



# Investor Update

As of April 11, 2024



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# Investor Update

## Forward-Looking Statements and Presentation of Financial Information

### Forward-looking statements

Certain statements contained in this presentation may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events, business, operations, financial performance, financial condition or results. Particularly, statements regarding our financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, purchase price allocation, tax rates, weighted average cost of capital, performance and business prospects and opportunities, which we believe are reasonable as of the current date. Refer in particular to the "Corporate Objectives and Strategies" and the "Fiscal 2024 Financial Guidelines" sections in the 2023 annual Management Discussion and Analysis ("MD&A") and the "Corporate Objectives and Strategies" section in the 2024 second quarter MD&A for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements.

Forward-looking information involves known and unknown risks and uncertainties and other factors which may cause the actual results to differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and may be affected by a number of factors, many of which are beyond the Corporation's control. The uncertainties and main risk factors that could influence actual results are described in the "Uncertainties and main risk factors" sections of the 2023 annual MD&A and the 2024 second quarter MD&A. These factors are not intended to represent a complete list of the factors that could affect Cogeco and future events and results may vary significantly from what we currently foresee. The reader should not place undue importance on forward-looking information contained in this presentation and forward-looking statements contained in this presentation represent our expectations as of April 11, 2024 and are subject to change after such date. While we may elect to do so, we are under no obligation (and expressly disclaim any such obligation) and do not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

### Presentation of financial information

This presentation also includes non-IFRS and other financial measures **(as indicated below and numbered from i) to viii) in the presentation)** that are not standardized under IFRS and might not be comparable to similar financial measures disclosed by other companies. Certain additional disclosures for these financial measures, including reconciliations to the most directly comparable IFRS financial measures, have been incorporated by reference and can be found in the "Non-IFRS and other financial measures" section of the Corporation's MD&A for the second quarter of fiscal 2024, the "Non-IFRS and other financial measures" section of the Corporation's annual MD&A for the years ended August 31, 2023, 2022 and 2021, and in the "Non-IFRS financial measures" section of the Corporation's annual MD&A for the years ended August 31, 2020 and 2019, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)

- i. Adjusted EBITDA is total of segments measure. Adjusted EBITDA margin is a supplementary financial measure
- ii. Free cash flow and free cash flow, excluding network expansion projects are non-IFRS financial measures
- iii. Net capital expenditures is total of segments measure
- iv. Constant currency basis is a non-IFRS financial measure or ratio
- v. Capital intensity is a supplementary financial measure. Capital intensity excluding network expansion projects is a non-IFRS ratio
- vi. Net indebtedness to adjusted EBITDA ratio is a capital management measure
- vii. Available liquidity is a non-IFRS financial measure
- viii. Free cash flow dividend payout ratio and free cash flow, excluding network expansion projects, dividend payout ratio are non-IFRS ratios

IFRS 16 has been applied as of September 1, 2019 using the modified retrospective approach where the comparative period was not restated but the cumulative effect is recognized in the opening retained earnings of FY2020. Accordingly, FY2019 financials and any preceding years were not restated for these changes. IFRS 16 eliminates the distinction between operating and finance leases, requiring instead that future lease payments be capitalized and recognized as lease liabilities. As a result, the presentation of expenses between operating expenses, depreciation and financial expenses has changed.

LTM refers to figures for the twelve months ended February 29, 2024.

Unless otherwise noted, all amounts are expressed in Canadian dollars.

# Cogeco Communications

## TSX: CCA

# Cogeco Communications Overview

## Investment Highlights

**Growing competitive force** in the North American telecom sector

- Providing Internet, video and phone services to 1.6M customers

**High adjusted EBITDA margins and strong Free Cash Flow**

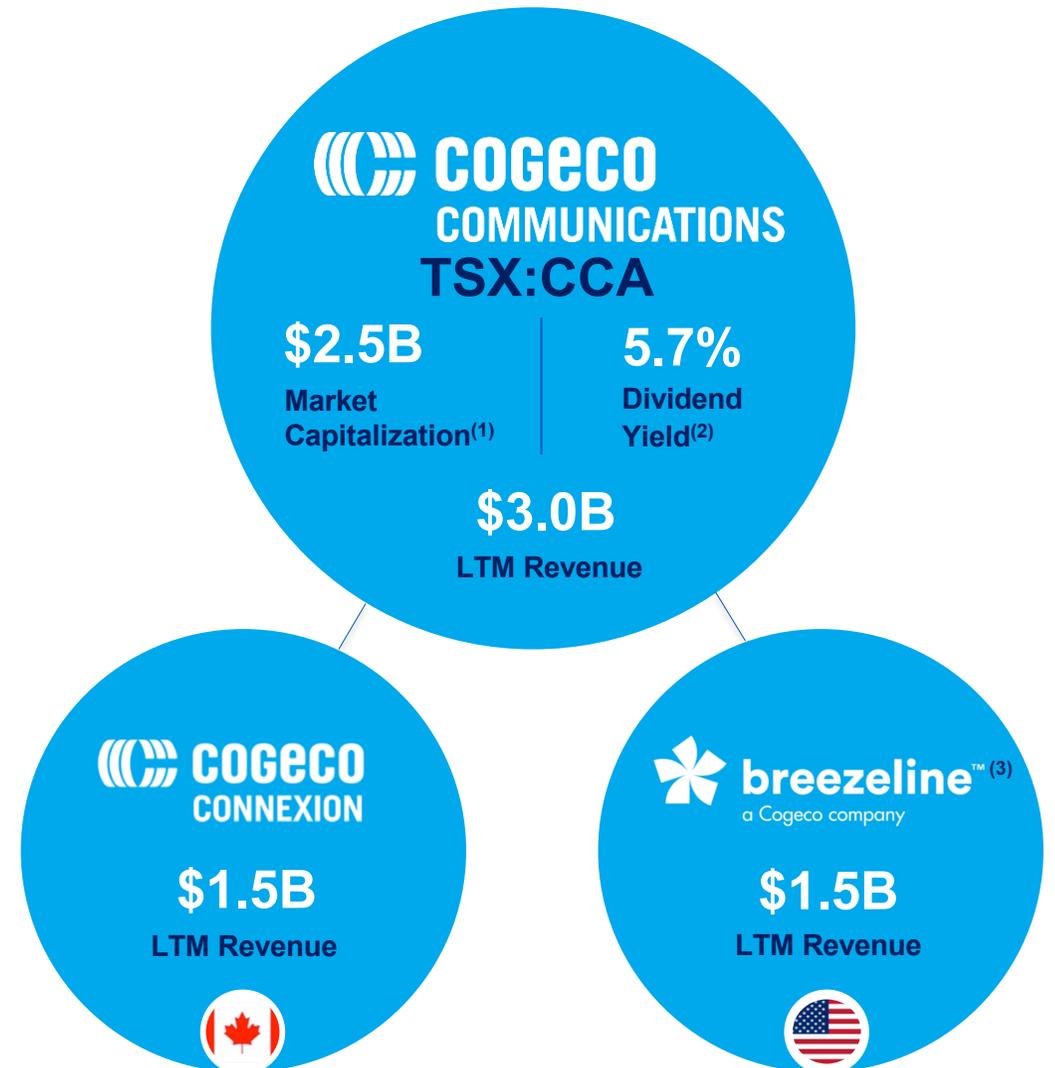
- Driven by a stable business model, scale, and operational efficiency

**Multiple capital efficient growth initiatives**

- Fibre-to-the-home (FTTH) geographic expansion
- Developing mobile services offering
- Consolidator of regional broadband operators

**Significant return of capital** with room for growth

- 10%+ annual dividend increase for past ten years
- Repurchased 16%<sup>(4)</sup> of the outstanding shares since 2019



(1) As of March 28, 2024

(2) Based on an annualized quarterly dividend of \$0.854 per share declared on April 11, 2024 divided by share price as of March 28, 2024

(3) Caisse de dépôt et placement du Québec ("CDPQ") owns 21% of Breezeline

(4) As a % of the outstanding shares at the introduction of the program in May 2019 which was 49,594,805 shares

