

QUEBECOR



Supplementary Disclosure

**Quarter / 12-Month Period
Ended December 31, 2022**

For additional information, please contact
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QUEBECOR INC.

Supplementary Disclosure December 31, 2022 Basic Data Per Share

	4th Quarter		Full Year	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Adjusted income from continuing operating activities	\$0.69	\$0.66	\$2.66	\$2.55
Adjustments :				
(Loss) gain on valuation and translation of financial instruments	(0.07)	0.03	(0.08)	0.06
Unusual items	-	<u>(0.02)</u>	(0.03)	<u>(0.23)</u>
Total	(0.07)	0.01	(0.11)	(0.17)
Net income attributable to shareholders	\$0.62	\$0.67	\$2.55	\$2.38
Weighted average number of shares outstanding (in millions)	231.4	239.8	235.2	243.5

QUEBECOR INC.

Supplementary Disclosure December 31, 2022 Capital Structure

(all amounts in millions of Canadian dollars)

Quebecor Media Inc.

Revolving credit facility due in 2025 (availability: \$300)	\$ -
5 3/4% Senior Notes due in 2023	1,152.1
	<u>1,152.1</u>

Videotron Ltd.

Revolving credit facility due in 2026 (availability: \$2,000)	77.5
5 3/8% Senior Notes due in 2024	813.2
5 5/8% Senior Notes due in 2025	400.0
5 3/4% Senior Notes due in 2026	375.0
5 1/8% Senior Notes due in 2027	813.2
3 5/8% Senior Notes due in 2028	750.0
3 5/8% Senior Notes due in 2029	677.7
4 1/2% Senior Notes due in 2030	800.0
3 1/8% Senior Notes due in 2031	650.0
	<u>5,356.6</u>

TVA Group Inc.

Revolving credit facility due in 2024 (availability: \$75)	9.0
	<u>9.0</u>

Other debt

TOTAL LONG-TERM DEBT ¹	\$ 6,517.7
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Bank indebtedness	10.1
Exchangeable debentures - Quebecor Inc.	2.1
Convertible debentures (cost if settled in cash at maturity) - Quebecor Inc. ²	150.0
Lease liabilities	186.2
(Asset) liability related to derivative financial instruments	(520.3)

Cash and cash equivalents :

TVA Group Inc.	-
Other	6.6
	<u>6.6</u>

¹ Excludes changes in the fair value of long-term debt related to hedged interest rate risk and financing fees. See Note 19 to Consolidated Financial Statements.

² Based on the market value of a number of shares obtained by dividing the outstanding principal amount by the market price of a Quebecor Inc. Class B share on December 31, 2022, subject to a floor price of approximately \$24.62 and a ceiling price of approximately \$30.77.

QUEBECOR INC.

Supplementary Disclosure December 31, 2022 Consolidated Net Debt Leverage Ratio

(all amounts in millions of Canadian dollars, except ratios)

	2022				2021
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Total long-term debt ¹	\$6,517.7	\$6,709.5	\$6,603.4	\$6,376.4	\$6,554.0
Add (deduct):					
(Asset) liability related to derivative financial instruments	(520.3)	(576.0)	(406.0)	(305.4)	(382.3)
Lease liabilities	186.2	184.9	178.6	180.3	183.2
Bank indebtedness	10.1	14.4	21.6	25.2	-
Cash and cash equivalents	(6.6)	(37.5)	(9.1)	(26.9)	(64.7)
Consolidated net debt excluding convertible debentures	\$6,187.1	\$6,295.3	\$6,388.5	\$6,249.6	\$6,290.2
Divided by: trailing 12-month adjusted EBITDA	\$1,934.5	\$1,950.3	\$1,952.6	\$1,962.6	\$1,973.2
Consolidated net debt leverage ratio	3.20x	3.23x	3.27x	3.18x	3.19x

¹ Excludes changes in the fair value of long-term debt related to hedged interest rate risk and financing fees. See Note 19 to Consolidated Financial Statements.

