

## Adapting and moving forward

**To:** Bell team members  
**From:** Mirko Bibic

Bell team members,

In June, 2023, we implemented a restructuring in light of the difficult operating environment we were facing. In many ways, the environment has become more difficult and further restructuring across Bell is therefore needed to succeed.

We certainly have made significant progress in our transformation journey and I am proud and humbled by the team's dedication and unwavering commitment to supporting our customers. Our transformation has allowed us to be more agile and more focused on the growth areas of our business.

We have invested billions in our networks and technology, particularly by building pure fibre Internet to more homes and businesses and expanding Bell's 5G and 5G+ network nationwide. Bell Media is making strong progress on several initiatives focused on delivering Canada's most-watched programming on digital apps like Crave, and initiating the strategic news transformation announced last June.

However, we continue to face a difficult economy and government and regulatory decisions that undermine investment in our networks, fail to support our media business in a time of crisis and fail to level the playing field with global tech giants. Of particular concern is a [recent decision by the CRTC](#) forcing Bell to provide third party resellers access to our high-speed fibre network before we have even had an opportunity to recoup our multi-billion dollar investment. As I've shared before, at Bell Canada every year we can expect to lose over \$250 million in legacy phone revenues. At Bell Media, our advertising revenues declined by \$140 million in 2023 compared to 2022. Across Bell Media's news operations, we continue to incur over \$40 million in annual operating losses despite having the most-watched network of local TV stations.

While our transformation allows us to be faster and more agile, it also requires us to move away from highly regulated parts of the business to new growth areas – and to align our costs to the revenue potential of each business segment. This means organizational changes for our team and streamlining where we can, while finding ways to free up capital and resources to invest in new areas and to better serve our customers.

I wanted everyone to hear from me directly about these changes. Respect and transparency throughout the process is important. Over the coming weeks, we will implement significant reductions on our team at all levels of the company, reducing our workforce by approximately 4,800 positions, representing 9% of our workforce.

Restructuring decisions are incredibly tough for all of us because it affects the people we work with and care about. We know these decisions are hardest on those leaving Bell. Please know we will support each person affected, including fair severance packages along with career transition services and continued access to our health benefits. For those who are leaving the company, I thank each of you for your contributions. I encourage you to take full advantage of our support programs.

Wherever possible, we are using vacancies and natural attrition to minimize the impact on our team. We have already adopted other measures including reducing our capex over this year and next by over \$1B following the CRTC's recent decision, reducing our real estate footprint, continuing to cut back on travel and expenses, and ending some of our long-standing partnerships.

While we are reducing in areas where demand and revenue are declining, and where regulation is increasingly burdensome, we are continuing to invest and hire in growth areas. We will therefore move forward with capital investments, strategic acquisitions, new partnerships and service launches where it helps improve our business.

Recent accomplishments and announcements pave the way for success, such as:

- Our new [strategic partnership with Best Buy Canada](#), which includes rebranding The Source stores to Best Buy Express.
- The [launch of Crave on Amazon](#); ad-supported tiers on Crave; introduction of Addressable TV enabling tailored ads to TV audiences; and the [acquisition of the Canadian operations of OUTFRONT Media](#).
- Moving to a single IPTV platform with our [new next-generation Fibe TV service](#).
- Our [acquisition of FX Innovation](#) and our new [collaboration with ServiceNow](#), allowing us to better support Canadian businesses in their digital transformation.
- Our exclusive, multi-year [partnership with Staples Canada](#).
- Our [partnership with Air Canada](#) helping Aeroplan members stay connected in flight, and making it easier for newcomers and visitors to Canada to connect through Bell's leading 5G network.

While today's changes are difficult, it is what we must do to adapt and move forward.

Our commitment to Bell's purpose to advance how Canadians connect with each other and the world has never been stronger. I am optimistic about our company's future because I know that working together we will build an even stronger, enduring and transformed Bell in 2024 and beyond.