# Cogeco Communications Overview

Leveraging a North American Platform



## High quality product offering

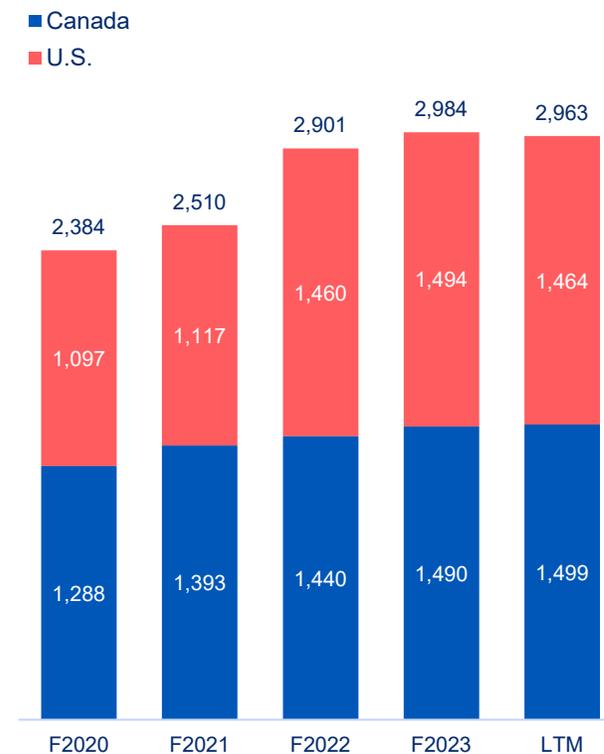
- Internet packages of up to 1 Gbps for residential customers and 10 Gbps for commercial customers
- Fibre-to-the-home in all expansion territories
- Modern and cost-effective IPTV solution available across our Canadian & U.S. markets
- Plans for multi-gigabit network evolution through a balanced mix of fibre and DOCSIS 4.0



## Distinctive customer experience

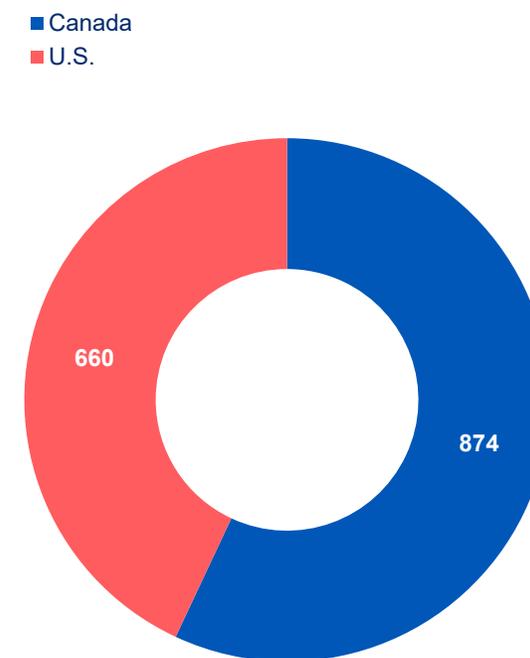
- Local and high-quality customer service
- Strong, socially responsible brands

Revenue  
\$M



## Internet Service Customers<sup>(1)</sup>

As of February 29, 2024  
000's



# Cogeco Communications Overview

Expanding Addressable Market



## Network Evolution & Expansion

- **Fibre-to-the-home expansions** in Canada and the U.S. resulting in **228,000 homes passed** added since the beginning of F2022<sup>(1)</sup>, representing a nearly 8% increase.
  - Participating in government subsidy programs to expand connectivity in areas with currently no high-speed wireline Internet

## Acquisitions

- Acquisitions of **complementary broadband businesses**
- 9 completed in the U.S. and Canada in the past 10+ years

## Mobile

- Upcoming launch of **mobile services in the U.S.** and the commercialization of **mobile services in Canada.** Both services will utilize a **capital efficient model** under an MVNO framework

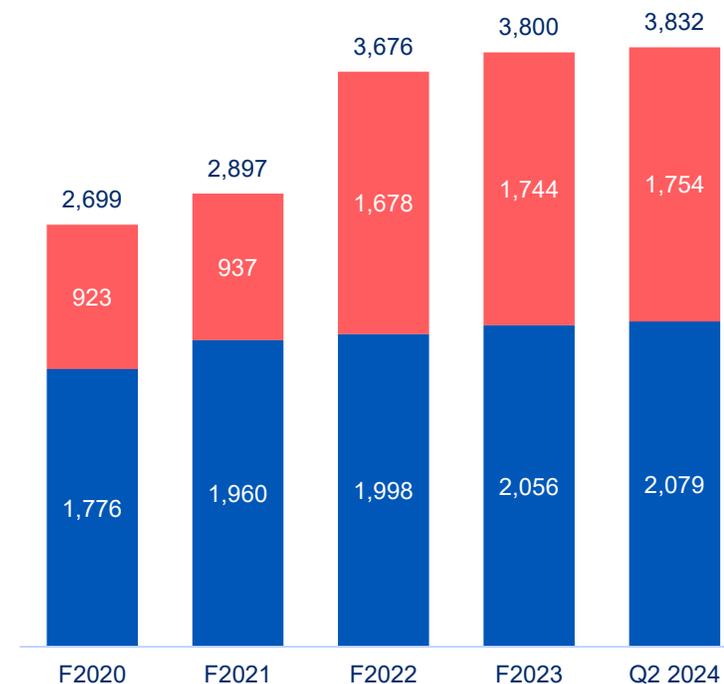


- **Potential to double addressable market** based on customer telecom spend and mid-band spectrum licenses covering our Canadian broadband footprint
- **Launching Breezeline Mobile** this spring with plans to quickly rollout to all 13 states in our U.S. broadband footprint

## Homes Passed<sup>(2)(3)</sup>

000's

■ Canada  
■ U.S.



(1) From September 1st, 2021 to February 29, 2024

(2) Totals may not sum due to rounding

(3) Excludes those acquired from NRBN

# Cogeco Communications Overview

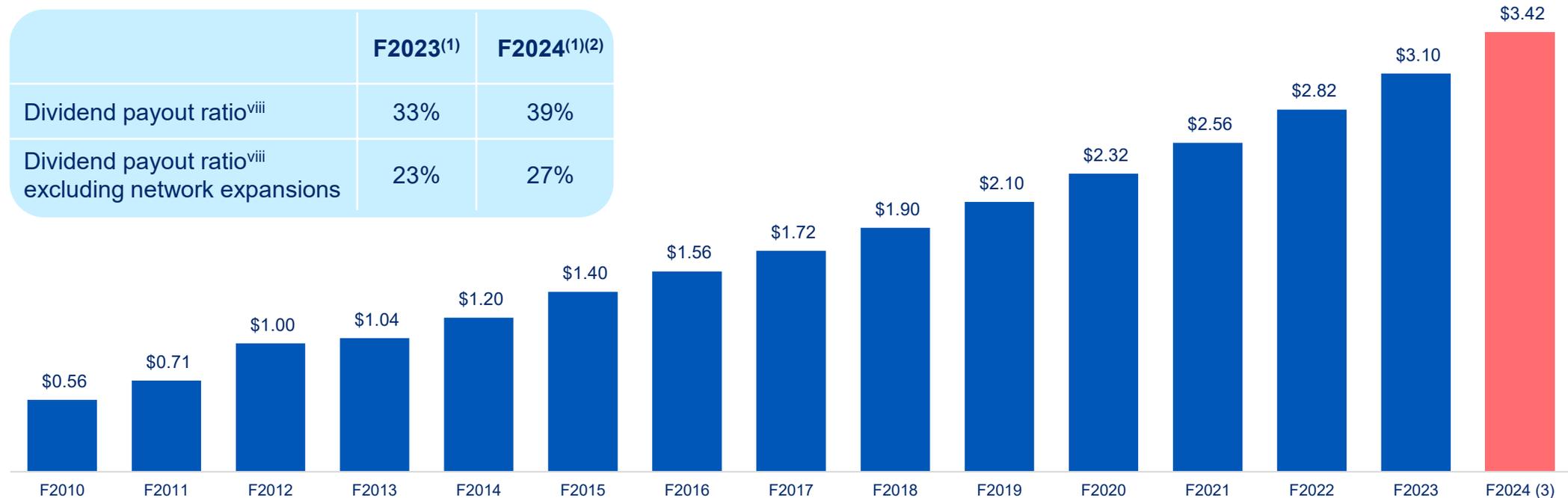
Strong Return of Capital to Shareholders

