

Rogers + Shaw

March 15, 2021



# Safe Harbor

This presentation includes “forward-looking information” within the meaning of applicable securities laws relating to, among other things, the anticipated benefits of the transaction, the anticipated timing for the special meeting to approve the transaction, the timing and anticipated receipt of required regulatory approvals and the anticipating timing for closing the transaction. Forward-looking information may in some cases be identified by words such as “will”, “anticipates”, “expects”, “intends” and similar expressions suggesting future events or future performance.

We caution that all forward-looking information is inherently subject to change and uncertainty and that actual results may differ materially from those expressed or implied by the forward-looking information. A number of risks, uncertainties and other factors could cause actual results and events to differ materially from those expressed or implied in the forward-looking information or could cause our current objectives, strategies and intentions to change. Accordingly, we warn investors to exercise caution when considering statements containing forward-looking information and that it would be unreasonable to rely on such statements as creating legal rights regarding our future results or plans. We cannot guarantee that any forward-looking information will materialize and you are cautioned not to place undue reliance on this forward-looking information. Any forward-looking information contained in this news release represent expectations as of the date of this news release and are subject to change after such date. However, we are under no obligation (and we expressly disclaim any such obligation) to update or alter any statements containing forward-looking information, the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. All of the forward-looking information in this news release is qualified by the cautionary statements herein.

Forward-looking information is provided herein for the purpose of giving information about the proposed transaction referred to above and its expected impact. Readers are cautioned that such information may not be appropriate for other purposes. The completion of the above-mentioned proposed transaction is subject to customary closing conditions, termination rights and other risks and uncertainties including, without limitation, court, shareholder and regulatory approvals. Accordingly, there can be no assurance that the proposed transaction will occur, or that it will occur on the terms and conditions contemplated in this news release. The proposed transaction could be modified, restructured or terminated. There can also be no assurance that the strategic benefits and competitive, operational and cost efficiencies expected to result from the transaction will be fully realized.

A comprehensive discussion of other risks that impact Rogers and Shaw can also be found in their public reports and filings which are available under their respective profiles at [www.sedar.com](http://www.sedar.com).



# Today's Speakers

1. Joe Natale - President and Chief Executive Officer, Rogers Communications Inc.
2. Brad Shaw - Executive Chair and Chief Executive Officer, Shaw Communications Inc.
3. Tony Staffieri - Chief Financial Officer, Rogers Communications Inc.



# Strong Legacy and Shared History



**Ted Rogers**

**JR Shaw**



# Strategic Rationale

## Enhanced Scale

- Combination creates a coast-to-coast wireline network and wholly-owned national wireless network with spectrum capacity needed to serve next generation technologies

## Wireline Network Expansion

- Access to a high-quality, deep fibre network across western Canada to support consumer and enterprise offerings

## Near-National Consumer Offering

- Ability to offer bundled wireline and wireless across a larger footprint
- Reduction in churn expected from increased bundling potential

## Rural Expansion

- Offers opportunity to provide rural expansion through 5G & fixed wireless access technology

## Synergistic Benefits

- Provides new cable and wireless technologies for Shaw consumers
- New offerings for enterprise customers
- Cost savings with a larger customer base, reduced real estate, and leveraging best practice



Strength of Rogers + Shaw

# Delivering Connectivity and Investment Across Canada

Combined company will help Rogers close the digital divide, deliver best-in-class-services and infrastructure, and provide increased competition and choice for Canadian consumers and businesses

## Combined Footprint

**\$3.7B**

Annual Capex

**\$2.5B**

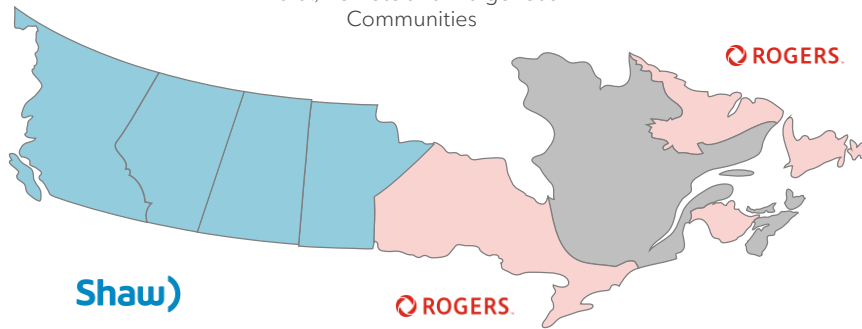
Commitment to 5G  
Investment for the West

