

Bank of America Securities Media, Communications & Entertainment Conference

Company Participants

- Dave Fuller, President of Wireless
- David Barden, Analyst
- Tony Staffieri, CFO

Presentation

David Barden {BIO 1506279 <GO>}

Good afternoon, everyone -- or good morning or good evening, depending on where you are in our second annual Virtual Bank of America Telco Media Conference. We're all looking forward to being back in person in Los Angeles next year. But for the time being, we've got to kick off our afternoon session, Rogers Communications management team. So with us today is Dave Fuller, who is President of the Wireless business; and Tony Staffieri, who is Chief Financial Officer. So welcome, both of you. Thank you for joining us again this year.

Tony Staffieri {BIO 6566699 <GO>}

Thank you for having us.

David Barden {BIO 1506279 <GO>}

So guys, maybe I think you guys maybe had some commentary that you might want to kick off with to kind of get some maybe key issues addressed before we kind of get into the meat of the business.

Tony Staffieri {BIO 6566699 <GO>}

Sure. Why don't I kick it off in terms of overall upfront comments -- probably worth talking about the Shaw transaction. In the questions, we can get into our secondary focus, which continues to be on our core operations. But clearly, a lot of emphasis on the Shaw transactions and a lot of questions around that. We continue to progress nicely. We still see a pathway to closing the transaction in the first half of 2022, and we continue to work through the regulatory approvals.

So as we stated at the outset, there are 5 approvals. One started with shareholder approval, which we have and then the Alberta courts, and we've gone through that process. And now we're working with the 3 regulatory bodies, namely ISED, which focuses on the spectrum license transfer, and we're in the process on that. The second is

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the CRTC, which relates to the cable licenses, and that's in progress. Then finally, the Competition Bureau, which I categorize as sort of an overall approval on the transaction.

And so we're in the middle of exchanging information, and that process is proceeding as you would expect in terms of timing. We are focused very much on work streams that get at the synergies. And at the outset, we talked about synergies of \$1 billion. And most, if not all, of those synergies are centered around cable given the much higher indexing of certainty around that asset. We're feeling pretty good about that quantum of number.

As we look to the components, clearly, on the CapEx side, significant savings with respect to wireless CapEx, given our network coverage that we have today and in particular with 5G. Then when you look at the cable side of it, we'll probably take some of the wireless savings and put it into more cable expansion and quality. But net-net, that will be a savings. Then we look to OpEx savings. There are a number of areas on this call, won't spend time going through each of the areas. But clearly, lots of duplication, particularly with respect to back office functions. Our work streams are confirming, validating and continue to give us a high degree of confidence of achieving those numbers.

Then finally, the revenue synergies, which will come sort of after the initial cost synergy phase, but we continue to be quite excited about revenue synergies that are generally focused on 2 main areas, but there are others. But they're what you would expect, the quad-play bundle and cross-selling is certainly going to be a huge opportunity for us where now we have pretty much a national wireline or cable business that mirrors our wireless business across the nation.

And the second is with respect to enterprise and in particular, mid and large enterprise. And given our footprint nationally, it's going to allow us to play in a space that we hadn't been able to access before. So we continue to be quite excited, lots of work going on in terms of the synergy side of it.

One of the other questions we get is in terms of the approval processes as we work here in Canada. The government tried to find a solution or is that up to us in coming up with any solution to the transaction to address any of the concerns they have. I'd say generally, based on past transactions, the government outlines, and in particular, the Competition Bureau, what their requirements are, and if they have any concerns what those concerns would be. It's then up to us to find a solution, our solutions that address any concerns that they would have. So if I could put it, the regulatory body focuses on the what, and then it's over to us on how we achieve those objectives and/or any concerns they may have. But that we're still not at that stage in the process. So hopefully, that provides a good overview of where we're at with the Shaw transaction.

