The State of the Industry

Situation, strategies and priorities

9th March 2021

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Agenda

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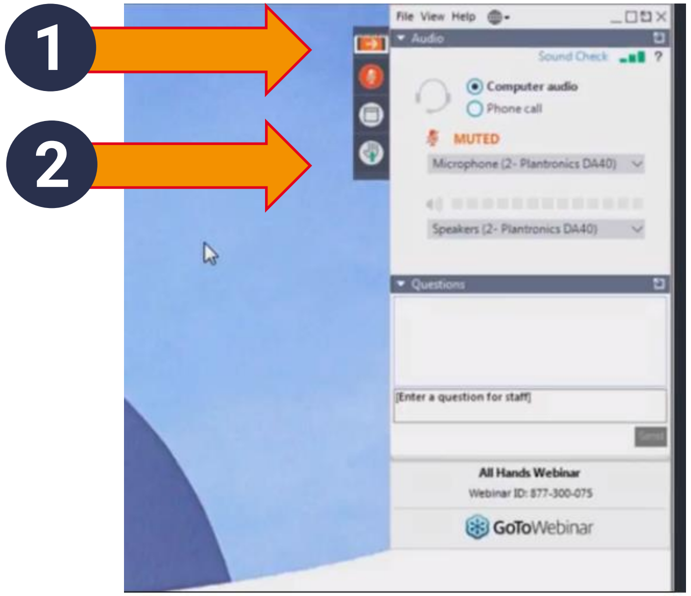
1	**Introduction**
2	**Situation: 2021 vs 2020**
3	**Priorities**
4	**Q&A**

Webinar starts at 6.30 pm SGT / 10.30 am GMT / 11.30 am CET on Tuesday 9th March
Panellists: please join 15 mins prior to webinar start time

Agenda

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 & use hashtag #TelecomCovid



The State of the Industry 2021 webinar series

- Tuesday 9th March 11.30 CET: Situation, strategies, priorities
- Wednesday 10th March 11.00 CET: The best opportunities for telcos
- Thursday 11th March 11.00 CET: 5G and Edge

The State of the Industry: Situation, strategies and priorities panel

Amy Cameron
Principal Analyst
STL Partners

Dr. Rainer Deutschmann
Group Chief Operating Officer
Telia

Andrew Collinson
Research Director
STL Partners

Dean Bubley
Associate Director
STL Partners
+
Founder
Disruptive Analysis

60 minute webinar: Tuesday 9th March 11.30-12.30 CET

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Our view... July 2020 vs March 2021

