

**Roland Montagne**  
Principal Analyst  
+33 (0)4 67 14 44 26  
[r.montagne@idate.org](mailto:r.montagne@idate.org)

# FTTH Council Europe - Panorama

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## Europe Broadband status

Market at September 2018

FTTH Council Europe Conference – March 12-14<sup>th</sup>, 2019 - Amsterdam

# Agenda

1. Study Background
2. General overview and main trends
3. Leading countries
4. European Ranking
5. Conclusion – Key outputs
6. Appendix

# 01 | Study Background

# Methodology

- Mission on behalf of the **FTTH Council Europe – 17<sup>th</sup> edition**
- Provide a complete summary of the status of FTTH/B in Europe at **Sept. 2018**

## ACTIONS

### Scope



- Analysis of 39 countries
- Data per player for FTTH/B and other fibre-based architectures
- Key parameters study: technical, financial, business model, figures

### Bottom-up methodology



- Desk research
- Direct contacts with leading players and IDATE partners within countries
- Information exchange with FTTH Council Europe members

### Results



- Both quantitative and qualitative data
- Market status in the country
- Strategic approach of involved players



# Indicators affecting the FTTH adoption

## Positive criteria

1		Demand for data and bandwidth continues to grow steadily, pushing operators towards FTTH technologies
2		Public authorities, via subsidies and an investment-friendly regulatory framework, will participate actively in fibre enhancement throughout Europe
3		Many incumbents shifting business models to focus on FTTH rather than copper-based technologies
4		Mutualized networks as well as sharing agreements tend to push FTTH development
5		Technology innovation to help lowering costs
6		Eastern Europe actively involved in FTTH deployments, leaving DSL behind
7	5G	Fibre densification driven by 5G deployment & cost savings from fibre-5G convergence

# Indicators affecting the FTTH adoption

## Negative impacts

1	✕	Still no clear mass-market applications for FTTH
2	⌚	New variants or mixed-build architectures, along with G.Fast or DOCSIS 3.1, could delay FTTH investments by operators
3	5G	Potential risk of mobile 5G broadband technology delaying FTTH in economically non-viable areas
4	🏛️	Public funding initiatives may not be assertive to effectively encourage FTTH growth
5	📶	Substitution by fixed-wireless access or 'hybrid' access in remote or difficult to service areas

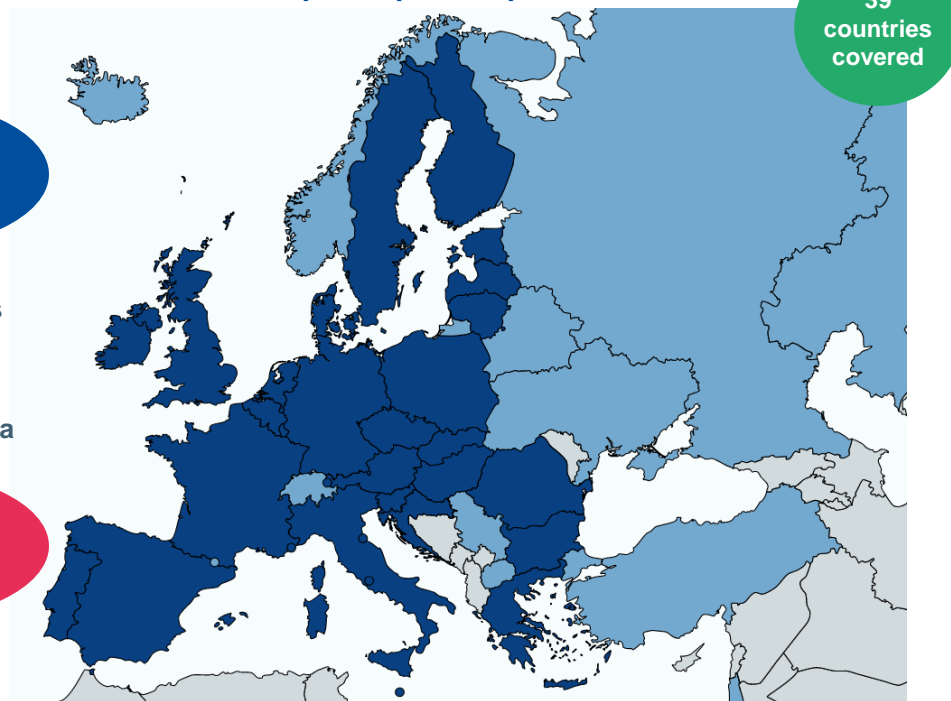
# 02 | General overview and main trends

# FTTH/B figures as at September 2018

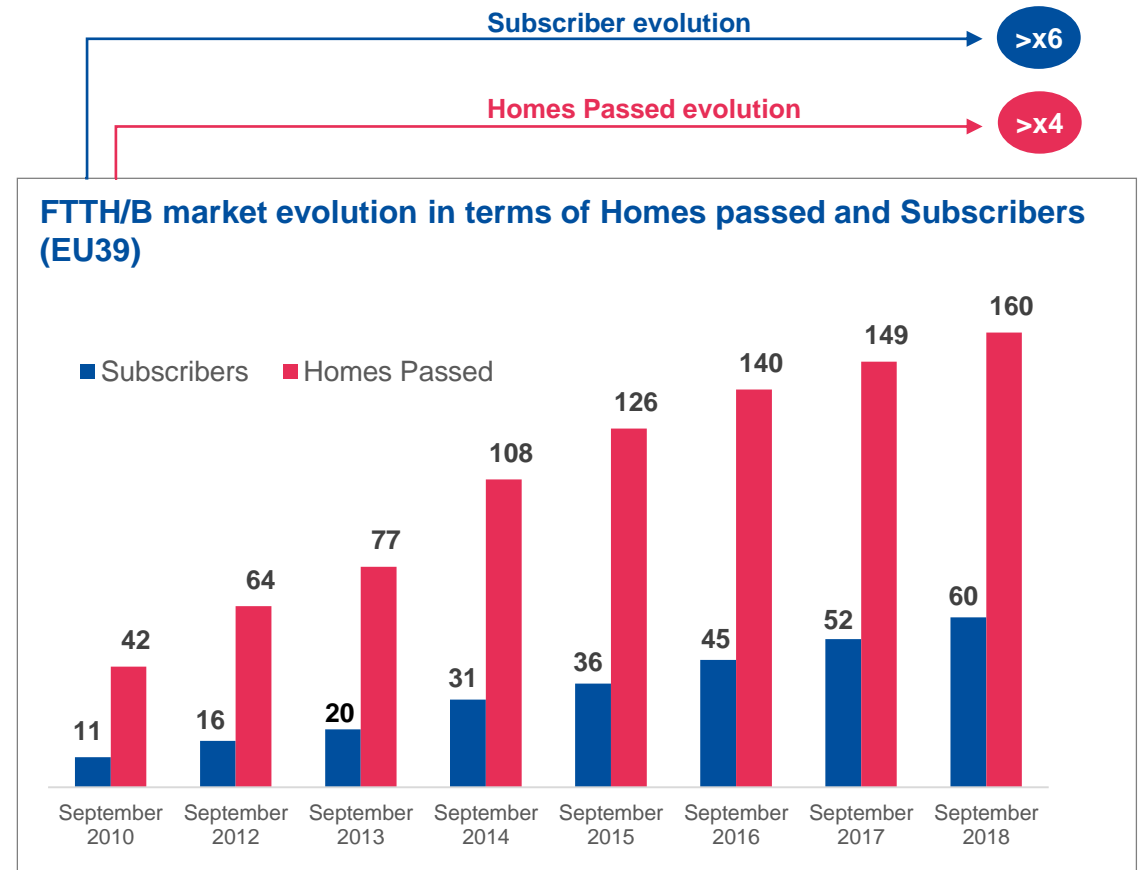
As at September 2018 in EU39\*:

- **59.6 million FTTH/B subscribers**
- **Almost 160 million FTTH/B Homes Passed**

FTTH Council Europe scope at September 2018



- (1) EU39 = EU28 (excl. Cyprus) + 4 CIS countries + Andorra, Iceland, Israel, Macedonia, Norway, Serbia, Switzerland, Turkey
- (2) Cyprus was replaced by Macedonia at end-2012 because the FTTH/B market is much more developed in this country.



Source: IDATE for FTTH Council EUROPE

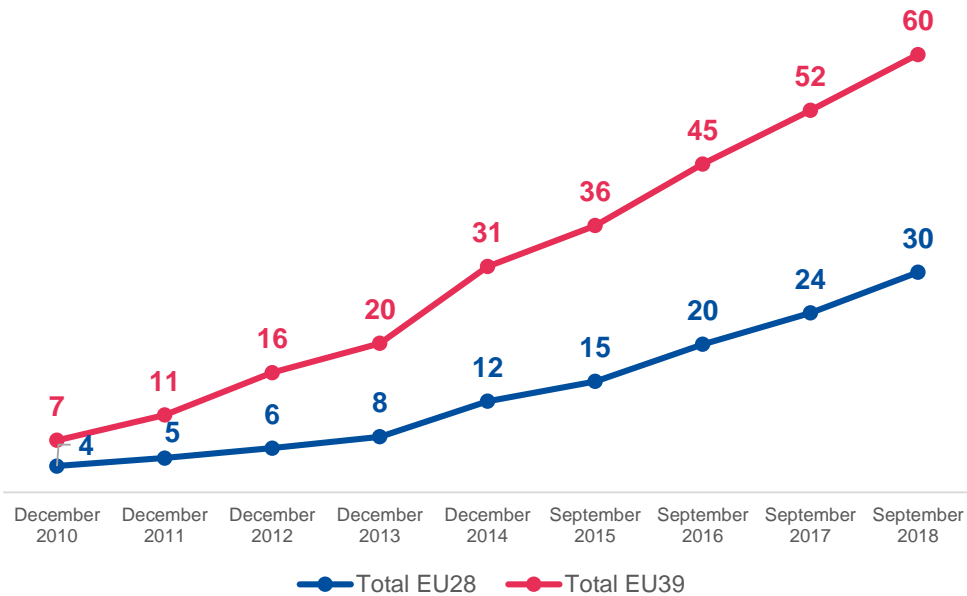


# Historical data and growing trends (EU28 / EU39)

- EU28 has a stronger position in the whole European region
- By Sept. 2018, half of FTTH/B deployments are performed inside of the EU28 countries, an increasing trend along the previous years

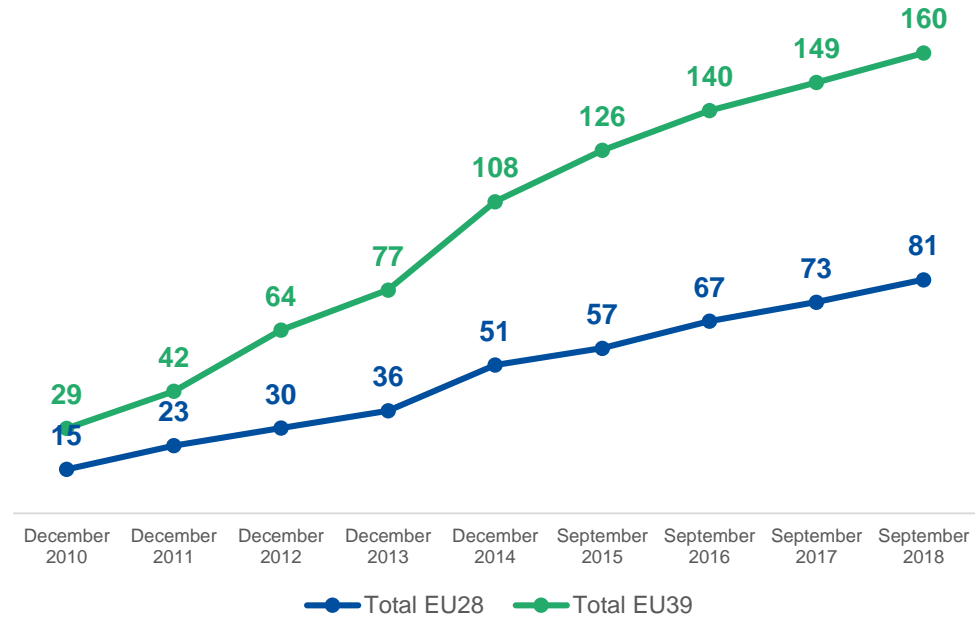
## Evolution of FTTH/B Subscribers (million)

