



**Speech: Mirko Bibic at the Cercle canadien de Montréal**

Bell: A Company in Transformation

November 27, 2023

**Introduction**

Hello everyone, and thank you for being here this afternoon.

Thank you for the introduction, Pascal.

It is great to be here with you today. Montréal has been Bell's hometown since 1880, and it is my hometown too. I grew up in Longueuil and am a proud graduate of McGill University.

Québec and, specifically, Montréal are important to Bell's story as well as my own.

When I became CEO, I said that the history and very heart of our company were in Québec.

At the time, I stood right here at the Palais des congrès, with our employees, to announce Bell's new purpose: to advance how Canadians connect with each other and the world.

Nearly four years later, it is clear to me that in order to fulfill this purpose, we must transform from a traditional telecommunications company to a tech-services and digital media leader.

Today, I would like to talk to you about what that means, and the role that Québec is playing in our transformation.

**Our Presence in Québec**

Bell was founded here 143 years ago. Its first offices were in the Old Port, at the corner of Notre-Dame and Saint-François-Xavier.

Today, we have more employees, more customers, and more investments in Québec than all of our competitors.

More than 12,000 people work for Bell and Bell Media here – including in AI, critical network and customer service operations, as well as HQ functions such as finance, legal affairs, and human resources. More than the competition.

We have key leaders based in Québec. Our recently appointed CFO, Curtis Millen, is based in Montréal as is Karine Moses, our Vice-Chair for Québec and Head of Content and News for Bell Media. Guillaume Bazinet, CEO & Chairman of FX Innovation—which Bell acquired earlier this year—is here too. We also have more than 30 VPs in Québec, many of whom are responsible for large national portfolios.

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We have spent more than \$4 billion on fibre and wireless expansion in this province from 2020 through today. More than the competition.

We inject \$5 billion into Québec's economy each year. More than the competition.

We are a proud partner of the Government of Québec on Operation High Speed to expand Internet access to rural areas. In fact, we exceeded our required number of connections last year.

All this as we continue to offer competitive pricing for Quebecers.

Bell Media continues to play a large and growing role in Québec's unique media landscape.

In 2020, we acquired V, and relaunched the channel under a new name: Noovo. We brought a new perspective by offering diverse, original content.

In 2021, we launched Noovo Info, which added greater editorial diversity to the news in Québec.

Three years later, I am very, very proud of the results.

We offer 11,500 hours of French content on Crave, the only Canadian bilingual streaming service. This allowed us to solidify our presence in Québec by offering premium content that viewers want to watch.

We became investors in Grandé Studios and Sphere Media in 2020 and early 2023, respectively—a further demonstration of our commitment to Québec culture. Aller Simple, for example, is one of Sphère's productions, and is offered on Noovo and Crave.

Our sponsorship of cultural events like Les Francos de Montréal, Osheaga, Le Festival d'été de Québec and dozens of other events across Québec supports creativity in this province.

Our strong presence in Montréal sports contributes to the dynamism of this great city. This summer, Montréal hosted the most-watched Formula 1 Grand Prix in Canada ever, thanks to the hard work of Octane Racing Group, a Bell Media holding. And, of course, we are co-owners of the Montréal Canadiens. Go Habs go!

I am proud to say that Bell is one of the largest and most active Québec companies in Canada. And, as we look to the future, Québec will continue to play an important role in the evolution of this company.

## **Transformation**

The world is changing—and so is Bell. We are transforming from a traditional telco to a tech-services and digital media leader.

This transformation is something we have to do in the context of a fast-changing and complex competitive and regulatory environment.

People and businesses want cutting-edge technology and networks.

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Audiences are moving away from “appointment viewing” to consuming content when, where and how they want.

So, it is necessary for us to accelerate our transformation to ensure that we meet the demands of our customers. But this is not just something we have to do, it's also something we're excited about doing.

The starting point of our transformation is our pure fibre network, which, in Québec, offers symmetrical upload and download speeds of up to three gigabits per second. It is by far the fastest Internet service in Québec.

Our industry-leading 5G and 5G+ wireless networks are now available to 85% and 51% of the population, respectively.

Not so long ago, our pure fibre network was available in very few locations. Today, the network is available to 2.7 million homes and businesses in Québec.