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

✓ Telcos are doing / have done good things

✓ The crisis will accelerate Coordination Age trends

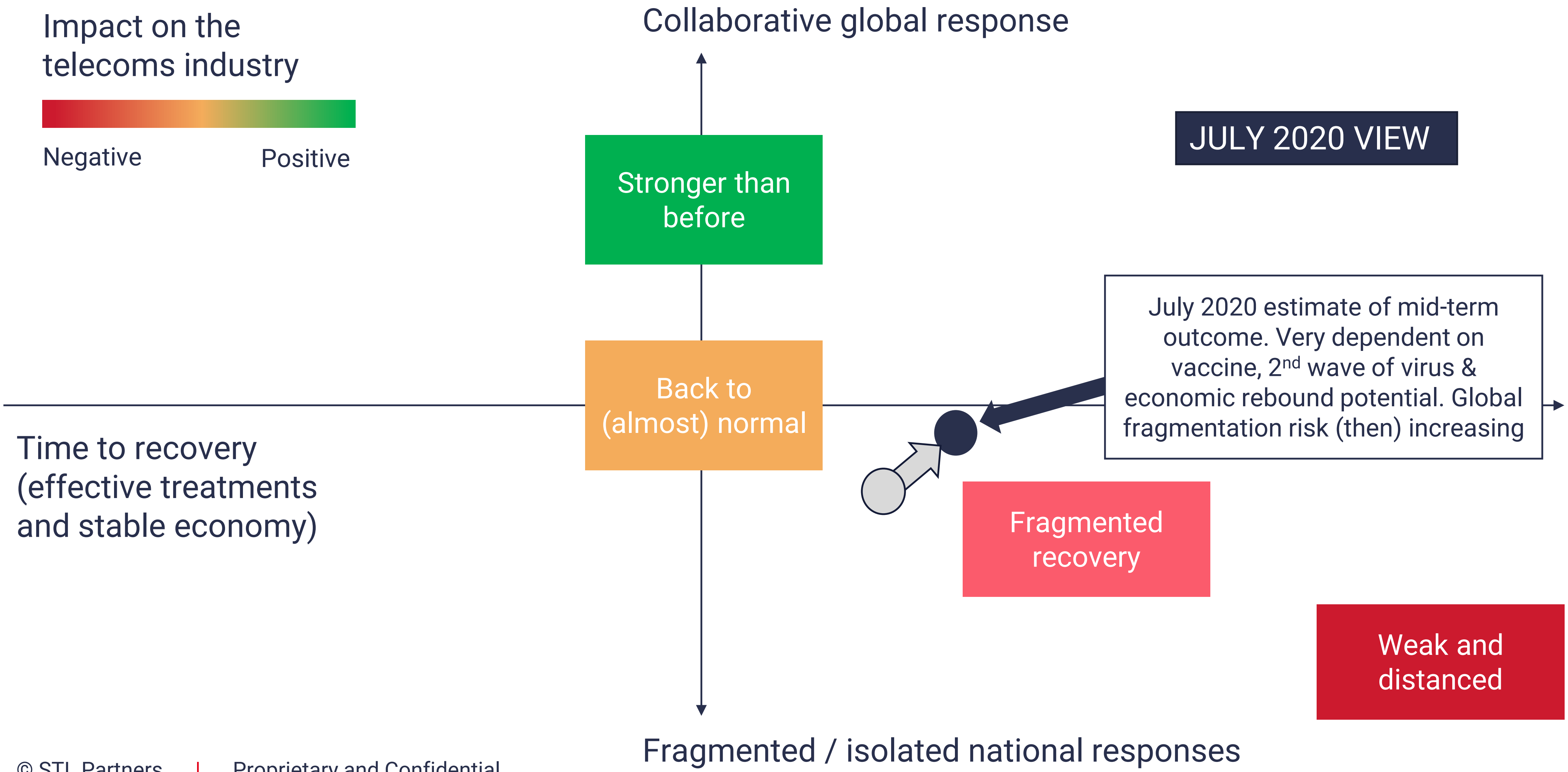
