FTTH Forecast for EUROPE

Market forecast 2022-2027

FTTH COUNCIL EUROPE

With thanks to IDATE DIGIWORLD

Full fibre for a digital and sustainable Europe

Important definitions

Premise:	A house or building, that could be connected by an FTTH/FTTHB network
Homes Passed:	The potential number of Premises which a Service Provider has capability to connect to an FTTH/FTTB network in a service area with minimal additional installation
Sockets:	The In-Home connection point of a single fibre service provider inside a premises. It is possible to have multiple sockets if the location is serviced by multiple FTTH network operators
Subscribers:	The number of Premises which are connected to a network and are already subscribers
Take Up rate:	Subscribers – as a proportion of Homes Passed
Coverage rate:	Homes passed – as a proportion of Total Households
Penetration rate:	Subscribers – as a proportion of Total Households

Methodology

- Desk research
- Direct contacts with leading players and IDATE partners within countries
- Information exchange with FTTH Council Europe members
- Apply Forecast Model based on Supply/Demand Criteria.

- Both quantitative and qualitative data
- Adjusted Forecasts for years 2022 and 2027 taking into account COVID impacts
- Results compared with local intelligence sources, including regulator and other recent publications where available and appropriate
- Study of EU27+UK and EU39 (1) countries
- Based on feedback from all main operators, service provider associations and regulatory contacts in each country

Forecast study – Factors considered

01 Supply criteria

- **Strategic plans** from telecom players towards high-speed broadband deployments once COVID-19 impacted in the European region.
- **Public Funds** allocated from governments to deploy fibre networks.
- New Initiatives from **Municipality/utility players to** accelerate **fibre development in remote areas**, where private operators don't have any incentives to deploy.
- **Copper switch off** initiatives delimited by many players.
- **Cable operators migrations to FTTH/B**
- **Green-field housing** and systematic deployment of FTTH in any new build housing

02 Demand criteria

- **Broadband services take-up.** Average speeds continue to rise for households and new dynamics after COVID-19 impacted
- **Data consumption keeps growing** due to new confinement dynamics (teleworking and remote studying) that force the intensive use of **video content**, **high-definition streaming** which demand **high bandwidth capacity.**
- Demands to accomplish **EC Digital Agenda goals** by 2025 and 2030
- People in **rural areas** still not covered by high-speed connections demanding access **to NGNs. People moved to rural areas as a way to reduce virus exposure.**
- **National and Digital Agendas** pushing to accelerate fibre deployments

03 Others

- Impact of **infrastructure costs**
- Impact of **copper-based DSL improvements**, such as super-vectoring and G.Fast.
- Impact of cable-based networks with DOCSIS 3.1 and coming DOCSIS 4.0
- Impact of **networks sharing** agreements and new deployments based on **co-investment** among players.
- **Regulatory changes at European and national level** to create a common commitment to deploy FTTH networks.
- Impact of **macroeconomic environment and economical trends:** teleworking as a new dynamic and the creation of new business models
- FTTH rollout planning may be impacted by **buildout resource availability**

FTTH/B figures from September 2021

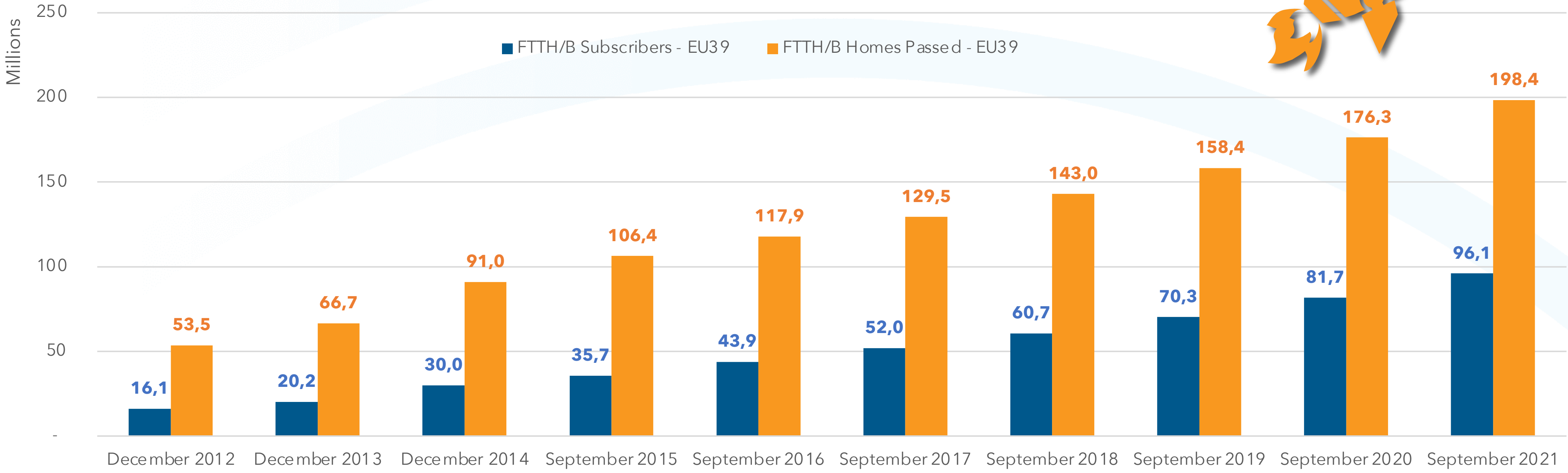
FTTH/B European market evolution (EU39)