**10,000**

Combined Western  
Canada Team Members

**\$1B**

Dedicated Investment to Connect  
Rural, Remote and Indigenous  
Communities



## Benefits to Customers and Communities

- Brings together Shaw's fibre-to-home, WiFi and wireless networks with Rogers' robust national wireless network and 5G capabilities
- Will continue offering affordable wireless plans including no price increases for Freedom Mobile customers for at least three years following the close of the transaction
- Doubles number of Rogers wireline subscribers, creating a coast-to-coast internet provider that can bring healthy competition to large enterprise and government customers
- Accelerates deployment of 5G across the country, including Western Canada
- Committed to investing in our communities and increasing charitable giving
- Combination will accelerate growth in the region and provide tremendous economic benefits and diversification to the West's economy





# Commitment to Western Canada

- Committed to accelerate deployment of 5G and new technologies in Western Canada through significant investment
  - \$2.5 billion investment in 5G networks in Western Canada, driving economic growth and strengthening innovation sector
  - Creation of \$1 billion Rogers Rural and Indigenous Connectivity Fund dedicated to connecting rural, remote and Indigenous communities to high-speed Internet
  - Additional \$3 billion to support additional network, services, and technology investments
- Investments to create up to 3,000 net new jobs and deliver major long-term benefits for Western businesses and consumers
- Western head office of the combined company to remain in Shaw Court in Calgary; President of Western operations and other senior roles to be based in new HQ
- Committed to working with the Shaw Charity Classic partners to extend for the next ten years as well as continuing local charitable giving and adding new youth scholarships to support the future talent pipeline in emerging technologies





Brad Shaw  
Executive Chair and  
Chief Executive  
Officer

—  
Shaw  
Communications Inc.



## Transaction Details

# Key Offer Details

- Rogers to acquire all of Shaw's Class A and Class B shares for \$40.50 per share
  - Reflecting a ~70% premium to Shaw's Class B share price
- Shaw Family fully committed to transaction
  - Rolling 60% of their ownership
  - Will be a ~4.5% shareholder in Rogers
  - Agreed to a 15 month hard lock-up to vote in support of the transaction
  - Brad Shaw, and another Director to be nominated by the Shaw Family, will join the Board of Rogers
- 100% cash consideration for shares not held by the Shaw Family
- Transaction to be effected through a Plan of Arrangement



# Financial Highlights

- Significantly accretive to free cash flow per share
- Reduces dividend payout ratio to below 30% within 24 months of close
- Maintains investment grade credit profile
- Expected net leverage at close of just above 5.0x
  - Deleveraging to ~3.5x within 36 months of close



# Financial Overview

**(\$B)**

Total Equity Value of Offer \$20.4

Net Debt (incl. preferred shares) \$5.8

**Enterprise Value \$26.2**

**Transaction Multiple EV/CY21E EBITDA<sup>(1)</sup> 10.7x**

**Transaction Multiple (post synergies) <sup>(2)</sup> 7.6x**

## Financing Structure

- Cash component of this transaction is estimated at \$19 billion on closing
- Required financing in place
- Shaw's existing debt to roll into the combined Company

1. Based on Factset consensus estimates
2. Assumes \$1.0 billion of annual synergies



# Next Steps

## **April**

- File all regulatory approvals
  - Mailing of proxy circular to Shaw shareholders
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## **Early May**

- Shaw shareholder meeting to vote on Plan of Arrangement
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## **Q1 2022**

- Regulatory approval
- Transaction closing





# Significant Value Creation Opportunity for Rogers

Transaction is expected to generate significant revenue and efficiency opportunities

## Revenue Growth

- Bundle opportunity
- Improve customer service and reduce churn
- Coast-to-coast fibre network

## Operational Efficiencies

- Network and IT
- Procurement
- Distribution and Marketing
- SG&A

## Capital Efficiencies

- Network infrastructure
- IT and back office
- Fibre build



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