

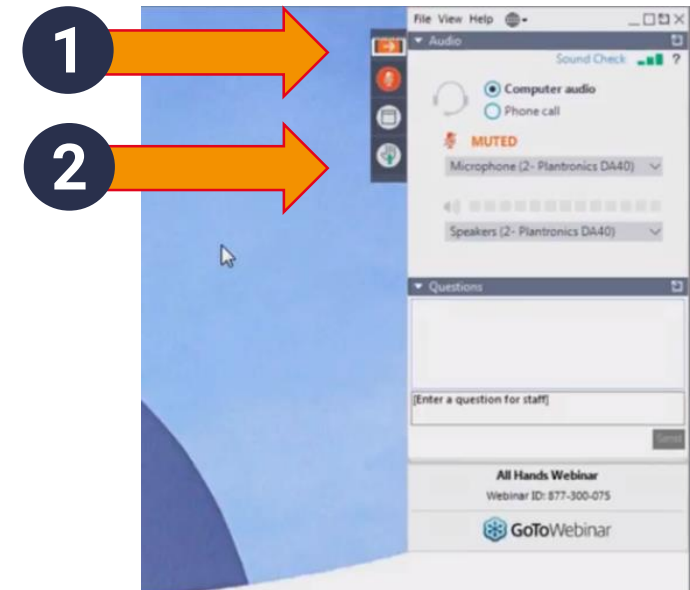
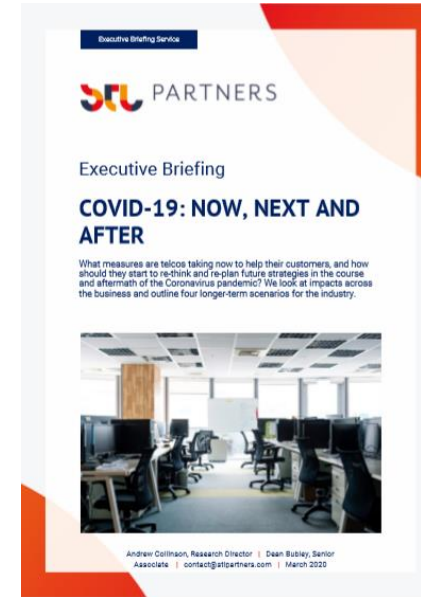
COVID-19: now, next and after

STL Partners, Elisa and Dialog Axiata

1st April 2020

Some housekeeping...

- You're in listen only mode
- If you need us, please type a comment
- Feel free to type questions throughout the session for Q&A at the end
- You can also download our COVID-19 report in the Handouts toolbar
- We'll send you the slides and a recording shortly after the session
- On Twitter? Tweet us @STLPartners