Comparison EU28 / EU39



## Evolution of FTTH/B Homes Passed (million)

Comparison EU28 / EU39



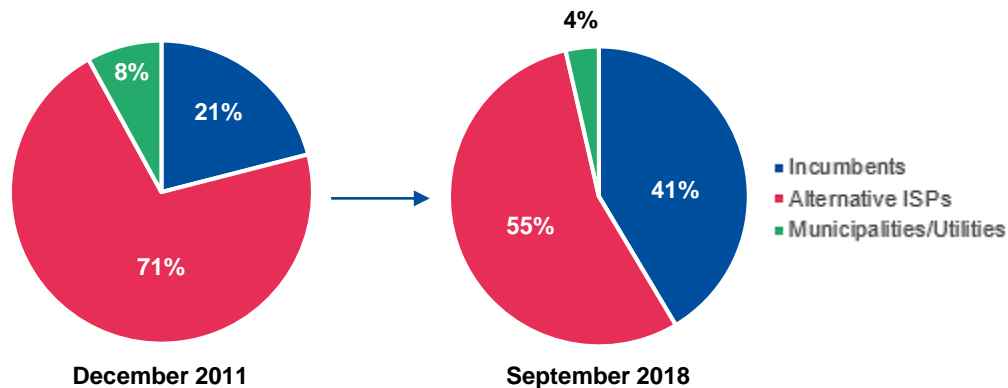
Source: IDATE for FTTH Council EUROPE

# Incumbents are taking a growing role in FTTH/B Initiatives

- Analysis of around 400 FTTH/B projects in EU39 at September 2018
- Around 55% of total Homes in the region have been passed by Alternative ISPs, and approx. 41% by incumbents (as compared to 21% by incumbents in 2011)
- Municipalities/Local Authorities, along with utilities when appropriate, will remain those ones that will help ensure an exhaustive coverage at term






## Breakdown of FTTH/B Sockets deployed by type of player (%)

Data comparison between Dec. 2011 and Sept. 2018



Source: IDATE for FTTH Council EUROPE

## Top European countries – Breakdown in terms of Sockets deployed

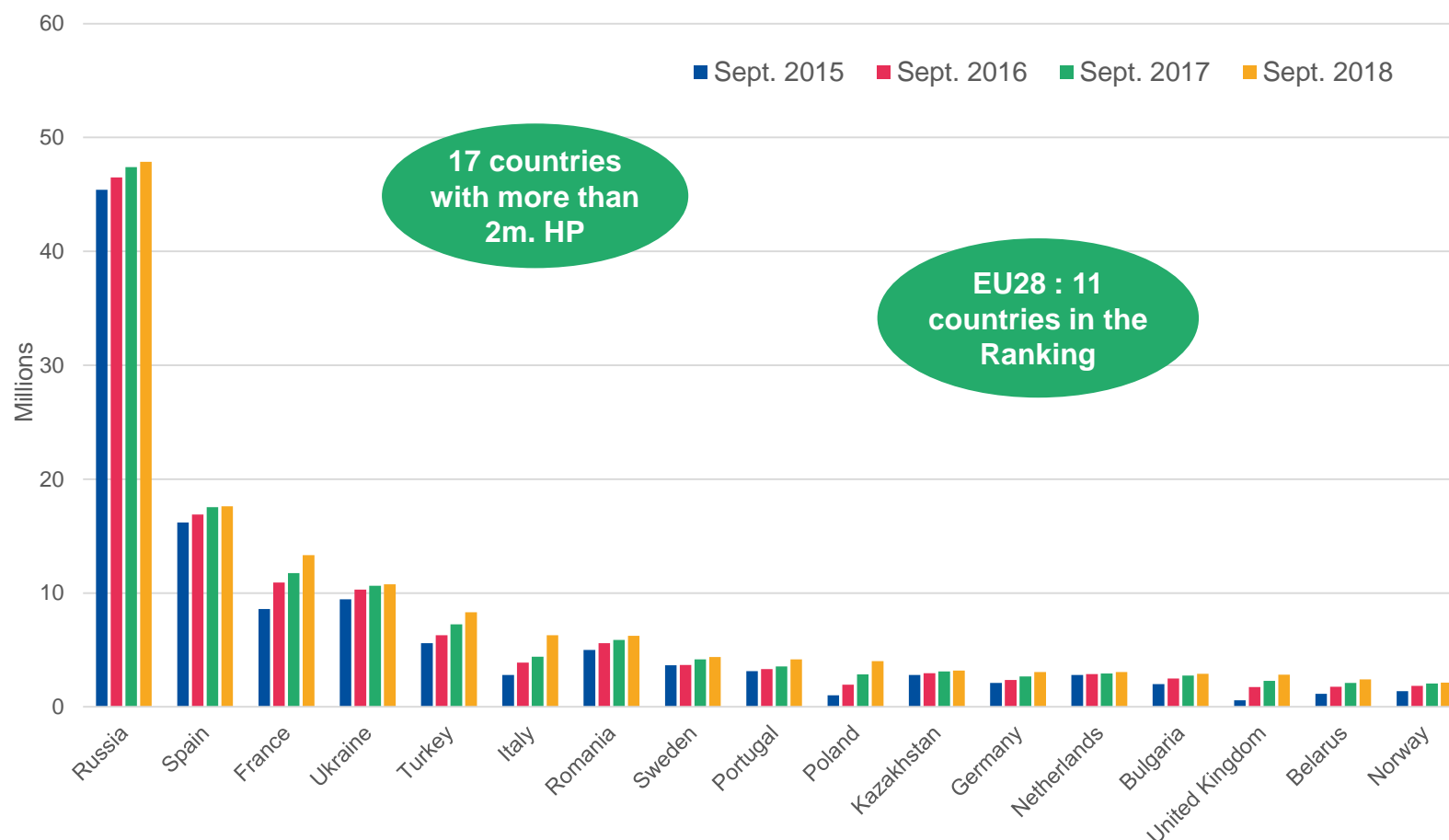
1	 Russia	<b>Total Sockets deployed: 71,435,000</b> ✓ Incumbents: 33,200,000 ✓ Alternative ISPs: 38,235,000
2	 Spain	<b>Total Sockets deployed: 43,234,160</b> ✓ Incumbents: 20,800,000 ✓ Alternative ISPs: 22,375,000 ✓ Municip./Utilities: 59,160
3	 France	<b>Total Sockets deployed: 39,201,000</b> ✓ Incumbents: 10,906,000 ✓ Alternative ISPs: 26,565,000 ✓ Municip./Utilities: 1,730,000
4	 Ukraine	<b>Total Sockets deployed: 10,765,000</b> ✓ Alternative ISPs: 10,765,000
5	 Romania	<b>Total Sockets deployed: 9,124,750</b> ✓ Incumbents: 2,107,000 ✓ Alternative ISPs: 7,017,750

# 03 | Leading countries

# General Ranking: FTTH/B Homes passed

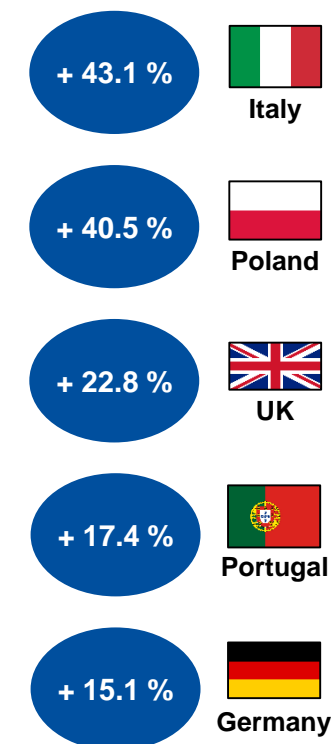
## European ranking in terms of FTTH/B Homes passed over time (in million homes)

Data comparison between Sept. 2015 and Sept. 2018



## Top 5 annual growth rates – Homes passed (in %)

Data from Sept. 2017 to Sept. 2018

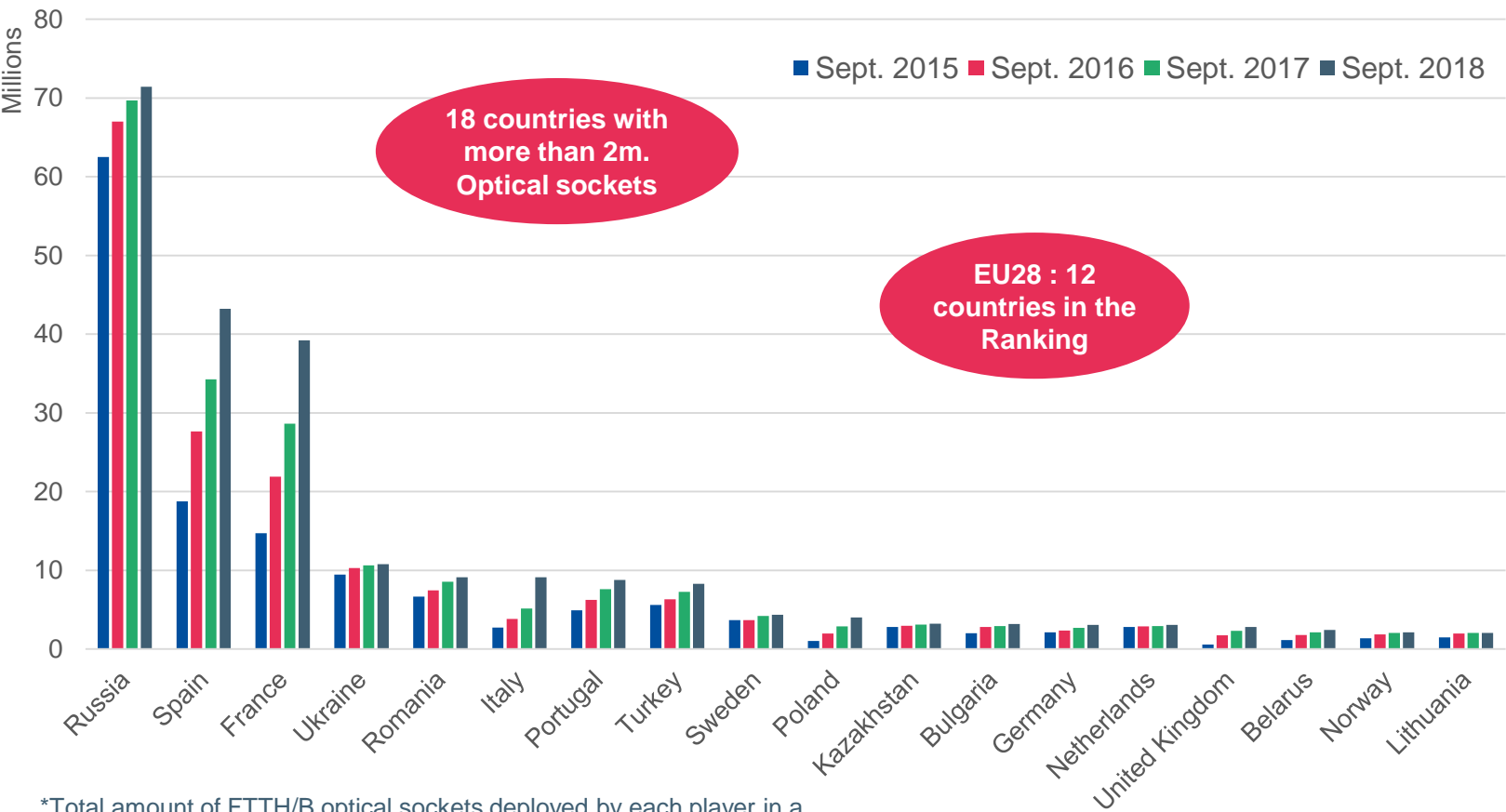


Source: IDATE for FTTH Council EUROPE

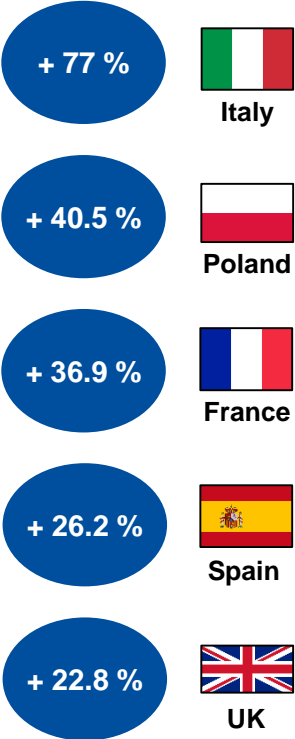


# General Ranking: FTTH/B Sockets deployed\*

European ranking in terms of FTTH/B Sockets deployed (in million homes)  
Data comparison between Sept. 2015 and Sept. 2018



Top 5 annual growth rates – Sockets deployed (%)  
Data from Sept. 2017 to Sept. 2018



