



Rogers Communications Inc. First Quarter 2026 Results Conference Call Transcript

Date: April 22, 2026

Time: 8:00 AM ET

Speakers: **Tony Staffieri**
President and Chief Executive Officer

Glenn Brandt
Chief Financial Officer

Paul Carpino
VP Investor Relations

Operator:

Welcome to the Rogers Communications Inc. First Quarter 2026 Results Conference Call.

As a reminder, all participants are in listen-only mode and the conference is being recorded. Following the presentation, we'll conduct a question-and-answer session. To join the question queue, you may press star then one on your telephone keypad. Should you need assistance during the conference call, you may reach an operator by pressing star then zero.

I would now like to turn the conference over to Paul Carpino, Vice President of Investor Relations with Rogers Communications. Please go ahead, Mr. Carpino.

Paul Carpino:

Thank you, Gaylene, and good morning everyone and thank you for joining us.

Today, I'm here with our President and Chief Executive Officer, Tony Staffieri, and our Chief Financial Officer, Glenn Brandt. As a reminder, we will be holding our AGM this morning at 11:00 a.m., and you can pick up that webcast through the Investor Relations website.

To accommodate the AGM, this call will last approximately until 8:45, so we ask that you limit yourself to one question and a quick follow-up so we can accommodate as many questions as possible. We will follow up with you on any other questions later today.

Today's discussion will include estimates and other forward-looking information from which our actual results could differ. Please review the cautionary language in today's earnings report and in our 2025 Annual Report regarding the various factors, assumptions, and risks that could cause actual results to differ.

With that, let me turn it over to Tony.

Tony Staffieri:

Thank you, Paul, and good morning everyone. I'm pleased to report that Rogers delivered solid results in a very active first quarter.

Service revenue and Adjusted EBITDA were up. CapEx and CapEx intensity were notably down. Free cash flow accelerated, and debt leverage was further reduced. Wireless and retail internet net ads were positive. We continued to deliver industry-leading margins in both Wireless and Cable, and Media delivered strong top line growth and a significant improvement in EBITDA. Overall, this was another quarter of solid execution based on our clear disciplined strategy.

In Wireless, Q1 is typically a quiet quarter. This year, we saw aggressive wireless promotional activity from competitors, driven by supply rather than demand. Heading into the quarter, we expected the market would be flat year over year with no population growth and potentially no new net ads. We did not lead on pricing aggression. As we've stated before, our priority is and remains on financials.

This is even more important in a low-growth environment. We were intentional and decided to lead with our value propositions, notably the best 5G Plus network, terrific multi-line value, the most coverage with Rogers Satellite, accelerated rewards with a Rogers Red Credit Card, exclusive access to the best sports and entertainment experiences with Rogers Beyond the Seat, along with competitive pricing.

As the quarter carried on, we saw increasing aggressive wireless promotional activity in the second half of the quarter. We decided to participate selectively, and when we decided to match the competition on price, we saw that our brand and value proposition resonated strongly. We finished the quarter with 33,000 net ads, and from a financials perspective, we improved Q1 Wireless margins by 40 basis points to 65% and maintained stable service revenue.

Yesterday, we introduced new 5G Plus plans with new features to further strengthen our network differentiation and increased value.

In Cable, we applied the same disciplined approach. We delivered positive internet loading with 7,000 retail net additions. Service revenue and Adjusted EBITDA were both up 1%, but after adjusting for the sale of our data centres last year, both service revenue and EBITDA were up organically, a solid 2%. We improved Q1 Cable margins by 30 basis points to deliver industry-leading margins of 58%.

In Media, we delivered strong results in what has historically been a seasonally soft quarter, reflecting the benefit of our MLSE investment.

The scale and profitability of our sports and media operations is impressive. Revenue in Q1 was up 82% to just under \$1 billion. Adjusted EBITDA was at breakeven, largely as a result of the timing of rights fees, but nonetheless, a \$60 million year-over-year improvement.