Questions And Answers

A - David Barden {BIO 1506279 <GO>}

Thanks for that, Tony. I guess maybe a follow-up would be, are there milestones that investors can keep an eye on to kind of see how things are progressing?

A - Tony Staffieri {BIO 6566699 <GO>}

Unfortunately not. It will be a process of we -- once we obtain approval, it will be public. But before then, there isn't much that is public. We're still, as I said, in the information exchange stage. There may or may not be additional public hearings. Our sense is probably not, but there could be. So -- and those aren't necessarily telling of a milestone. It's just one more process item to go through.

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And so we won't know until we know. But one of the things that is probably fair to make as a comment, the election is going to have an impact on the priorities, and we expect the file to pick up attention post-election and post announcement of the various cabinet ministers.

A - David Barden {BIO 1506279 <GO>}

All right. Well that's a good jumping off point. So maybe we can start with that. I do want to come back to some other higher level industry stuff. But I guess we are heading for an election. We've got a split government now in Canada on September 20. The last election, telecom and pricing, affordability, availability was kind of a headline issue. I think it's less so now.

Could you kind of, I don't know, give us some color how you see telecom pricing and wire pricing in particular, affordability being factored into the election? And kind of what do you think the scenario analysis is based on the outcome of the election? Obviously Truro did this presumably because he thinks he can take control, but how do you think it plays out?

A - Tony Staffieri {BIO 6566699 <GO>}

Yes. I -- a couple of things. Telecom is an item that always comes up in elections. And as you suggested, Dave, we could look at 2019 affordability to the extent it came up, it was in the context of affordability. Wireless prices in Canada have continued to come down. The affordability agenda is something that we've all been focused on, and it's made really good progress here in Canada. If you look at some of the recent stats can, telecom pricing is the only index that has gone down sequentially and continues to move. We'll always continue to look for ways to improve affordability for consumers.

But what has emerged and in large part because of the pandemic and seems to be front and center for the governments. It's probably fair to say of all 3 parties is bridging the digital divide. We still have about 2 million Canadians without any Internet or very limited access to Internet. So that has moved up. And as I said, the pandemic has really stressed the importance of Internet in the home. So through our own capital programs, we have stepped up investments and in working with government. We've stepped up investments where they've also contributed funds for that rural investment of Internet. That's going to be key not only for the wireline access but clearly in a 5G environment and the capability it provides with respect to fixed wireless access.

And so irrespective of where the election continues to move over the next few days, I think the backdrop sentiment that you and the audience should take away is government

relations, in our view, have moved in a very positive way in a very collaborative way in focusing on investment and infrastructure. That's been good progress, and we expect it to be a key platform post election.

A - David Barden {BIO 1506279 <GO>}

And relevant to the transaction, is there a reason to believe that the election could affect either the government's position on it or the ISED minister or the Competition Bureau or the head of the CRTC? Is there any reason to believe that there's potential significant change that could fall out from this?

A - Tony Staffieri {BIO 6566699 <GO>}

We don't think so. We feel very good about the strength of the transaction and the benefits it's going to provide to Canadians across the nation, significant synergies in an industry where size matters and capital efficiency matters. It's going to go a long way to continuing to, one, allow us to increase investment while, at the same time, reducing the cost to deliver. So I think multiple objectives are going to be satisfied. So we don't see the outcome of the election weighing on what we think are the strategic benefits of the transaction.

A - David Barden {BIO 1506279 <GO>}

So I wanted to kind of back up a little bit and think about a year ago when you guys were here at this conference, again virtually on my desktop here. The -- we were talking about having come out of the Second Quarter of the pandemic, and we were kind of thinking, okay here now we're on a glide path to returning to normal. We talked about maybe we're 15% of the way back to normal. So I think a year now, further on, I think there's 2 things. One we're much more evolved on that path. Obviously some countries are more evolved than others. And also, there's the question of what normal really looks like.