Shareholder returns enhanced through return of capital to complement growth investments

## Dividend per Share

- 10%+ annual increase over the past 10 years

	F2023 <sup>(1)</sup>	F2024 <sup>(1)(2)</sup>
Dividend payout ratio <sup>viii</sup>	33%	39%
Dividend payout ratio <sup>viii</sup> excluding network expansions	23%	27%



(1) Dividends declared for the year on multiple and subordinate voting shares divided by free cash flow

(2) Based on FY2024 free cash flow mid-range guidelines

(3) Based on an annualized quarterly dividend of \$0.854 per share declared on April 11, 2024. The dividend is subject to Board of Directors' approval on a quarterly basis and there is no assurance that it will remain at the current level

# Cogeco & Cogeco Communications Overview

## Summary of the Recent Share Repurchases

### CCA Benefits:

- Accretive on a free cash flow per share basis
- 5% reduction in shares outstanding
- Increase in the public float of 29%<sup>(3)</sup>
- Structure maintains healthy balance sheet, liquidity and financial flexibility while maintaining prudent leverage

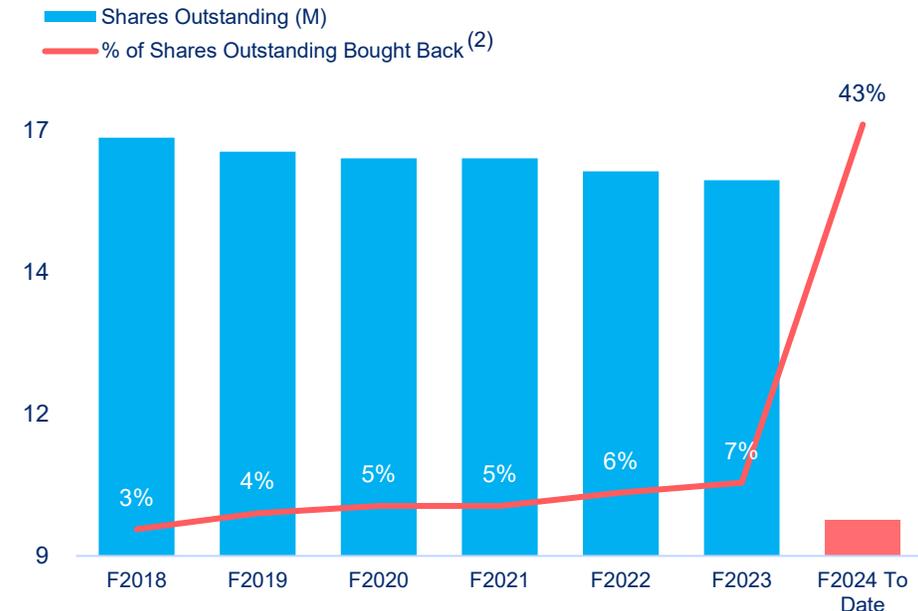
### CGO Benefits:

- Accretive on a free cash flow per share basis
- Increase in net asset per share
- 38% reduction in the pre-transaction outstanding share count
- Structure maintains healthy balance sheet, liquidity and financial flexibility while maintaining prudent leverage

### CCA Share Buybacks



### CGO Share Buybacks



(1) Based on the outstanding shares at the introduction of the program in May 2019 which was 49,594,805 shares

(2) Based on initial shares outstanding of 16,832,198 as at July 21, 2016

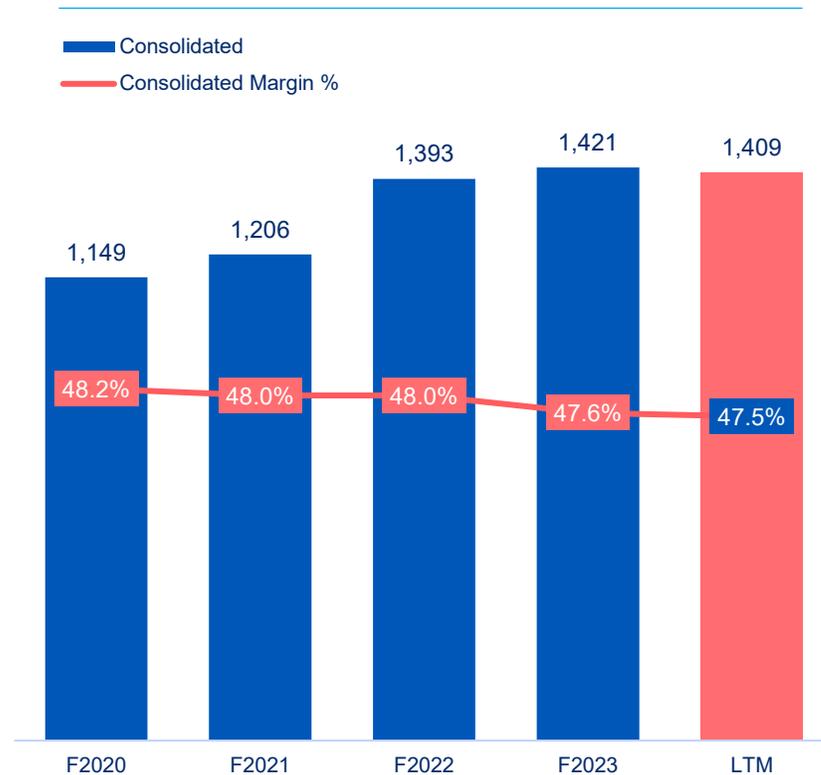
(3) Excludes holdings of insiders and CDPQ

# Cogeco Communications Overview

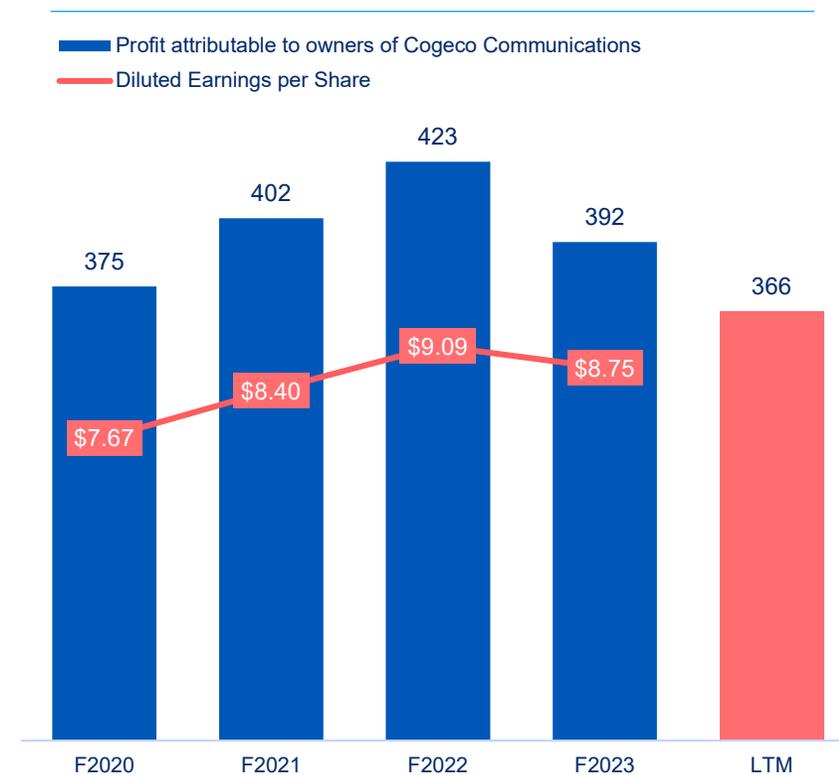
*Attractive Margins & Profitability*

Impressive adjusted EBITDA margins due to span of operations, stable business model and operational efficiency

