,244	2,189	9,200	2,464	2,331	2,214	2,191
Operating expenses							
Cost of equipment	467	501	2,264	695	520	488	561
Other operating expenses	649	673	2,846	741	712	697	696
Operating expenses	1,116	1,174	5,110	1,436	1,232	1,185	1,257
Adjusted EBITDA	1,128	1,015	4,090	1,028	1,099	1,029	934
Adjusted EBITDA margin	50.3%	46.4%	44.5%	41.7%	47.1%	46.5%	42.6%
Capital expenditures	390	282	1,086	309	277	240	260
Wireless Subscriber Results ¹							
(In thousands, except churn, blended ABPU, and blended ARPU)							
Postpaid							
Gross additions	351	295	1,632	448	418	389	377
Net additions	77	23	453	112	124	122	95
Total postpaid subscribers ²	9,257	9,180	9,157	9,157	9,045	8,921	8,799
Churn (monthly)	0.99%	0.99%	1.10%	1.23%	1.09%	1.01%	1.08%
Prepaid							
Gross additions	199	171	751	157	240	191	163
Net additions (losses)	8	(56)	(152)	(139)	60	(13)	(60)
Total prepaid subscribers ^{2,3}	1,451	1,570	1,626	1,626	1,765	1,705	1,718
Churn (monthly)	4.43%	4.69%	4.38%	5.85%	3.48%	3.98%	4.24%
Blended ABPU (monthly)	\$67.16	\$64.62	\$64.74	\$65.12	\$66.20	\$64.80	\$62.67
Blended ARPU (monthly)	\$56.73	\$54.13	\$55.64	\$55.91	\$57.21	\$55.60	\$53.68

¹ Subscriber counts, subscriber churn, blended ABPU, and blended ARPU are key performance indicators. See "Key Performance Indicators".

² As at end of period.

³ Effective April 1, 2019, we adjusted our Wireless prepaid subscriber base to remove 127,000 subscribers as a result of a change to our deactivation policy from 180 days to 90 days to be more consistent within the industry.

Rogers Communications Inc.
Cable
(unaudited)

	2019		2018				
(In millions of dollars, except margins)	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue							
Internet	573	541	2,114	536	534	538	506
Television	355	357	1,442	363	357	357	365
Phone	65	76	363	86	88	93	96
Service revenue	993	974	3,919	985	979	988	967
Equipment revenue	4	2	13	4	4	3	2
Revenue	997	976	3,932	989	983	991	969
Operating expenses							
Cost of equipment	6	5	21	6	6	4	5
Other operating expenses	513	526	2,037	494	487	525	531
Operating expenses	519	531	2,058	500	493	529	536
Adjusted EBITDA	478	445	1,874	489	490	462	433
Adjusted EBITDA margin	47.9%	45.6%	47.7%	49.4%	49.8%	46.6%	44.7%
Capital expenditures	285	289	1,429	422	358	352	297
Subscriber Results ¹							
(In thousands)							
Internet							
Net additions	22	14	109	25	35	23	26
Total Internet subscribers ²	2,466	2,444	2,430	2,430	2,405	2,370	2,347
Television							
Net losses	(26)	(28)	(55)	(16)	(18)	(9)	(12)
Total Television subscribers ²	1,631	1,657	1,685	1,685	1,701	1,719	1,728
Phone							
Net (losses) additions	(10)	(10)	8	(4)	—	3	9
Total Phone subscribers ²	1,096	1,106	1,116	1,116	1,120	1,120	1,117
Homes passed ²	4,412	4,381	4,361	4,361	4,354	4,344	4,327
Total service units ³							
Net (losses) additions	(14)	(24)	62	5	17	17	23
Total service units ²	5,193	5,207	5,231	5,231	5,226	5,209	5,192

¹ Subscriber counts are key performance indicators. See "Key Performance Indicators".

² As at end of period.

³ Includes Internet, Television, and Phone subscribers.

Rogers Communications Inc.