Two years ago, new fibre customers had to call us to subscribe and then wait for a technician to visit to complete the installation.

Today, in most cases, customers can do the installation themselves. They no longer have to wait to get access to the world's fastest Internet technology.

But, if a technician is needed to install the service, we have a tool that provides customers with automated notifications confirming the appointment and the technician's arrival time. It's easy and user-friendly.

We've also introduced “Move Valet”, which helps customers easily move their Internet services to a new address – one fewer headache at an already stressful time.

We offer cloud television services, without the need for a box. And our RDS subscription service gives sports fans access to the biggest sporting events, live and on demand.

Our Bell Fibe TV app was developed in Québec City by Mirego, a small firm led by Albert Dang-Vu – who is here with us today – supported by 100 team members from our R&D centre and experts from Université Laval. By contrast, our key competitors in Quebec and across Canada bought their TV solutions from an American firm.

Lastly, our MyBell app allows our customers to easily make changes to their wireless, Internet and TV services. And this incredible app, which is the best in the industry, was developed by one of our Montréal-based teams.

Our goal is to make life easier by giving our clients greater control and flexibility over how they purchase, access and make changes to their services as needed.

To accelerate the transformation of Bell Business Markets, we acquired FX Innovation, a provider of cloud-based services and workflow automation solutions based right here in Montréal.

This acquisition allows us to provide improved technology services to businesses across the country from a cradle of growth based right here in Montréal.

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As your companies embark on their own cloud-based digital transformation journeys, FX Innovation and Bell can be there with you, supporting you every step of the way.

This new collaboration will also allow us to learn from FX's unique culture of innovation culture, and adopt it ourselves.

It is clear that Bell is a leader in technological advancement, supported by Québec's robust ecosystem.

Our Product and Digital Apps Development teams are based in Québec. Our AI Research team, led by Michel Richer, is also based in Québec.

Our investment initiative Bell Ventures is led by Martin Cossette, who is here today, and based, you guessed it, right here in Montréal. Bell Ventures partners with early-stage and growth companies that harness the power of our fibre and 5G networks.

Earlier this fall, a Bell team led from Montréal participated in the first live transatlantic holographic meeting with representatives from Verizon, Vodafone and Matsuko.

Our fibre-optic network will power the KIRQ quantum test bed that Numana will deploy and operate in partnership with Université de Sherbrooke.

These are all prime examples of how Québec's technology and innovation ecosystem contributes to Bell's transformation and how our networks support some of the advancements in innovating coming out of this province.

Our transformation is well underway, and Québec is playing a critical role.

### **Bell Media in Québec**

Our tech-services transformation also allows Bell Media to provide digital-first entertainment experiences.

Digital revenues now comprise 39% of Bell Media's revenues, up from 30% last year and 14% four years ago.

And, when it comes to quality programming, Bell Media's is unmatched.

We work with Québec producers to create ambitious content, and we are recognized for our risk taking.

Our multiplatform content is designed to reach Quebecers where they are. And this approach is a strength.

We have a younger audience than our competitors, and our shows have modern, relevant themes that resonate with viewers—including shows such as *Aller Simple*, *Entre Deux Draps* and *Occupation Double*.

Today, Bell invests over \$1 billion a year in programming, more than any other private broadcaster in Canada.

Last year, our investment in original French-language productions totalled 1,300 hours of original content, an increase of 8% year over year. This is content created by Quebecers, for Quebecers.

We are uniting the strengths of Francophone and Anglophone creators to provide content we can position in both markets and even export internationally. This is true for *The Traitors/Les Traîtres*, whose English- and French-language versions are both hosted by Karine Vanasse and were both shot on the same set in Québec. A pan-Canadian approach that showcases Québec's cultural and artistic richness on a national scale.

## **Broadcasting Industry & Regulation**

I took the time to highlight Bell Media's investments and accomplishments, and I would like to applaud the leadership of Suzane Landry and her team, who are doing a fantastic job. Unfortunately, the picture is not all rosy. We are facing a challenging environment.

Broadcasting is at a crossroads. And no broadcaster has been immune to the turmoil facing the industry. And I must sound the alarm.

Bell Media's advertising revenues have declined by \$130 million compared to 2019. Last year, we lost \$40 million on news. We were forced to make difficult decisions.