## Adjusted EBITDA<sup>i</sup> \$M



## Profit \$M (except per share)

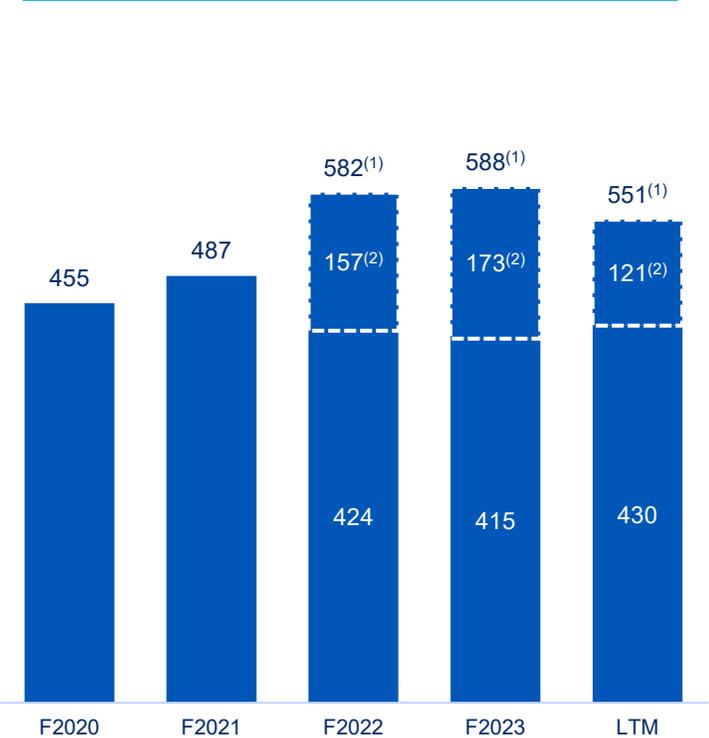


# Cogeco Communications Overview

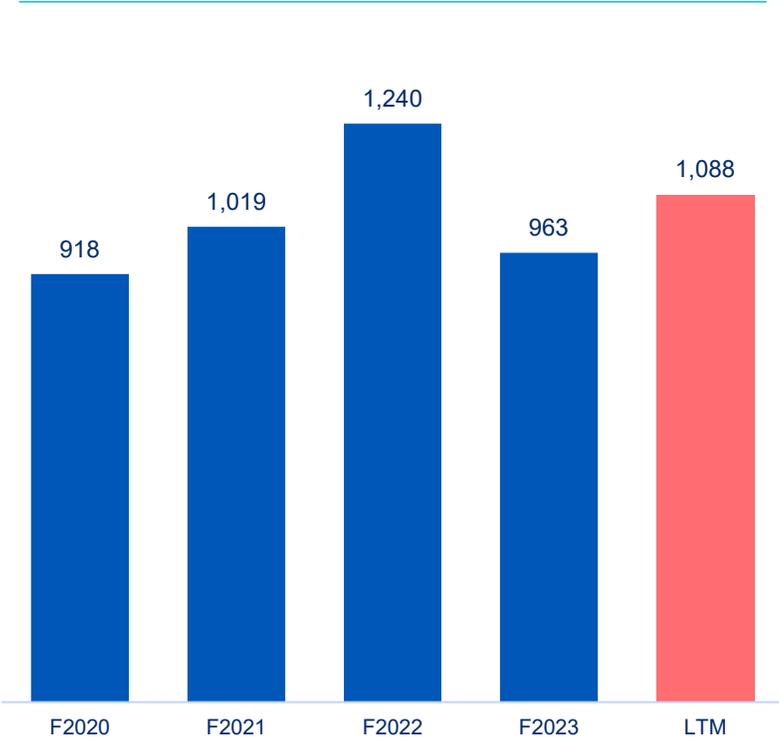
Significant Free Cash Flow Generation

Strong cash flow generation has enabled growth investments and return of capital to investors

**Free Cash Flow<sup>ii</sup>**  
\$M



**Cash flows from operating activities**  
\$M



(1) Free cash flow excluding network expansions  
(2) Free cash flow directed to network expansions

# Cogeco Communications Overview

## Solid Debt Profile

### Strong Financial Position

As of February 29, 2024

- Net indebtedness to adjusted EBITDA ratio<sup>vi</sup> of 3.5x
- Available liquidity<sup>vii</sup> of \$745M
- Cash and cash equivalents of \$81M

### Q2 F2024 Debt Statistics

- Weighted average cost of debt of 5.7%<sup>(1)</sup>
- Interest rates mostly fixed
- Average term to maturity for long-term debt of 5 years

#### Cogeco Communications: Senior Secured Debt Rating

**S&P Global**  
Ratings



**BBB-**

**MORNINGSTAR** | **DBRS**



**BBB (low)**

# Cogeco Communications Overview

## F2024 Financial Guidelines

In millions of Canadian dollars, except percentages	Fiscal 2023 Actual	Fiscal 2024 Projections (constant currency) <sup>iv(1)</sup>
Revenue	2,984	Stable
Adjusted EBITDA <sup>i</sup>	1,421	Stable
Net capital expenditures <sup>iii</sup>	700	\$700 to \$775
Net capital expenditures in connection with network expansion projects	173	\$140 to \$190
Capital intensity <sup>v</sup>	23.4%	24% to 26%
Capital intensity, excluding network expansion projects <sup>v</sup>	17.6%	18% to 20%
Free cash flow <sup>ii</sup>	415	(5)% to (15)% <sup>(2)</sup>
Free cash flow, excluding network expansion projects <sup>ii</sup>	588	(5)% to (15)% <sup>(2)</sup>

The financial guidelines reflect an estimated negative 1% impact on adjusted EBITDA compared to the prior year related to additional preparation costs to offer mobility services in both countries. Free cash flow and free cash flow, excluding network expansion projects, reflect an estimated negative 10% impact from additional mobility investments.

(1) Fiscal 2024 financial guidelines as issued on November 1, 2023. Percentage changes compared to fiscal 2023. Fiscal 2024 financial guidelines are based on a USD/CDN constant exchange rate of 1.3467 USD/CDN

(2) The assumed current income tax effective rate is approximately 7%

# Cogeco & Cogeco Communications Overview

## Recent Developments

### **Breezeline to Launch Mobile Service in the U.S. – March 14<sup>th</sup>, 2024**

- Mobile service to be launched in the U.S. in the spring
- Provides Breezeline broadband customers with flexible, affordable and reliable mobility bundling options

### **Frédéric Perron appointed President and CEO of Cogeco and Cogeco Communications – March 11<sup>th</sup>, 2024**

- Frédéric brings a proven track record, including a successful 3.5 years leading Cogeco's Canadian telecom unit
- Past experience includes broadband and wireless knowledge gained across five countries

### **Acquisition of Niagara Regional Broadband Network Limited – February 5<sup>th</sup>, 2024**

- Cogeco Communications announced that Cogeco Connexion acquired Niagara Regional Broadband Network Limited, an Internet, video and phone service provider serving the Niagara Region in the province of Ontario

### **CDPQ Purchases All Shares in Cogeco Inc. and Cogeco Communications Inc. Held by Rogers – December 11<sup>th</sup>, 2023**

- Rogers divested its entire minority positions of both Cogeco and Cogeco Communications presenting a unique opportunity for CGO and CCA to acquire Rogers' shares from CDPQ at a 10% discount to closing price<sup>(1)</sup> in a single transaction
  - The transaction allowed CGO to repurchase ~38% of its shares outstanding and CCA to repurchase ~5% of its outstanding shares, while increasing the public float of CCA
  - Established CDPQ as an anchor shareholder in CCA, with a position of ~16% of the total outstanding shares, in addition to its 21% ownership of the Breezeline segment