So I guess I've been asking everybody this question. But where are we 0 to 10 in terms of getting back to the way things used to be kind of kind of 2019? And with respect to what the new normal looks like, in what way is the new normal different from what 2019 did look like as you might expect '22 to look like?

A - Tony Staffieri {BIO 6566699 <GO>}

Yes. Why don't I start, Dave, and you can fill in on the wireless side. But I think it's important to draw the distinction, Dave, between what we see internally within Canada and then what we see on a cross-border basis. Clearly -- and one of the significant impacts as you said, if we were around the clock a year ago, a material impact was in our wireless business in terms of roaming as well as usage. And usage was important because it's a primary catalyst for upgrading in terms of plans, to unlimited, et cetera. So that roaming revenue, we would say because of the border closures, some of the border closures that continue to be there continues to come back but certainly not back to where we were pre-pandemic. We see -- still see quite some time into -- well into 2022 before we get there.

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Besides that, we then look to what's the activity and what does the market demand look like for each of our wireless and cable businesses. I'll start with cable, and Dave will follow up with wireless. But on the cable side, we continue to, as you would expect, see robust demand for the Internet and video product. I would say on a scale of 1 to 10, we're probably at about an 8 from where we used to be. And back-to-school has always been a big component for us. And campuses are somewhat mixed in terms of whether students are going to be in residents or not. So that's impacted demand, certainly better than last year as we went through this back-to-school season but not quite back to where it was.

Then we layer on top of that the size of the market in our cable business, and that continues to grow at 2%. Housing construction continues strong, but it's been dampened by labor shortages, and also immigration and foreign students have always been sort of part of the population growth for cable and wireless, frankly. I would say while that's coming in, it's still lagging where it used to be. So while the size of the market in cable is growing, there's still opportunity for continued growth.

A - Dave Fuller {BIO 19124618 <GO>}

Yes. So on wireless, Dave, if I were to use your kind of 1 to 10 range back to normal, I'd actually break it out amongst a number of different areas in wireless. So if you -- as Tony pointed out, if you look at roaming, that's probably a 2 or a 3, right, in terms of kind of being back to normal. The border is still closed. We are seeing an uptick relative to last year in terms of roaming traffic but still well, well, well below what you saw in 2019 pre-pandemic.

At the opposite end of the continuum, if you talk new activations, new customers, renewals, store traffic, things like that, I'd say that's probably in the 8 or even maybe 9 range, which is, in particular, this quarter that we're in now, in Q3, Canada was later than the U.S. to fully open up retail. And Q1, much of it was still closed. Q2, it was kind of a mix, so about half our provinces were open for the majority of Q2 in terms of retail of mall locations. But the biggest province being Ontario, remained locked down for most of Q2. In fact, they opened up literally on the last day of the quarter in terms of opening up mall stores and mall locations for traffic, which is where a material amount of our new activations come through, right, is all locations.

Q3, we've seen them fully open, and shopping has come back. It's probably -- if you look at store traffic in our stores probably in the range of maybe 80%, 75% of pre-pandemic levels. So it's come back and come back well. We're seeing robust demand in terms of new customers. There's certainly some pent-up demand for people wanting new phones that has developed and built up during people being in lockdown.

Then when you look at data usage and the drivers of ARPU, I would say that's probably maybe a 6% in that we are definitely seeing people start to emerge, and that's driving data usage in our network, no question on the wireless side, particularly relative to kind of when everybody was locked down. Having said that, the majority -- or not majority, but I would say probably 60% of Canadians are still in a work-from-home type of environment. Therefore, by definition, when they're working from home, they're covered under WiFi

and not out and about in using macro data to the same extent that it would be happening in the U.S., right?

So it's kind of a mix, but certainly much, much stronger than this time last year across the board. We're getting closer to pre-pandemic levels but not there yet and don't really see us kind of getting fully back to normal until realistically into probably next spring, I would imagine.

