

# The State of the Industry

5G, edge & cloud ecosystems

11<sup>th</sup> March 2021

# Agenda

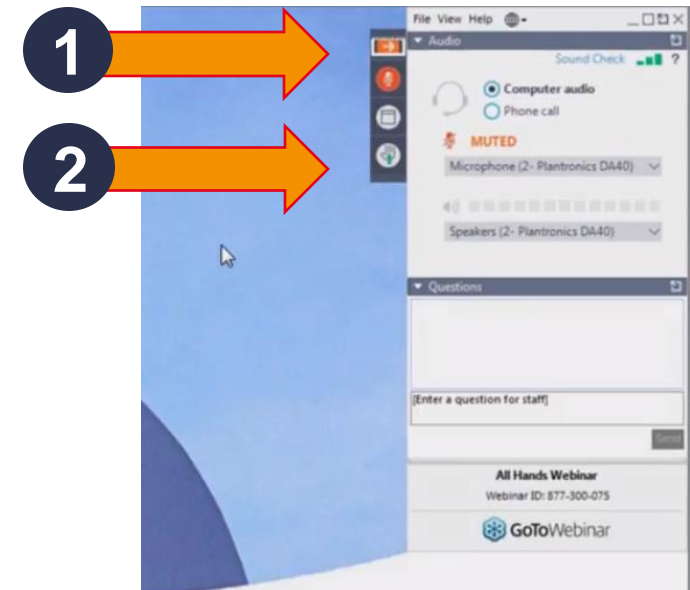
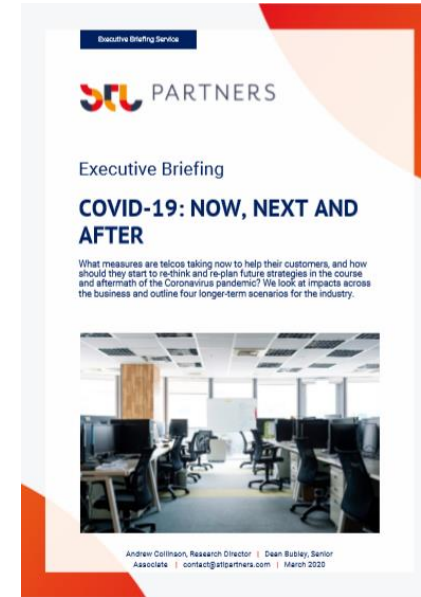
- 1** Introduction
- 2** State of the edge
- 3** Q&A

# Agenda

- 1** Introduction
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# 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
- We'll send you the slides and a recording shortly after the session
- On Twitter? Tweet us @STLPartners



# The State of the Industry 2021 webinar series

*Tuesday 9<sup>th</sup> March 10.30 GMT*  
**Situation, strategies,  
priorities**



Rainer Deutschmann  
Group COO  
Telia



Dean Bublely  
Founder, Disruptive Analysis  
Associate Director, STL  
Partners



Andrew Collinson  
Research Director  
STL Partners

*Weds 10<sup>th</sup> March 10.30 GMT*  
**The best new growth  
opportunities**



Liisa Puurunen  
VP, Brand, CX & startups  
Elisa, Intl Digital Services



Anette Bohman  
Strategy Director  
Telia, DivisionX



Amy Cameron  
Principal Analyst  
STL Partners

*Thursday 11<sup>th</sup> March 10.00 GMT*  
**5G, edge & cloud  
ecosystems**



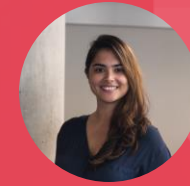
Jennifer Didoni  
Head of Cloud Portfolio  
Management, Vodafone



Tri Pham  
Chief Strategy Officer  
Tata Communications



Gordon Hewitt  
Intl Innovation & 5G Executive  
Verizon



Dalia Adib  
Principal Consultant & Edge  
Practice Lead, STL Partners

# Agenda

**1** Introduction

**2** State of the edge

**3** Q&A

# STL has built a centre of excellence around edge computing and been advising telcos and others on this for over 4 years

Unrivalled expertise and experience...