### **Acquisition of Canadian Spectrum Licenses – November 30<sup>th</sup>, 2023**

- Secured spectrum in the 3800 MHz auction at attractive prices, enabling 100% wireless coverage across our broadband footprint
  - Includes acquisition of valuable spectrum in the greater Toronto, Montréal, Québec City and Ottawa regions

# Cogeco & Cogeco Communications Overview

*Sustainable Value through Strong Sustainability Practices*

## Environmental



First Canadian telecommunications company with an **approved near-term science-based emissions reduction target**

Signatory of the **Business Ambition for 1.5 Degrees Commitment with a goal of net zero emissions across our value chain by 2050. Our net-zero target and plan was submitted to SBTi for approval in January 2024**

**Progress being made on key levers:** fleet fuel efficiency, fleet electrification, energy efficiency in our buildings and across our broadband network, and investments in renewable energy

**Taking action to reduce Scope 3 emissions:** participating in a Canadian telco working group with industry peers to tackle emission reductions in our supply chains

## Social



Fostering a culture of **Diversity & Inclusion (D&I)**

- Gender diversity: 34% of managerial positions occupied by women in F2023
- Employee education: 50% of our people leaders had been trained on inclusive leadership at the end of F2023
- Launched our Supplier Diversity Program

**Reducing the digital divide** by extending our broadband network to 64,520 homes in underserved and unserved areas as of the end of F2023

**3.8% of our pre-tax profit donated** in F2023 by Cogeco and Cogeco Communications combined, representing \$16.3M in cash and in-kind donations

## Governance



Variable executive **compensation linked in part to sustainability performance**

**Strong sustainability oversight directly at the Board of Directors level** supported by the Sustainability Steering Committee

**First syndicated sustainability-linked loan in Canada** within the Telecommunications and Media sectors

Completed our first **double materiality assessment**

Our [Sustainability report](#), [ESG data supplement](#) and [Climate Action Plan and TCFD Report](#) are available on our [Sustainability Practices section](#) of our corporate website.



# Cogeco Connexion

# Cogeco Connexion

## Cogeco Connexion's Broadband Network



Serving 600+ communities from Windsor to Gaspé



Through its digital oxio brand, operates in majority of Canadian provinces



### LEGEND

- Fibre backbone network
- Service location



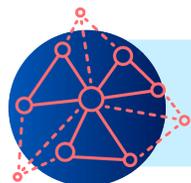
# Cogeco Connexion

## Highlights



### Strong financial profile

- Strong adjusted EBITDA<sup>i</sup> and margin<sup>i</sup> with solid cash flow generation
- Historic full-year adjusted EBITDA margin<sup>i</sup> consistently in the 52% to 54% range since F2020



### Product Offering

- Superior Internet speeds and video platform
  - 1 Gbps Internet service offered in over 80% of the footprint
  - IPTV platform available across more than 90% of our markets
- Planning a wireless offering across our broadband footprint
  - Launch to enhance our product offering through a capital efficient model



### Growth Opportunity

- Network expansion projects, including those in collaboration with governments, to expand connectivity in underserved and unserved areas
  - Fibre-to-the-home deployment in areas where competition has much lower speed Internet service
  - Added close to 119,000<sup>(1)</sup> homes passed so far



### Preferred brand

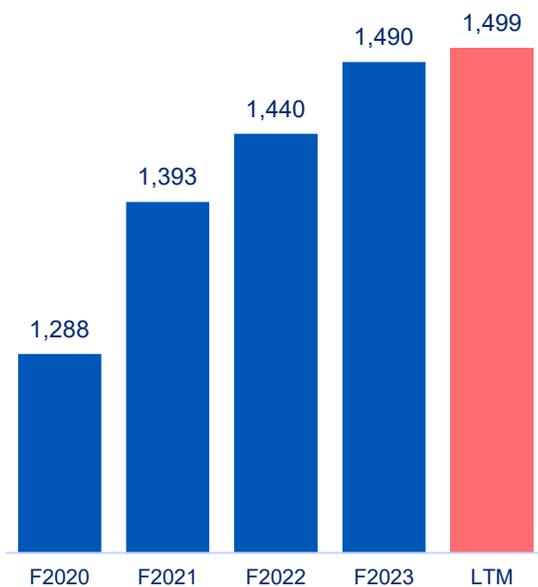
- **OXIO** added as a second brand to serve younger or price conscious customers through a digital-only offering
  - An important growth driver for our own network and footprint and anticipated to enable a lower cost structure over time
- Positioned as a local brand champion, elevating proximity and trust with customers
- Local and high-quality customer service

# Cogeco Connexion

## Financial Results Overview

**Strong growth and industry leading adjusted EBITDA margin<sup>i</sup>, with capital invested into acquisitions and fibre-to-the-home network expansion to drive future growth**

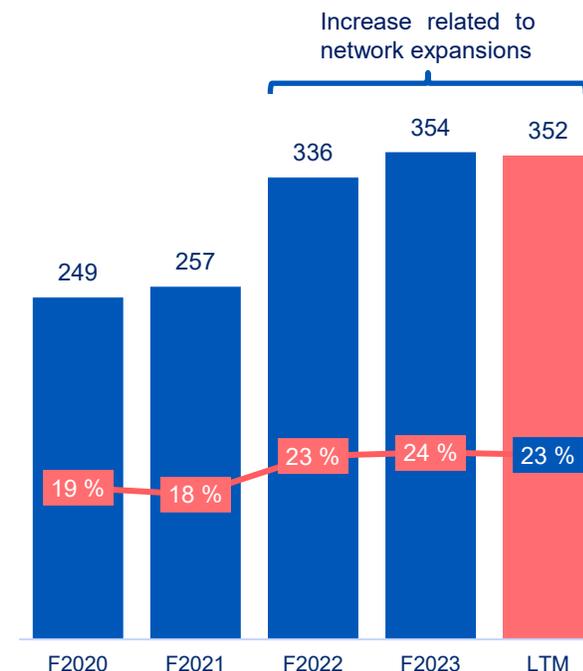
**Revenue**  
\$M



**Adj. EBITDA<sup>i</sup> & Adj. EBITDA Margin<sup>i</sup>**  
\$M



**Net CapEx<sup>iii</sup> & Capital Intensity<sup>v</sup>**  
\$M



# Cogeco Connexion

Wireless Spectrum Coverage to Enable MVNO Framework



**100%**

broadband footprint covered by wireless spectrum for upcoming launch of mobility services



**92%**

share of spectrum powered by 5G-optimized 3500 & 3800 MHz



**\$588 million**

in spectrum secured to date



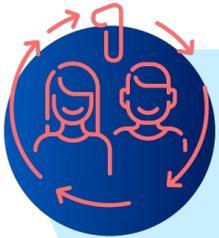
- LEGEND**
- Fibre backbone network
  - Service location
  - Acquired & secured wireless spectrum
  - ★ Major Cities