✓ + Sentiment changing

But 5G spending may be more cautious

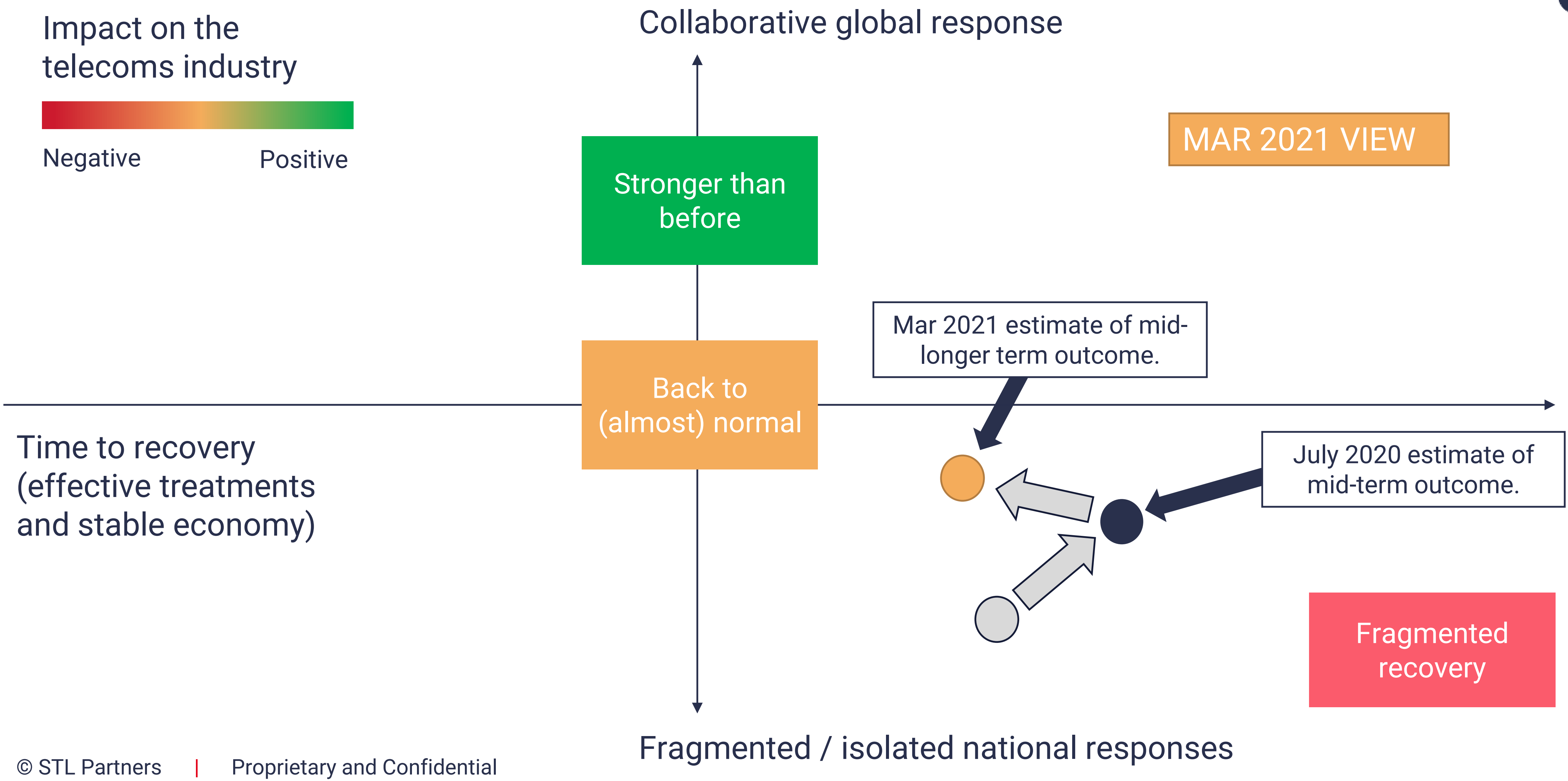
? Telecoms should enhance its focus on new customer needs…