Twenty twenty-six will be a transformative year for Sports and Media. We expect to complete the purchase of the remaining 25% minority interest in MLSE in the second half of this year. Following the close, we plan to combine our assets into one of the most significant sports ownership, media, and entertainment entities globally.

We are committed to unlocking the significant and unrecognized value with these premier sports assets, and we will look to create additional revenue and EBITDA synergies. We plan to bring in external investors for a minority interest in an entity we estimate will have a value in excess of \$25 billion. We plan to use the proceeds from the sale of this minority interest to pay down debt. We believe these assets will provide long-term growth opportunities and significant value, even as we operate in the current low-growth telecom business. Importantly, our sports assets operate with significantly lower CapEx commitment and we have a proven 25-year track record as strong operators of sports and media assets.

Before turning the call over to Glenn, I want to touch on our capital reprioritization and increased free cash flow for 2026.

In the current low-growth environment, it is critical to prudently manage leverage and maintain our investment-grade balance sheet as we complete our major multi-year investment cycle. We operate in a very capital-intensive sector. Returns on investments can take years and sometimes even decades. This means we need government policies that reward investment and maintain certainty, especially in a slow-growth environment.

The government has introduced policies that do the opposite, and this means we need to adjust our spending and be highly disciplined and deliberate stewards of our capital. Today, we announced a reduction in our capital spending by 30% versus last year. Our updated guidance range for CapEx is now \$2.5 to \$2.7 billion in 2026, translating to a capital intensity ratio of approximately 12%. Correspondingly, we expect free cash flow growth of \$4.1 to \$4.3 billion in 2026, an increase of approximately \$800 million from last year.



Given the macro environment, we are focusing on de-levering our balance sheet.

In Q1, we reduced our debt leverage ratio to 3.8 times, down another 10 basis points from 3.9 times at year-end. With additional free cash flow, we plan to accelerate debt reduction in 2026 and beyond.

Overall, we are executing our plan with discipline in the current low-growth telecom market, and we are managing capital prudently in this punitive regulatory environment. We are showing strong execution on capital efficiency and debt de-levering as we move towards surfacing value by monetizing our sports and media asset portfolio.

I want to thank our team for their terrific execution in the competitive environment and their ongoing focus on our key long-term priorities.

I'll now turn the call over to Glenn.

Glenn Brandt:

Thank you, Tony, and good morning everyone. Thank you for joining us.

As you've just heard from Tony, we have delivered strong results for the first quarter, and with this morning's report we are very substantially upgrading our 2026 full-year guidance on capital expenditures and free cash flow. More on this momentarily. Let me first turn to the quarter.

Against the backdrop of continued low growth and heightened competition for the sector, Rogers' first quarter results are strong. Once again, we delivered service revenue and EBITDA growth, margin expansion, capital expenditure reduction, free cash flow growth, positive wireless and Internet loading, and additional de-levering. And what's more, each of our three businesses contributed positively to our results for the quarter.

In Wireless, service revenue was stable year over year and Adjusted EBITDA was up 1%, driven by our continued focus on cost efficiencies, moving margin up by 40 basis points year over year to 65% for the quarter.

In a highly competitive market with zero to low wireless revenue growth, our longstanding track record for driving industry-leading cost efficiencies and margins is even more critical and standout.

We added 33,000 total mobile phone net additions in what is usually a seasonally quiet first quarter, including 28,000 net new postpaid subs, up 17,000 year over year, and above our initial expectations.

This past quarter was anything but seasonally quiet, with our peers having continued their holiday level of discounting into 2026 throughout the first quarter. Throughout January and into February we very deliberately opted not to discount our prices, seeking to restore sector pricing away from holiday-level discounts. However, our competitors stayed with their aggressive discounting throughout the quarter, and so we moved to selectively match their discounts with short, time-limited offers targeted to insulate our customer base.