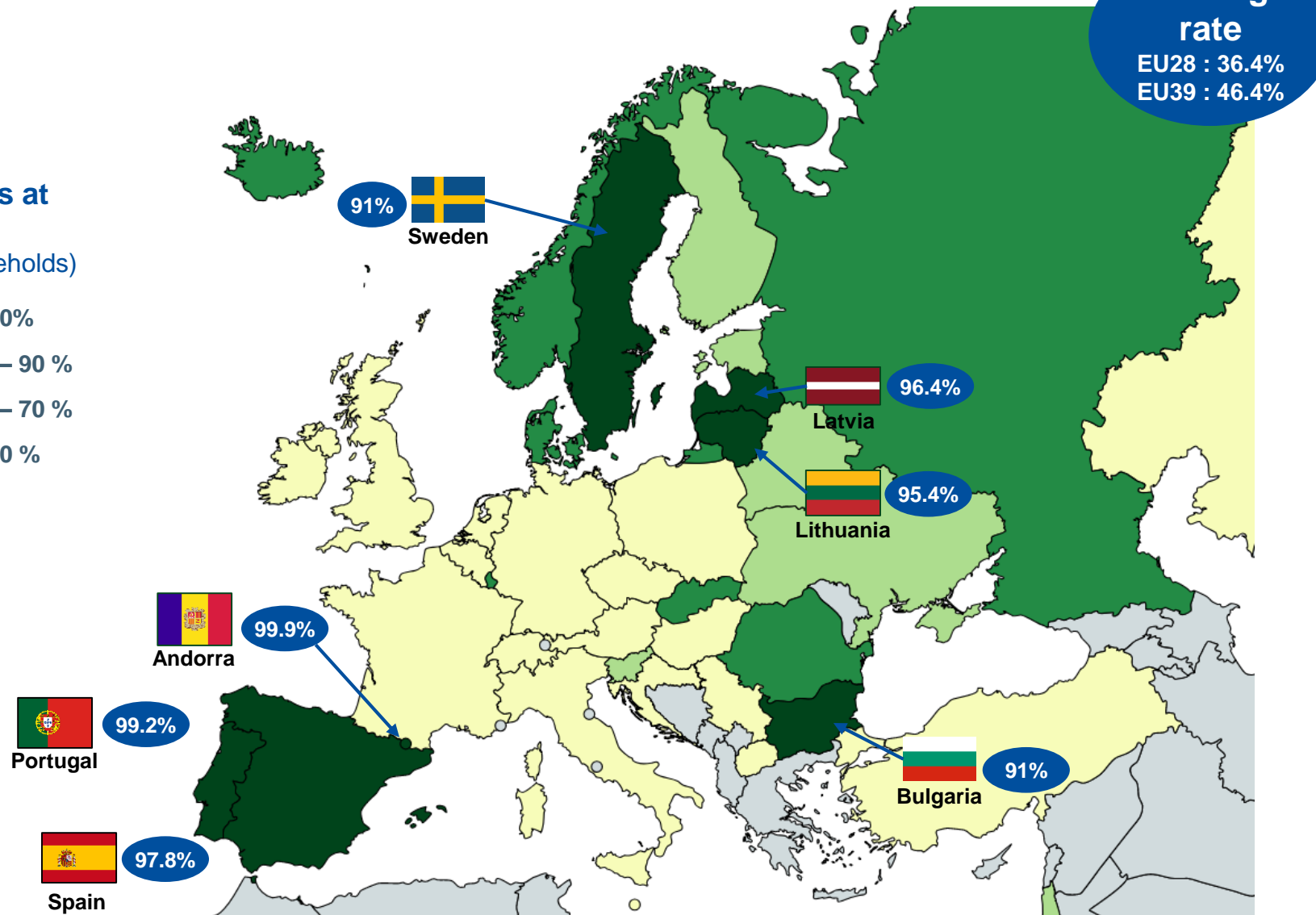
\*Total amount of FTTH/B optical sockets deployed by each player in a country (may be higher than Homes Passed when homes are covered by several players). Might lead to overlap situations

Source: IDATE for FTTH Council EUROPE

# General Ranking: FTTH/B Coverage

FTTH/B coverage\* as at  
September 2018  
(\* Homes passed / Households)

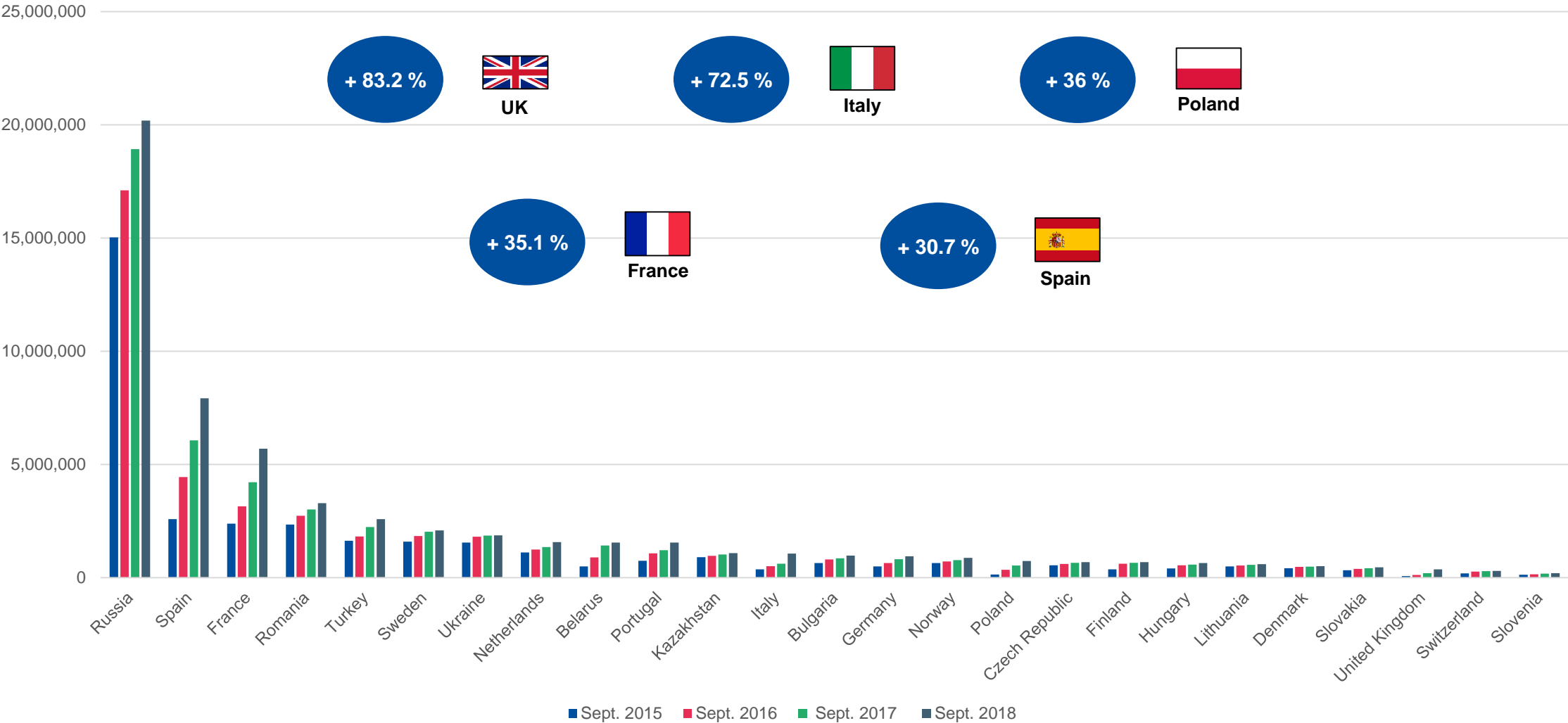
- FTTH/B coverage > 90%
- FTTH/B coverage 70 – 90 %
- FTTH/B coverage 50 – 70 %
- FTTH/B coverage < 50 %



Source: IDATE for FTTH Council EUROPE

# General Ranking: FTTH/B Subscribers

European ranking in terms of FTTH/B Subscriptions (million)  
Data comparison between Sept. 2015 and Sept. 2018

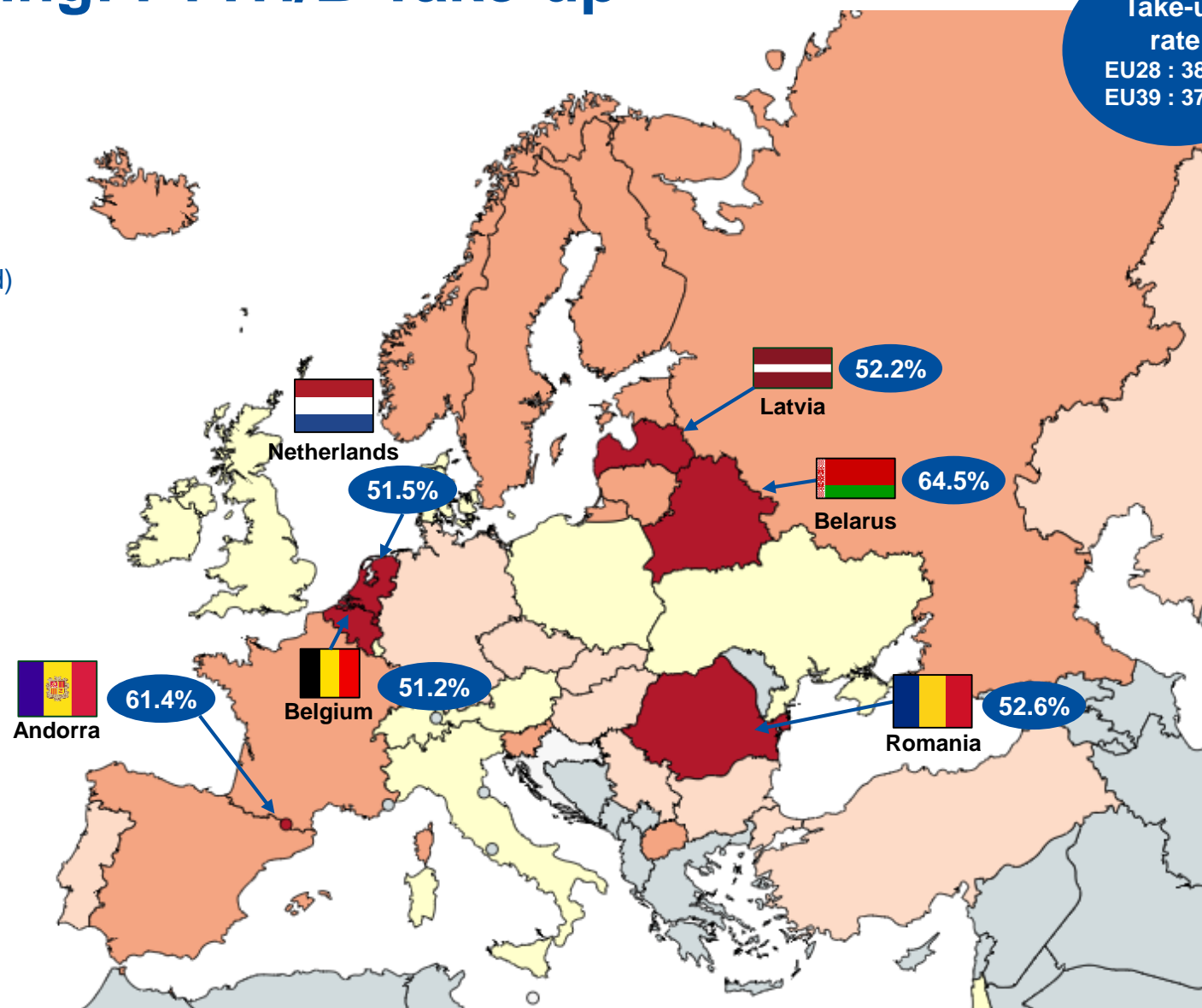


# General Ranking: FTTH/B Take-up

FTTH/B take-up\* as at  
September 2018

(\*Subscriptions / Homes Passed)