Supported 4 major operators to develop a commercial strategy for edge computing

*"STL brings edge expertise. They understand that landscape across telco and other ecosystems."*

Head of Commercial & Partnering - Global MNO

*"We worked closely with STL in true partnership to deliver high quality, actionable insights that were not available elsewhere."*

Head of Cloud Edge - European MNO

*"The consulting team produced high-quality output that could be repurposed in a wide variety of ways."*

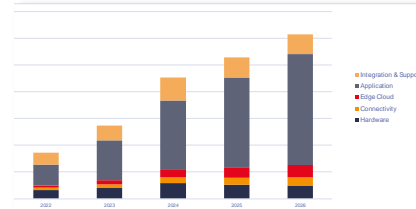
Product Manager - global software company

Advised global telco on hyperscaler partnership negotiation worth €0.5M

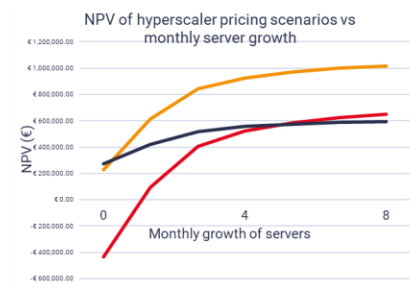
Interviews with over 50 enterprises and solution providers across different industries

Team of experts: leading industry analysts and consultants, IoT practitioners & cloud specialists

...and an industry-leading edge knowledge centre



STL Partners' Edge Computing Ecosystem Tool




Database of 150+ use cases for MEC, private networks edge and on-premises edge

Interactive model for forecasting use case revenues

Ecosystem tool mapping 80+ vendors across the edge value chain

MEC site ROI model & hyperscaler negotiation tool

This research is based on a survey of 144 respondents across operators, vendors and others in the telecoms industry, in December 2020 and January 2021. It covers **perceptions of likely changes in 2021**.



**Telecoms priorities: Ready for the crunch?**

Our latest research covers industry perceptions of likely changes regarding telco investment priorities and activities in 2021. It looks at the relative importance of different technologies (e.g. 5G, automation), propositions in enterprise and consumer markets, networks, strategy and leadership.