From all of this, our mobile phone ARPU was \$55.60 for the quarter, down from last year by roughly \$1.30, or 2.4%, and postpaid mobile phone churn of 1.22% was up by 21 basis points. Not surprisingly, in a seasonally quiet quarter, the discounts have only served to weaken performance metrics across the sector and are reflected in sector share price performance. With three quarters still to go in 2026, we are hopeful market competition will resettle around value for premium services rather than undisciplined discounting.

Moving to Cable, we once again delivered positive internet subscriber net additions, grew service revenue and EBITDA, and delivered industry-leading margins.

Cable service revenue and Adjusted EBITDA were each up by 1% year over year, continuing the positive trend our team has delivered for several quarters now. Moreover, adjusting to exclude the impact of the December 2025 sale of our data centre business, the organic growth for Cable service revenue and Adjusted EBITDA would have been plus 2% year over year. Our Cable Adjusted EBITDA margin in the first quarter increased to 58%, up 30 basis points year over year, consistently among the very best cable margins globally.

And finally, retail internet net additions of 7,000 reflected positive loading in a seasonally quiet but highly competitive quarter.

Turning to Rogers Sports and Media, these assets continue to reflect their financial strength through revenue and Adjusted EBITDA growth, as well as through tremendous asset value, as reflected in recent market transactions.

Revenue in the quarter is up 82% year over year, primarily driven by the consolidation of MLSE. As well, higher subscriber revenue from the launch of the Warner Brothers Discovery suite of channels has also contributed.

The strong flow-through and mix of revenue resulted in breakeven Adjusted EBITDA, or a \$63 million year-over-year improvement. Tony has already provided an update on the status of the monetization of our sports assets, so I will simply reiterate that we remain committed to unlocking the very substantial, unrecognized value of our premier sports and media assets. We are targeting later this year to complete our purchase of the remaining 25% minority interest in MLSE, followed by plans to complete the recapitalization of our Sports and Media group in late 2026 or early 2027 as we pursue minority equity investors. We intend to use the proceeds to further de-lever our balance sheet.

Turning to our consolidated results, total service revenue was up 10% to \$4.9 billion, and Adjusted EBITDA was up 5% to \$2.4 billion. Capital expenditures declined to \$0.8 billion, or down 17%, and our capital intensity improved a remarkable 500 basis points to 14.7%. As a result, free cash flow in the quarter increased by \$0.2 billion, up a very substantial 32% year over year.

Moving to our balance sheet, our liquidity remained strong and we continued to de-lever, moving leverage at March 31 to 3.8 times, down sequentially from 3.9 times at year end. We had \$6 billion of available liquidity at quarter end, reflecting \$1.4 billion in cash and cash equivalents, and \$4.6 billion available under our bank and other credit facilities. During the quarter, we helped further strengthen our liquidity and balance sheet by issuing an aggregate \$2.3 billion of additional subordinated notes.

And finally, we have upgraded our 2026 guidance for both capital expenditures and free cash flow, which very substantially strengthens our balance sheet and further lowers our leverage for the coming years.

For 2026, we are targeting capital expenditures between \$2.5 billion and \$2.7 billion, or a reduction of roughly 30% versus 2025. With this reduction, we now anticipate our 2026 capital intensity will improve to approximately 12%, down from 17% in 2025.

The change is reflective of Rogers approaching the end of a major capital investment period. Over the past three years, Rogers has invested approximately \$12 billion in capital expenditures across Canada. These investments have primarily been focused on our wireless and wireline networks and IT infrastructure right here in Canada, and puts Rogers' annual capital expenditures amongst the largest of any company in Canada. But to be clear, this reduction is also a reflection of the slower growth opportunities for revenue and Adjusted EBITDA in the telecom sector, driven by aggressive discounting and a regulatory environment that increasingly disincentivizes capital investments.

With this reduction, the Company now expects its 2026 free cash flow to be in the range of \$4.1 billion to \$4.3 billion, or an increase of approximately \$0.8 billion versus 2025. This additional cash flow will be used to further accelerate the Company's delivering plans in 2026.

