



# Supplemental Financial Information

Fourth Quarter 2019

TSX: RCI | NYSE: RCI



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

	2019					2018 <sup>1</sup>				
(In millions of dollars, except per share amounts)	Annual	Q4'19	Q3'19	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue										
Wireless	9,250	2,493	2,324	2,244	2,189	9,200	2,464	2,331	2,214	2,191
Cable	3,954	987	994	997	976	3,932	989	983	991	969
Media	2,072	530	483	591	468	2,168	540	488	608	532
Corporate items and intercompany eliminations	(203)	(58)	(47)	(52)	(46)	(204)	(55)	(33)	(57)	(59)
Revenue	15,073	3,952	3,754	3,780	3,587	15,096	3,938	3,769	3,756	3,633
Total service revenue <sup>2</sup>	12,965	3,244	3,233	3,345	3,143	12,974	3,276	3,271	3,300	3,127
Adjusted EBITDA <sup>3</sup>										
Wireless	4,345	1,064	1,138	1,128	1,015	4,090	1,028	1,099	1,029	934
Cable	1,919	497	499	478	445	1,874	489	490	462	433
Media	140	22	130	72	(84)	196	40	73	60	23
Corporate items and intercompany eliminations	(192)	(53)	(55)	(43)	(41)	(177)	(36)	(42)	(47)	(52)
Adjusted EBITDA	6,212	1,530	1,712	1,635	1,335	5,983	1,521	1,620	1,504	1,338
Deduct (add):										
Depreciation and amortization	2,488	638	627	614	609	2,211	564	558	545	544
Gain on disposition of property, plant and equipment	—	—	—	—	—	(16)	—	(5)	—	(11)
Restructuring, acquisition and other	139	38	42	39	20	210	94	47	26	43
Finance costs	840	230	215	206	189	793	205	176	193	219
Other (income) expense	(10)	(12)	16	(1)	(13)	(32)	(26)	15	2	(23)
Net income before income tax expense	2,755	636	812	777	530	2,817	684	829	738	566
Income tax expense	712	168	219	186	139	758	182	235	200	141
Net income	2,043	468	593	591	391	2,059	502	594	538	425
Earnings per share:										
Basic	\$3.99	\$0.92	\$1.16	\$1.15	\$0.76	\$4.00	\$0.97	\$1.15	\$1.04	\$0.83
Diluted	\$3.97	\$0.92	\$1.14	\$1.15	\$0.76	\$3.99	\$0.97	\$1.15	\$1.04	\$0.80
Net income	2,043	468	593	591	391	2,059	502	594	538	425
Add (deduct):										
Restructuring, acquisition and other	139	38	42	39	20	210	94	47	26	43
Loss on bond forward derivatives	—	—	—	—	—	21	21	—	—	—
Gain on disposition of property, plant and equipment	—	—	—	—	—	(16)	—	(5)	—	(11)
Loss on repayment of long-term debt	19	19	—	—	—	28	—	—	—	28
Income tax impact of above items	(43)	(14)	(13)	(10)	(6)	(61)	(32)	(11)	(10)	(8)
Income tax adjustment, legislative tax change	(23)	—	—	(23)	—	—	—	—	—	—
Adjusted net income <sup>3</sup>	2,135	511	622	597	405	2,241	585	625	554	477
Adjusted earnings per share <sup>3</sup> :										
Basic	\$4.17	\$1.00	\$1.22	\$1.17	\$0.79	\$4.35	\$1.14	\$1.21	\$1.08	\$0.93
Diluted	\$4.15	\$1.00	\$1.19	\$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 Fourth Quarter 2019 Press Release.