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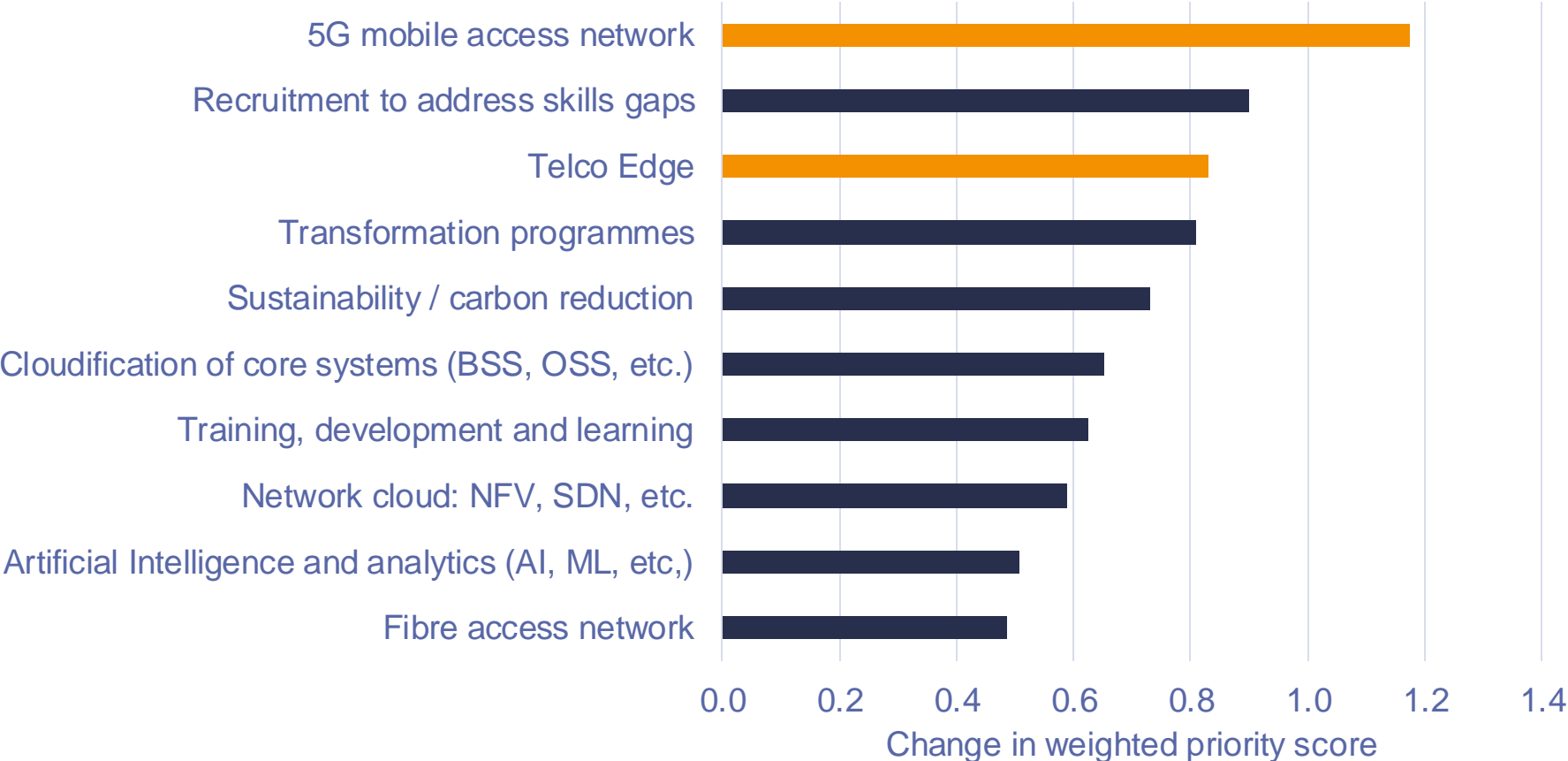
**Executive Briefing Service** – March 2021

<https://stlpartners.com/research/telecoms-priorities-ready-for-the-crunch/>



# 5G and telco edge increased most as a priority since May 2020...

Biggest increases in priority since May 2020



In May 2020, there was a net negative sentiment in:

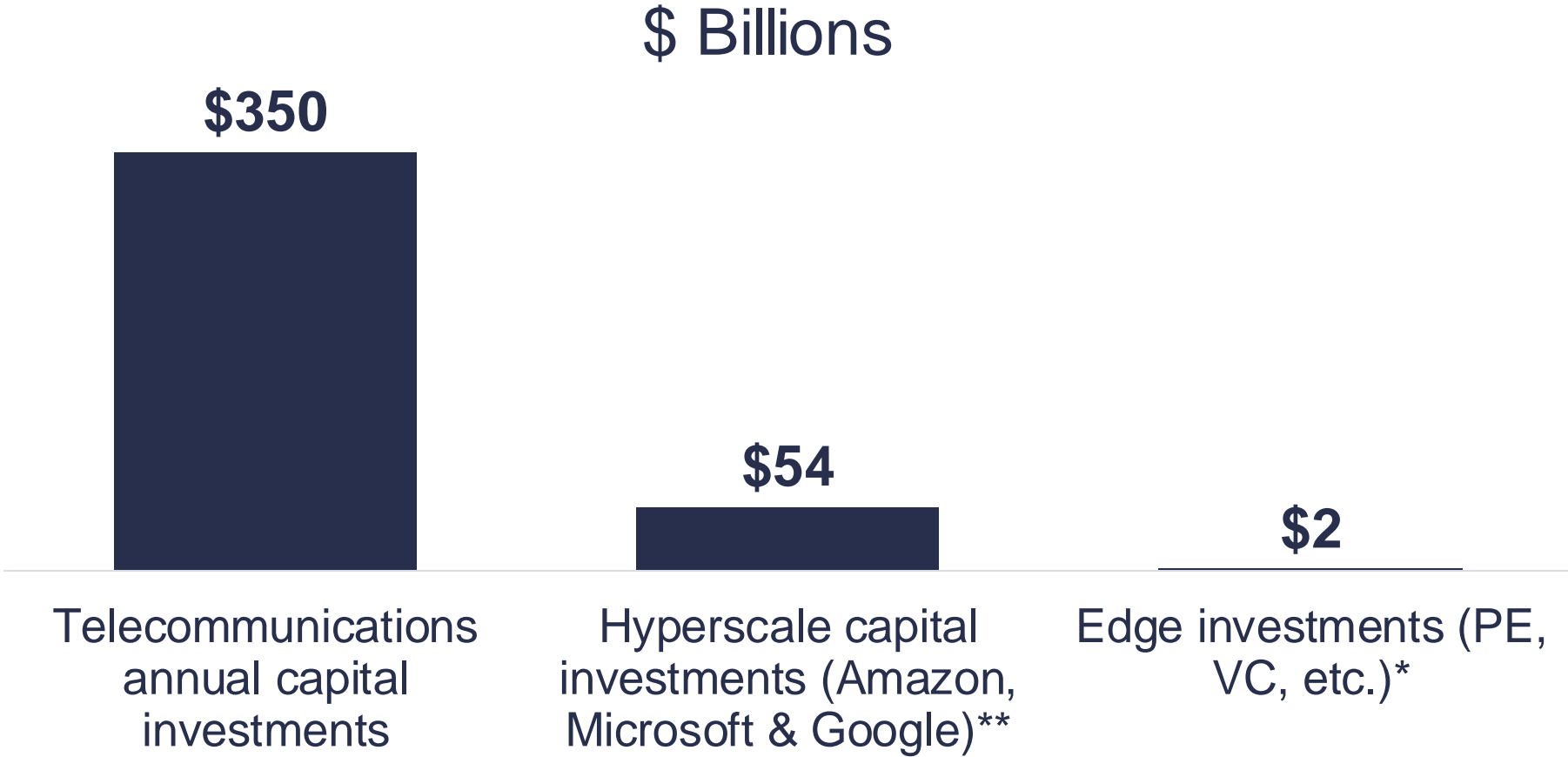
- 5G plans
- Recruitment
- Sustainability

Weighted score is calculated by multiplying the % selecting an answer option by the weightings shown on slide 24. It gives a simple representation that allows us to compare the overall sentiment of respondents' answers.

# ...and a lot has happened since May 2020, partly shown by the number of cloud-telco partnerships for edge computing

| Operator       | Platforms  | Infrastructure                      | Region           | Use cases   |
|----------------|--|-------------------------------------|------------------|---|
| AT&T           | Google Cloud<br>Microsoft Azure                                      | No announced plans                  | US, Americas     | AI/ML, video analytics, Enterprise AR   |
| Etisalat       | Microsoft Azure  | No announced plans                  | UAE, Middle East | Smart cities, IoT, public safety, vRAN  |
| KDDI           | AWS  | 2 edge locations                    | Japan            | Gaming & entertainment<br>AR/VR, video optimisation                               |
| Proximus       | Microsoft Azure  | No announced plans                  | Belgium          | Manufacturing, AR/VR, gaming, healthcare, logistics                               |
| Rogers         | Microsoft Azure  | No announced plans                  | Canada           | Smart campus, gaming, AR/VR   |
| Singtel        | Microsoft Azure  | No announced plans                  | Singapore        | Drones, augmented reality, AGVs, robots, IoT                                      |
| SK Telecom     | AWS<br>Microsoft Azure<br>Internal (MEC Open Platform)<br>MobicedgeX | Planned 12 data centres, 1 launched | South Korea      | Video optimisation, AR/VR, gaming, smart factory, autonomous vehicle              |
| Telecom Italia | Google Cloud   | No announced plans                  | Italy            | Hybrid cloud services   |
| Telefonica     | Google Cloud<br>Microsoft Azure                                      | No announced plans                  | Spain            | Automotive (assisted driving), entertainment & media, financial services          |
| Telkomsel      | Microsoft Azure  | No announced plans                  | Indonesia        | Manufacturing, IoT, AI, AR/VR   |
| Telstra        | Microsoft Azure<br>AWS   | Identified 500 potential locations  | Australia        | Financial services, gaming  |
| Telus          | Google Cloud   | No announced plans                  | Canada           | ICT, healthcare, agriculture  |
| Verizon        | AWS  | 10 edge locations in 2020           | US               | AI-powered facial recognition software, AR/VR                                     |
| Vodafone       | AWS<br>Microsoft Azure   | 24 sites planned for Europe         | UK, Europe       | Video analytics, real-time asset inspection, AR, drones, AI-powered media editing |