Introductions



Amy Cameron
Senior Analyst
STL Partners



Andrew Collinson
Research Director
STL Partners



Dean Buble
Senior Associate
STL Partners
+
Disruptive Analysis



Markus Kinnunen
VP of Service
Assurance and
Cyber Security
Elisa



**Dr. Rainer
Deutschmann**
Group Chief
Operating Officer
Dialog Axiata PLC

Agenda

1. How telcos are responding to COVID-19
2. Some long term scenarios for 2025
3. Q&A session

Summary: We're in it for the long term



The COVID-19 pandemic is not a short-term disruption



Telcos are doing good things and can do more



The crisis will accelerate Coordination Age trends



But 5G spending is likely to be more cautious



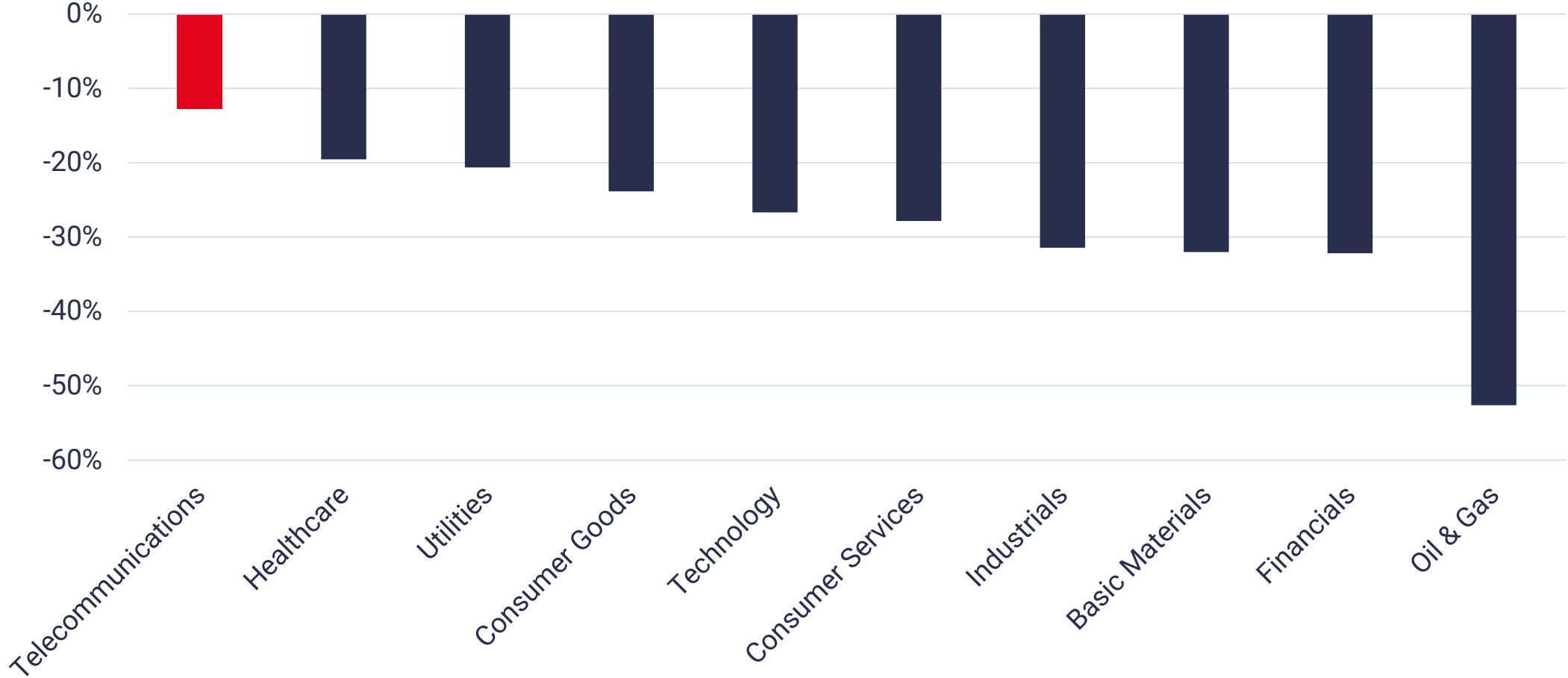
Telecoms should enhance its focus on new customer needs...



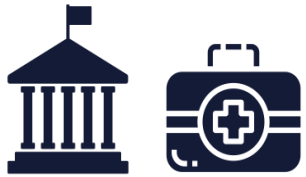
...and make it an opportunity to accelerate and embody positive changes

Financial markets rate telecoms as one of the sectors of the economy least hit by Coronavirus

One month change in Sector Value Index, 16 Feb - 16 Mar 2020



How telcos are supporting customers



Healthcare / government / critical support

- Priority connectivity services
- Bulk SMS support
- Population insights



Consumers

- Additional / free data
- Payment terms / credit
- Extra entertainment & education services
- Hotlines / free calls for key groups