Importantly, we anticipate this lower level of CapEx spending will continue for the foreseeable future, driving substantially increased free cash flow and substantially lower debt and leverage levels.

To better understand the anticipated impact from this lower capital intensity relative to the last few years, this change alone has the potential capacity to further reduce leverage by an additional 40 to 50 basis points over the next four years, a critical driver given the low growth for the sector. And as noted in our release, we are reaffirming our 2026 outlook ranges for total service revenue and Adjusted EBITDA growth.

Our disciplined execution in the first quarter and upgraded guidance for 2026 capital expenditures and free cash flow sets us up well going forward. Once again, our Rogers team has delivered strong results, including service revenue growth, margin expansion, capital expenditure reduction, free cash flow growth, subscriber loading, and additional organic delivering, all while delivering Canada's largest and most reliable networks. I would like to thank our entire team of Rogers employees for their efforts in driving these results in a very competitive environment.

I will now ask Gaylene to open the call for a Q&A session. Thank you very much.

Operator:

Thank you. We will now begin the question-and-answer session. To join the question queue, you may press star then one on your telephone keypad. You'll hear a tone acknowledging your request. If you're using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, press star then two.

Our first question is from Stephanie Price with CIBC. Please go ahead.

Stephanie Price:

Hi, good morning. CapEx has come down by about 23% at the midpoint of your new guide. Can you just dig a little bit deeper into where the CapEx reductions are coming from and how you think about the competitive positioning here and any impact to that?

And maybe as a follow-up, the 12% implied CI, is this a number you're targeting going forward beyond 2026 as well? Thank you.

Glenn Brandt:

Thank you, Stephanie. On where the reductions are coming from, it's really simply a reprioritization. Where we were looking to deliver projects in year or early in 2027, in some cases we're looking to deliver those further out, maybe by end of 2027 or into 2028. In cases where they are critical investments, that spend envelope still allows ample room to look after our priorities and maintain our network leadership.

And then on your second question in terms of do we expect to sustain this level, the quick answer is yes. This is not a one-and-done. This is our new expected and anticipated run rate.

I'm not guiding beyond 2026 with specific numbers, but you should expect to see this level of investment going forward. That was why I clarified with the anticipated 40- to 50-point improvement on leverage as we sustain this over the next four or five years.

Stephanie Price:

Great. Thank you very much.

Glenn Brandt:

Thank you, Stephanie.

Paul Carpino:

Thanks, Stephanie. Next question, Gaylene.

Operator:

Next question is from Batya Levi with UBS. Please go ahead.

Batya Levi:

Great. Thank you. A quick follow-up on the CapEx reductions. Is that more skewed in the wireless segment or cable? Can you give some examples of the projects that are pushed out to later 2027, 2028?

And a question on broadband. Can you talk a little bit more about the competitive environment? Are you seeing any impact from satellite broadband? And how do you anticipate satellite to develop in Canada? Thank you.

Glenn Brandt:

Thank you, Batya. On your first question, I won't give specifics. It is a general lengthening of the delivery schedule. Some projects that were to be delivered in '26 will continue to be delivered in '26. Some that were on the docket will stretch from one or two quarters out to potentially four or six quarters. It will be spread across each of our networks, our IT, and general capital expenditures.

So we're looking to continue to invest in our priorities, but we're reprioritizing to get things done more on an urgent or necessities basis as opposed to an available investment envelope in-year. I think of it in that regard.

Tony Staffieri:

In response to the second part of your question, Batya, on broadband, what we're seeing is the market continuing to mature in terms of willingness of the customer to look for value proposition that centers on reliable internet and secure internet. We've been able to execute well in both urban as well as rural markets across the country, combined with the offering of our fixed wireless access or 5GHI home

internet. It seems to be working well, both in the consumer and as well, particularly in the small business segment.