TELECOMMUNICATIONS

Supplementary Disclosure December 31, 2022 Operating Results

	<u>2022</u>				<u>2021</u>	
	<u>Dec 31</u>	<u>Sep 30</u>	<u>Jun 30</u>	<u>Mar 31</u>	<u>Dec 31</u>	
Revenue-Generating Units ('000) ¹	6,314.8	6,290.2	6,191.1	6,203.4	6,189.6	
Mobile Telephony Lines ('000)	1,710.4	1,697.3	1,661.0	1,626.4	1,601.9	
Homes Passed ('000) ²	3,619.7	3,608.4	3,597.6	3,584.1	3,572.6	
Internet Subscribers ('000)	1,904.2	1,902.9	1,846.1	1,846.1	1,840.8	
Penetration of Homes Passed ²	51.6%	51.7%	51.3%	51.5%	51.5%	
Television Subscribers ('000)	1,396.1	1,402.1	1,393.5	1,406.4	1,418.6	
Penetration of Homes Passed ²	38.1%	38.4%	38.7%	39.2%	39.7%	
Wireline Telephony Lines ('000)	751.2	769.9	785.7	803.6	824.9	
Penetration of Homes Passed ²	20.7%	21.3%	21.8%	22.4%	23.1%	
Over-the-Top Video Subscribers ('000)	552.9	518.0	504.8	520.9	503.4	
	<u>4th Quarter</u>			<u>Full Year</u>		
	<u>2022</u>	<u>2021</u>	<u>VAR</u>	<u>2022</u>	<u>2021</u>	<u>VAR</u>
(in millions)						
Revenues						
Internet	\$319.6	\$301.6	6.0%	\$1,238.1	\$1,201.4	3.1%
Television	200.6	203.8	-1.6%	799.2	836.1	-4.4%
Mobile telephony	199.9	185.4	7.8%	780.3	712.5	9.5%
Wireline telephony	71.3	77.7	-8.2%	292.5	318.5	-8.2%
Mobile equipment sales	102.2	80.9	26.3%	322.2	276.4	16.6%
Wireline equipment sales	17.8	55.8	-68.1%	92.2	204.0	-54.8%
Other	48.6	47.9	1.5%	193.7	186.1	4.1%
Telecommunications	<u>\$960.0</u>	<u>\$953.1</u>	<u>0.7%</u>	<u>\$3,718.2</u>	<u>\$3,735.0</u>	<u>-0.4%</u>
Adjusted EBITDA						
Telecommunications	<u>\$475.9</u>	<u>\$466.5</u>	<u>2.0%</u>	<u>\$1,912.9</u>	<u>\$1,875.7</u>	<u>2.0%</u>
Cash flows used for:						
Additions to PP&E	\$74.4	\$83.6		\$369.7	\$407.3	
Additions to Intangible Assets	17.3	695.4		75.1	986.1	
Telecommunications	<u>\$91.7</u>	<u>\$779.0</u>	<u>-88.2%</u>	<u>\$444.8</u>	<u>\$1,393.4</u>	<u>-68.1%</u>
Mobile Telephony ARPU ³	\$39.08	\$38.97		\$39.16	\$38.65	
Total ARPU ³	\$47.63	\$47.07		\$47.21	\$47.06	

¹ Revenue-generating units (" RGUs ") are the sum of subscriptions to the Internet access, television and over-the-top video services, plus subscriber connections to the mobile and wireline telephony services.

² During the first quarter of 2022, the number of homes passed was restated for 2021 following a revision of the methodology relating to multiresidential and commercial addresses. Penetration of homes passed excluding customers to Internet access, television and wireline telephony services served through Quebecor's purchase of wholesale Internet services from third parties.

³ Average monthly revenue per unit (" ARPU ") is an indicator used to measure monthly revenues per average revenue-generating unit.

QUEBECOR INC.