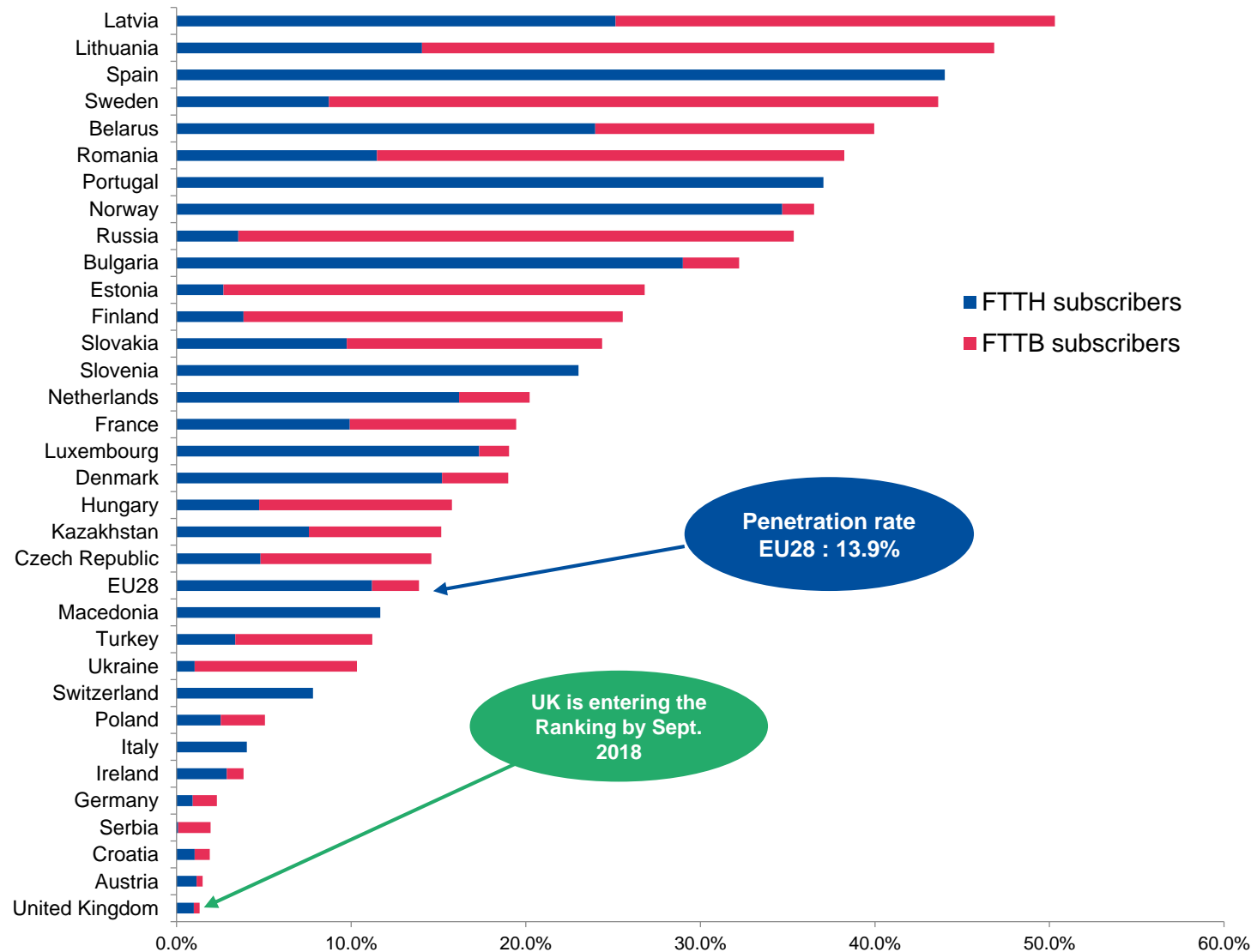
- FTTH/B take-up > 50%
- FTTH/B take-up 40 – 50 %
- FTTH/B take-up 30 – 40 %
- FTTH/B take-up < 30 %





# 04 | European Ranking

# European Ranking as at September 2018



## Penetration rates of European countries at September 2018 (FTTH/B Subscriptions / Households)

- Includes countries of +200k Households in which FTTH/B subscribers represent at least 1% of total households
- Eastern Europe and Nordic countries are among the top of penetration ranks, mainly due to a proactive state intervention towards fibre expansion
- Some major European countries are lagging behind (except. Spain and Portugal) due to a predominance of copper-based technologies (VDSL, G.Fast) and/or cable networks (DOCSIS 3.0 / 3.1)

# 05 | Key Conclusions



# Key conclusions

## Public involvement

- **Public-private initiatives are the key trend of 2018:** more and more involvements from public authorities (via subsidies and an adequate policy framework) to promote fibre expansion throughout their country
- **Progressive move towards fibre expansion in hard-to-reach areas:** urban dense areas are well covered by fibre networks in Europe, the focus for public & private actors is now on remote areas. How to promote high-speed broadband access in these isolated areas?

## Regional Recap

- **Pent Up Demand becoming clear:** Seeing large pent up demand (high connection rates) in regions now just beginning large FTTH rollouts (UK / Italy)
- **EU28 is Mobilizing for FTTH/B:** EU28 now catching up and surpassing the growth trends seen across the larger EU39
- **EU39 region** has reached almost **160 million homes** with FTTH/B networks, representing a **coverage of 46.4%** of the total Homes
- Countries like **Italy, Poland** and **UK** have experienced **strong growth**, increasing their **homes passed** by more than 20%, as well as their **subscribers** by more than 36%

Subscribers

+ 72.5 %



Homes Passed

+ 43.1 %

Subscribers

+ 36 %



Homes Passed

+ 40.5 %

Subscribers

+ 83.2 %

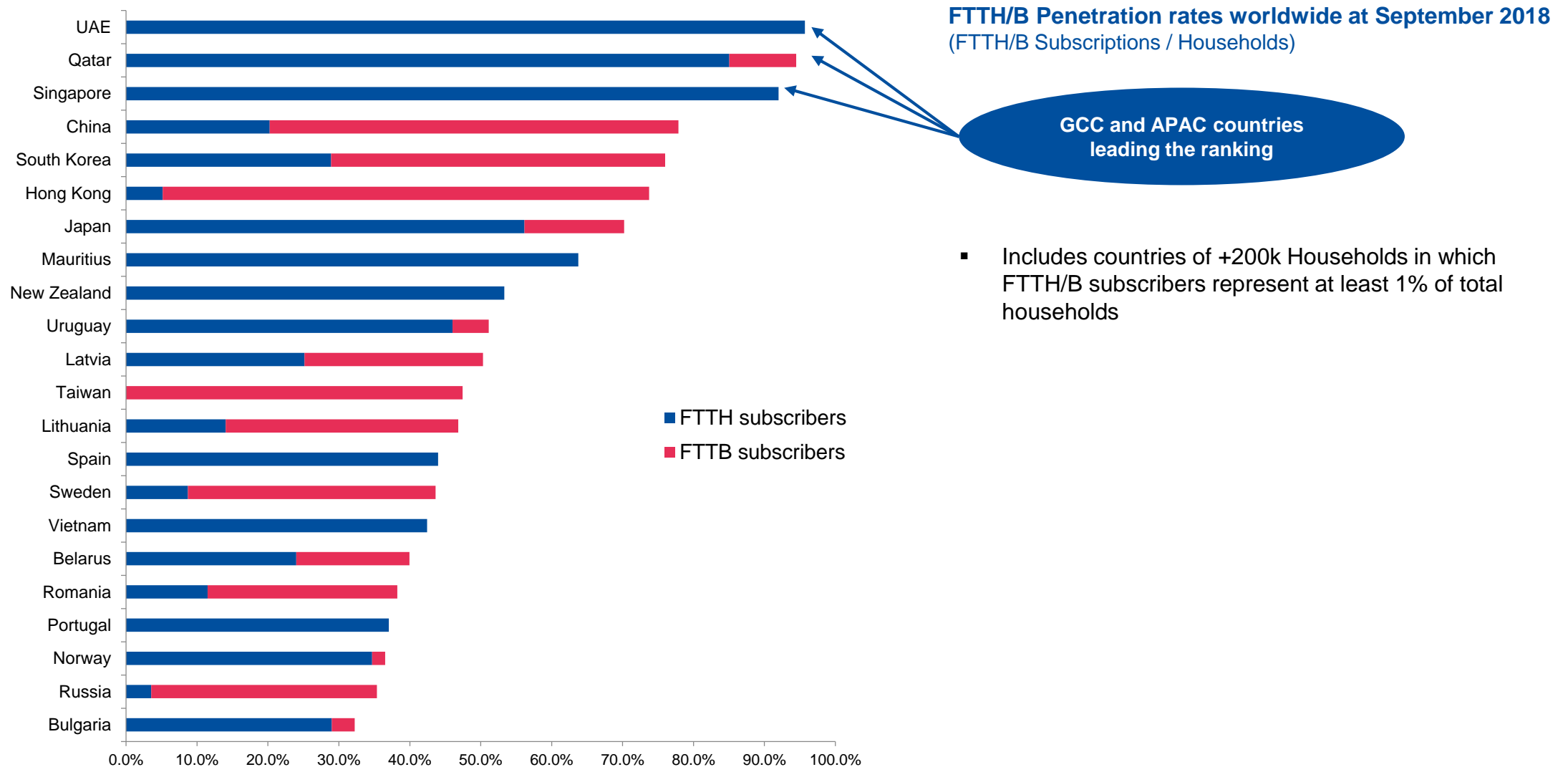


Homes Passed

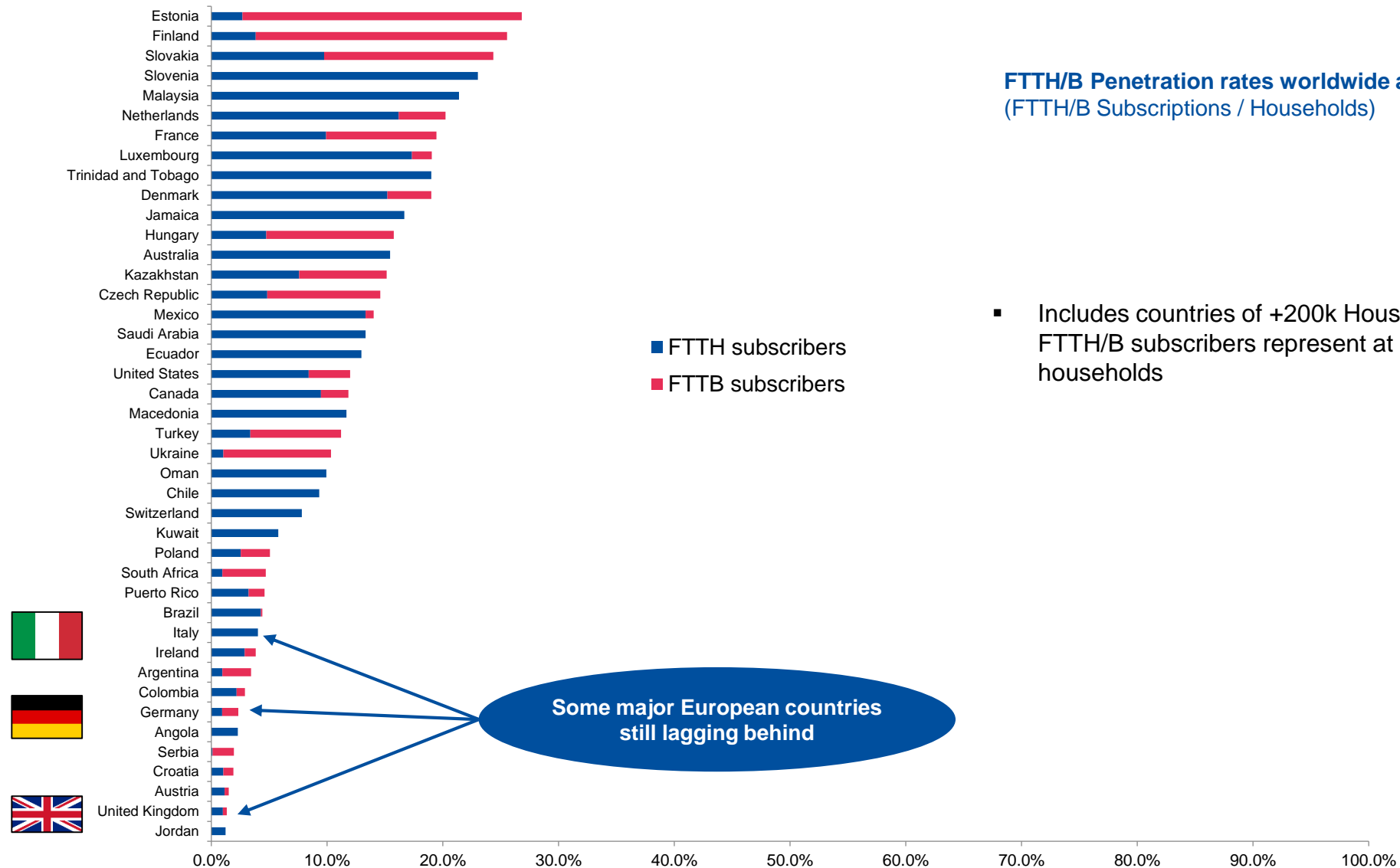
+ 22.8 %



# Global Ranking at September 2018 – Mature markets



# Global Ranking at September 2018 – Less than 30 % penetration

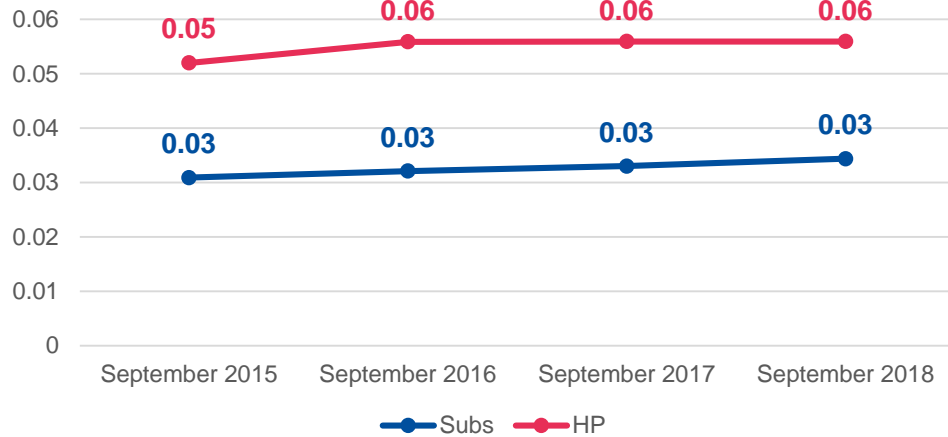


- Includes countries of +200k Households in which FTTH/B subscribers represent at least 1% of total households