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				
	Annual	Q4'19	Q3'19	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Capital expenditures										
Wireless	1,320	360	288	390	282	1,086	309	277	240	260
Cable	1,153	289	290	285	289	1,429	422	358	352	297
Media	102	46	17	17	22	90	43	18	14	15
Corporate	232	96	62	50	24	185	54	47	51	33
Capital expenditures <sup>1</sup>	2,807	791	657	742	617	2,790	828	700	657	605
Capital intensity <sup>2</sup>										
Wireless	14.3%	14.4%	12.4%	17.4%	12.9%	11.8%	12.5%	11.9%	10.8%	11.9%
Cable	29.2%	29.3%	29.2%	28.6%	29.6%	36.3%	42.7%	36.4%	35.5%	30.7%
Media	4.9%	8.7%	3.5%	2.9%	4.7%	4.2%	8.0%	3.7%	2.3%	2.8%
Consolidated	18.6%	20.0%	17.5%	19.6%	17.2%	18.5%	21.0%	18.6%	17.5%	16.7%
Adjusted EBITDA <sup>3</sup>	6,212	1,530	1,712	1,635	1,335	5,983	1,521	1,620	1,504	1,338
Deduct:										
Capital expenditures	2,807	791	657	742	617	2,790	828	700	657	605
Interest on borrowings, net of capitalized interest	727	187	189	183	168	689	168	168	171	182
Cash income taxes paid	400	55	99	101	145	370	54	125	81	110
Free cash flow <sup>3,4</sup>	2,278	497	767	609	405	2,134	471	627	595	441
Dividends declared	1,016	247	256	256	257	988	247	247	247	247
Dividends per share	\$2.00	\$0.50	\$0.50	\$0.50	\$0.50	\$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 redefined free cash flow such that we did not adjust for the "net change in contract asset and deferred commission cost asset balances". 2018 free cash flow has been restated accordingly.

Rogers Communications Inc.

Free Cash Flow

(unaudited)

(In millions of dollars)	2019					2018				
	Annual	Q4'19	Q3'19	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Cash provided by operating activities	4,526	1,166	1,305	1,057	998	4,288	1,051	1,304	1,048	885
Add (deduct):										
Capital expenditures	(2,807)	(791)	(657)	(742)	(617)	(2,790)	(828)	(700)	(657)	(605)
Interest on borrowings, net of capitalized interest	(727)	(187)	(189)	(183)	(168)	(689)	(168)	(168)	(171)	(182)
Interest paid	779	198	222	139	220	726	151	192	145	238
Restructuring, acquisition and other	139	38	42	39	20	210	94	47	26	43
Program rights amortization	(77)	(19)	(17)	(22)	(19)	(58)	(19)	(9)	(16)	(14)
Net change in contract asset balances	204	149	26	20	9	354	186	74	25	69
Net change in financing receivable balances <sup>1</sup>	84	60	24	—	—	—	—	—	—	—
Change in non-cash operating working capital items	138	(129)	57	209	13	114	42	(77)	128	21
Other adjustments <sup>1</sup>	19	12	(46)	92	(51)	(21)	(38)	(36)	67	(14)
Free cash flow <sup>2,3</sup>	2,278	497	767	609	405	2,134	471	627	595	441

<sup>1</sup> We have reclassified amounts related to device financing receivables from "other adjustments" to "net change in financing receivable balances".

<sup>2</sup> Effective January 1, 2019, we redefined free cash flow such that we did not adjust for the "net change in contract asset and deferred commission cost asset balances". 2018 free cash flow has been restated accordingly.