U.S. content is more difficult to access than ever, as major sports properties and studios are imposing higher costs. Or they are flatly refusing to sell their content to Canadian broadcasters.

Increasingly, American studios and networks are selling their programs directly to the Canadian public. This may seem like a good thing on the surface, but it largely cuts into the revenues Canadian broadcasters need to fund Canadian content—the content and stories that matter to us all—the stories that reflect the unique identity of our province.

It's clear that Bell Media has done its best to adapt to this new reality. We have not stood idly by. We launched Crave, and we have also created on-demand apps for our TV channels: Noovo, CTV, RDS and TSN. We upgraded our advertising sales offering by creating personalized ads for viewers.

We are transforming, and despite our efforts to stay competitive, we simply cannot compete against foreign broadcasters within the confines of the existing system.

Almost 60 years ago, at the dawn of the golden age of television, Canada established a bold system to support the creation and promotion of Canadian content. And, as the industry adapted over time, so too did the regulatory framework.

However, successive federal governments and the CRTC did not respond as nimbly to the advent of the Internet. And now the entire ecosystem is at risk.

Faced with this immense threat, the government is now working to level the playing field and apply regulatory obligations to foreign giants. It's a step in the right direction. But things are moving far too slowly.

And we are concerned by the CRTC's seeming lack of concern for the challenges small and large radio and TV broadcasters face.

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The CRTC is currently holding public hearings in Gatineau to develop a new broadcasting framework. Here is what we are asking of them:

1. Reduce obligations for traditional broadcasters immediately;
2. Incentivize American producers and foreign platforms to collaborate with Canadian broadcasters;
3. Require foreign platforms to contribute to Canadian production funds;
4. And direct a portion of the contributions to a news fund. The government has acknowledged that sustained support for news is critical for our democracy.

The bottom line is this: Canada and Québec must control their own cultural destiny. We cannot allow foreign web giants to dictate our public policy to us.

We are calling on the CRTC to summon the courage and vision of the architects of the first iteration of the regulatory framework. The CRTC has the power to chart a bold path forward for the next 50 years. But is it capable of having the necessary vision?

Let's turn back to communications networks and services.

Here again, the CRTC must also show courage to ensure continued investment in connectivity.

When Bell comes to an area with fibre Internet, it pushes the competition—cable companies—to innovate.

Customers benefit from better service, better value and lower prices.

In Québec, almost one million homes and businesses subscribe to our pure fibre network. And we want to expand our network to help drive more innovation and economic growth.

For example, over the past few months, we have deployed our pure fibre network to Trois-Pistoles, Saint-Côme, Lac Beauport, and dozens of other communities across the province. But the CRTC's recent decision to force access for resellers to our network in Québec and Ontario has put the business case for future investment in peril.

This will jeopardize our network expansion in communities from Outaouais to the Laurentians, to Estrie, Bas-Saint-Laurent, Saguenay-Lac-Saint-Jean, and beyond.

Now, more than ever, Canadians need access to the fastest Internet speeds to power innovation and the digital future.

Consumers and businesses win when public policy encourages the private sector to make investments that transform the way people live and work. But you know as well as I do that network providers like Bell can only invest when the business case is clear.

### **Conclusion**

At the beginning of my remarks, I said that Montréal and Québec have been integral to Bell's success for the past 143 years, and they will remain so throughout our transformation.

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And while it may be easy to paint Bell as an inflexible giant, I believe that in Québec, we are undergoing a transformation and are ready to take off.

Our fantastic team is bringing innovative products and services to market. We are offering customers more choices and giving them more control, so that it is easier to do business with us.

That's what we need to do to compete in a constantly changing marketplace.

Québec's innovation, creativity, pride and entrepreneurship is unlike anywhere else in the world. These qualities will be essential to our transformation.

Our challenges are big. Our vision is bold. And our goals are lofty. As we work to show that we are ready to face what the future holds, Québec will play a critical role.

Standing before you today, I am confident that the business community in Montréal and Québec recognizes the possibilities that become available when we encourage the technological investment that is crucial to our future success.

My hope is that Ottawa sees the same potential.

There is more to be done. As Bell continues to advance how Canadians connect with each other and the world, I am excited to see what tomorrow holds for all of us.

Thank you!