In terms of Homes Passed and Subscribers (2012 - 2021)

As of September 2021 in EU39*:

- **96 million FTTH/B subscribers**
- **198 million FTTH/B Homes Passed**

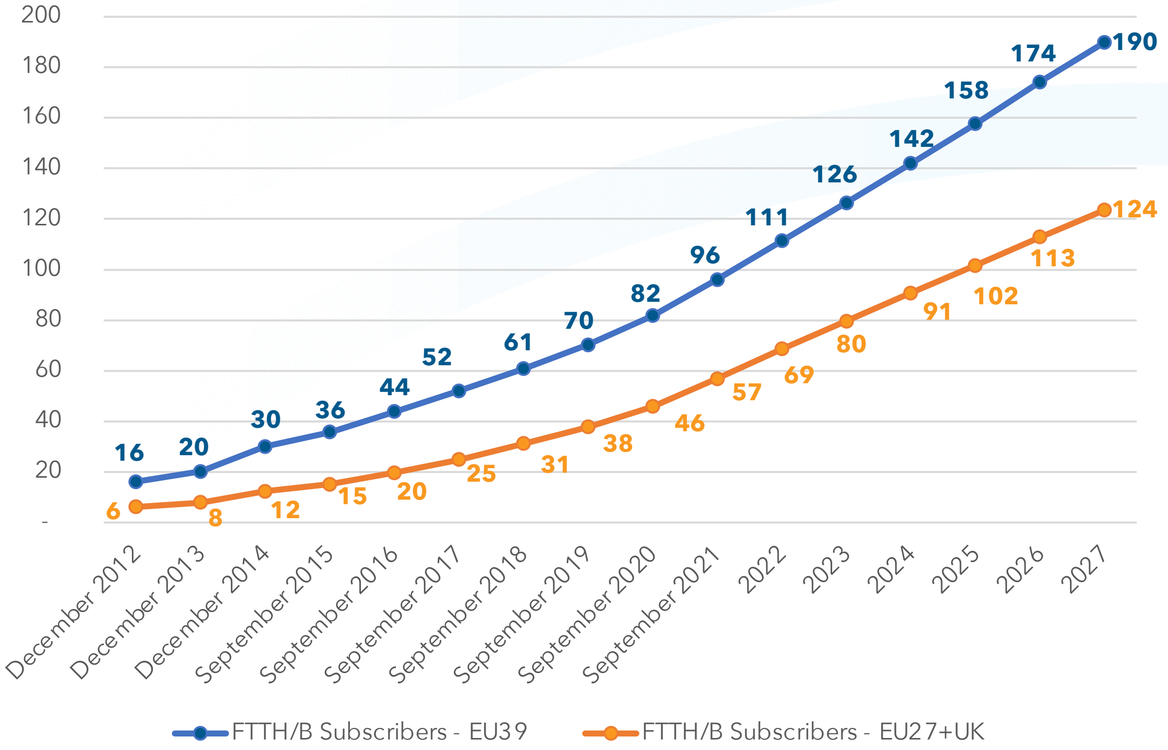
Trends from 2012 to 2021



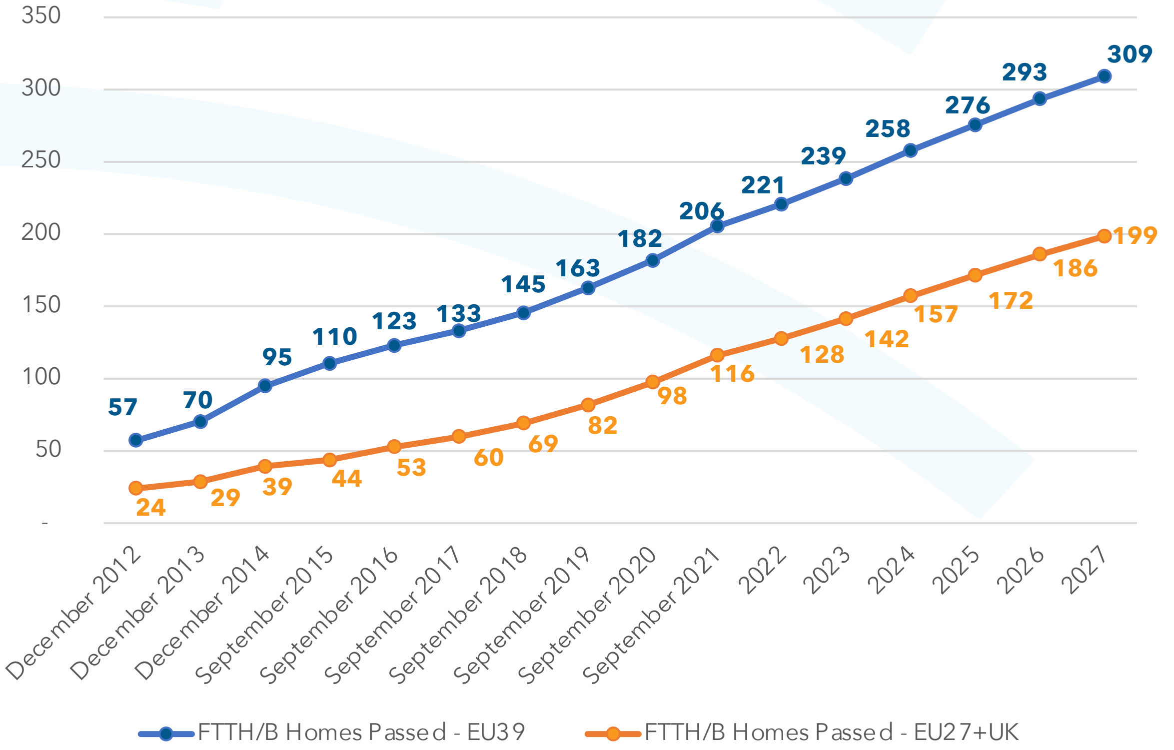
(1) EU39 = EU27+UK + 4 CIS countries + Andorra, Iceland, Israel, North Macedonia, Norway, Serbia, Switzerland, Turkey

