

A photograph of a family of three sitting on a couch. A man in a plaid shirt is looking at a smartphone held by a young girl. A woman is sitting to the left, also smiling. The scene is warmly lit, suggesting an indoor setting.

# Supplemental Financial Information

First Quarter 2019

TSX: RCI | NYSE: RCI

**Rogers Communications Inc.**  
**Consolidated Financial Results**  
**(unaudited)**

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

<sup>1</sup> 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 First Quarter 2019 Management's Discussion & Analysis.

<sup>2</sup> See "Key Performance Indicators".

<sup>3</sup> 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".

**Rogers Communications Inc.**

**Additional Information**

**(unaudited)**

(In millions of dollars, except capital intensity and per share amounts)	<b>2019</b>	<b>2018</b>	<b>Q4'18</b>	<b>Q3'18</b>	<b>Q2'18</b>	<b>Q1'18</b>
	<b>Q1'19</b>	<b>Annual</b>				
Capital expenditures						
Wireless	<b>282</b>	1,086	309	277	240	260
Cable	<b>289</b>	1,429	422	358	352	297
Media	<b>22</b>	90	43	18	14	15
Corporate	<b>24</b>	210	59	52	51	48
Capital expenditures before proceeds on disposition	<b>617</b>	2,815	833	705	657	620
Proceeds on disposition	<b>—</b>	(25)	(5)	(5)	—	(15)
<b>Capital expenditures <sup>1</sup></b>	<b>617</b>	<b>2,790</b>	<b>828</b>	<b>700</b>	<b>657</b>	<b>605</b>
Capital intensity <sup>2</sup>						
Wireless	<b>12.9%</b>	11.8%	12.5%	11.9%	10.8%	11.9%
Cable	<b>29.6%</b>	36.3%	42.7%	36.4%	35.5%	30.7%
Media	<b>4.7%</b>	4.2%	8.0%	3.7%	2.3%	2.8%
Consolidated	<b>17.2%</b>	18.5%	21.0%	18.6%	17.5%	16.7%
Adjusted EBITDA <sup>3</sup>	<b>1,335</b>	5,983	1,521	1,620	1,504	1,338
Deduct (add):						
Capital expenditures	<b>617</b>	2,790	828	700	657	605
Interest on borrowings, net of capitalized interest	<b>168</b>	689	168	168	171	182
Cash income taxes paid	<b>145</b>	370	54	125	81	110
<b>Free cash flow <sup>3,4</sup></b>	<b>405</b>	<b>2,134</b>	<b>471</b>	<b>627</b>	<b>595</b>	<b>441</b>
Dividends declared	<b>257</b>	988	247	247	247	247
Dividends per share	<b>\$0.50</b>	\$1.92	\$0.48	\$0.48	\$0.48	\$0.48

<sup>1</sup> 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.

<sup>2</sup> See "Key Performance Indicators".

<sup>3</sup> 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.

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

<sup>1</sup> 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.

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

<sup>1</sup> 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 March 31, 2019 using pro forma adjusted EBITDA for the nine months ended December 31, 2018 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.

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

<sup>1</sup> 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 comparatives for 2018.

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

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

**Rogers Communications Inc.**
**Wireless**
**(unaudited)**

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

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

<sup>2</sup> As at end of period.



**Rogers Communications Inc.**
**Cable**
**(unaudited)**

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

<sup>1</sup> Subscriber counts are key performance indicators. See "Key Performance Indicators".

<sup>2</sup> As at end of period.

<sup>3</sup> Includes Internet, Television, and Phone.

**Rogers Communications Inc.**

**Media**

**(unaudited)**

(In millions of dollars, except margins)	<b>2019</b>	<b>2018</b>				
	<b>Q1'19</b>	<b>Annual</b>	<b>Q4'18</b>	<b>Q3'18</b>	<b>Q2'18</b>	<b>Q1'18</b>
Revenue	<b>468</b>	2,168	540	488	608	532
Operating expenses	<b>552</b>	1,972	500	415	548	509
Adjusted EBITDA	<b>(84)</b>	196	40	73	60	23
Adjusted EBITDA margin	<b>(17.9%)</b>	9.0%	7.4%	15.0%	9.9%	4.3%
Capital expenditures	<b>22</b>	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 Q1 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"> <li>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.</li> <li>We believe that certain investors and analysts use adjusted EBITDA to measure our ability to service debt and to meet other payment obligations.</li> <li>We also use it as one component in determining short-term incentive compensation for all management employees.</li> </ul>	<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"> <li>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.</li> </ul>	<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 <sup>1</sup>	<ul style="list-style-type: none"> <li>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.</li> <li>We believe that some investors and analysts use free cash flow to value a business and its underlying assets.</li> </ul>	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"> <li>To conduct valuation-related analysis and make decisions about capital structure.</li> <li>We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage.</li> </ul>	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"> <li>To conduct valuation-related analysis and make decisions about capital structure.</li> <li>We believe this helps investors and analysts analyze our enterprise and equity value and assess our leverage.</li> </ul>	Adjusted net debt (defined above) divided by 12-month trailing adjusted EBITDA (defined above).	Long-term debt divided by net income

<sup>1</sup> 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.