A - David Barden {BIO 1506279 <GO>}

Yes. That sounds realistic. I mean -- so shifting gears a little bit more on kind of as we look at reopening, we look at the return of roaming, those are kind of growth drivers. One of the things that was happening heading into the pandemic was the impact of the migration to unlimited plans, the loss of overage, and that was kind of a headwind going into 2020. I think that we've kind of moved past that to a degree. I was kind of hoping to hear a little bit about what the opportunity might be now that we've kind of moved through most of the roaming -- sorry, the overage headwind to kind of move into the step-up tailwind. Could you kind of describe where are we in that process? And what opportunities are there for growth there?

A - Dave Fuller {BIO 19124618 <GO>}

Yes. Sure, Dave. So we're actually -- I'm feeling fairly bullish on where we stand overall in terms of being able to return to a position of growth over time and ARPU. A few reasons for that. The first one you pointed out already, which is the fact that we are through the lion's share of the migration towards our unlimited plans. So we ended quarter 2 roughly about \$2.7 million of our Rogers wireless customer base was on an unlimited plan, which is the material majority, right? So to your point, that what was a fairly significant usage-based headwind has now kind of abated. I wouldn't say it's quite turned into a tailwind yet for reasons I'll get to, but it's certainly that year-over-year impact in terms of usage declines is lessening pretty significantly as we get the majority of that base into unlimited plans.

What we need to do to turn for that specific unlimited place and start to see them step ups is kind of that full return to normal. I mentioned before that we were at kind of a 6 or so on your 10-point scale. People returning around and macro usage. So we're still seeing a lot of customers not yet quite getting up to their overall data cap. So if they've got 20 gigabytes of unlimited usage before they get into a position where they're speed limited. Because they're spending so much time at home, still, in terms of work environment and whatnot, they're not quite -- I'd like to see more of them getting up closer to the data cap so that there's an opportunity to get them to step up from 20 gig to 30 gig or 40 gig, right? So that will become a tailwind in time as we get closer to full return to post pandemic to normal.

But there's other benefits that we are starting to see that are tailwinds to ARPU that are, I think more near and present. First of all, you got to remember a very significant chunk of our customer base on the consumer side are not on unlimited plans because they're not on Rogers wireless, right? Rogers' Wireless and unlimited plans in general are germane to the premium brands in Canada, but all 3 major carriers have flanker brands, in our case,

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Fido. And none of those customers are actually on unlimited plans. They're on -- most of them are on plans that are called data protection. In other words, they're on a -- they might be on a 5-gig plan or a 10-gig plan, and when they get to the end of that plan. They're actually stopped in terms of using data usage and they need to top up or via data an extra 2 gig or 5 gig updated to keep going.

So there's usage opportunity still for customers. It's not bad usage in that they're not getting into bill shock because they're shut down when they get to that and they're knowingly buying a top-up for a knowing price. They just reply to a text and SMS that says, "Yes. I want to keep going, and I'll pay \$10 for another 5 gig or something like that." But that is a usage opportunity actually for us. So it's not all kind of headwinds on the usage front. There's some opportunities.

I'm also very pleased with our mix. It's materially better towards higher ARPU customers on the inbound front than it was this time a year ago. So we're showing some favorable mix in terms of new customers coming on board and customers that are renewing and a very strong mix towards smartphones customers versus data-only customers, and that's a positive benefit for us. Then, of course there's the eventual return of roaming, which was a very healthy line item for us that will come back, right? A question of when it comes back, but it will come back.

Speaking of pent-up demand, there's a ton of pent-up demand for travel amongst Canadians having kind of been locked in the country for the better part of 18 months. So once we do start to put the pandemic to bed and people are in a position to give travel, I expect roaming revenue to roar back as Canadians look forward to being able to travel aboard.