Supplementary Disclosure December 31, 2022 Shares Held in Subsidiaries

	Number of shares	Equity (%)	Voting (%)
<u>Shares held by Quebecor Inc.</u>			
Quebecor Media Inc.	79,377,062	100.0%	100.0%
<u>Shares held by Quebecor Media Inc.</u>			
TVA Group Inc.	29,539,364	68.4%	99.9%

QUEBECOR INC.

Supplementary Disclosure December 31, 2022 Note to Investors

Note to Investors

Investors should note that this Supplementary Disclosure document presents financial information on a consolidated basis for Quebecor Inc. and its Telecommunications reporting segment. The financial figures included in this document are reported in Canadian dollars.

Detailed Financial Information

For a detailed analysis of Quebecor Inc.'s results for the financial year 2022, please refer to the Management Discussion and Analysis and Consolidated Financial Statements of Quebecor Inc., available on the Company's website at http://www.quebecor.com/en/quarterly_doc_quebecor_inc or from the SEDAR filing service at <http://www.sedar.com>.

Non-IFRS Financial Measures

The non-IFRS financial measures used by Quebecor Inc. to assess its financial performance, such as adjusted EBITDA, adjusted income from continuing operating activities, adjusted cash flows from operations, free cash flows from continuing operating activities and consolidated net debt leverage ratio are not calculated in accordance with or recognized by IFRS. Quebecor Inc.'s method of calculating these non-IFRS financial measures may differ from the methods used by other companies and, as a result, the non-IFRS financial measures presented in this document may not be comparable to other similarly titled measures disclosed by other companies. We refer investors to our Management Discussion and Analysis for the financial year 2022 under "Non-IFRS Financial Measures" for a complete description of these measures as well as a reconciliation to the most directly comparable measures calculated in accordance with IFRS.