European FTTH/B Historical and Forecasts (2012-2027)

FTTH/B Subscribers Forecasts (million)
Comparison EU27+UK / EU38+UK



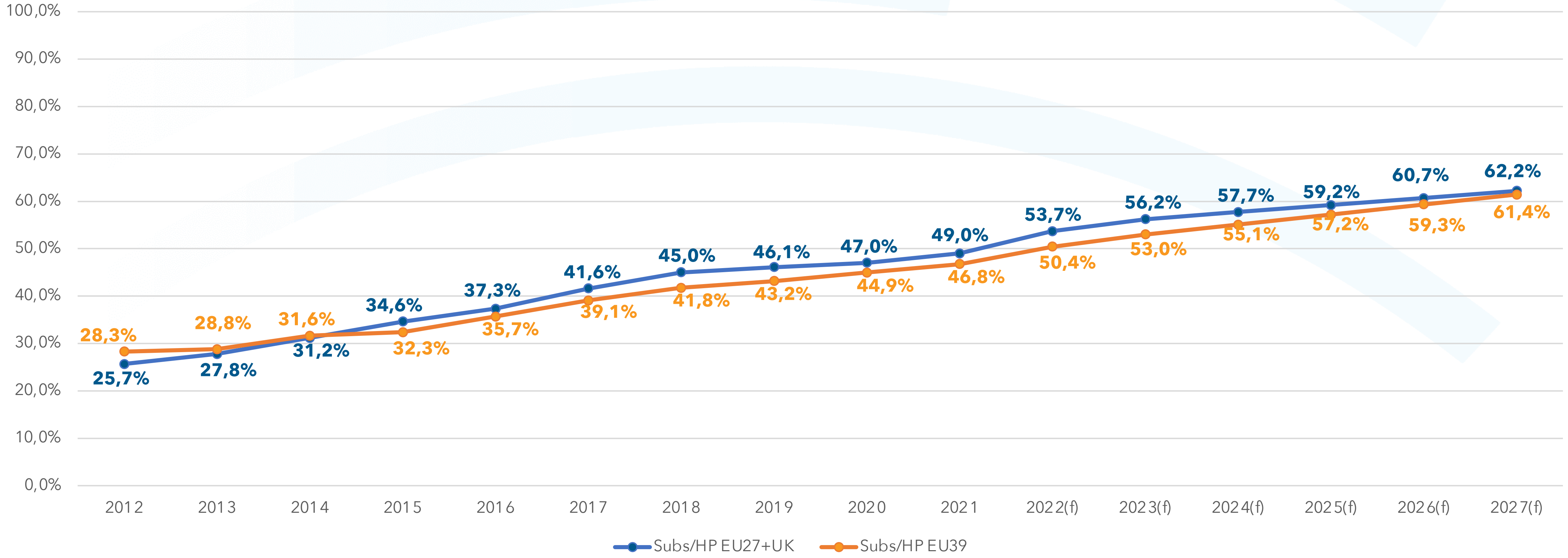
Evolution of FTTH/B Homes Passed (million)
Comparison EU27+UK / EU38+UK



Source: IDATE for FTTH Council EUROPE

European FTTH/B Historical and Forecasts (2012-2027)

FTTH/B Take-up Rates Forecasts (Subs over Homes Passed, in %)
Comparison EU27+UK / EU38+UK