In terms of competition from satellite, we aren't seeing anything significant in terms of change. It continues to be largely a rural play. And as you know, satellite has its limitations as well, and so as I said customers look for high speeds and a number of other factors in their internet experience and TV viewing experience, our product continues to be a very good competitive advantage over satellite.

Paul Carpino:

That's great. Thank you, Batya. Next question, Gaylene?

Operator:

The next question is from Tim Casey with BMO. Please go ahead.

Tim Casey:

Thanks. Good morning. Tony, with this cut in CapEx, inherent is there a recalibration of your assessment of the growth rate in wireless for Canada as a whole? I think in the past, you've talked about a 2% volume growth market on penetration and things like that. Just wondering how you're looking at the market now in the context of this CapEx cut. Thanks.

Tony Staffieri:

Thanks for the question, Tim.

We continue to see growth, organic growth in the 2% to 2.5% range, so our outlook on that hasn't changed. That's largely—or almost entirely I should say—as a result of penetration gains. So that outlook for the year continues to be intact.

As we look to the volumes in the first quarter, which, as I said in my opening remarks traditionally has been a 10% loading quarter compared to the entire year, this quarter is going to be—Q1, I should say, is going to be higher. But it was demand and penetration largely driven by, as I said, supply side pricing dynamics, as opposed to the organic inertia of the market. So we still continue to see that growth.

The flip side, though, is we have prolonged expectations now of ARPU growth in the sector, and for us as well. Post quarter end, we continue to see what we consider to be, particularly in certain value segments, pricing, promotional pricing that seems to be irrational and below cost metrics by any measure. When you look at margins and capital intensity and cash margins, we lead the industry, and so we have a good sense of what an efficient operation looks like and we know the price points that are below cost. So entry points, in our view, that are below a certain number, don't make long-term economic sense.

As we look to the rest of the year, our growth outlook on volume is offset by our declines that we're expecting for the industry, as I said, on ARPU.

Paul Carpino:

That's great. Thanks.

Glenn Brandt:

The only other thing I would add, Tim, is where we were anticipating some of our de-levering to come from earnings growth. Where the earnings growth is lessening, this allows us to grow free cash flow and replace what was going to come from earnings growth with applying cash to paying down debt. But it also reflects the regulatory environment and the competitive environment, as Tony's addressed, that projects that make sense when you've got rising earnings and the ability to carry them make less sense for committing capital to them that take just a longer time to pay back and so we're stretching those investments out over a longer timeframe.

Paul Carpino:

Thanks, Tim. Next question, Gaylene.

Operator:

The next question is from Matthew Griffiths with Bank of America. Please go ahead.

Matthew Griffiths:

Hi, good morning. Thanks for taking the question.

Sorry to stick on the CapEx, but if the regulatory environment is contributing to investments generating a lower return going forward, is what we're seeing not a deferral? Is what we're seeing actually a cut? Because presumably, if that's the environment that we have been in, and where the expectation is it'll continue, the returns aren't there. I don't know—and correct me if I'm wrong—if spreading the CapEx over two years versus one, for instance, improves the return profile. Maybe you could just help me understand if there's hoping for some flexibility in the future to go from deferral—or from cut to deferral, or how—I'm not sure I understand the messaging.

Glenn Brandt:

Okay, so I'll start with the messaging that this is not one-and-done. This is intended to be, and it is signaling that this will be our level of capital investment in '26 and the years beyond '26. So if we were to defer and cut '26, but just add on to going back to a \$3.5 billion level of capital spend, you'd be right, a deferral doesn't save. This is an extending of the timeframe for completing long-term projects. It is looking to reprioritize the general maintenance and upkeep to look after immediate demand and network priorities, and take a longer time to deliver some of the growth investing we were doing when, candidly, between the regulatory pressures and the competitive pressures, the growth simply is not there right now. And so we will be delivering projects over, say, four years instead of two and a half or three years. We'll be lowering our capital spend for the foreseeable years to this level. So it's not coming back up to nullify what we're doing this year, Matt.

Matthew Griffiths:

Great.