A - David Barden {BIO 1506279 <GO>}

Awesome. So just kind of along the lines of kind of competitive positioning, reopening, I think Tony, you mentioned or maybe it was you, Dave, about the malls being kind of a super important distribution vehicle, retail vehicle. In that context, Rogers has been dominant in terms of physical retail distribution. But obviously for the last 18 months, digital has become ascendant. I wonder is the advantage that Rogers has historically had in terms of physical distribution still there in a world where irrespective of how much reopening there is, digital is going to have a larger role to play. Are you disadvantaged by this kind of evolution of the margin?

A - Tony Staffieri {BIO 6566699 <GO>}

Yes. No, not at all. I think 100% physical distribution will remain a pretty important part of this business. We're a long way from going to a world that's predominantly digital only unlike some other segments. So we have 5,000 points of distribution coast to coast. Roughly half of those are either branded Rogers or Fido or controlled by us. The other half would be with third-party retail partners, likes of Walmart and whatnot. What basically happened when the pandemic set in, in March of 2020, much of that distribution to the point you already made, David, ground to a halt. But that -- the good news out of that was that forced us along with our competition to innovate and find creative new ways to continue to drive our business forward. So we developed pretty strong digital capabilities

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in that time frame and devoted ourselves to trying to figure out other direct-to-consumer methods, which frankly come at pretty good margin and pretty solid economics for us moving forward.

And what we've seen as retail has opened back up is -- the good news is that we're seeing a resurgence of that traffic and people coming back into malls. But it's not coming at the cost of that direct-to-consumer and that digital capability, right? In fact, those channels continue to hum along and are driving similar volumes to what they were when we were actually in lockdown. Then we're seeing physical distribution for customers that it's important to, and there's still a sizable number of them that do want to shop, that want to go in a store and see the latest device and talk to someone face-to-face before making the decision. That's coming back, and the digital capabilities and the direct-to-consumer capabilities, the outbound capabilities that we developed are proving to be incremental to that return to physical distribution. I think it's going to be like that for a considerable time moving forward.

So I mean if you just look at our business, the reality is you're signing up for a pretty material commitment over a 2-year period, right, and the multiple thousands of dollars over that 2-year period, you're buying a device that, in some cases, costs well over \$1,000. Those are pretty material commitments, and there's a lot of consumers out there that are going to be uncomfortable doing that strictly in an online fashion, right? It's a complex sale, and they're going to want to talk to someone to make sure they're getting the best deal possible that they've shopped around. Some customers will be comfortable doing that on digital. But a whole bunch of them are still going to want to rely on physical distribution before making that call.

A - David Barden {BIO 1506279 <GO>}

Got it. That makes sense. So let me ask one more question on that before kind of shifting a little bit. But a lot of the companies, at least down here in the states, have taken the opportunity to kind of step back and reassess productivity in the retail channel and use it as an opportunity to kind of optimize cost, optimize their footprint there. Is Rogers looking at this kind of as an opportunity from a cost savings standpoint to kind of boost like what the ordinary run rate margin might look like in the absence of having kind of gone through this 18-month period where we were all digital?

A - Dave Fuller {BIO 19124618 <GO>}

Yes. For sure. I mean we are always looking actually at what our mix is and what the optimal mix is amongst our different channels to maximize our margin. If you look at our margins, they've been pretty attractive throughout the pandemic, and we believe we can maintain them at the level that they've been at in the last couple of quarters as we go forward. And a lot of that is through smart mix management amongst our channels. I would say in terms of retail optimization, we actually did a fair amount of that. If you go back 2, three years ago, we were pretty aggressive on closing a number of underperforming retail point of distribution. What remains is actually pretty healthy, right?

So provided we don't see any material changes in terms of traffic distribution as people get back to shopping, I don't foresee us having to make any material shifts in that area. I

mean there will be -- there's no question, if you look at -- and this is, for sure, been happening in the U.S., but it will happen in Canada, too, which is the areas that are coming back first are those Tier A malls, right, and slower distribution returns or traffic returns to Tier B and C malls. But relative to the U.S., Canada actually already has a lot less Tier C malls than you have in the U.S. So most of our distribution is centered in on mall locations that actually have pretty healthy traffic already returning to them and the same with high street, right?