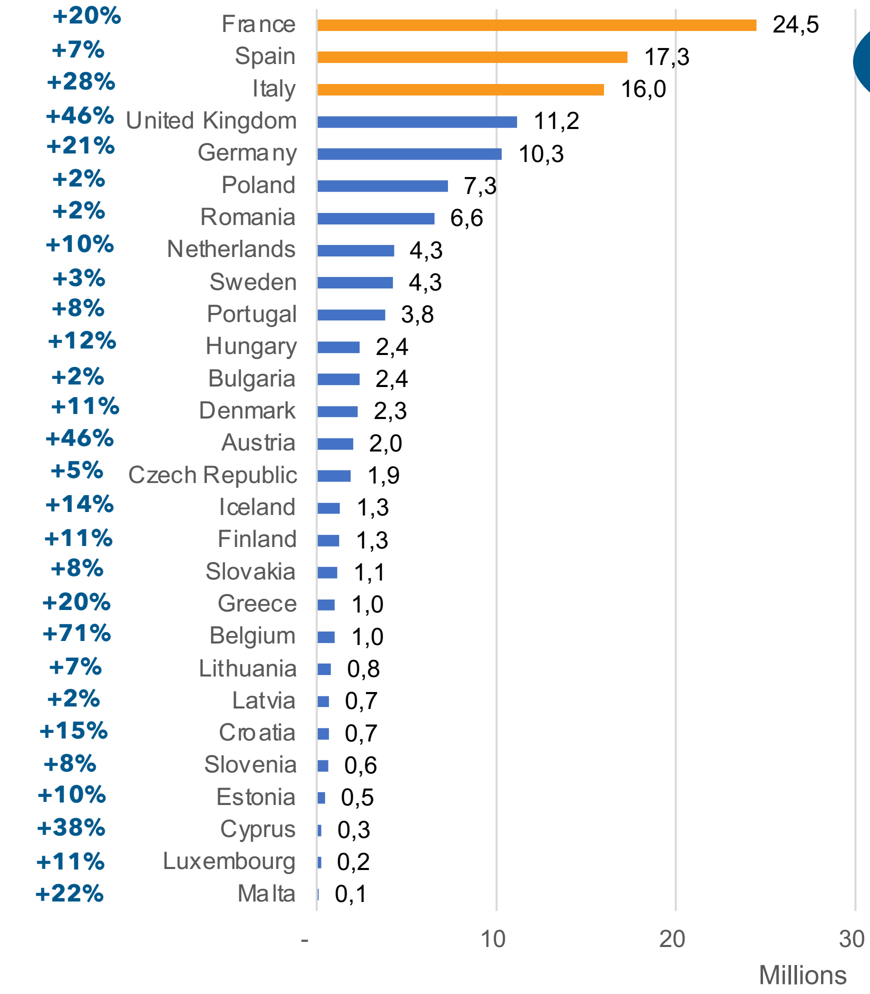
With thanks to

Forecast exercise (2022-2027)

European ranking in terms of FTTH/B Homes Passed (in million homes)

% Evolution 2021 / 2022

2022 Forecasts



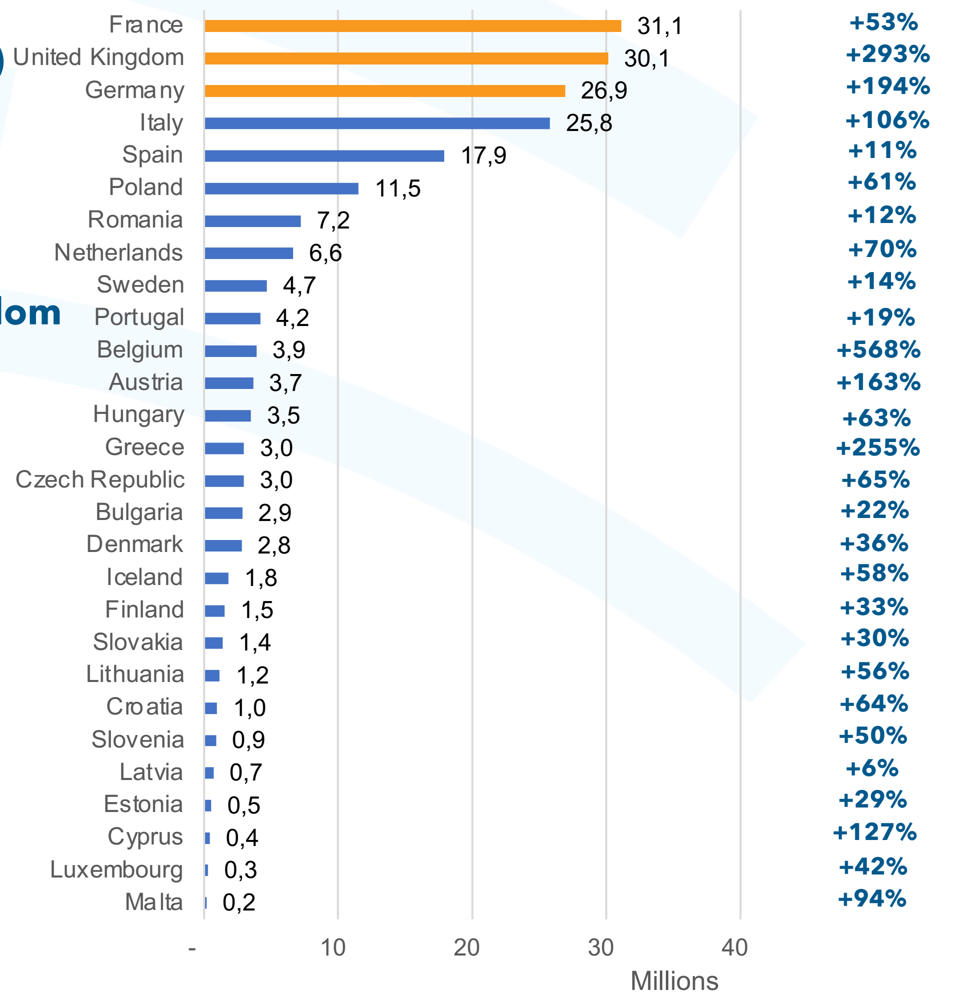
2027 Forecasts
EU27 + UK : ~198m FTTH H.P.
EU39 : ~309m FTTH H.P.