<sup>3</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)	2019					2018			
	Q4'19	Q3'19	Q2'19	Q1'19	Jan 1'19 <sup>1</sup>	Q4'18	Q3'18	Q2'18	Q1'18
Current portion of long-term debt	—	1,400	500	500	900	900	400	400	2,205
Long-term debt	15,967	14,879	15,663	13,224	13,390	13,390	13,465	13,600	13,432
Deferred transaction costs and discounts	163	138	141	111	114	114	117	117	120
	<b>16,130</b>	16,417	16,304	13,835	14,404	14,404	13,982	14,117	15,757
Add (deduct):									
Net debt derivative assets	(1,383)	(1,660)	(1,004)	(1,059)	(1,373)	(1,373)	(785)	(975)	(1,200)
Credit risk adjustment related to net debt derivative assets	(31)	(79)	(29)	(45)	(75)	(75)	(26)	(31)	(19)
Short-term borrowings	2,238	1,708	1,989	2,648	2,255	2,255	1,903	2,176	747
Current portion of lease liabilities <sup>1</sup>	230	219	196	187	190	—	—	—	—
Lease liabilities <sup>1</sup>	1,495	1,435	1,412	1,371	1,355	—	—	—	—
(Cash and cash equivalents) bank advances	(494)	(262)	(404)	(264)	(405)	(405)	(57)	11	49
Adjusted net debt <sup>2</sup>	<b>18,185</b>	17,778	18,464	16,673	16,351	14,806	15,017	15,298	15,334
Divided by: trailing 12-month adjusted EBITDA <sup>1,2</sup>	<b>6,212</b>	6,250	6,196	6,109	6,157	5,983	5,898	5,781	5,666
Debt leverage ratio <sup>1,2</sup>	<b>2.9</b>	2.8	3.0	2.7	2.7	2.5	2.5	2.6	2.7

<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 September 30, 2019, June 30, 2019, and March 31, 2019 using pro forma adjusted EBITDA for the three, 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.

<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**  
(In millions of dollars)

	2019					2018			
(In millions of dollars)	Q4'19	Q3'19	Q2'19	Q1'19	Jan 1'19 <sup>1</sup>	Q4'18	Q3'18	Q2'18	Q1'18
<b>ASSETS</b>									
Current assets:									
Cash and cash equivalents	494	262	404	264	405	405	57	—	—
Accounts receivable <sup>2</sup>	2,304	2,062	2,170	2,064	2,236	2,236	2,068	2,055	1,884
Inventories	460	393	459	462	466	466	383	390	356
Current portion of contract assets	1,234	1,154	1,120	1,081	1,052	1,052	944	884	861
Other current assets <sup>2</sup>	524	507	468	435	436	459	473	484	451
Current portion of derivative instruments	101	129	146	201	270	270	131	145	442
<b>Total current assets</b>	<b>5,117</b>	<b>4,507</b>	<b>4,767</b>	<b>4,507</b>	<b>4,865</b>	<b>4,888</b>	<b>4,056</b>	<b>3,958</b>	<b>3,994</b>
Property, plant and equipment	13,934	13,661	13,538	13,327	13,261	11,780	11,506	11,350	11,227
Intangible assets	8,905	8,893	8,899	7,188	7,205	7,205	7,203	7,203	7,222
Investments	2,830	2,744	2,569	2,458	2,134	2,134	2,124	2,156	2,277
Derivative instruments	1,478	1,639	1,191	1,119	1,339	1,339	921	1,058	972
Contract assets	557	488	496	515	535	535	457	443	441
Other long-term assets	275	207	150	134	132	132	133	132	135
Deferred tax assets	—	—	—	—	—	—	3	3	3
Goodwill	3,923	3,923	3,923	3,905	3,905	3,905	3,905	3,905	3,905
<b>Total assets</b>	<b>37,019</b>	<b>36,062</b>	<b>35,533</b>	<b>33,153</b>	<b>33,376</b>	<b>31,918</b>	<b>30,308</b>	<b>30,208</b>	<b>30,176</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
Current liabilities:									
Bank advances	—	—	—	—	—	—	—	11	49
Short-term borrowings	2,238	1,708	1,989	2,648	2,255	2,255	1,903	2,176	747
Accounts payable and accrued liabilities	3,033	2,572	2,773	2,693	2,997	3,052	2,751	2,651	2,516
Income tax payable	48	129	226	193	177	177	170	194	147
Other current liabilities	141	114	136	139	132	132	126	128	110
Contract liabilities	224	166	196	282	233	233	196	274	329
Current portion of long-term debt	—	1,400	500	500	900	900	400	400	2,205
Current portion of lease liabilities	230	219	196	187	190	—	—	—	—
Current portion of derivative instruments	50	3	45	134	87	87	68	74	85
<b>Total current liabilities</b>	<b>5,964</b>	<b>6,311</b>	<b>6,061</b>	<b>6,776</b>	<b>6,971</b>	<b>6,836</b>	<b>5,614</b>	<b>5,908</b>	<b>6,188</b>
Provisions	36	37	37	36	35	35	35	36	36
Long-term debt	15,967	14,879	15,663	13,224	13,390	13,390	13,465	13,600	13,432
Derivative instruments	90	11	177	87	22	22	128	102	136
Lease liabilities	1,495	1,435	1,412	1,371	1,355	—	—	—	—
Other long-term liabilities	614	445	416	529	546	546	564	525	599
Deferred tax liabilities	3,437	3,301	2,953	2,863	2,901	2,910	2,713	2,592	2,517
<b>Total liabilities</b>	<b>27,603</b>	<b>26,419</b>	<b>26,719</b>	<b>24,886</b>	<b>25,220</b>	<b>23,739</b>	<b>22,519</b>	<b>22,763</b>	<b>22,908</b>
<b>Shareholders' equity</b>	<b>9,416</b>	<b>9,643</b>	<b>8,814</b>	<b>8,267</b>	<b>8,156</b>	<b>8,179</b>	<b>7,789</b>	<b>7,445</b>	<b>7,268</b>
<b>Total liabilities and shareholders' equity</b>	<b>37,019</b>	<b>36,062</b>	<b>35,533</b>	<b>33,153</b>	<b>33,376</b>	<b>31,918</b>	<b>30,308</b>	<b>30,208</b>	<b>30,176</b>