# However, edge investments are still small relative to hyperscale cloud and tiny compared to the telecoms industry



\* largest edge investments recorded in [STL Partners Edge Ecosystem Tool](#) 2016-2020

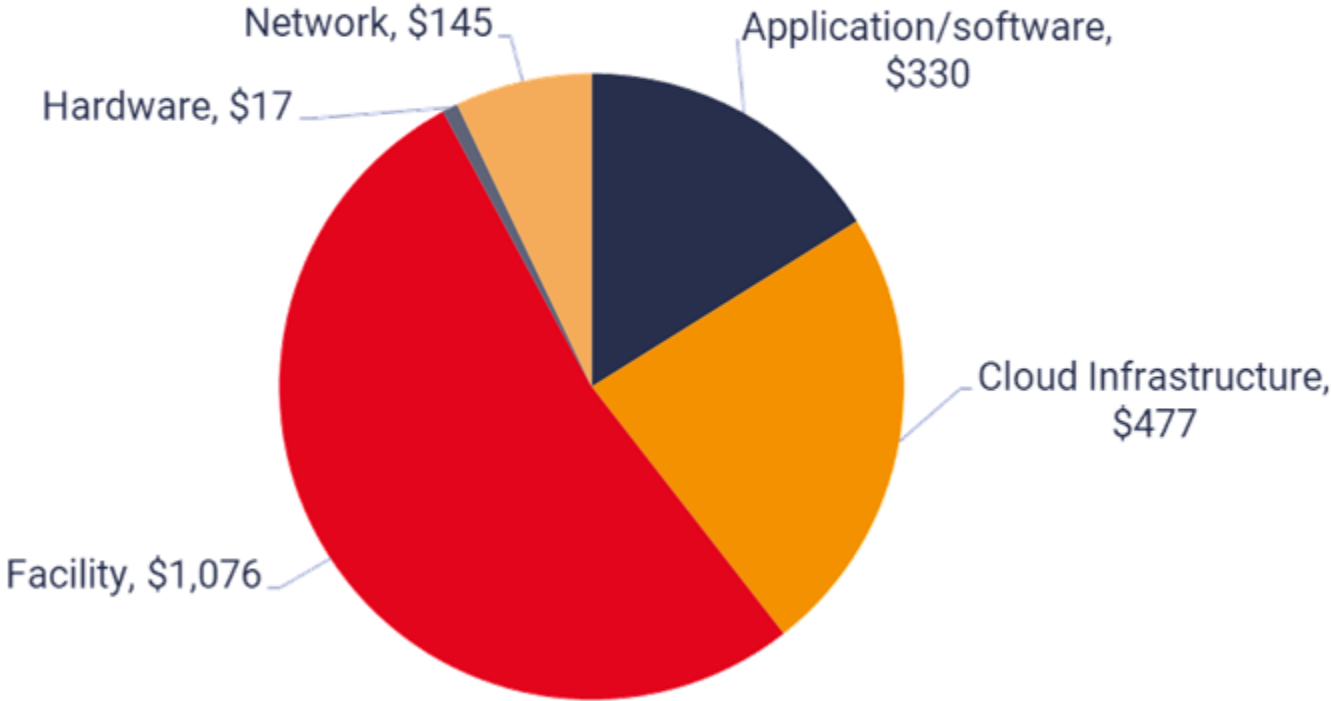
\*\*2019 fiscal year; Source: finbox.com