2022		2027
France	1	**France**
Spain	2	**United Kingdom**
Italy	3	**Germany**

Source: IDATE for FTTH Council EUROPE

2027 Forecasts

% Evolution 2021 / 2027

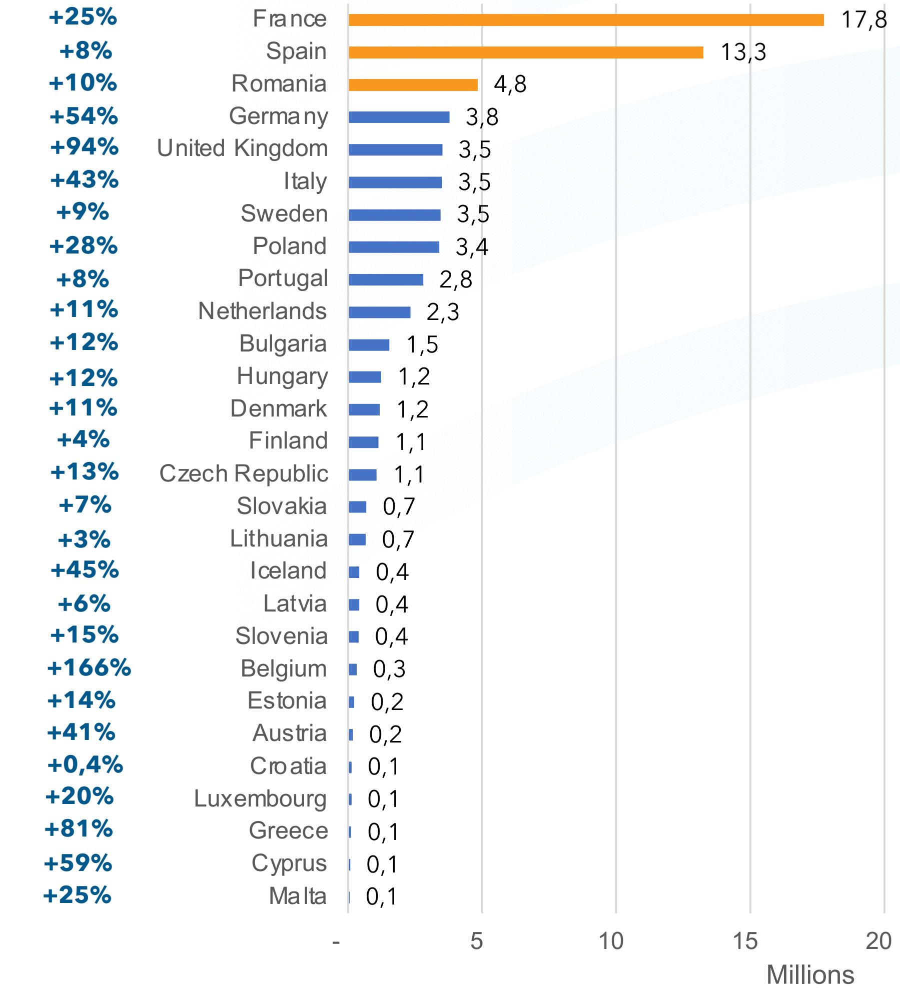


Forecast exercise (2022-2027)

European ranking in terms of FTTH/B Subscriptions (in million)