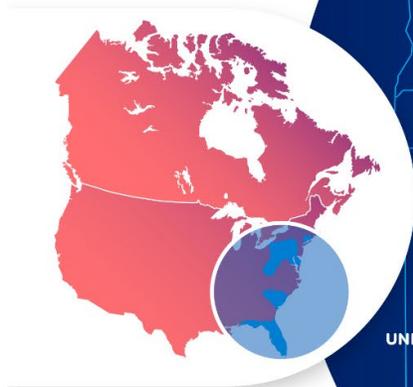
# Breezeline

# Breezeline

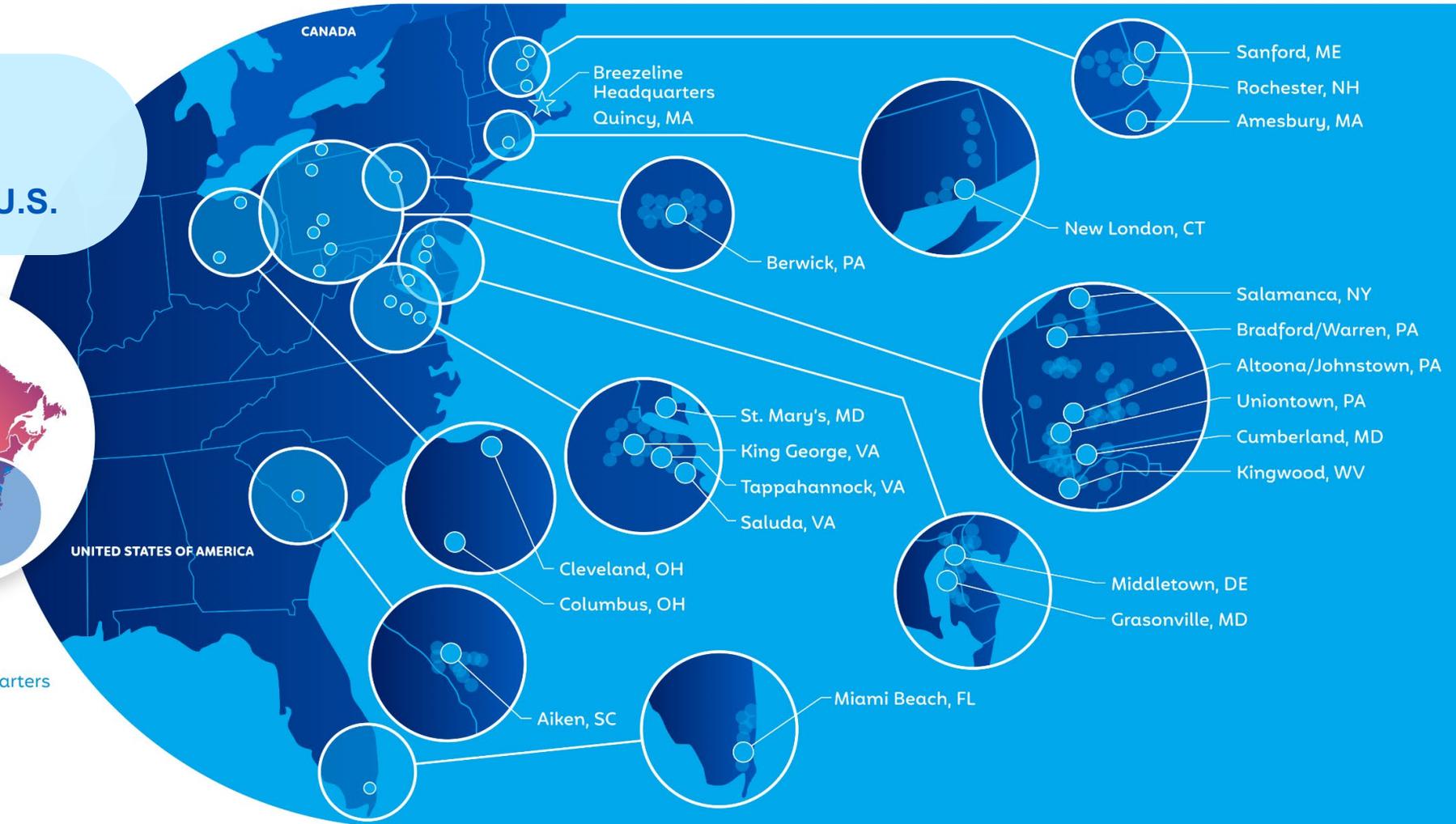
## Breezeline's Broadband Network



Serving 500+ communities in 13 states in the U.S.



- LEGEND**
- ★ Breezeline Headquarters Quincy, MA
  - Main clusters
  - Service location





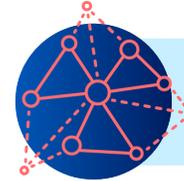
### Strong financial profile

- **Strong adjusted EBITDA margin<sup>i</sup> with solid free cash flow<sup>ii</sup> generation**
  - **Growing revenue per user** as our Broadband First strategy drives higher-margin product adoption



### Product offering

- **Superior Internet speeds and video platform**
  - **1 Gbps** Internet service offered in close to **97% of the footprint**
  - **Breezeline Stream TV** available across our entire footprint
- **Broadband First strategy**
  - **Broadband at the center** of the customer experience enhances contribution margins and **customer lifetime value**
- **Breezeline Mobile to be launched across our entire footprint in the near term**
  - Service utilizes a **capital efficient model** to enhance our offering that is in line with our evolving customer needs and their **increased interest in bundled services**



### Growth opportunity

- **Extending fibre services into New Hampshire and West Virginia communities not previously served by the company**
  - **The only fibre-to-the-home** provider in expansion territories
- **Upcoming US\$43 billion federally-subsidized Broadband Equity Access Deployment (BEAD) program opportunity**



### Preferred Brand

- **Investing in communities we serve by building and maintaining state-of-the-art networks**
- **Strong, locally-focused and socially responsible brand**

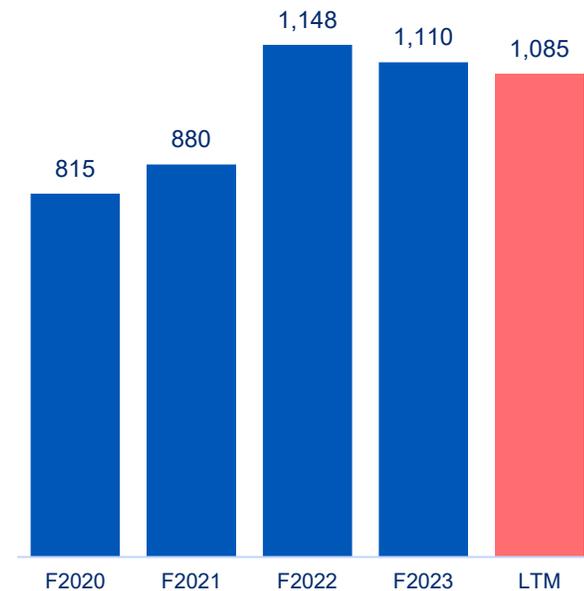
# Breezeline

## Financial Results Overview

Internet-led strategy and fibre-to-the-home network expansion are contributing to revenue per user growth and a higher EBITDA margin product mix

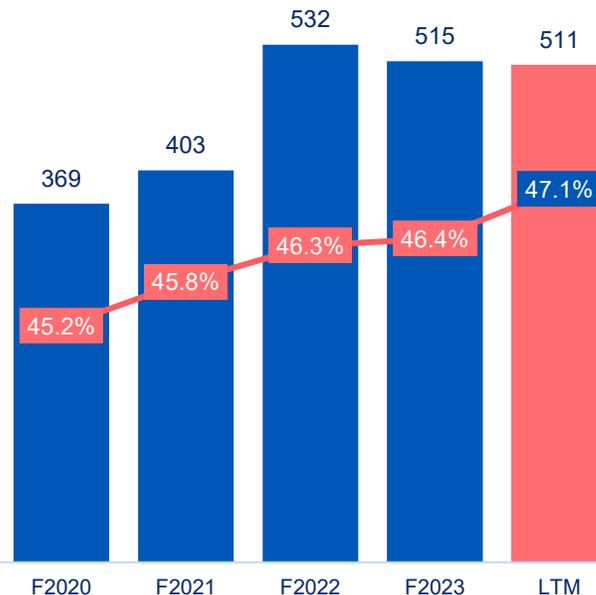
### Revenue

\$M of US dollars



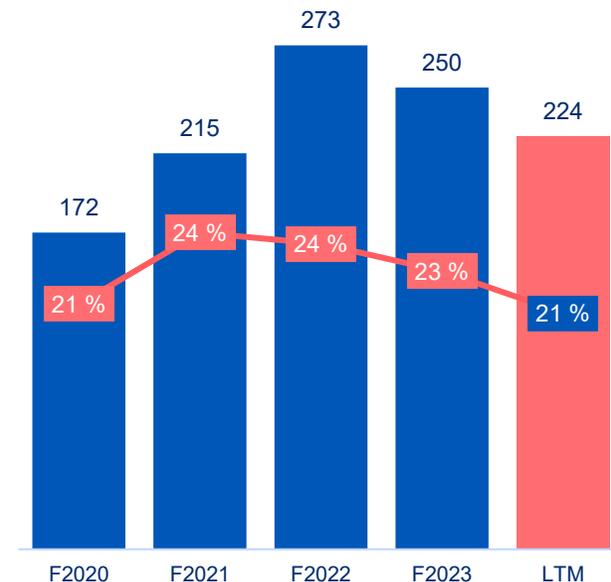
### Adj. EBITDA<sup>i</sup> & Adj. EBITDA Margin<sup>i</sup>