# Over \$1bn invested in edge facilities in 2016-2020; cloud infrastructure attracted around \$0.5bn

Type of investment ▾

Sum of Funding

Total VC, PE & other investment firm funding by value chain role 2016-2020 (\$M)

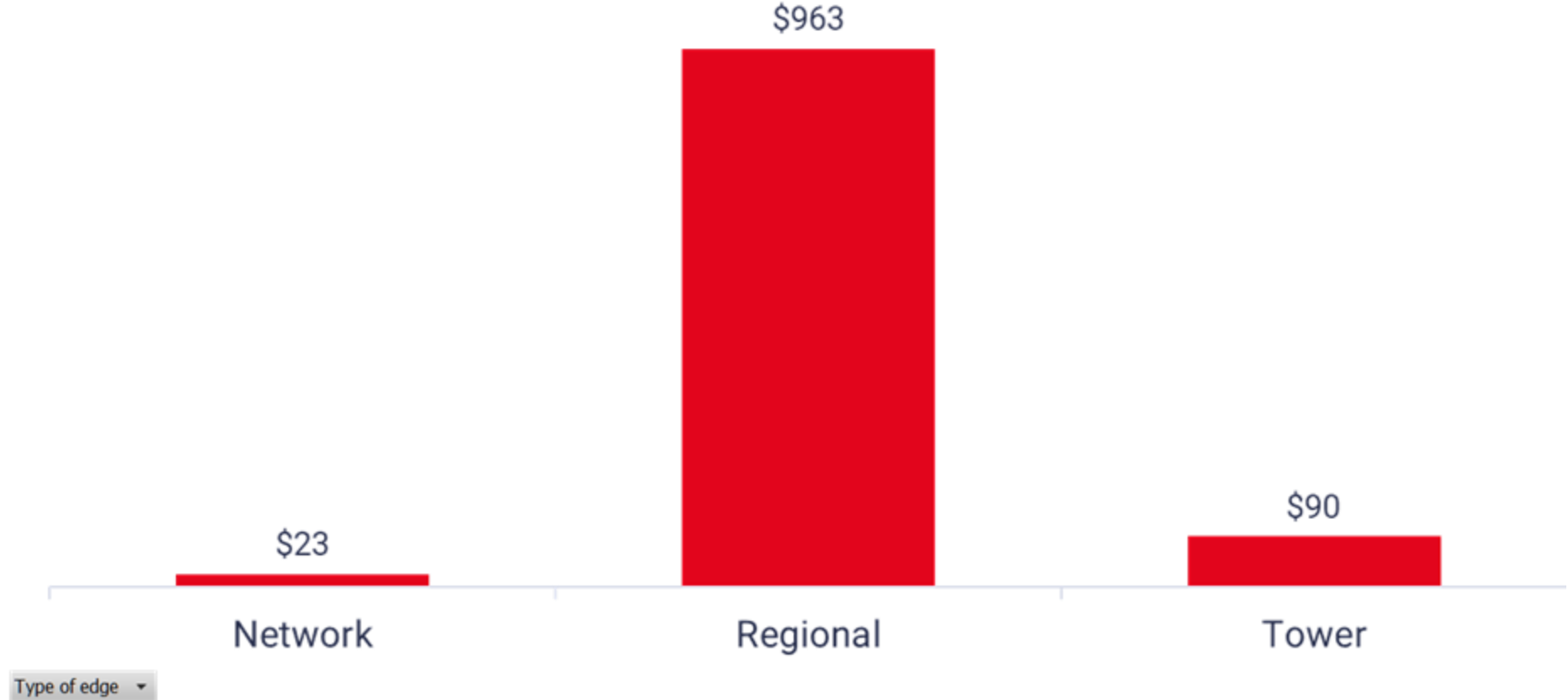


# External funding for new facilities is currently dominated by the regional edge, not telco edge

Type of investment .Y

Sum of Funding

Total VC, PE & other investment firm facilities funding by type of network edge 2016-2020 (\$M)



Type of edge v

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# Panel discussion

**Thank you!**