% Evolution 2021 / 2022

2022 Forecasts

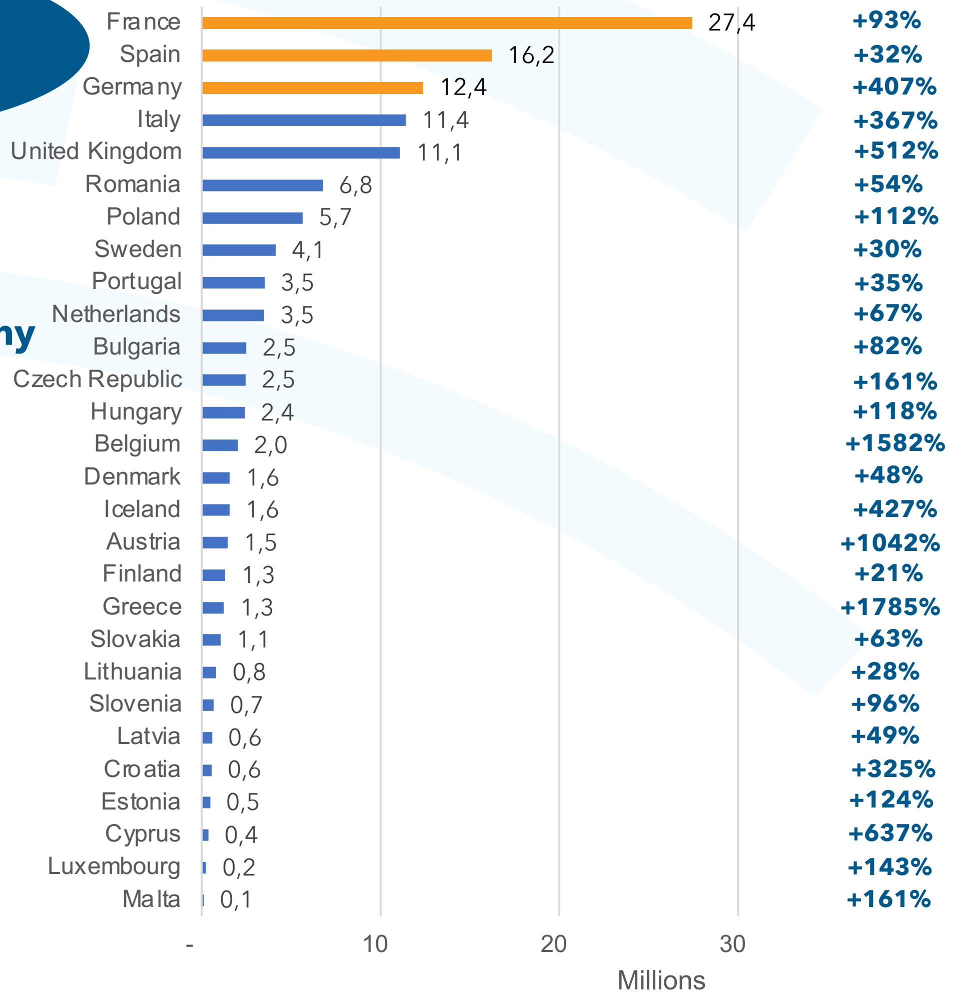


2027 Forecasts
EU27 + UK : ~124m FTTH Subs.
EU39 : ~190m FTTH Subs

2022		2027
France	1	**France**
Spain	2	**Spain**
Romania	3	**Germany**

2027 Forecasts