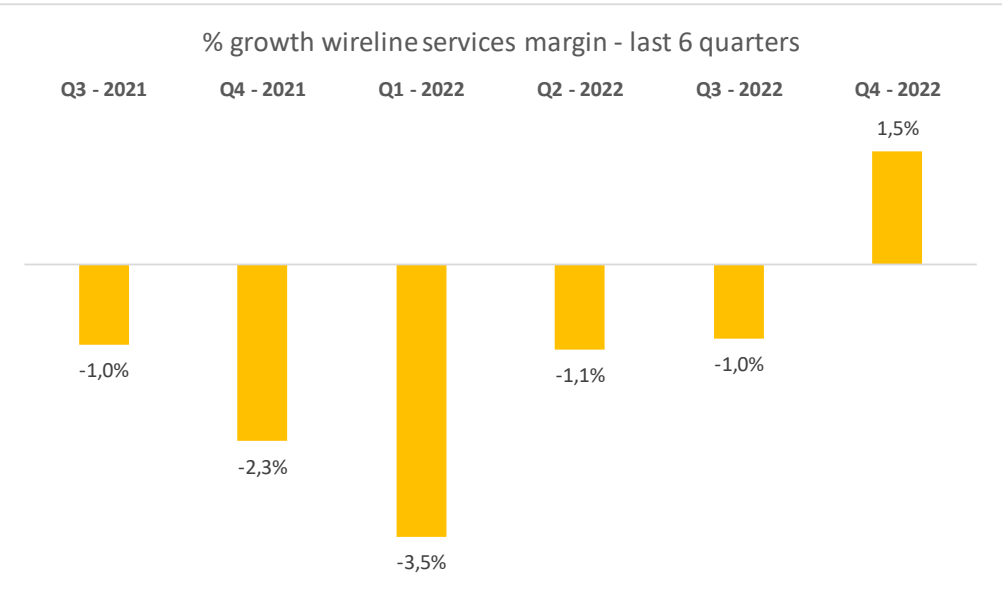
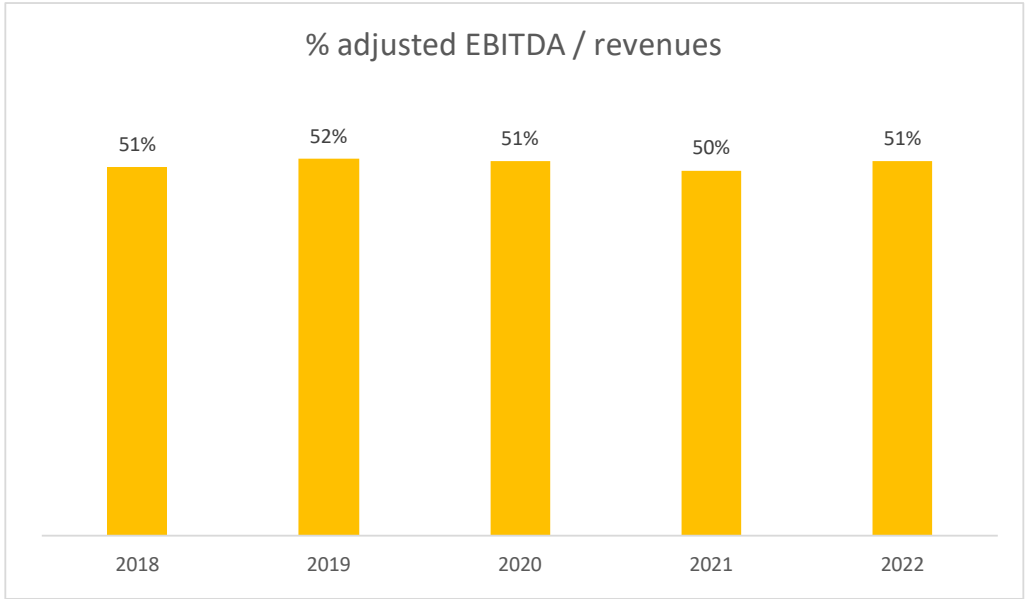
