

Non-GAAP and Other Financial Measures

We use the following non-GAAP and other financial measures. These are reviewed regularly by management and the 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 standardized measures under IFRS, so may not be reliable ways to compare us to other companies.

Total of segments measures	
Specified financial measure	Most directly comparable IFRS financial measure
Adjusted EBITDA	Net income

Capital management measures	
Specified financial measure	How it is useful
Free cash flow	<ul style="list-style-type: none"> To show how much cash we generate that is available to repay debt and reinvest in our company, which is an important indicator of our financial strength and performance. We believe that some investors and analysts use free cash flow to value a business and its underlying assets.

Reconciliation of adjusted EBITDA

(In millions of dollars)	Three months ended December 31		Twelve months ended December 31	
	2021	2020	2021	2020
Net income	405	449	1,558	1,592
Add:				
Income tax expense	152	172	569	580
Finance costs	218	228	849	881
Depreciation and amortization	658	666	2,585	2,618
EBITDA	1,433	1,515	5,561	5,671
Add (deduct):				
Other (income) expense	(12)	2	2	1
Restructuring, acquisition and other	101	73	324	185
Adjusted EBITDA	1,522	1,590	5,887	5,857

Reconciliation of free cash flow

(In millions of dollars)	Three months ended December 31		Twelve months ended December 31	
	2021	2020	2021	2020
Cash provided by operating activities	1,147	947	4,161	4,321
Add (deduct):				
Capital expenditures	(846)	(656)	(2,788)	(2,312)
Interest on borrowings, net of capitalized interest	(183)	(191)	(728)	(761)
Interest paid	231	194	802	808
Restructuring, acquisition and other	101	73	324	185
Program rights amortization	(22)	(23)	(68)	(77)
Change in net operating assets and liabilities	50	265	(37)	333
Other adjustments ¹	(10)	(41)	5	(131)
Free cash flow	468	568	1,671	2,366

¹ Other adjustments consists of post-employment benefit contributions, net of expense, cash flows relating to other operating activities, and other (income) expense from our financial statements.