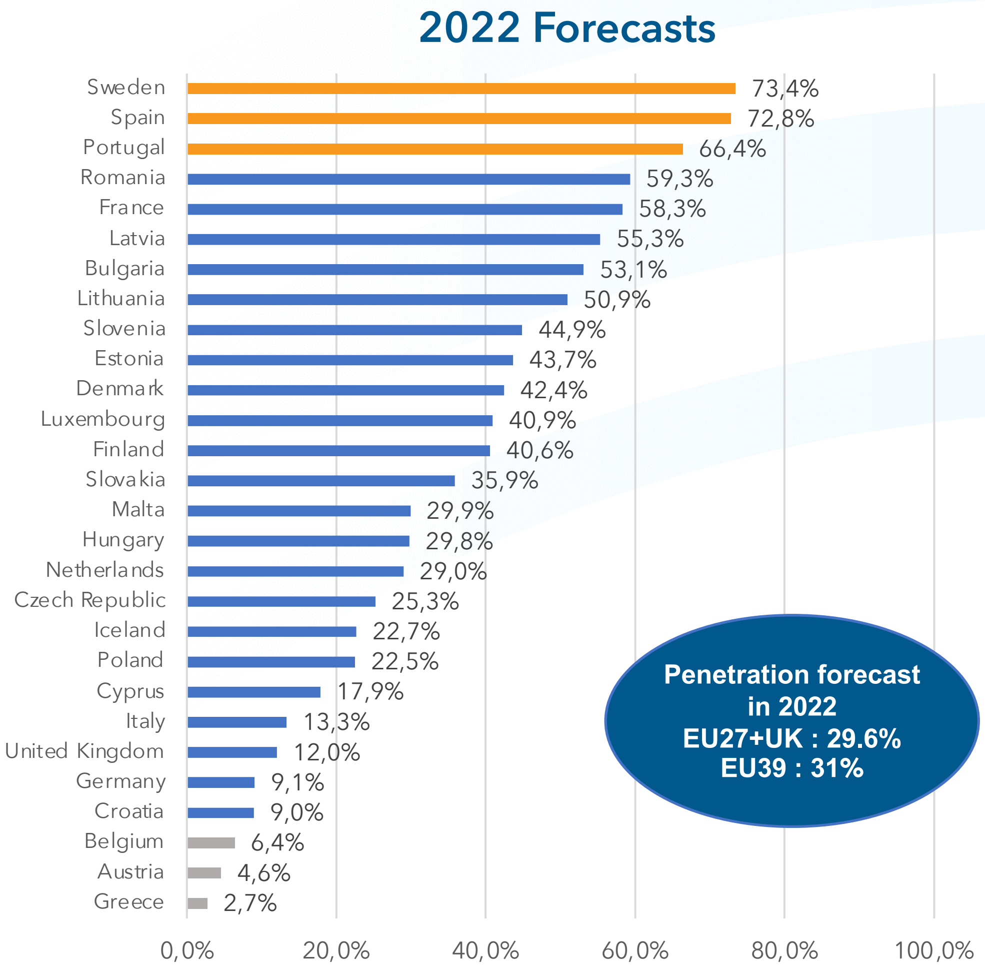
% Evolution 2021 / 2027

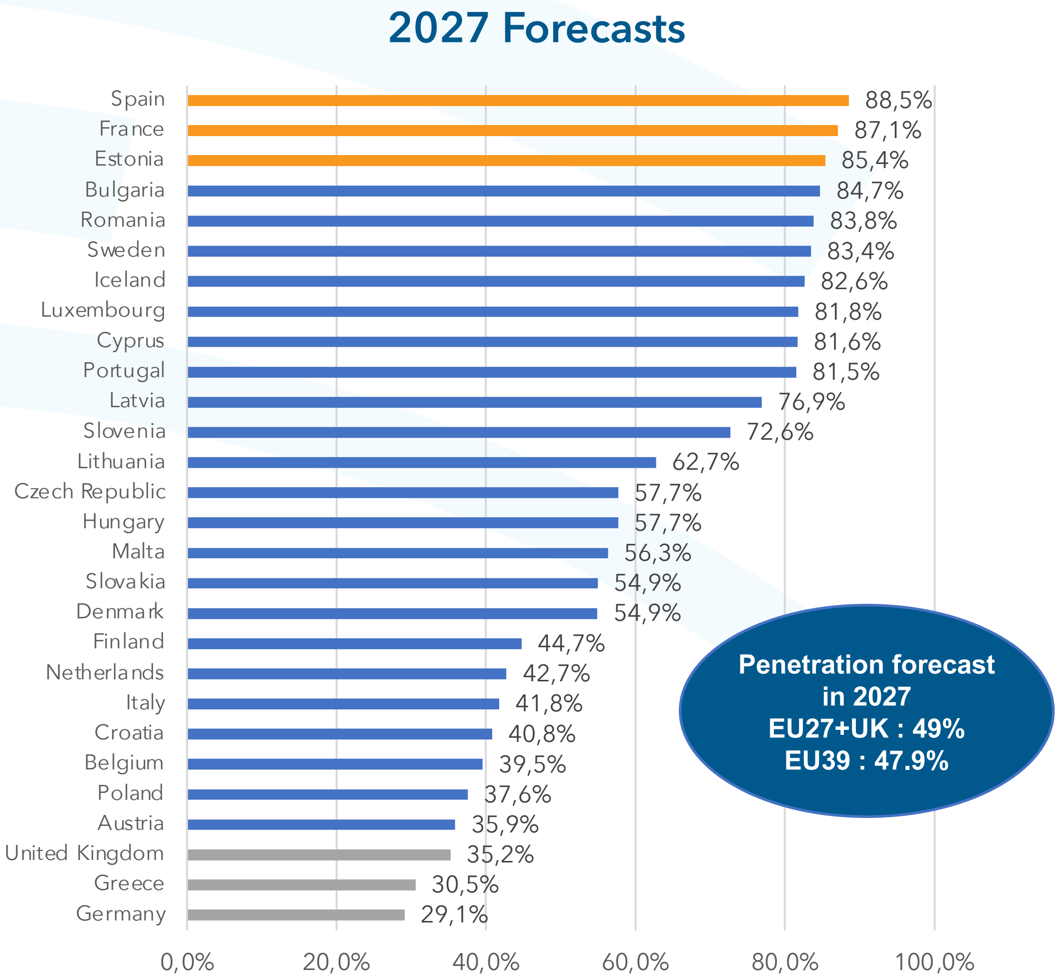


Source: IDATE for FTTH Council EUROPE

Forecast exercise (2022-2027)

European ranking in terms of FTTH/B Household penetration rate(%)