? …and make it an opportunity to accelerate and embody positive changes

Longer term: 2025 scenarios for post-CV19 telecoms



Longer term: 2025 scenarios for post-CV19 telecoms



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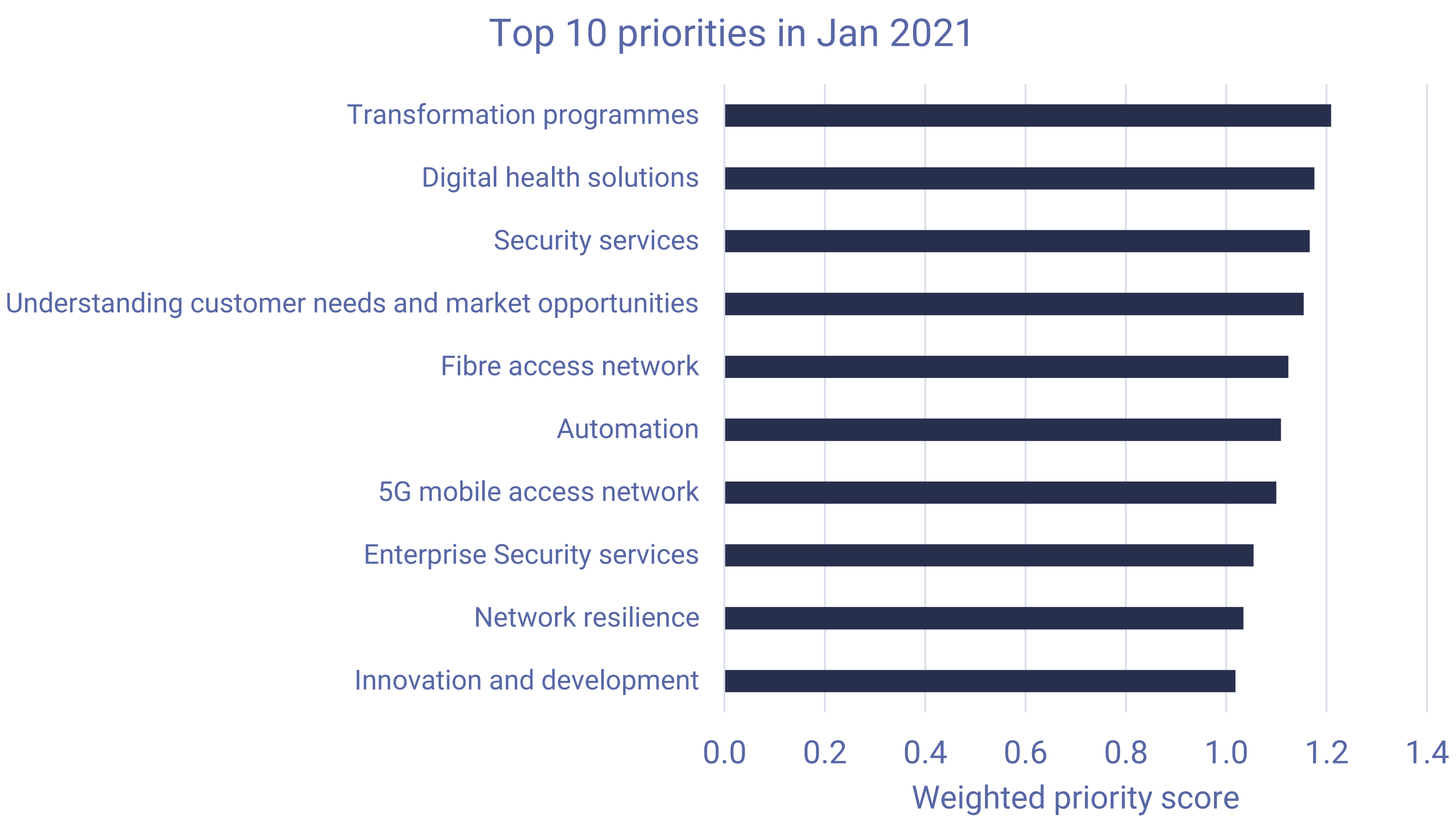
Transformation, health and security were the top rated priorities



Operators know things must change.

The biggest challenges for telcos are:

1. The danger of slipping back to greater inertia once the crisis is sensed to be passed
2. Overcoming the remaining challenges of the industry

The most important takeaway for telcos is that things CAN change fast when they need to.

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.