Enterprises

- Extra conferencing lines and VPN capacity / licenses
- WFH support services



Retail

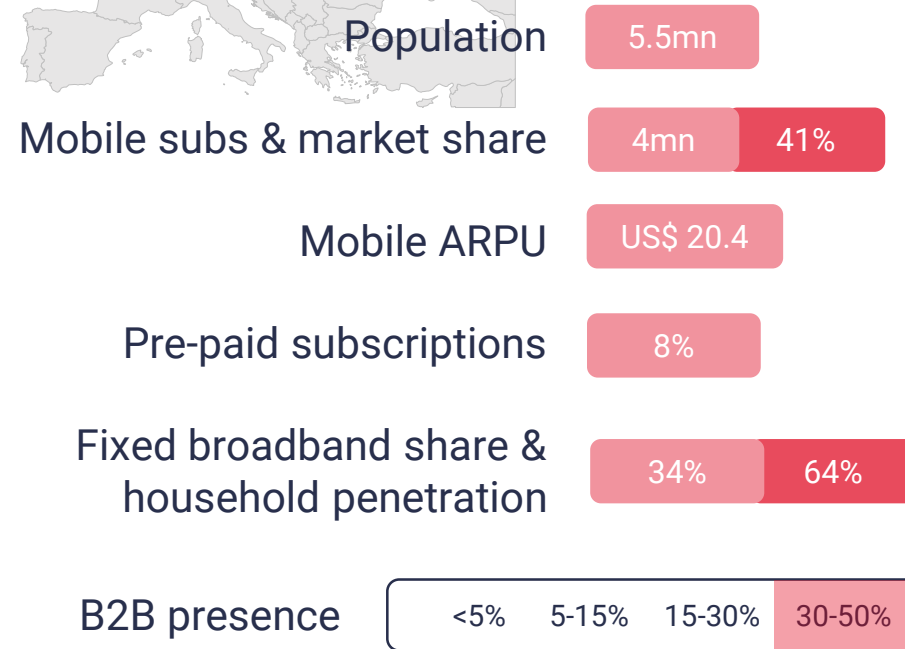
- Keeping some shops open for critical services
- Limit / add precautions for customer premise visits