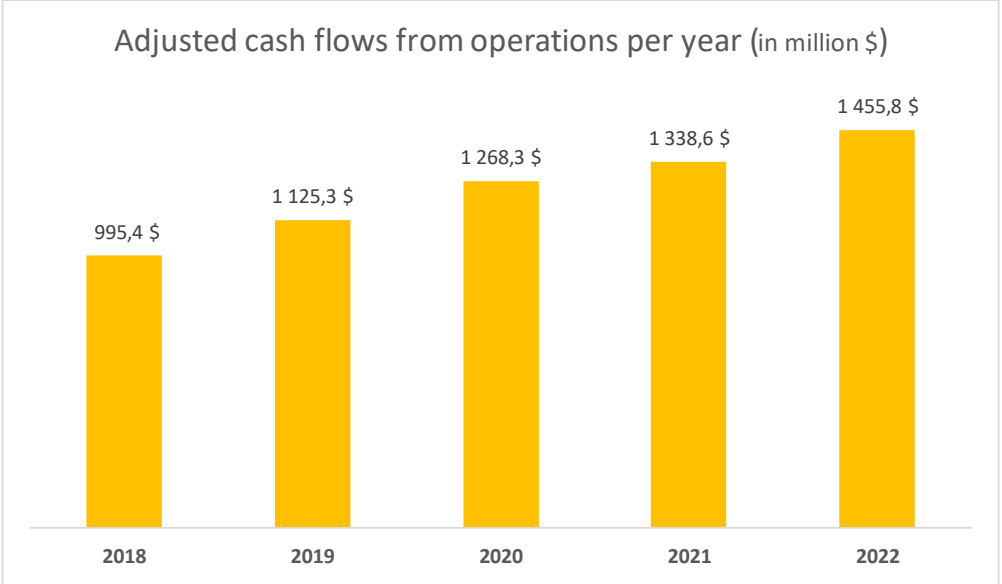
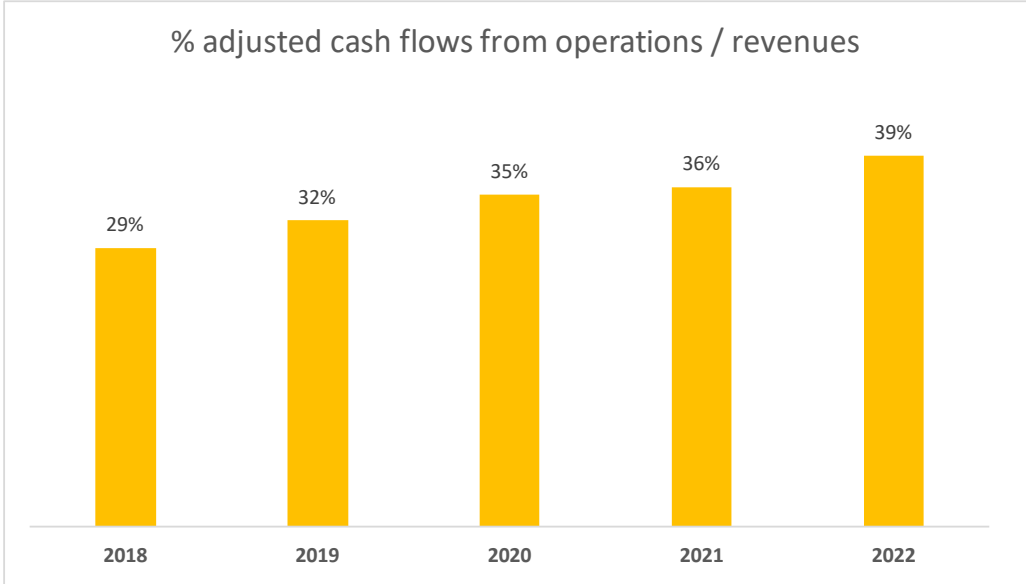