\$M of US dollars



### Net CapEx<sup>iii</sup> & Capital Intensity<sup>v</sup>

\$M of US dollars



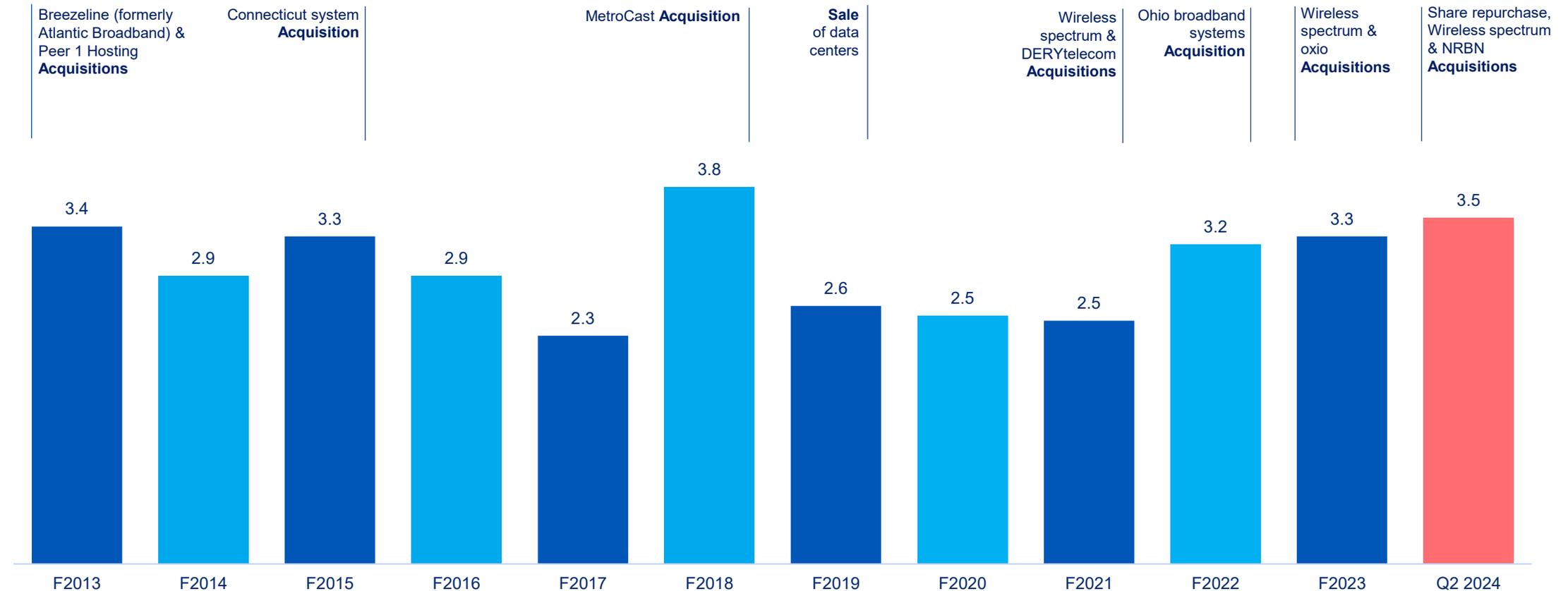
# Additional Financial Information



# Financial Overview – Cogeco Communications

*Prudently Managing Leverage*

## Evolution of net indebtedness to adjusted EBITDA ratio<sup>vi</sup>



# Financial Overview – Cogeco Communications

Low Cost of Capital & Spread-Out Maturities

## Debt Maturities

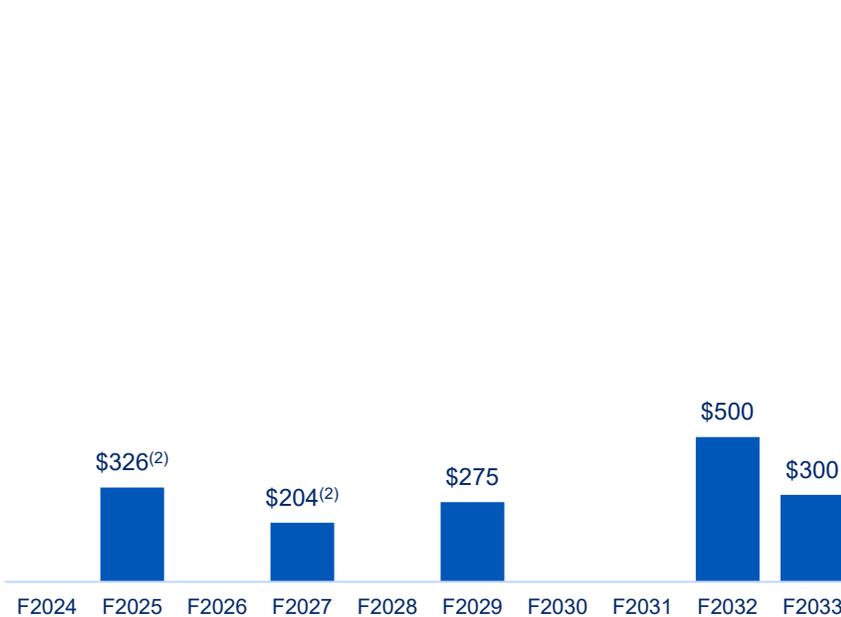
Excluding credit facilities and lease liabilities

As at February 29, 2024

\$M

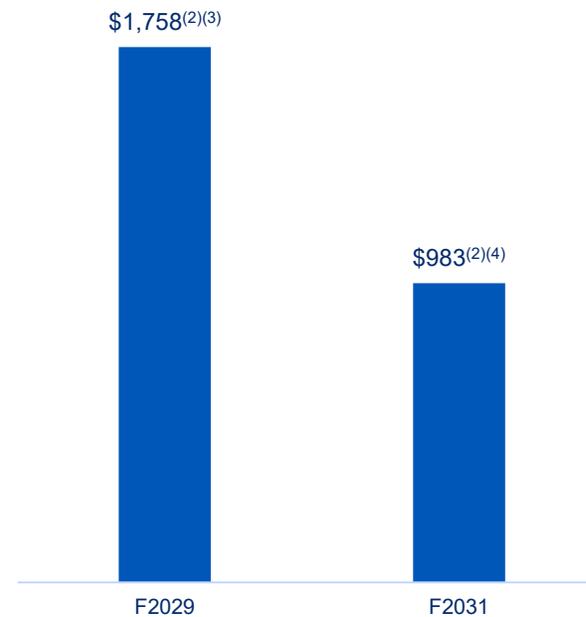
### Cogeco Communications

(excluding Breezeline)



### Breezeline

U.S. subsidiaries<sup>(5)</sup>



	February 29, 2024
Average Cost of Debt <sup>(1)</sup>	5.7%
Average Term to Maturity	5.2 years

(1) Excludes amortization of deferred transaction costs and commitment fees but includes the impact of interest rate swaps

(2) Converted at February 29, 2024 closing exchange rate of USD/CDN 1.3570

(3) Balance payable in FY2029 after giving effect to annual mandatory repayments of US\$14M (CDN\$19M)

(4) Balance payable in FY2031 after giving effect to annual mandatory repayments of US\$8M (CDN\$11M)

(5) Financing the American telecommunications segment on a non-recourse basis to Cogeco Communications

# Financial Overview – Cogeco Communications

Compensation Aligned with Economic Value Creation (EVC)<sup>(1)</sup>

## Between 55% and 81% of senior executives' compensation is variable and at risk based on long-term creation of Economic Value

- Reasonable use of equity compensation to minimize dilution
- Minimum stock ownership requirements for senior executives
- Balancing risk and reward to avoid excessive risk taking

## EVC, which is a form of return on equity, is at the core of our compensation programs

- Annual targets are established at each business segment
- Targets, which are benchmarked against industry, are mainly based on EBITDA growth and capital efficiency objectives

### INCENTIVE PROGRAMS

#### Annual Bonus

### SUMMARY FEATURES

60% based on the level of EVC achieved vs target, 20% based on strategic ESG business metrics which encompass efforts to reduce fuel consumption, improve customer experience, health and safety, and 20% based on individual performance goals.