How telcos are responding to COVID-19 depends a lot on local market dynamics



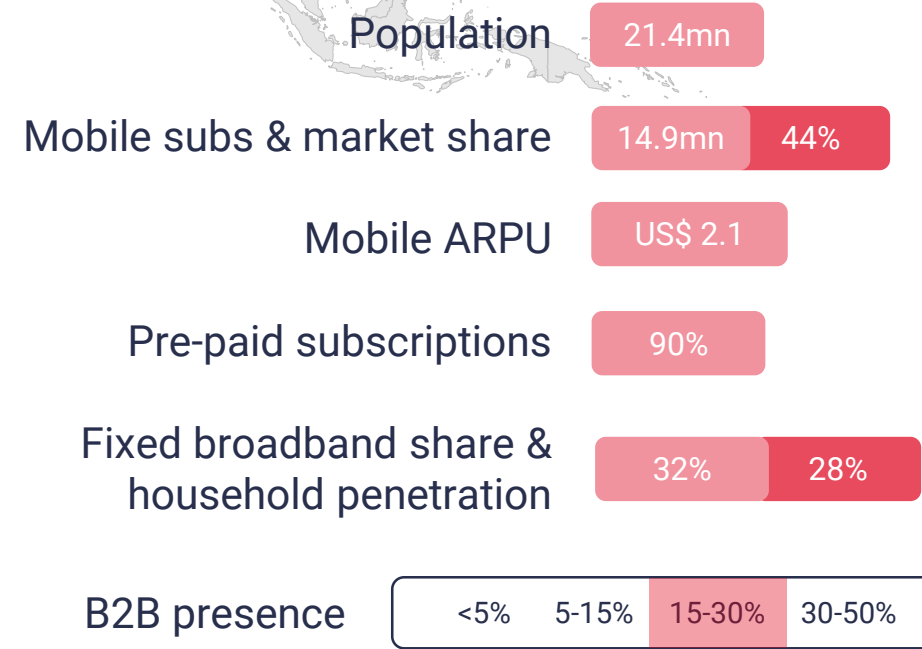
Finland / Elisa

Services: mobile, fixed, TV, ICT / Digital services

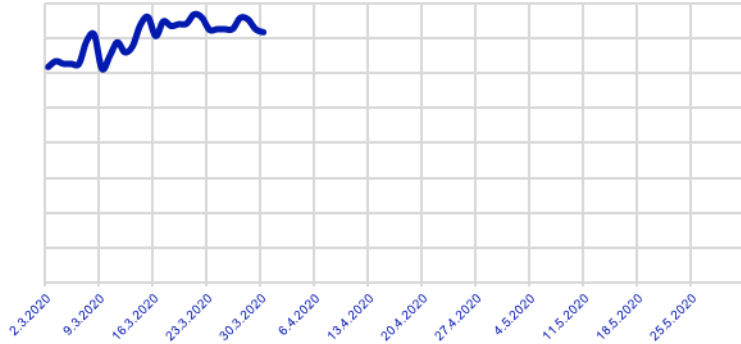


Sri Lanka / Dialog Axiata

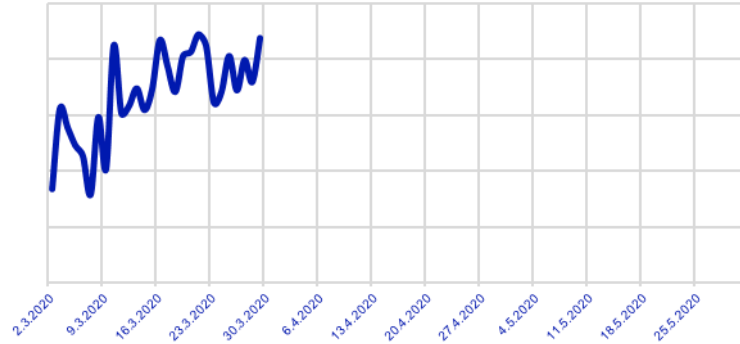
Services: mobile, fixed, TV, ICT, fintech, insurance