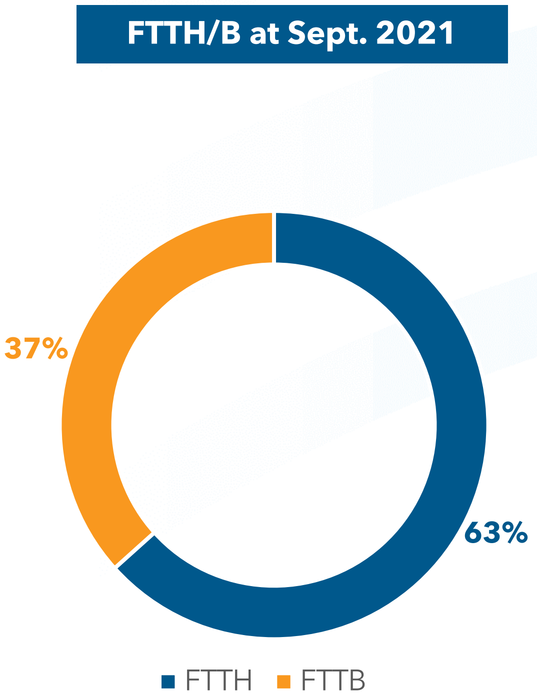


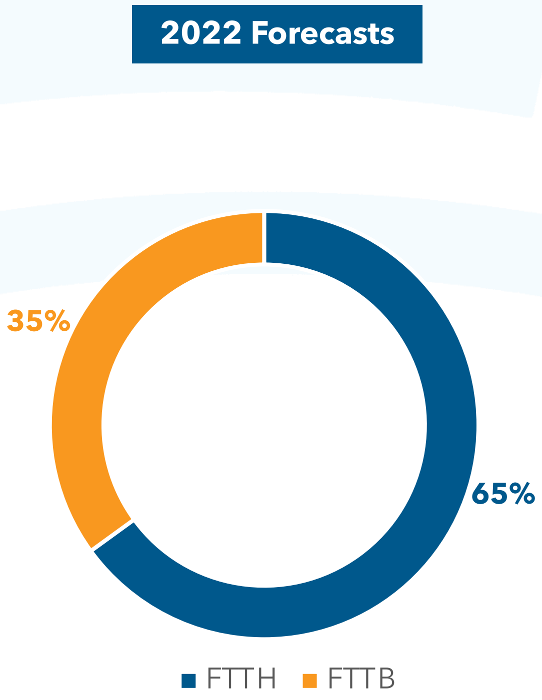


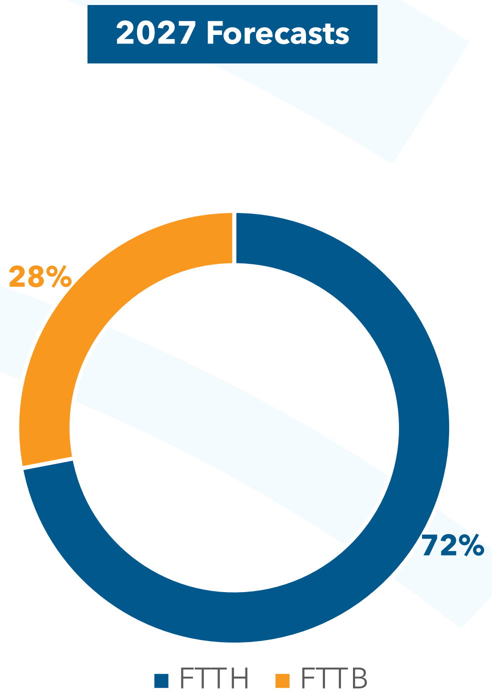
Source: IDATE for FTTH Council EUROPE

FTTH/FTTB architecture evolution

Fibre in the process of being installed closer to end-users

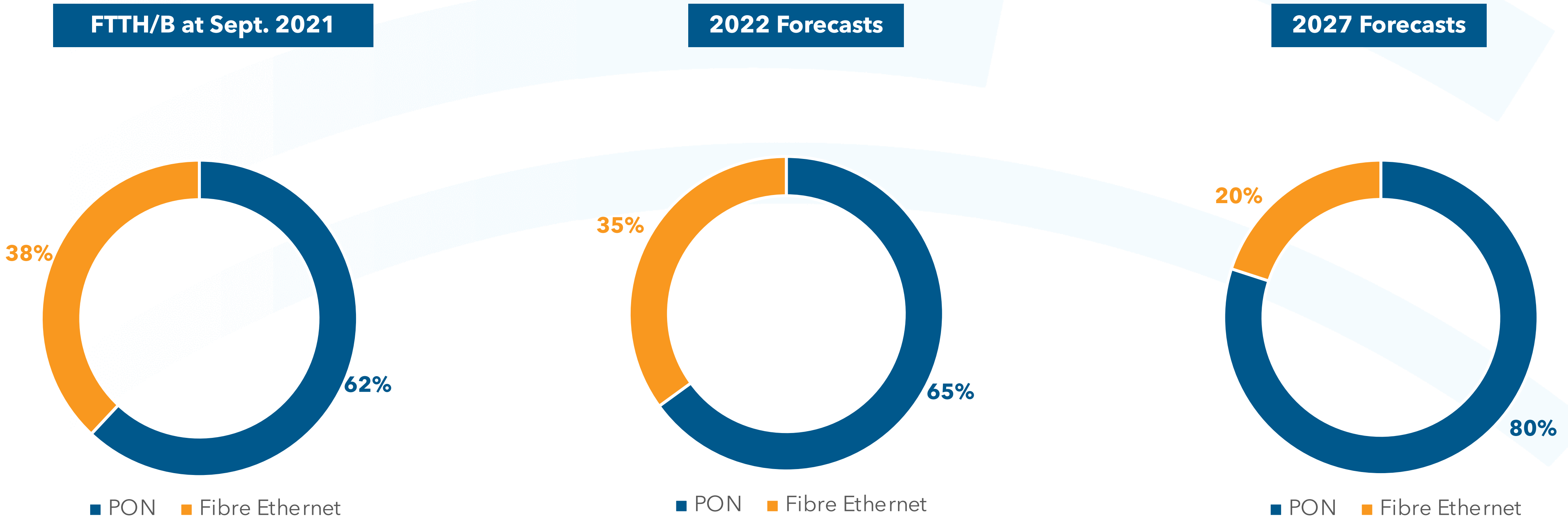






PON vs. P2P Fibre Ethernet: technology evolution

PON should become mainstream, with the onset of new 25G/50GPON specifications



Key Conclusions

01

This forecast exercise highlights the ongoing transformation of European countries towards a 'Digital Society' as planned by European authorities, and FTTH is playing a major role in this digital inclusion.

The reduction of the digital gap between rural and urban regions has clearly begun to meet these forecast numbers.

02

- Limitations of existing cable and copper networks are pushing telecom players to deploy full fibre solutions.
- COVID-19 pushed residential traffic demand and operators are now reacting to support these new traffic peaks.
- Despite an initial slowdown in 2020-2021, the continued WFH response coupled with DAE targets for 2025 & 2030, full-fibre connectivity is now accelerating to meet these goals.

03

In several historically strong copper and cable-based countries, the fixed broadband market is evolving. Alternative ISPs are involved in FTTH deployments in areas not covered by major national players.

In competitive response, recent initiatives from incumbents to migrate their core architecture towards FTTH will accelerate full-fibre rollouts very quickly in the next few years. (UK, Germany, Italy)

04

- In 2022, EU39 could reach over 111 million FTTH subscriptions, with EU27+UK accounting for 62%.
- By 2027, Europe will be home for around 190 million FTTH subs, EU27+UK representing over 123 million (65%).
- 217 million homes passed by full-fibre infrastructure in the total region in 2022, 124 million in EU27+UK. (57%)
- By 2027, FTTH/B will cover 309 million homes in the whole region, of which 198 million for EU27+UK. (64%)

Thank you for your attention!

FTTH Council Europe asbl
Rue de la Presse 4
B-1000 Brussels
Belgium
Tel: +32(0)460 97 46 97
e-mail: info@ftthcouncil.eu

www.ftthcouncil.eu

Roland Montagne
Principal Analyst
+33 (0)6 80 85 04 80
r.montagne@idate.org