#### Incentive Share Units (25% of the total LTI<sup>(2)</sup>)

3 year time vesting

#### Performance Share Units (50% of total LTI)

3 year time and performance vesting based on cumulative EVC and total shareholder return

#### Stock Options (25% of the total LTI)

5 year time vesting

### ECONOMIC VALUE TARGETS

### FY2024

Corporate

12.9%

Cogeco Connexion

11.0%

Breezeline

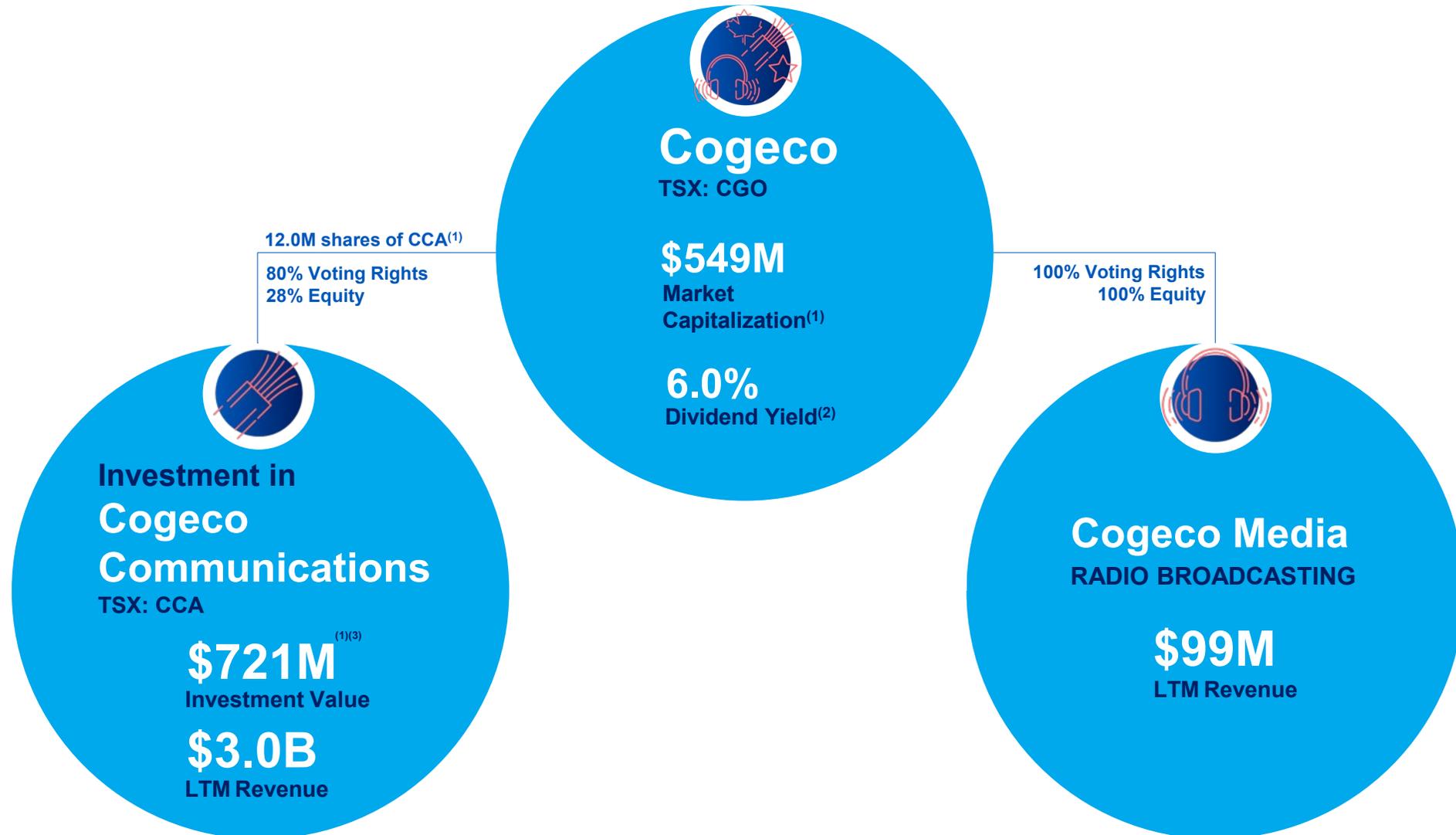
15.0%

# Cogeco

## TSX: CGO

# Cogeco Overview

## Investment Structure



(1) As of March 28, 2024

(2) Based on a quarterly annualized dividend of \$0.854 per share declared on April 11, 2024 divided by share price as of March 28, 2024

(3) Based on a CCA share price of \$60.08 multiplied by CCA shares held by CGO

# Cogeco Overview

Cogeco Media: Strong Network of Radio Stations

Radio broadcasting network and news agency



STATIONS THAT ARE RANKED AMONGST THE BEST



21 RADIO STATIONS



LARGEST INDEPENDENT RADIO NEWS SERVICE IN QUÉBEC



MORE THAN 5 MILLION LISTENERS / WEEK IN QUÉBEC



INTEGRATED SALES SERVICES

# Cogeco Overview

## Cogeco Media: Top Ratings

One of the largest radio broadcasters in Québec<sup>(1)</sup> and the most popular radio hosts in the industry

- **98.5** is the most listened to station in Canada
- **RYTHME 105.7** is the #1 music station of Montréalers
- **92.5 THE BEAT** is the #1 English music station in Montréal
- **96.9 CKOI** reaches 1.8M listeners weekly
- **FM93** and **RYTHME 102.9** hold the highest listenership in Québec City<sup>(2)</sup>
- **Cogeco Nouvelles** is present in more than 50 cities throughout Québec



Source : Numeris, PPM, Montréal franco, anglo, Canada, T2+, reach, share, Mo-Su 2a-2a, CKO, CKBE, CHMP, CFGL, Winter 2024, Diary, Québec, Fall 2023, Mo-Su 5a-1a, CFOM+CJMF

- (1) Based on weekly reach  
(2) Amongst commercial stations



# APPENDIX

# Cogeco Communications

## Customer Profile

<i>February 29, 2024</i>	<b>COGECO CONNEXION</b>	<b>BREEZELINE</b>	<b>TOTAL</b>
Homes passed <sup>(1)(3)</sup>	2,078,557	1,753,613	3,832,170
Primary service units <sup>(2)(3)</sup>	1,870,524	1,066,847	2,937,371
Internet service customers <sup>(3)</sup>	874,401	660,227	1,534,628
Video service customers <sup>(3)</sup>	618,478	274,939	893,417
Phone service customers <sup>(3)</sup>	377,645	131,681	509,326

(1) Homes passed represents the number of serviceable homes and businesses which can be connected to the Corporation's broadband distribution network in the geographic area where the Corporation's services are offered

(2) Includes Internet, video and phone customers

(3) Customers, service units and homes passed exclude those acquired from NRBN