Tony Staffieri:

I could add, Matt, just put a finer point on it—and Glenn mentioned it in response to the previous call. The deferral is one of three items that are contributing to the reduction in capital.

First and foremost, there are projects we're just cancelling.

Matthew Griffiths:

Right.

Tony Staffieri:

We don't see the economics in building in certain areas as a result of the dynamics that have been placed on us and the sector through regulatory policy. The second is continued capital efficiency improvements. And the third is a deferral of some of the projects and pacing of some of the projects that are more in line with the revenue stream coming in.

Paul Carpino:

That's great. Thank you, Matt. Next question, Gaylene.

Operator:

The next question is from Jerome Dubreuil with Desjardins. Please go ahead.

Jerome Dubreuil:

Hi. Thanks for taking my question. Good to see the adjustment of the model to the current conditions. Kind of a similar question there. I'm wondering if there's a signal there that you're sending at the same time that you think the current situation that we're seeing in the market right now is a new normal. I'm wondering if the CapEx reductions are a reflection of that.

Tony Staffieri:

Jerome, I'll start. I don't think we're in a position to describe a new normal. We have our view of the value proposition that is going to resonate with customers in terms of what they're looking for and the price points that we believe are value for the customers, both in consumer as well as in business.

You'd have seen yesterday us launch our new value proposition plans on our Rogers premium brand that focus on some of those value attributes, including true, purely unlimited in our top-tier plans, things like satellite included and embedded in there; roaming both US, Mexico, and international included in some of the premium plans. So, we listened to the customer and we put value propositions out there that we think are going to resonate. And when there's value, we know that consumers are willing to sign up and stay with us.

Your question really relates to some of the thinking and outlook and strategies of the competitors and the competitive environment. We can't speak to that. We can speak to what our plans are and we think there's continued value in what we provide to Canada.

Paul Carpino:

That's great. Thank you, Jerome. Next question, Gaylene?

Operator:

The next question is from Maher Yaghi with Scotiabank. Please go ahead.

Maher Yaghi:

Great. Thank you for taking my question and I applaud you for the pivot that you're making on CapEx given the current environment you're in.

Our view here is that the current competitive environment that the industry is facing is the result of regulatory decisions that were made in the past. My question to you is, what would you like to see in terms of regulatory decisions, especially in the MVNO timeframe of 2030? What kind of messaging would you like to receive from the regulator to give you the confidence back to invest again in your network?

Tony Staffieri:

Maher, it's a very astute point and question that you have. We've been very consistent and clear. In this industry, which is very capital intensive and requires risk capital, government policies that allow unfettered access at subsidized rates by anyone who wants to access the networks without any level of minimum investment for, let's say, the better part of a decade, is just false economics that isn't going to work long term. We need policy that is going to continue to encourage investment, reward investment, and incent companies like Rogers to continue to take risks to the benefit of consumers and Canadians.

An affordability agenda that's based on false economics of subsidization never lasts a long time. We've seen that play out in different parts of the world, and so, we need policies, as I said, that are focused on what the true cost of investments are and require industry players to make meaningful investments and put capital at risk. That's what we believe true fair competition is based on.

Glenn Brandt:

The only other thing I would add, Maher, is that to be clear, we'd continue to invest in our networks at these new levels. A \$2.5 billion level of investment is not a shy level of investment and it reflects

meeting our priorities for continuing to deliver the country's best networks and most reliable networks in wireless and wireline.

Paul Carpino:

Great. Thank you, Maher. Next question.

Gaylene, we have time for two more questions, please.

Operator:

Thank you. The next question is from David McFadgen with Cormark Securities. Please go ahead.

David McFadgen:

Hi. Thank you. Thanks for taking my question. I think you said earlier that you expect that when you combine the Jays with MLSE, when you're 100% you expect to realize a value of \$25 billion. I just want to confirm that. If so, what assurance can you give the investment community on that number because that's obviously a very big number, right? Your stock's definitely not reflecting anything like that.