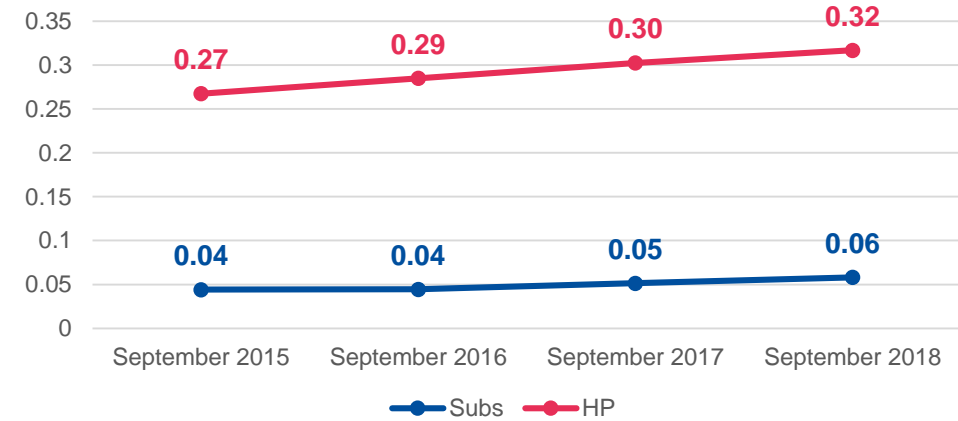
# 06 | Appendix

# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

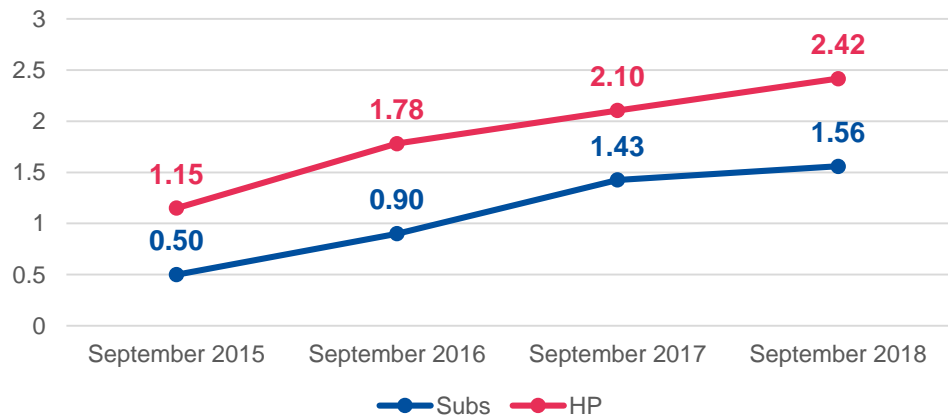
**Andorra (99.9% Coverage / 61% Take-up / 61% Homes connected)**



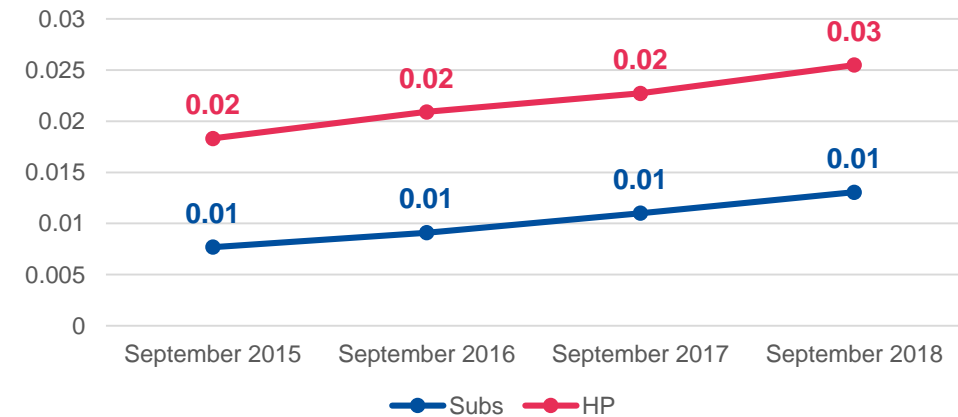
**Austria (8% Coverage / 18% Take-up / 1.5% Homes connected)**



**Belarus (62% Coverage / 64% Take-up / 40% Homes connected)**



**Belgium (0.5% Coverage / 51% Take-up / 0.3% Homes connected)**

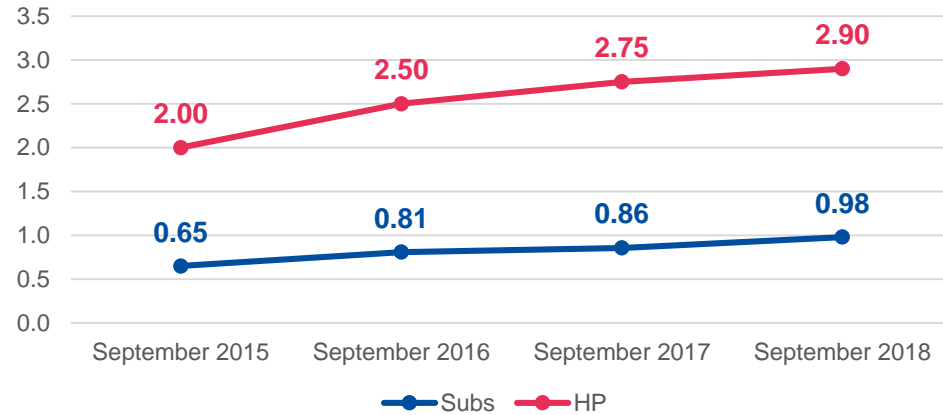


**Take-up rate = FTTHB Subs / FTTHB HP**

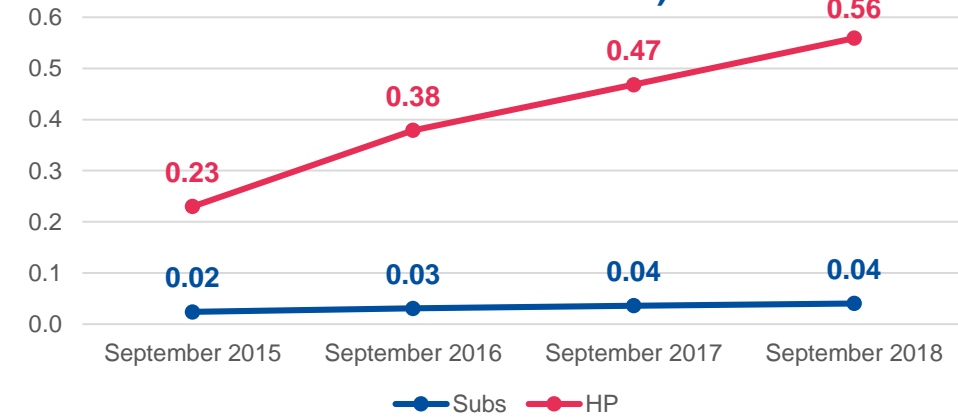


# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

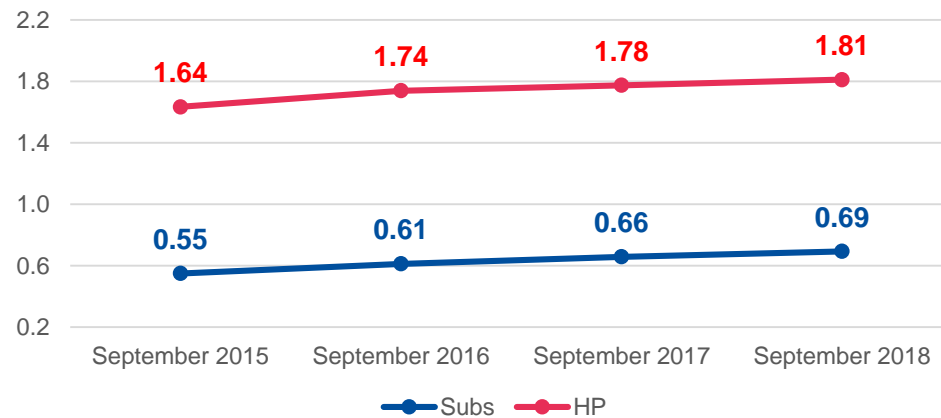
**Bulgaria (95% Coverage / 34% Take-up / 32% Homes connected)**



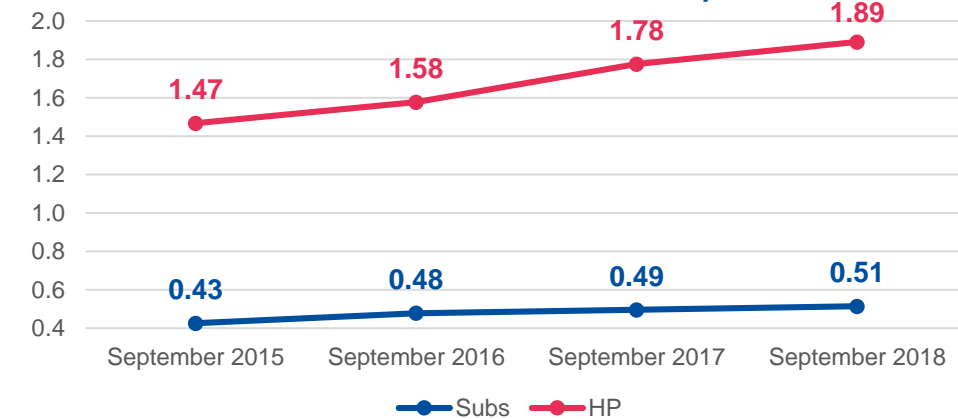
**Croatia (26% Coverage / 7% Take-up / 2% Homes connected)**



**Czech Republic (38% Coverage / 38% Take-up / 15% Homes connected)**



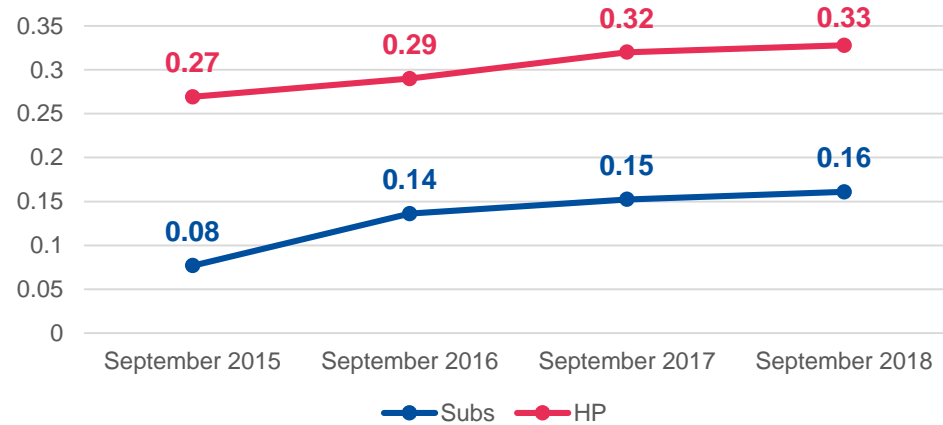
**Denmark (70% Coverage / 27% Take-up / 19% Homes connected)**



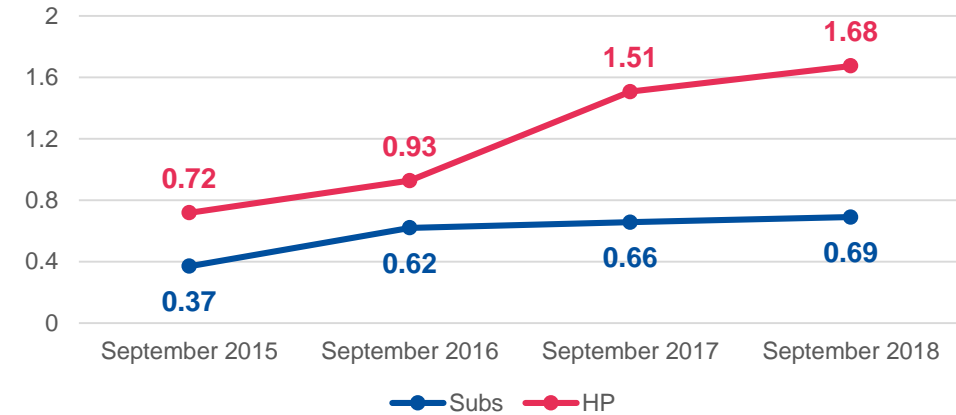
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# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