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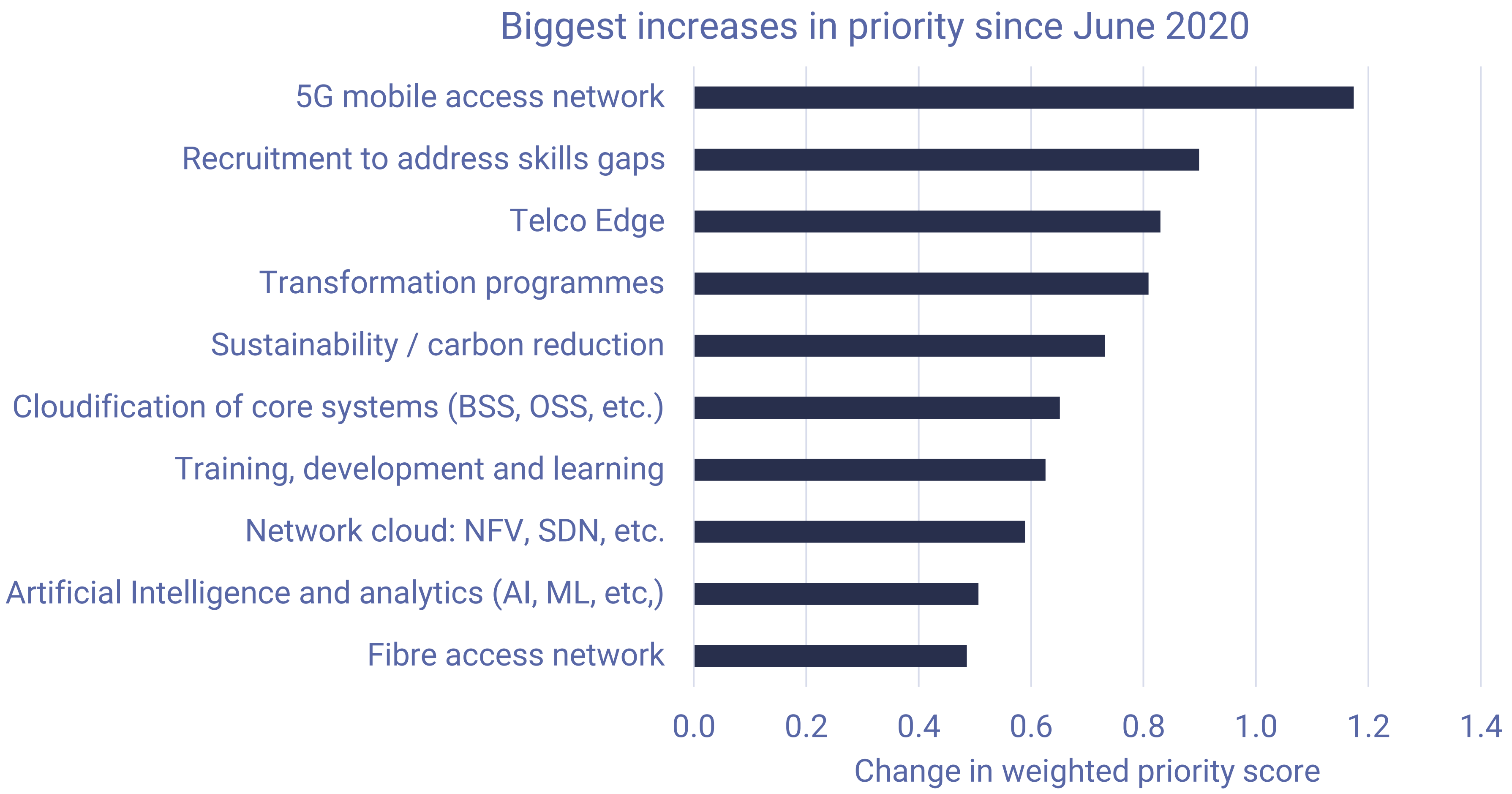
5G, recruitment and telco edge increased most in priority ratings



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.

Mapping the comparable changes between May 2020 and Jan 2021

Upper half current priorities

Existing high priorities	New or increased high priorities
▪ Digital health solutions, (2)* ▪ Enterprise Security services, (3) ▪ Understanding customer needs and market opportunities, (4) ▪ Automation, (6) ▪ Network resilience, (9) ▪ Core, trunk and backhaul network upgrades, (11) ▪ Conferencing, VPNs, etc, (13)	▪ Transformation programmes, (1) ▪ Fibre access network, (5) ▪ 5G mobile access network, (7) ▪ Education services, (8) ▪ Innovation and development, (10) ▪ Artificial Intelligence and analytics (AI, ML, etc,), (12)

Lower half current priorities

Relatively mature, niche, early or declining	Rising Stars
▪ Data monetisation services (population movements etc.), (15) ▪ Consumer cybersecurity, (16) ▪ Entertainment services, (24) ▪ SD-WAN and NaaS offerings, (18.5) ▪ Transport and logistics, (21) ▪ Financial services, (24) ▪ Retail Sector, (26) ▪ 4G mobile access network, (27)	▪ Telco Edge, (14) ▪ Training, development and learning, (18.5) ▪ Cloudification of core systems (BSS, OSS, etc.), (20) ▪ Recruitment to address skills gaps, (22) ▪ Network cloud: NFV, SDN, etc., (24) ▪ Sustainability / carbon reduction, (25)
Lower half of priority decreases / increases	Upper half of priority increases

Before it fades, telcos should capitalise on COVID's impact on:

- The digital health priority
- Telco's appetite for change

NB This does not include all areas covered in the May 20 or Jan 21 surveys, as some questions were added and some changed.

**(Number in brackets = overall priority ranking in Jan 21)*

Agenda

Questions?

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Thank you!