A - David Barden {BIO 1506279 <GO>}

Got it. Got it. Okay. So I'm getting a bunch of questions about leverage, Tony. So I'm going to come back to you. I'll make sure we have time at the end again to address pro forma leverage and the leverage you have to kind of bring that down or your willingness to stay higher leverage and maybe accept lower ratings. But before we get there, I want to ask a couple of questions. One is regulatory. So when we were having a conversation a year ago, the biggest concern about -- in the market was what was the regulatory landscape going to look like?

And it was primarily on the wireless sector with respect to MVNOs. There was a little secondary concern with respect to wholesale broadband rates. We have answers now to these questions. I guess the question I have is what is happening in the market now with respect to Rogers? Are you getting propositioned by would be MVNO players trying to take advantage of the facilities-based MVNO rules? Are you seeing changes in the landscape on broadband resellers? What's happening?

A - Tony Staffieri {BIO 6566699 <GO>}

Well I think Dave, you set up the question well. As we look to decisions that came out of the government over the last year and you were to summarize them, I think they would generally fall in the category of competition is good and competition is healthy today and all governments always like to see competition. But at the same time, we need to have a healthy amount of infrastructure investment in this country. When you look at both wireless and wireline, and we're on the cusp of needing to materially upgrade. I've already touched on the rural digital divide. But on the wireless side, we're on the cusp of 5G. We've been putting massive investments into 5G. Our intent is to continue with the leadership position we have today in 5G, and we're encouraged by a government that has set policies with respect to wireless that allows us and encourages us to continue to make those much needed investments.

Then similarly, on the wireline or cable side, we received decisions with respect to wholesale pricing that continue to support a reseller market that's based on full costing, and that allows us to continue to upgrade our investments, continue our node segmentation, fiber investments, GPON, et cetera, on the cable side. So I would say overall, that's been good. So as we look to the type of competition that we have, as I said, it continues to be intense in wireless and cable and in all of our markets as you would expect. It's incumbent upon us to continue to find efficiencies to continue to drive margins and profitability, notwithstanding the pressure that we'll always see on pricing.

In terms of your specific question with respect to have we seen more activity in terms of MVNOs or resellers, whether it's on the wireless and cable side, I would say we always see a healthy amount of interest. The amount of those players that actually get to execution once they realize the risk they're taking and the amount of infrastructure investment they're going to have to make on their own usually sort of peter out. But we fully expect to continue to see interest, but not a lot has really come to fruition on that front.

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A - David Barden {BIO 1506279 <GO>}

Got it. Got it. So I want to make sure we do get this question before we -- if we have time to shift over to cable. But -- so I guess Tony, the question is obviously with respect to the spending in the most recent auction coupled with the possibility that we conclude the transaction, the questions are kind of a book in, which is are you comfortable having higher leverage for longer to accomplish things like dividends and dividend growth? Or is there a commitment to aggressively deleveraging. If there is, it begs the question that you always get asked about noncore asset sales and such and whether there's maybe some more urgency around those issues than there's been over the last couple of years.

A - Tony Staffieri {BIO 6566699 <GO>}

Yes. Great question. A couple of things. Coming out of the spectrum auction, once we pay for it in October, our leverage on a stand-alone basis is going to hit about 3.5x. On a stand-alone basis, I would say we've been very good at aggressively reducing leverage by 0.2 to 0.3 every year just through our profitability and cash flow growth. With the impending Shaw transaction on close, we'll be above 5%. So for the next 24 months, our priority is getting that leverage down. We're committed to remaining investment grade. We believe we can do that on the strength of the synergies that we are going to execute on in this transaction.