<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 prior periods.

<sup>2</sup> We have reclassified amounts related to device financing receivables from "accounts receivable" to "other current assets".

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

(In millions of dollars)	2019					2018				
	Annual	Q4'19	Q3'19	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	2,043	468	593	591	391	2,059	502	594	538	425
Adjustments to reconcile net income to cash provided by operating activities:										
Depreciation and amortization	2,488	638	627	614	609	2,211	564	558	545	544
Program rights amortization	77	19	17	22	19	58	19	9	16	14
Finance costs	840	230	215	206	189	793	205	176	193	219
Income tax expense	712	168	219	186	139	758	182	235	200	141
Post-employment benefits contributions, net of expense	(75)	7	33	(123)	8	(44)	(6)	31	(86)	17
Gain on disposition of property, plant and equipment	—	—	—	—	—	(16)	—	(5)	—	(11)
Net change in contract asset balances	(204)	(149)	(26)	(20)	(9)	(354)	(186)	(74)	(25)	(69)
Net change in financing receivable balances <sup>1</sup>	(84)	(60)	(24)	—	—	—	—	—	—	—
Other <sup>1</sup>	46	(31)	17	30	30	33	18	20	21	(26)
	5,843	1,290	1,671	1,506	1,376	5,498	1,298	1,544	1,402	1,254
Change in non-cash operating working capital items <sup>1</sup>	(138)	129	(45)	(209)	(13)	(114)	(42)	77	(128)	(21)
	5,705	1,419	1,626	1,297	1,363	5,384	1,256	1,621	1,274	1,233
Income taxes paid	(400)	(55)	(99)	(101)	(145)	(370)	(54)	(125)	(81)	(110)
Interest paid	(779)	(198)	(222)	(139)	(220)	(726)	(151)	(192)	(145)	(238)
Cash provided by operating activities	4,526	1,166	1,305	1,057	998	4,288	1,051	1,304	1,048	885
Investing activities:										
Capital expenditures	(2,807)	(791)	(657)	(742)	(617)	(2,790)	(828)	(700)	(657)	(605)
Additions to program rights	(60)	(31)	(15)	(7)	(7)	(54)	(26)	(16)	(6)	(6)
Changes in non-cash working capital related to capital expenditures and intangible assets	(35)	109	(63)	26	(107)	(125)	107	(37)	(57)	(138)
Acquisitions and strategic transactions, net of cash acquired	(1,731)	—	—	(1,731)	—	—	—	—	—	—
Other	21	20	11	(7)	(3)	25	9	5	1	10
Cash used in investing activities	(4,612)	(693)	(724)	(2,461)	(734)	(2,944)	(738)	(748)	(719)	(739)
Financing activities:										
Net proceeds received on (repayment) short-term borrowings	30	553	(311)	(642)	430	508	256	(255)	1,355	(848)
Net issuance (repayment) of long-term debt	2,184	(92)	—	2,676	(400)	(823)	—	—	(1,761)	938
Net (payments) proceeds on settlement of debt derivatives and forward contracts	(121)	5	(22)	(93)	(11)	388	26	16	362	(16)
Principal payments of lease liabilities	(167)	(43)	(45)	(38)	(41)	—	—	—	—	—
Transaction costs incurred	(61)	(28)	—	(33)	—	(18)	—	(2)	—	(16)
Repurchase of Class B Non-Voting Shares	(655)	(361)	(89)	(69)	(136)	—	—	—	—	—
Dividends paid	(1,016)	(256)	(256)	(257)	(247)	(988)	(247)	(247)	(247)	(247)
Other	(19)	(19)	—	—	—	—	—	—	—	—
Cash provided by (used in) financing activities	175	(241)	(723)	1,544	(405)	(933)	35	(488)	(291)	(189)
Change in cash and cash equivalents	89	232	(142)	140	(141)	411	348	68	38	(43)
Cash and cash equivalents (bank advances), beginning of period	405	262	404	264	405	(6)	57	(11)	(49)	(6)
Cash and cash equivalents (bank advances), end of period	494	494	262	404	264	405	405	57	(11)	(49)