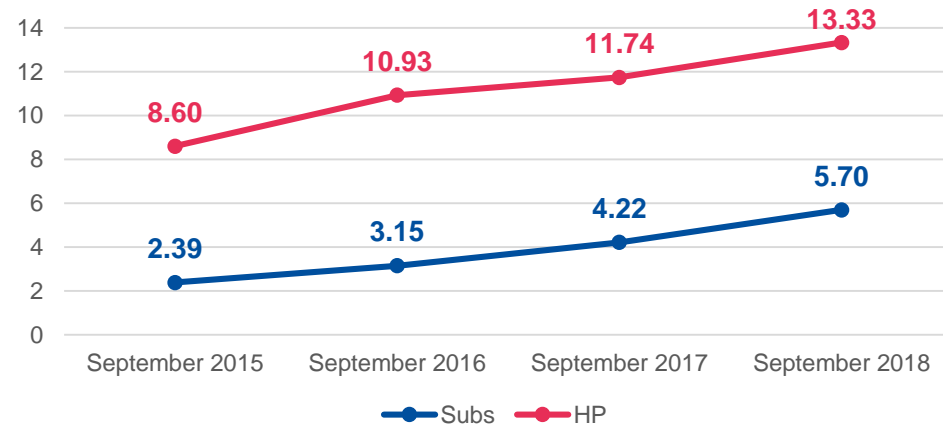
**Estonia (55% Coverage / 49% Take-up / 27% Homes connected)**



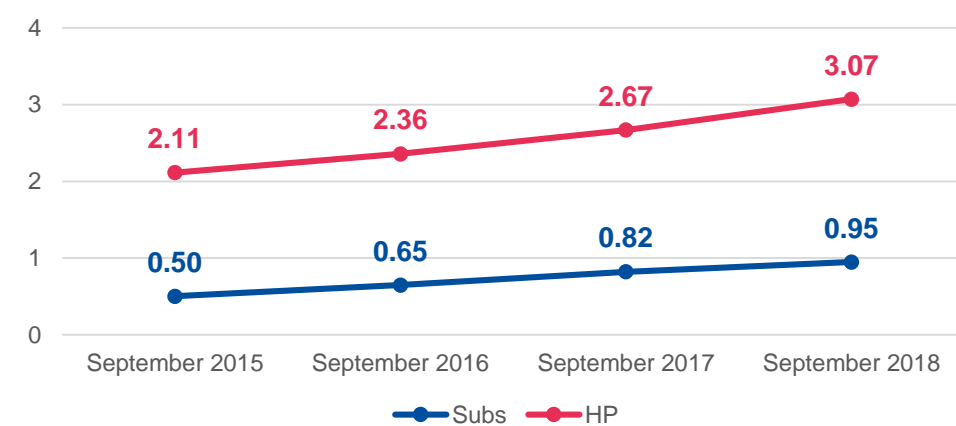
**Finland (62% Coverage / 41% Take-up / 26% Homes connected)**



**France (45% Coverage / 43% Take-up / 19% Homes connected)**



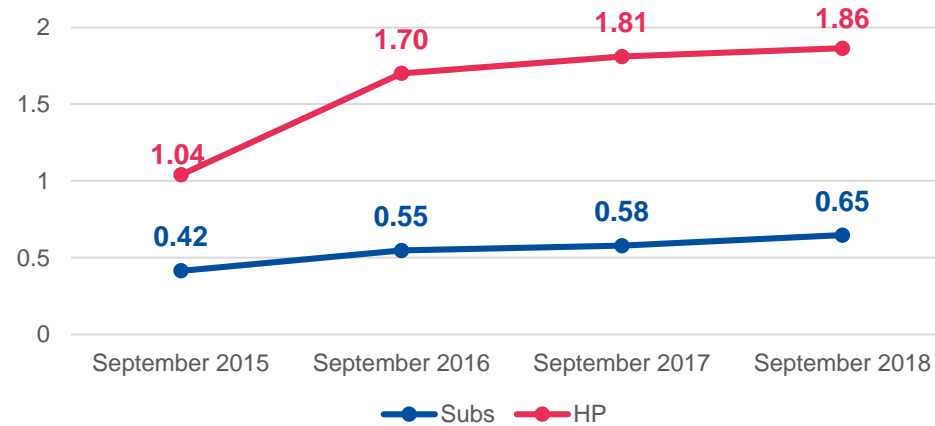
**Germany (7% Coverage / 31% Take-up / 2% Homes connected)**



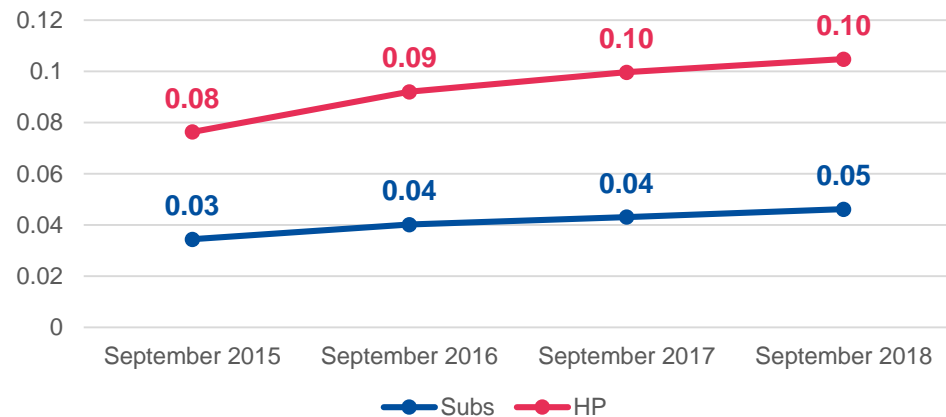
**Take-up rate = FTTHB Subs / FTTHB HP**

# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

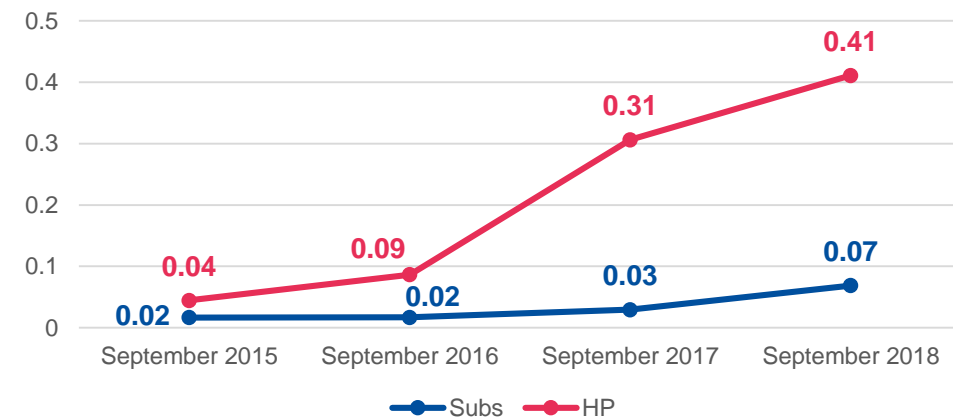
**Hungary (45% Coverage / 35% Take-up / 16% Homes connected)**



**Iceland (78% Coverage / 44% Take-up / 35% Homes connected)**



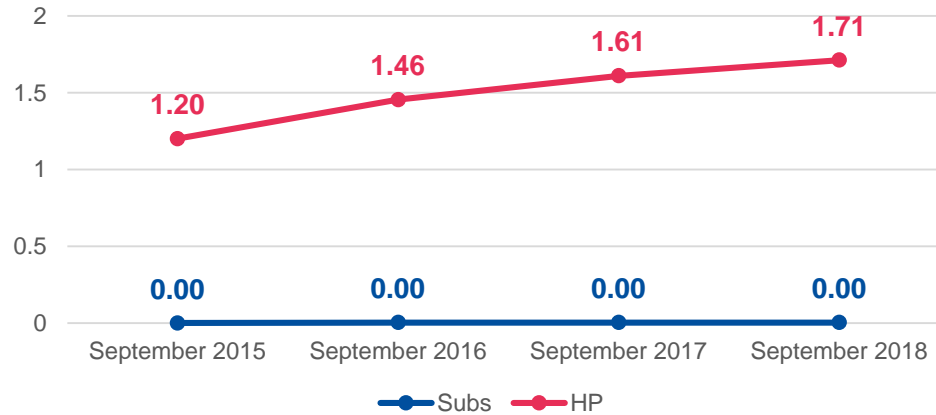
**Ireland (23% Coverage / 17% Take-up / 4% Homes connected)**



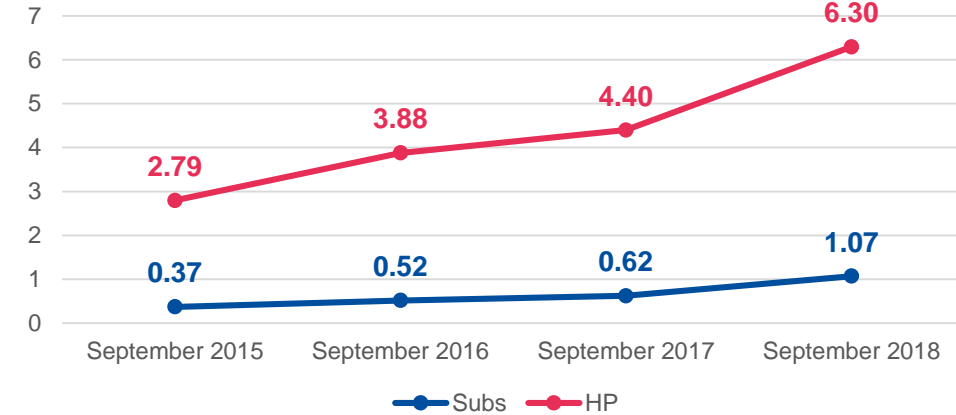
**Take-up rate = FTTHB Subs / FTTHB HP**

# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

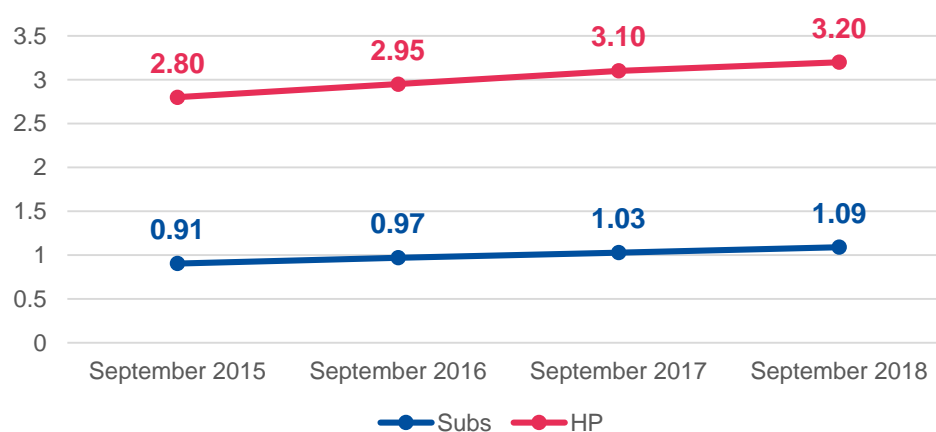
**Israel (68% Coverage / 0.2% Take-up / 0.1% Homes connected)**



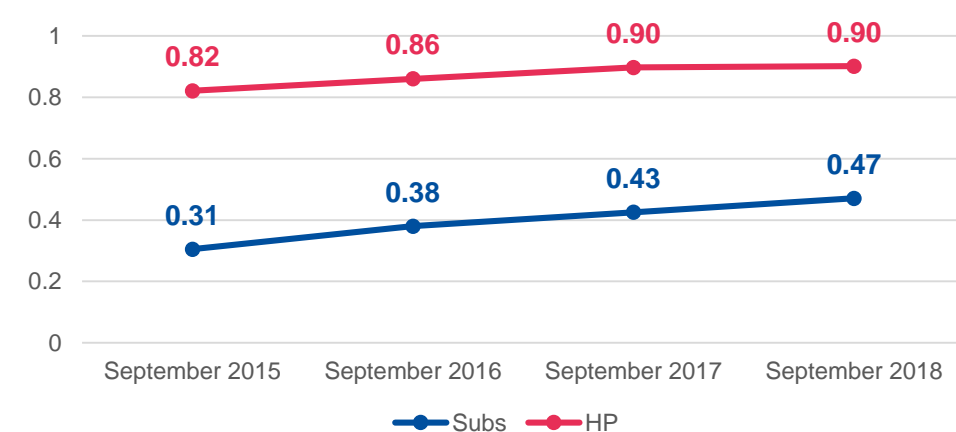
**Italy (24% Coverage / 17% Take-up / 4% Homes connected)**



**Kazakhstan (44% Coverage / 34% Take-up / 15% Homes connected)**



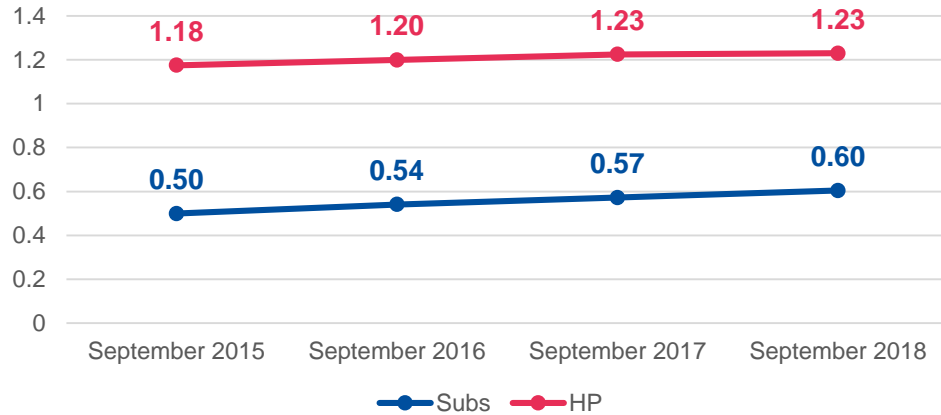
**Latvia (96% Coverage / 52% Take-up / 50% Homes connected)**