ANNUAL RESULTS AND 4TH QUARTER OF 2022

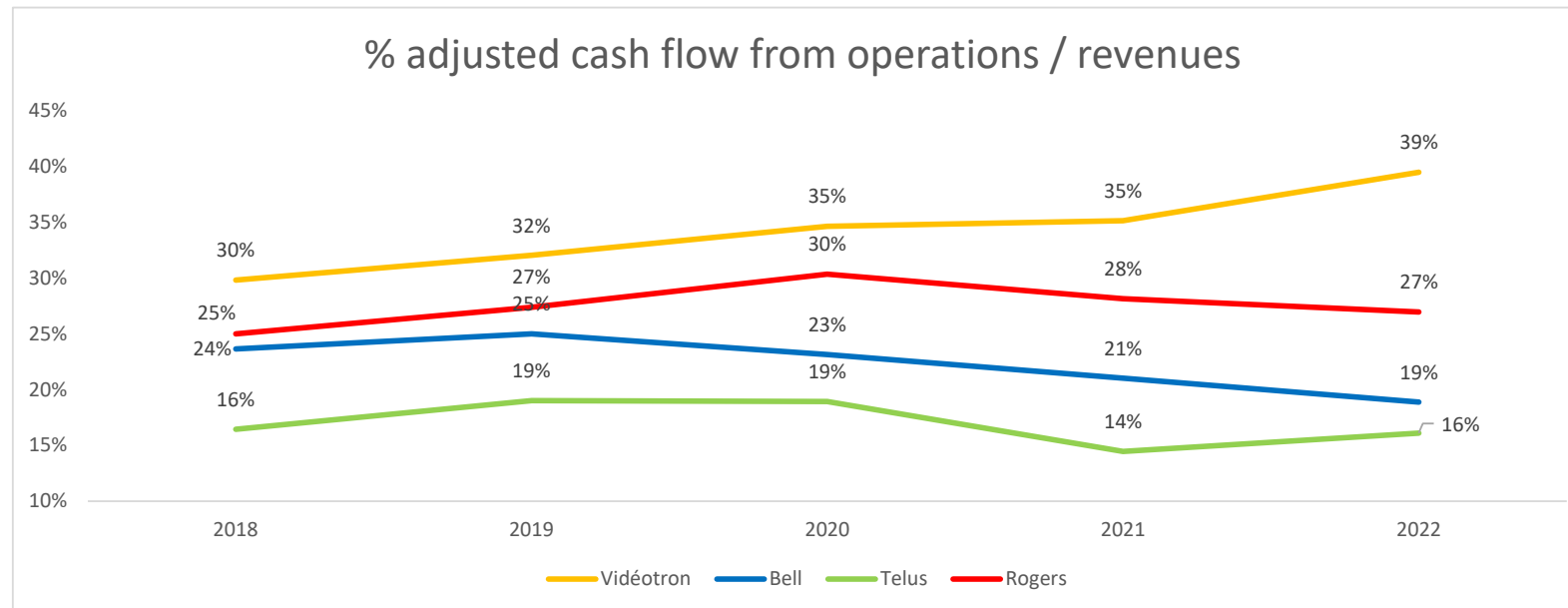
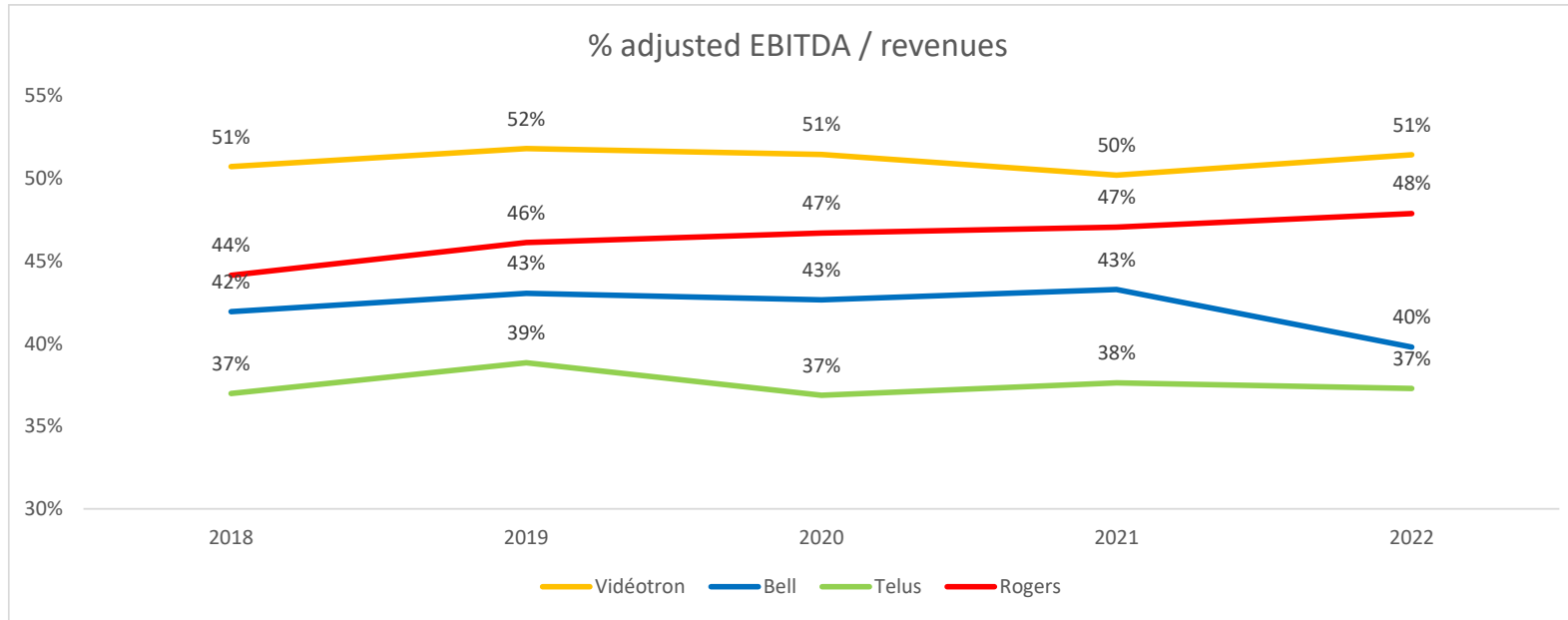
FINANCIAL PERFORMANCE