<sup>1</sup> We have reclassified amounts related to device financing receivables from "change in non-cash operating working capital items" and "other" to "net change in financing receivable balances".

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

(In millions of dollars, except margins)	2019					2018				
	Annual	Q4'19	Q3'19	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue										
Service revenue	7,156	1,788	1,808	1,813	1,747	7,091	1,806	1,837	1,761	1,687
Equipment revenue	2,094	705	516	431	442	2,109	658	494	453	504
Revenue	9,250	2,493	2,324	2,244	2,189	9,200	2,464	2,331	2,214	2,191
Operating expenses										
Cost of equipment	2,231	733	530	467	501	2,264	695	520	488	561
Other operating expenses	2,674	696	656	649	673	2,846	741	712	697	696
Operating expenses	4,905	1,429	1,186	1,116	1,174	5,110	1,436	1,232	1,185	1,257
Adjusted EBITDA	4,345	1,064	1,138	1,128	1,015	4,090	1,028	1,099	1,029	934
Adjusted EBITDA margin	47.0%	42.7%	49.0%	50.3%	46.4%	44.5%	41.7%	47.1%	46.5%	42.6%
Capital expenditures	1,320	360	288	390	282	1,086	309	277	240	260
Wireless Subscriber Results <sup>1</sup>										
(In thousands, except churn, blended ABPU, and blended ARPU)										
Postpaid										
Gross additions	1,566	483	437	351	295	1,632	448	418	389	377
Net additions	334	131	103	77	23	453	112	124	122	95
Total postpaid subscribers <sup>2,3</sup>	9,438	9,438	9,360	9,257	9,180	9,157	9,157	9,045	8,921	8,799
Churn (monthly)	1.11%	1.26%	1.20%	0.99%	0.99%	1.10%	1.23%	1.09%	1.01%	1.08%
Prepaid										
Gross additions	773	168	235	199	171	751	157	240	191	163
Net (losses) additions	(97)	(76)	27	8	(56)	(152)	(139)	60	(13)	(60)
Total prepaid subscribers <sup>2,4</sup>	1,402	1,402	1,478	1,451	1,570	1,626	1,626	1,765	1,705	1,718
Churn (monthly)	4.86%	5.58%	4.74%	4.43%	4.69%	4.38%	5.85%	3.48%	3.98%	4.24%
Blended ABPU (monthly)	\$66.23	\$66.17	\$67.20	\$67.16	\$64.62	\$64.74	\$65.12	\$66.20	\$64.80	\$62.67
Blended ARPU (monthly)	\$55.49	\$55.26	\$56.01	\$56.73	\$54.13	\$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.