Media

(unaudited)

	2019		2018				
(In millions of dollars, except margins)	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue	591	468	2,168	540	488	608	532
Operating expenses	519	552	1,972	500	415	548	509
Adjusted EBITDA	72	(84)	196	40	73	60	23
Adjusted EBITDA margin	12.2%	(17.9%)	9.0%	7.4%	15.0%	9.9%	4.3%
Capital expenditures	17	22	90	43	18	14	15

Key Performance Indicators

We measure the success of our strategy using a number of key performance indicators that are defined and discussed in our 2018 Annual MD&A and our Q2 2019 MD&A. We believe these key performance indicators allow us to appropriately measure our performance against our operating strategy as well as against the results of our peers and competitors. The following key performance indicators are not measurements in accordance with IFRS and should not be considered as an alternative to net income or any other measure of performance under IFRS. They include:

- subscriber counts;
 - Wireless;
 - Cable; and
 - homes passed (Cable);
- subscriber churn (churn);
- blended average billings per user (ABPU);
- blended average revenue per user (ARPU);
- capital intensity; and
- total service revenue.

Non-GAAP Measures

We use the following non-GAAP measures. These are reviewed regularly by management and our Board in assessing our performance and making decisions regarding the ongoing operations of our business and its ability to generate cash flows. Some or all of these measures may also be used by investors, lending institutions, and credit rating agencies as indicators of our operating performance, of our ability to incur and service debt, and as measurements to value companies in the telecommunications sector. These are not recognized measures under GAAP and do not have standard meanings under IFRS, so may not be reliable ways to compare us to other companies.

Non-GAAP measure	Why we use it	How we calculate it	Most comparable IFRS financial measure
Adjusted EBITDA Adjusted EBITDA margin	<ul style="list-style-type: none"> To evaluate the performance of our businesses, and when making decisions about the ongoing operations of the business and our ability to generate cash flows. We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and to meet other payment obligations. We also use it as one component in determining short-term incentive compensation for all management employees. 	<p>Adjusted EBITDA: Net income add (deduct) income tax expense (recovery); finance costs; depreciation and amortization; other expense (income); restructuring, acquisition and other; and loss (gain) on disposition of property, plant and equipment.</p> <p>Adjusted EBITDA margin: Adjusted EBITDA divided by revenue.</p>	Net income
Adjusted net income Adjusted basic and diluted earnings per share	<ul style="list-style-type: none"> To assess the performance of our businesses before the effects of the noted items, because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Excluding these items does not imply that they are non-recurring. 	<p>Adjusted net income: Net income add (deduct) restructuring, acquisition and other; loss (recovery) on sale or wind down of investments; loss (gain) on disposition of property, plant and equipment; (gain) on acquisitions; loss on non-controlling interest purchase obligations; loss on repayment of long-term debt; loss on bond forward derivatives; and income tax adjustments on these items, including adjustments as a result of legislative changes.</p> <p>Adjusted basic and diluted earnings per share: Adjusted net income and adjusted net income including the dilutive effect of stock-based compensation divided by basic and diluted weighted average shares outstanding.</p>	Net income Basic and diluted earnings per share
Free cash flow ¹	<ul style="list-style-type: none"> To show how much cash we have available to repay debt and reinvest in our company, which is an important indicator of our financial strength and performance. We believe that some investors and analysts use free cash flow to value a business and its underlying assets. 	Adjusted EBITDA deduct capital expenditures; interest on borrowings net of capitalized interest; and cash income taxes.	Cash provided by operating activities
Adjusted net debt	<ul style="list-style-type: none"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	Total long-term debt add (deduct) current portion of long-term debt; deferred transaction costs and discounts; net debt derivative (assets) liabilities; credit risk adjustment related to net debt derivatives; current portion of lease liabilities; lease liabilities; bank advances (cash and cash equivalents); and short-term borrowings.	Long-term debt
Debt leverage ratio	<ul style="list-style-type: none"> To conduct valuation-related analysis and make decisions about capital structure. We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage. 	Adjusted net debt (defined above) divided by 12-month trailing adjusted EBITDA (defined above).	Long-term debt divided by net income

¹ Effective January 1, 2019, we redefined free cash flow such that we no longer adjust for the "net change in contract asset and deferred commission cost asset balances". We redefined free cash flow to simplify this measure and we believe removing it will make us more comparable within our industry.