Tony Staffieri:

Thank you for the question, David. Let me start with the second part which is, absolutely, the value is not captured in our share valuation today. That's why we're embarking on steps to consolidate and surface that value. We've been clear all along on how we intend to do that. Clearly, the major step is bringing in the external investors that we've talked about.

In terms of the valuations of how we come up with that, it's largely based on publicly available information. It starts with the sports teams. If you were to look at Forbes, Sportico as markers that are out there—they're not the definitive determination of value as we saw in some recent transactions that have traded at a premium to Forbes and Sportico valuations—there's a pretty good market in the industry and we've been conservative. Our \$25 billion number takes current Forbes and Sportico valuations.

We also look at the valuation of some of our businesses, including live entertainment or the concert business, as well as our current media assets that include SportsNet and SportsNet Plus.

When you look at our streaming services in sports as an example, it continues to grow at double digits and streaming valuations, particularly in the sports context, continue to have a significant value premium to them.

So, it's the combination of all of those assets that we believe conservatively puts a value there at the \$25 billion mark.

Paul Carpino:

That's great. Thank you, David.

Gaylene, our last question, please.

Operator:

The last question is from Vince Valentini with TD Cowen. Please go ahead.

Vince Valentini:

Hey, thanks very much. First, a clarification. With that much reduction in CapEx, there must be some capitalized labour that's going. Do you expect a big round of restructuring costs this year, Glenn, to get at that much CapEx reduction?

Then a broader question, same theme as the last one. You noted these recent transactions, Tony. Every time we see a transaction, it keeps going higher and higher. Every time Forbes or Sportico come out, it goes higher and higher. If you wait longer, you'll get even more for these sports teams; seems like a logical conclusion. If you're cutting CapEx this much and your free cash flow is going to pay down so much debt, is it possible that you have the luxury to wait an extra 12 or 24 months versus what you keep communicating as a transaction later this year and do even better for your shareholders by waiting?

Glenn Brandt:

Vince, I'm going to choose to take that second part as a test. We remain committed to surfacing the value in the sports and media assets and to recapitalizing. We've said for some time we don't need to own 100% of these assets. We do absolutely like the prospect for future growth in the assets, but a key part of this transaction is to surface the value in those assets that currently are not part of the RCI share

price. That is only done through that transaction. We remain committed to that and you heard my expectations around the timeline for it.

The growth in the values is—we saw a recent transaction with the San Diego Padres for, I think the value was US\$3.8 billion. If I contrast that with the Toronto Blue Jays, we have one of the best stadiums to play out of in the league. The Blue Jays are the only true national franchise in the league. We have tremendous attendance, tremendous viewership on Sportsnet, which is part of the asset pool.

When I look at some of the transactions that are out there and contrast them to what we hold and the fact that we have all of the major sports franchises in one entity—I'm going to stop quickly because it sounds like a commercial here—but there is nobody else that can touch this breadth of assets, this degree of vertical integration and leading assets in each of the categories. So, we are very enthusiastic about ongoing growth prospects. We are also very enthusiastic about the way we expect the investment to be received.

On the restructuring costs, sorry, I do expect there to be some restructuring costs, not only related to some of the reduction in capital spend. I expect that will be some, but a minor element of it. Then I expect there to be some restructuring costs from the synergies we'll look to drive across the MLSE and Sports & Media transaction.

Many of the savings we're looking for, frankly, is through reduction in third-party supplier costs, both lowering the extent to which we are engaging them, but also looking to drive some better margins and efficiencies on those contracts. That we're able to accomplish, I expect, without incurring restructuring costs on them. So, there will be a bit of a mix across each of those elements, not all of which are going to hit restructuring, but there will be some additional restructuring charges to come in the year.

Paul Carpino:

Thank you, Vince. Thank you for joining us on the call today. If there's any follow-up, please feel free to reach out to the IR team. Thank you.

Operator:

This brings to a close today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.