<sup>3</sup> Effective October 1, 2019, and on a prospective basis, we reduced our Wireless postpaid subscriber base by 53,000 subscribers to remove a low-ARPU public services customer that is in the process of migrating to another service provider. We believe adjusting our base for a customer of this size that migrates off our network provides a more meaningful reflection of the underlying organic performance of our Wireless business.

<sup>4</sup> 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)	Annual	Q4'19	Q3'19	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue										
Internet	2,259	575	570	573	541	2,114	536	534	538	506
Television	1,430	355	363	355	357	1,442	363	357	357	365
Phone	251	54	56	65	76	363	86	88	93	96
Service revenue	3,940	984	989	993	974	3,919	985	979	988	967
Equipment revenue	14	3	5	4	2	13	4	4	3	2
Revenue	3,954	987	994	997	976	3,932	989	983	991	969
Operating expenses										
Cost of equipment	23	5	7	6	5	21	6	6	4	5
Other operating expenses	2,012	485	488	513	526	2,037	494	487	525	531
Operating expenses	2,035	490	495	519	531	2,058	500	493	529	536
Adjusted EBITDA	1,919	497	499	478	445	1,874	489	490	462	433
Adjusted EBITDA margin	48.5%	50.4%	50.2%	47.9%	45.6%	47.7%	49.4%	49.8%	46.6%	44.7%
Capital expenditures	1,153	289	290	285	289	1,429	422	358	352	297
Subscriber Results <sup>1</sup> (In thousands)										
Internet										
Net additions	104	27	41	22	14	109	25	35	23	26
Total Internet subscribers <sup>2</sup>	2,534	2,534	2,507	2,466	2,444	2,430	2,430	2,405	2,370	2,347
Television										
Net losses	(106)	(17)	(35)	(26)	(28)	(55)	(16)	(18)	(9)	(12)
Total Television subscribers <sup>2</sup>	1,579	1,579	1,596	1,631	1,657	1,685	1,685	1,701	1,719	1,728
Phone										
Net (losses) additions	(44)	(11)	(13)	(10)	(10)	8	(4)	—	3	9
Total Phone subscribers <sup>2</sup>	1,072	1,072	1,083	1,096	1,106	1,116	1,116	1,120	1,120	1,117
Homes passed <sup>2</sup>	4,472	4,472	4,434	4,412	4,381	4,361	4,361	4,354	4,344	4,327
Total service units <sup>3</sup>										
Net (losses) additions	(46)	(1)	(7)	(14)	(24)	62	5	17	17	23
Total service units <sup>2</sup>	5,185	5,185	5,186	5,193	5,207	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 subscribers.

**Rogers Communications Inc.**

**Media**

**(unaudited)**

(In millions of dollars, except margins)	2019					2018				
	Annual	Q4'19	Q3'19	Q2'19	Q1'19	Annual	Q4'18	Q3'18	Q2'18	Q1'18
Revenue	2,072	530	483	591	468	2,168	540	488	608	532
Operating expenses	1,932	508	353	519	552	1,972	500	415	548	509
Adjusted EBITDA	140	22	130	72	(84)	196	40	73	60	23
Adjusted EBITDA margin	6.8%	4.2%	26.9%	12.2%	(17.9%)	9.0%	7.4%	15.0%	9.9%	4.3%
Capital expenditures	102	46	17	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 Fourth Quarter 2019 Earnings Press Release. 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 did not adjust for the "net change in contract asset and deferred commission cost asset balances".