	Delta \$ - Delta % T4		Delta \$ - Delta % 2022	
Adjusted cash flows from operations	+\$2M	+0.5%	+\$117M	+9%
Adjusted EBITDA	+\$9M	+2%	+\$37M	+2%
Revenues, wireless telephony	+\$14M	+8%	+\$68M	+10%
Revenues, wireless equipment	+\$21M	+26%	+\$46M	+17%
Adjusted EBITDA, wireless	+\$23M	+22%	+\$77M	+18%
Revenues, wireline services	+\$9M	+1%	-\$19M	-1%
Revenues, wireline equipment	-\$38M	-68%	-\$112M	-55%
Adjusted EBITDA, wireline	-\$14M	-4%	-\$38M	-3%

FINANCIAL PERFORMANCE



FINANCIAL PERFORMANCE VS COMPARABLES



OPERATING PERFORMANCE - Q4

Key takeaways

- EBITDA up 2% due to improved margin for both wireline and wireless products, as well as tight control of operating expenses
- Adjusted EBITDA / revenue ratio of 49,6%, the best performance of the Canadian telecommunications industry
- ARPU* up for all 4 products in Q4
- Adjusted cash flows from operations / revenue ratio of 37,5 %, well above industry average
- Wireline decline continued to slow down significantly
- Best-in-industry performance in wireless connections for the 14th consecutive quarter

* Average revenue per user. See Management Discussion and Analysis, section Non-IFRS financial measures.

OPERATING PERFORMANCE - 2022

EBITDA margin

- EBITDA up 2% due to improved margin in wireless and tight control of operating expenses
- Adjusted EBITDA / revenue ratio of 51,4%, the best performance of the Canadian telecommunications sector
- ARPU growth of wireless and wireline products, combined with a significant catch-up in Internet and cable television
- Significant adjusted cash flows from operations growth of nearly 9% in 2022

Cost reduction initiatives

- Optimized Helix migration strategy
- Reassessment and optimization of all operating expenses
- Downward renegotiation of major contracts

Optimization of investments

- Strategic priorities: 5G network build-out, network extensions, Connected Regions
- Reduction of indirect project costs



OPERATING PERFORMANCE

Operational excellence in wireless

- Services revenues: up 8% in Q4 2022 and 10% for the year
- Customers and ARPU: RGUs up 108K and ARPU up 1.3% in 2022
- Churn: 7-point year-over-year improvement in 2022
- Purchased residual spectrum in the 600 MHz band in Manitoba and the 3500 MHz band in Quebec for nearly \$10 million
- 5G roll-out ahead of schedule

The Videotron effect

- Videotron has invested more than \$3.5 billion in its wireless networks, enabling it to offer Quebecers affordable multi-service bundles and innovative products
- The impressive track record and potential of Videotron were recognized by the Competition Tribunal in its December decision: "Videotron is an experienced market disruptor that has achieved substantial success in Quebec."
- Best-in-industry customer satisfaction

OPERATING PERFORMANCE (continued)

Wireline products stable

- RGUs*
 - Television: decline decreased by 28% vs 2021
 - Telephony: decline decreased by 25% vs 2021
 - Internet: subscriber base up 63K vs 2021, coupled with ARPU growth
- Margins up
 - Wireline margin up 0.9% in Q4 2022, driven by Internet margin growth of 3.4%

* Revenue generating unit. See Management Discussion and Analysis, section Non-IFRS financial measures.

Broadband services growing

- Internet subscriber base up 63K (3.4%), including 37K from the acquisition of VMedia
- Connected Regions – 41 % completed
 - More than 5,900 km cable installed
 - 3,000 km optical fusions completedDespite the many challenges, the project has hit its stride.