And so as I said, for the first 24 months, very much focused on deleveraging and getting that number down to, we would say the mid- to low 3x to bring us back to where we are now. Then beyond that, we continue to work it down from there. In terms of dividend decisions, as has always been in the past, that will depend on cash flow growth and profitability growth, and we'll look to it commensurate with that. But it's fair to say within the next 24 months, our priority is on delivery.

A - David Barden {BIO 1506279 <GO>}

Got it. Okay. That's helpful. Then, I guess we've got a couple of minutes left to talk a little bit about the cable side of the equation. I guess one of the themes in the States has been a big resurgence in fiber investment and thematically a desire to kind of attack the cable hegemony in broadband. Then you layer on top of that the fixed wireless components that are starting to emerge. I guess Bell has not been as aggressive as TELUS on the fiber side in your overlapping footprint, but they're getting there. We've seen Shaw struggle with respect to trying to compete against a fiber wireless broadband bundle. How are you thinking about the cable business right now? Are you optimistic about it and given all the trends that are kind of unfolding around us?

A - Tony Staffieri {BIO 6566699 <GO>}

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We continue to be very optimistic about the cable business. Several years ago, we said our objective for cable was really threefold. One is to grow top line, expand margins and get our capital intensity in line with the market. We've been delivering on all 3, very good growth. Last quarter, we had 5% revenue growth in our cable business. Margins continue to expand every quarter as we find efficiencies. Our capital intensity has been running in the 21% to 22% range, which was where we said it would be. We continue to invest heavily. So while we had a capital intensity target. It's worth highlighting that, that hasn't been at the expense of network expansion and network quality. We've been able to find savings elsewhere, and some have been step function reductions for us. For example, self-install, where over 90% of our new customers install on their own and we don't require a truck roll. So that's been a huge savings for us.

And so against that backdrop, we continue to feel very good about the competitive advantages that we have on the cable side. Unlike the U.S. market here, both Bell and TELUS have been aggressively, albeit at varying paces, investing in fiber deployment. We fared well with that competition over the last many years. Their program started over 10 years ago. I think if you were to look at our cable performance, particularly over the last five years, we're quite pleased with the way we competed against that.

It's important to keep in mind that we're not standing still. We continue to invest in fiber. In many areas, we have cheap on-based fiber, which allows for a number of advantages in terms of symmetrical upload and download speeds. We've been making investments in DOCSIS 3.1. So when you look on the Internet side, we've had a competitive advantage in that we've been able to offer 1 gig of speed across our entire footprint, and that's now moving to 1.5 gigabits of speed. So we have very healthy download and upload speeds.

It's important to keep in mind that our capability and technology, whether it's GPON, fiber or DOCSIS 3.1, continues to outpace where the market is today. I think that's important to note. So our -- a vast majority of our customers are sitting at average speeds today of 200 megabits per second. So you rub that up against the 1.5 gig speeds that we can offer today. You can see we continue to stay ahead of it. DOCSIS 4.0 is on the horizon over the next 24 months. And again that's going to increase the download and upload speeds. We continue to see it well ahead of the market.

And so we're quite comfortable with our competitive advantage on Internet. Then you layer on top of that our video platform, the Comcast Xfinity platform. I think everyone you talk to would agree that hands down, that is the best video product that's available in the Canadian market today. We continue to see it in our sales performance and churn metrics with respect to that product, and that's being augmented by a whole home Internet, whole home, smart home monitoring solution as well that continues to evolve. So we're feeling -- for all of those reasons, we're feeling quite good about our cable business.

A - David Barden {BIO 1506279 <GO>}

Okay. So my takeaway is bullish. Got it. Thanks, Tony. Thank you, Dave and Tony. We ran out of time. There's obviously so much more to talk about. But I appreciate you guys spending some time with us today during our conference. I'm looking forward to the next time we can actually see each other in the real world. Thank you, so much.

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A - Tony Staffieri {BIO 6566699 <GO>}

We look forward to that. Thank you.

A - Dave Fuller {BIO 19124618 <GO>}

Thank you.

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