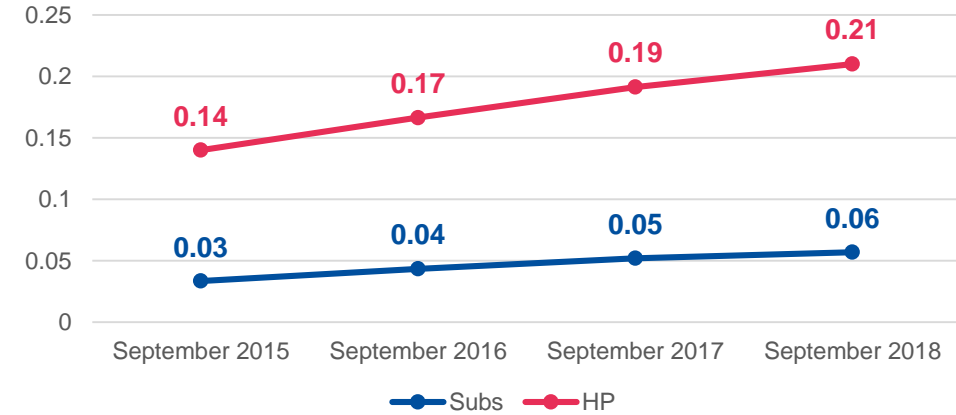
**Take-up rate = FTTHB Subs / FTTHB HP**

# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

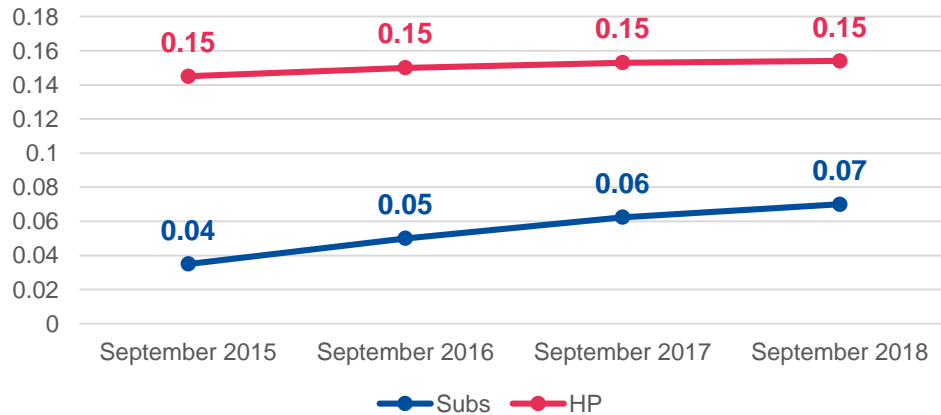
**Lithuania (95% Coverage / 49% Take-up / 47% Homes connected)**



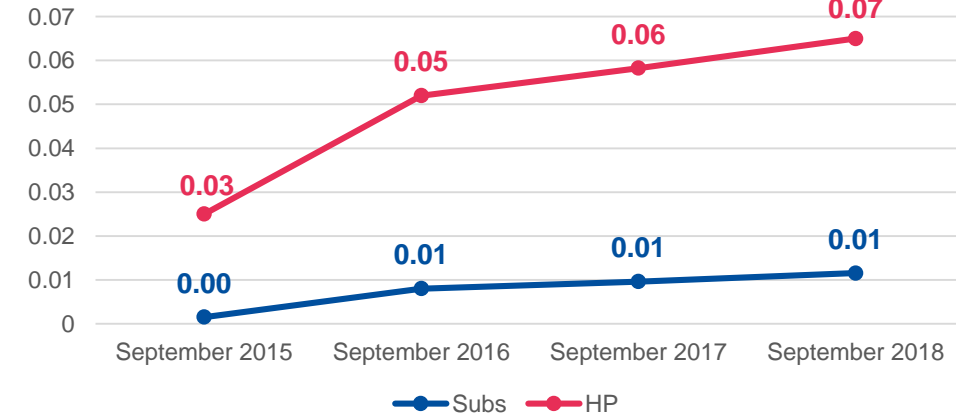
**Luxembourg (70% Coverage / 27% Take-up / 19% Homes connected)**



**Macedonia (26% Coverage / 45% Take-up / 12% Homes connected)**



**Malta (32% Coverage / 18% Take-up / 6% Homes connected)**

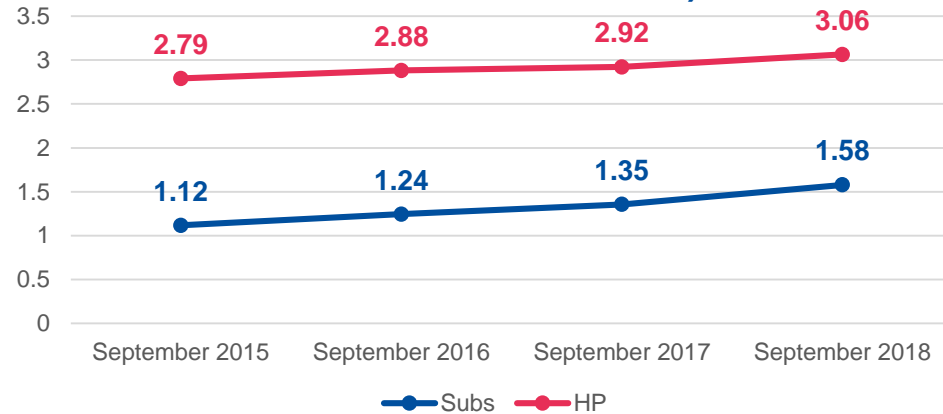


**Take-up rate = FTTHB Subs / FTTHB HP**

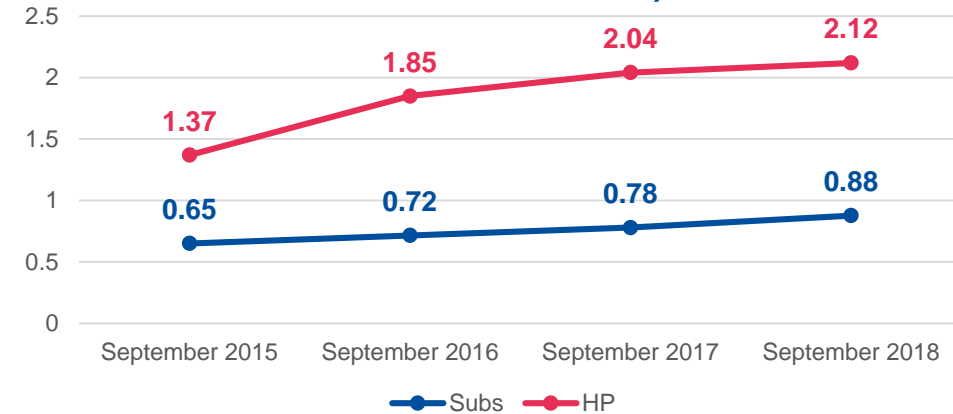


# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

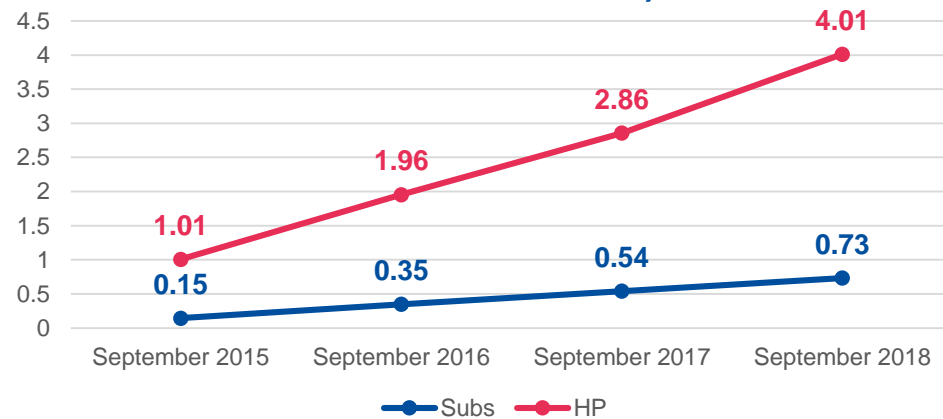
**Netherlands (39% Coverage / 51% Take-up / 20% Homes connected)**



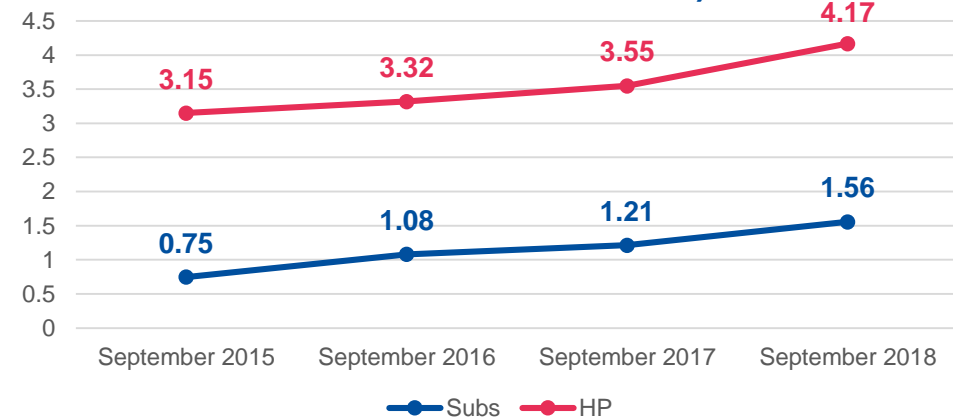
**Norway (88% Coverage / 41% Take-up / 37% Homes connected)**



**Poland (28% Coverage / 18% Take-up / 5% Homes connected)**



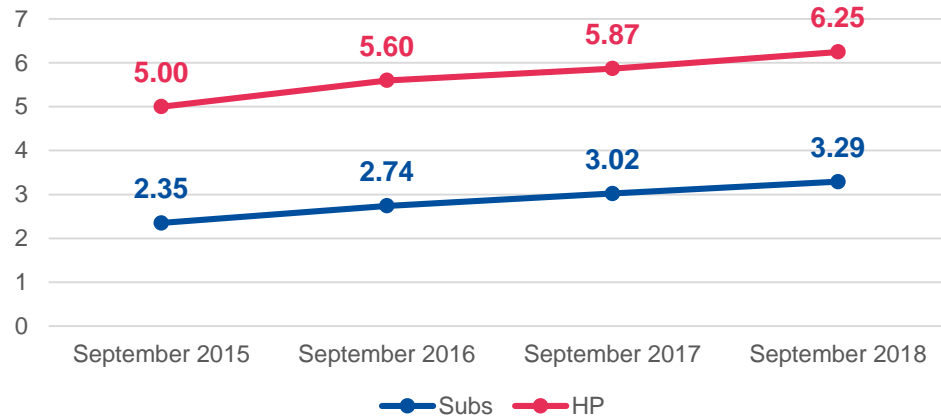
**Portugal (99% Coverage / 37% Take-up / 37% Homes connected)**



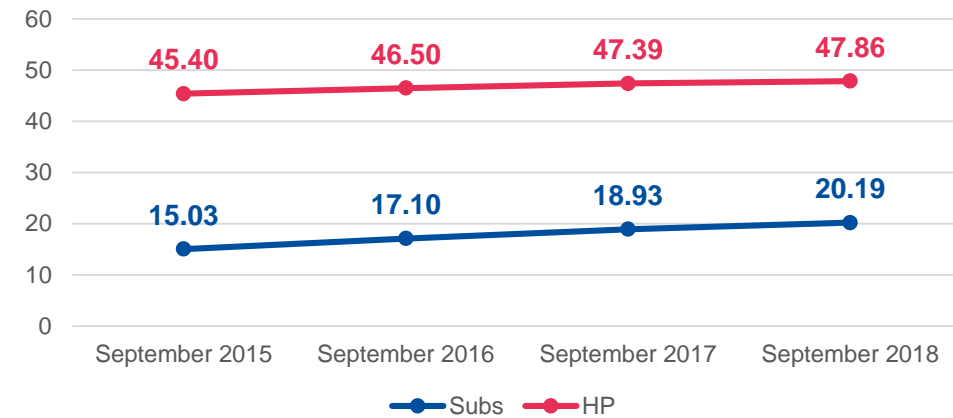
**Take-up rate = FTTHB Subs / FTTHB HP**

# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

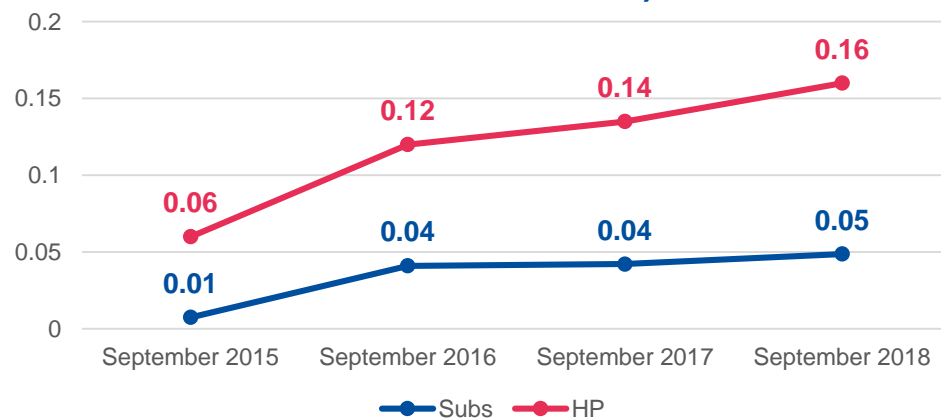
**Romania (73% coverage / 53% take-up / 38% Homes connected)**



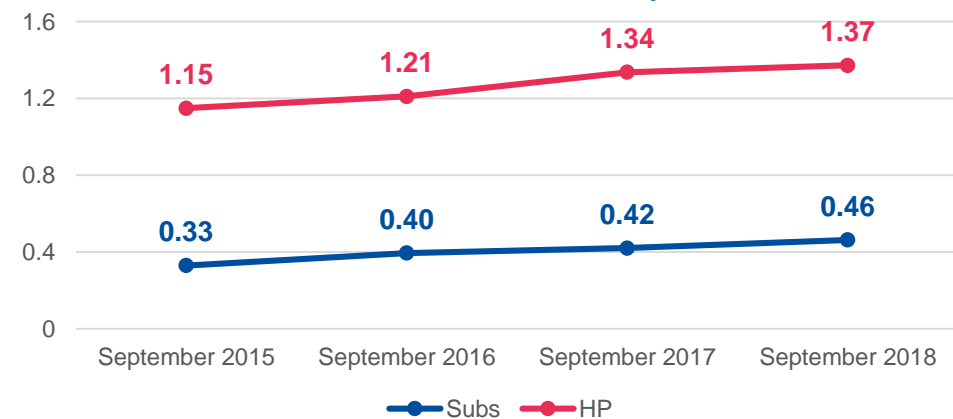
**Russia (84% coverage / 42% take-up / 35% Homes connected)**



**Serbia (6% coverage / 30% take-up / 2% Homes connected)**



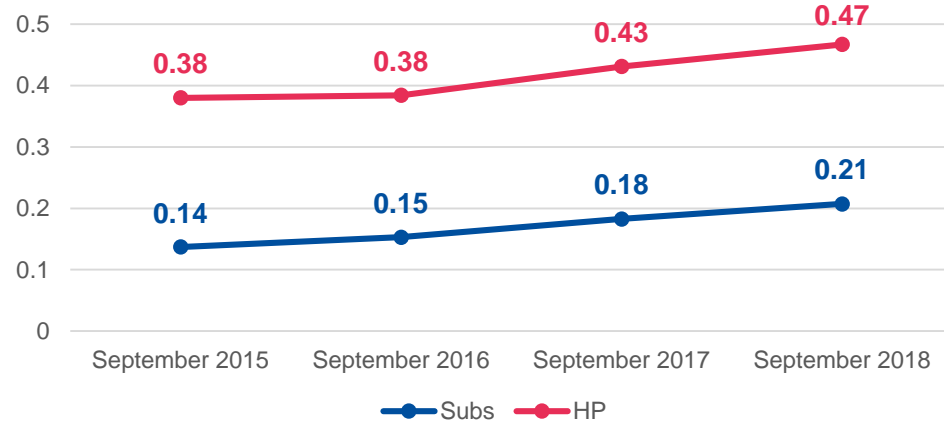
**Slovakia (72% coverage / 34% take-up / 24% Homes connected)**



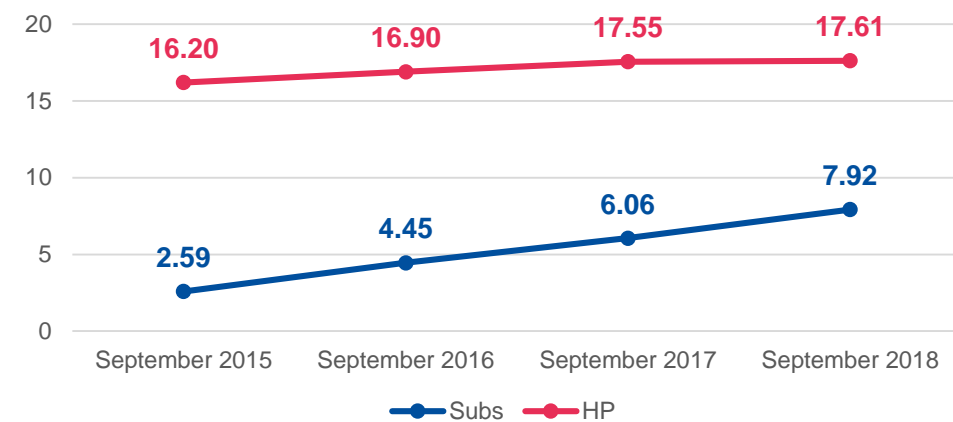
**Take-up rate = FTTHB Subs / FTTHB HP**

# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

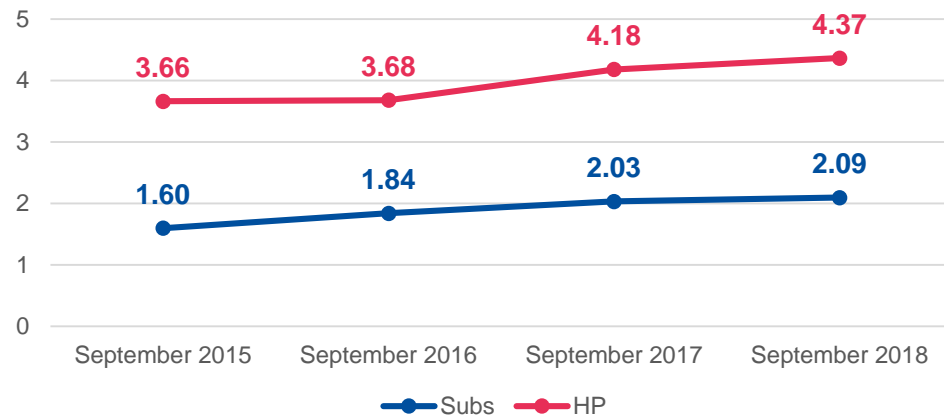
**Slovenia (52% Coverage / 44% Take-up / 23% Homes connected)**



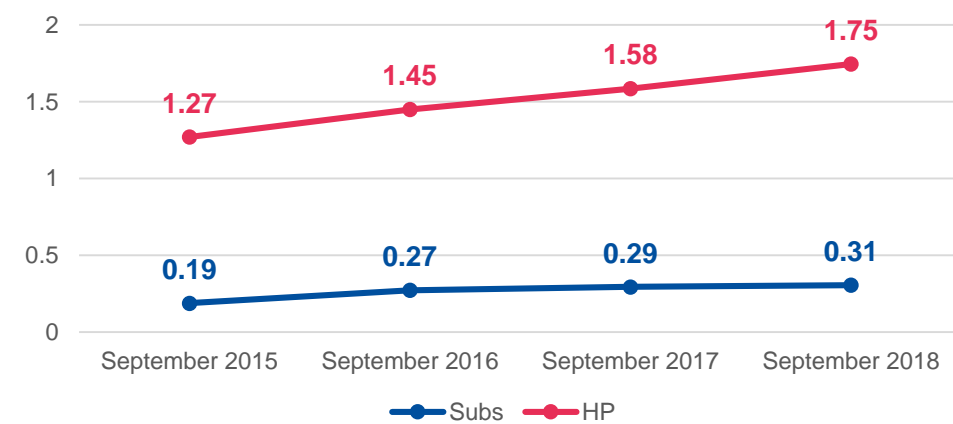
**Spain (98% Coverage / 45% Take-up / 44% Homes connected)**



**Sweden (91% Coverage / 48% Take-up / 44% Homes connected)**



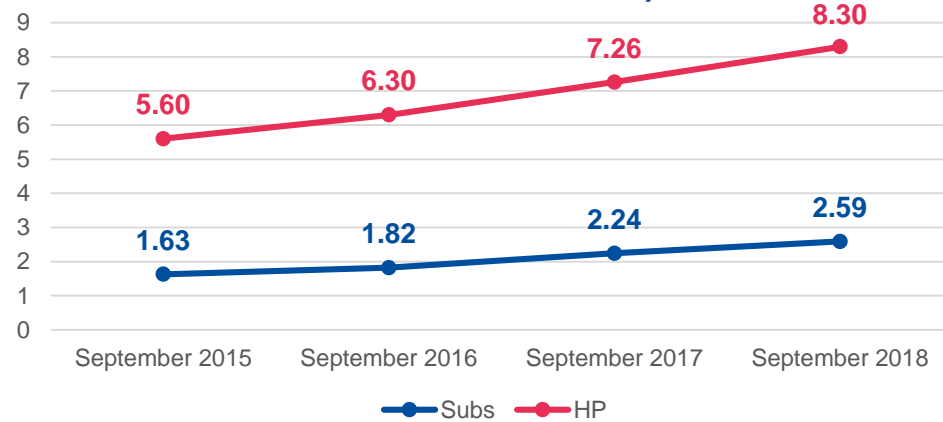
**Switzerland (45% Coverage / 17% Take-up / 8% Homes connected)**



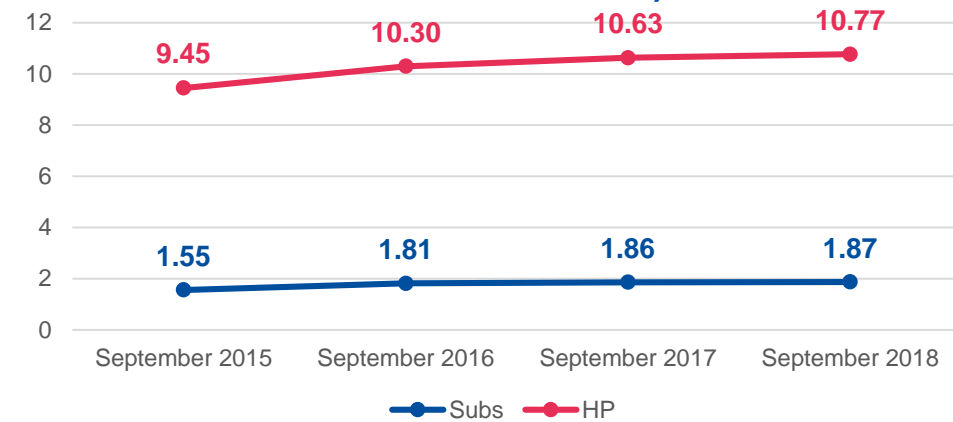
**Take-up rate = FTTHB Subs / FTTHB HP**

# Appendix – FTTH/B Homes Passed/Subscribers YoY (in millions)

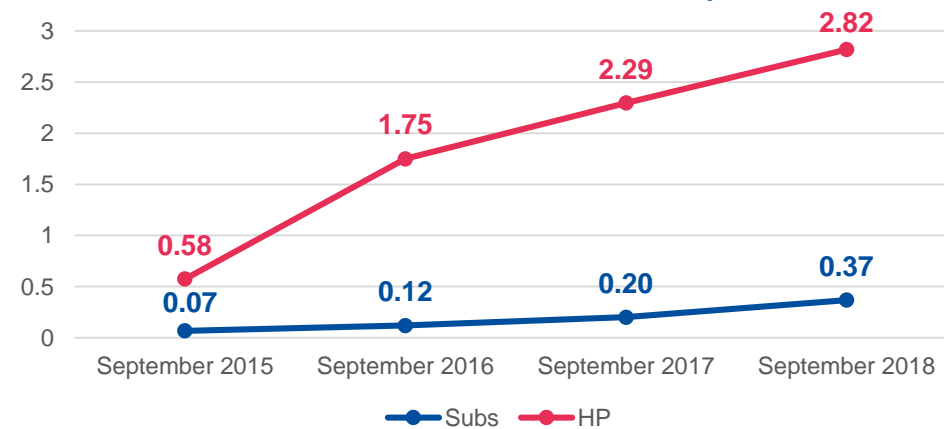
**Turkey (36% Coverage / 31% Take-up / 11% Homes connected)**



**Ukraine (59% coverage / 17% take-up / 10% Homes connected)**



**United Kingdom (10% coverage / 13% take-up / 1.3% Homes connected)**



**Take-up rate = FTTHB Subs / FTTHB HP**