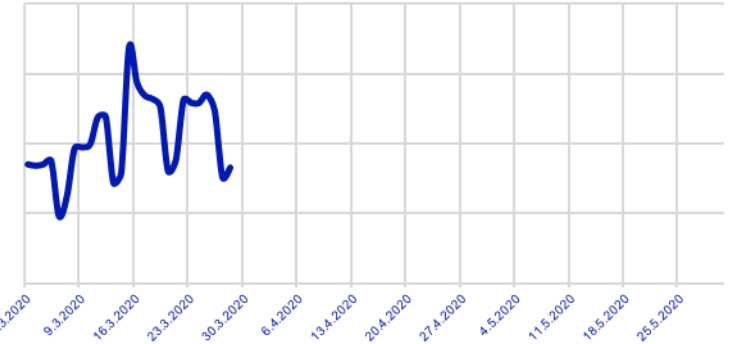
Mobile data, daily volume +20 %



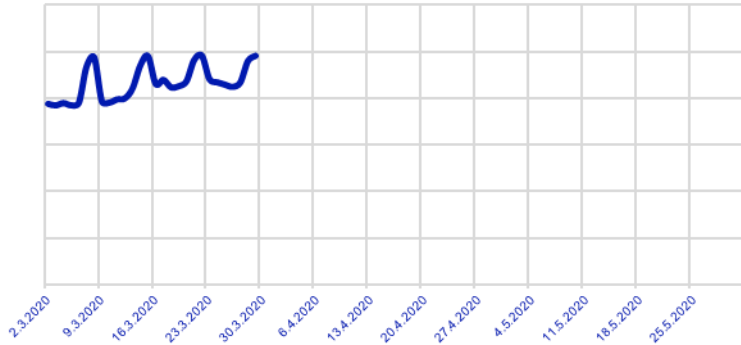
Mobile data, peak traffic +10 %



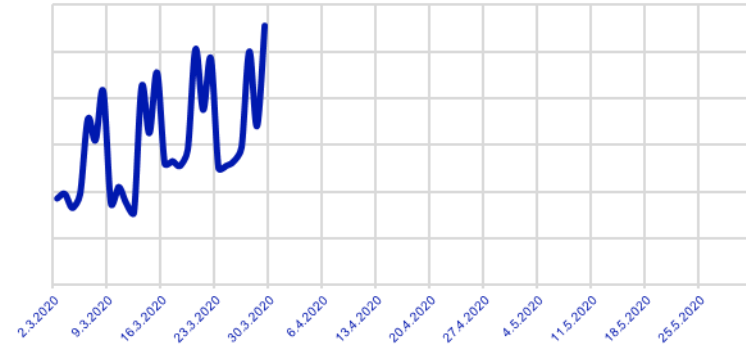
Mobile calls +60 %



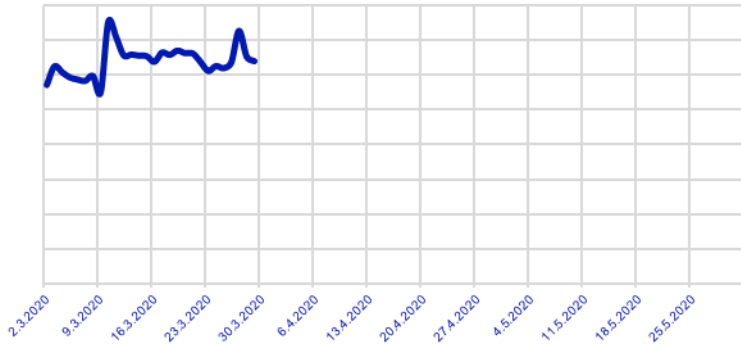
IPTV, total daily volume +15 %



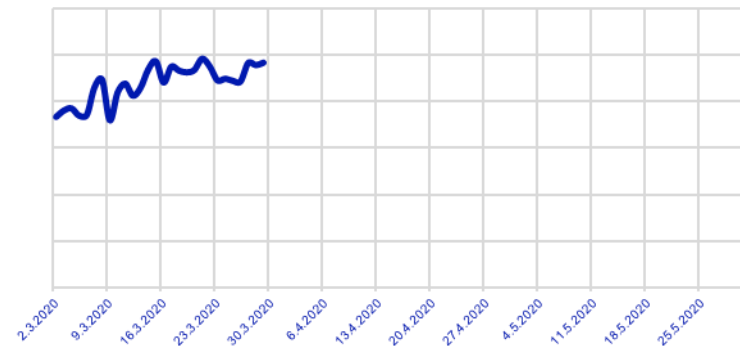
IPTV, peak traffic +10 %



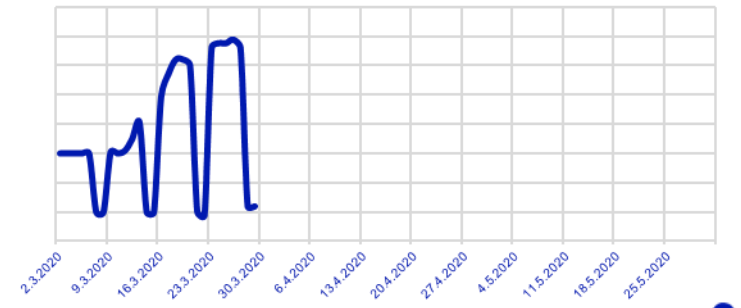
Fixed data, peak traffic +25 %



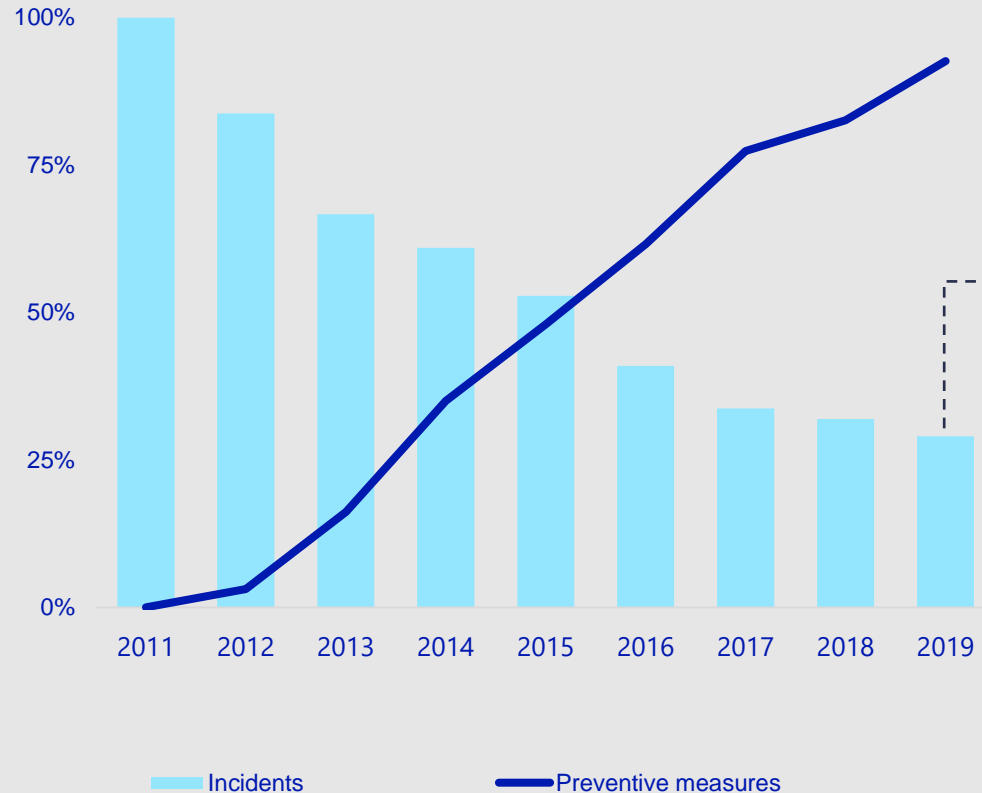
Fixed data, daily volume +30 %



VPN users +130 %



Network incidents 2011-2019



Machine learning based automation reduces cost and improves network quality



People and process transformation

- 0 person network operation center
- 1 person optimisation
- Agile development environment



Network fault management

- 71% Reduction of incidents
- 15% Reduction of customer complaints
- 79% Faster resolution time



Closed-loop parameter changes

- +4 Million points analysed
- 30 000+ Daily changes
- 50% improvements in dropped calls

Four scenarios on how COVID-19 could play out by 2025

Impact on the
telecoms industry



Negative

Positive

Collaborative global response

Stronger than
before

Back to
(almost) normal

Fragmented
recovery

Weak and
distanced

Time to recovery
(effective treatments
and stable economy)

Fragmented / isolated national responses

Each scenario will impact the telecoms industry differently

Market area	Back to (almost) normal	Fragmented recovery	Weak and distanced	Stronger than before
5G	●	●	●	●
Fixed networks	●	●	●	●
Finance and ownership	●	●	●	●
Consumer services and content	●	●	●	●
Enterprise and verticals	●	●	●	●
Regulatory focus	●	●	●	●
Internet / cloud services	●	●	●	●
IoT	●	●	●	●
Other tech and services	●	●	●	●
The Coordination Age	●	●	●	●

Legend	● Improved outlook for telcos	● Similar outlook for telcos
	● Somewhat improved outlook for telcos	● Somewhat worse outlook for telcos
		● Worse outlook for telcos

What to watch for...

	Negatives	Positives
Medical / healthcare	Healthcare failures High/fast reinfection rates Virus mutation	'Flattening the curve' Immunity proved Proven treatments Widespread testing Successful vaccines
Population measures	Lockdowns harden Logistics challenged/fail	Social isolation works Lockdowns lifted Borders reopen Flights resume 'More normal life!'
International relations	Escalating trade / healthcare tensions	Collaboration on healthcare and trade

Caveat: care on the data you believe!

Q&A

Please send in your questions

Thank you!

Things are changing quickly so we're planning on doing this again in a month on **Tuesday, May 5th at 3pm BST**

Register for **COVID-19 & telecoms – update webinar**

STL PARTNERS