Full Fibre Wacky Races

linx

zen

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28 May 2024

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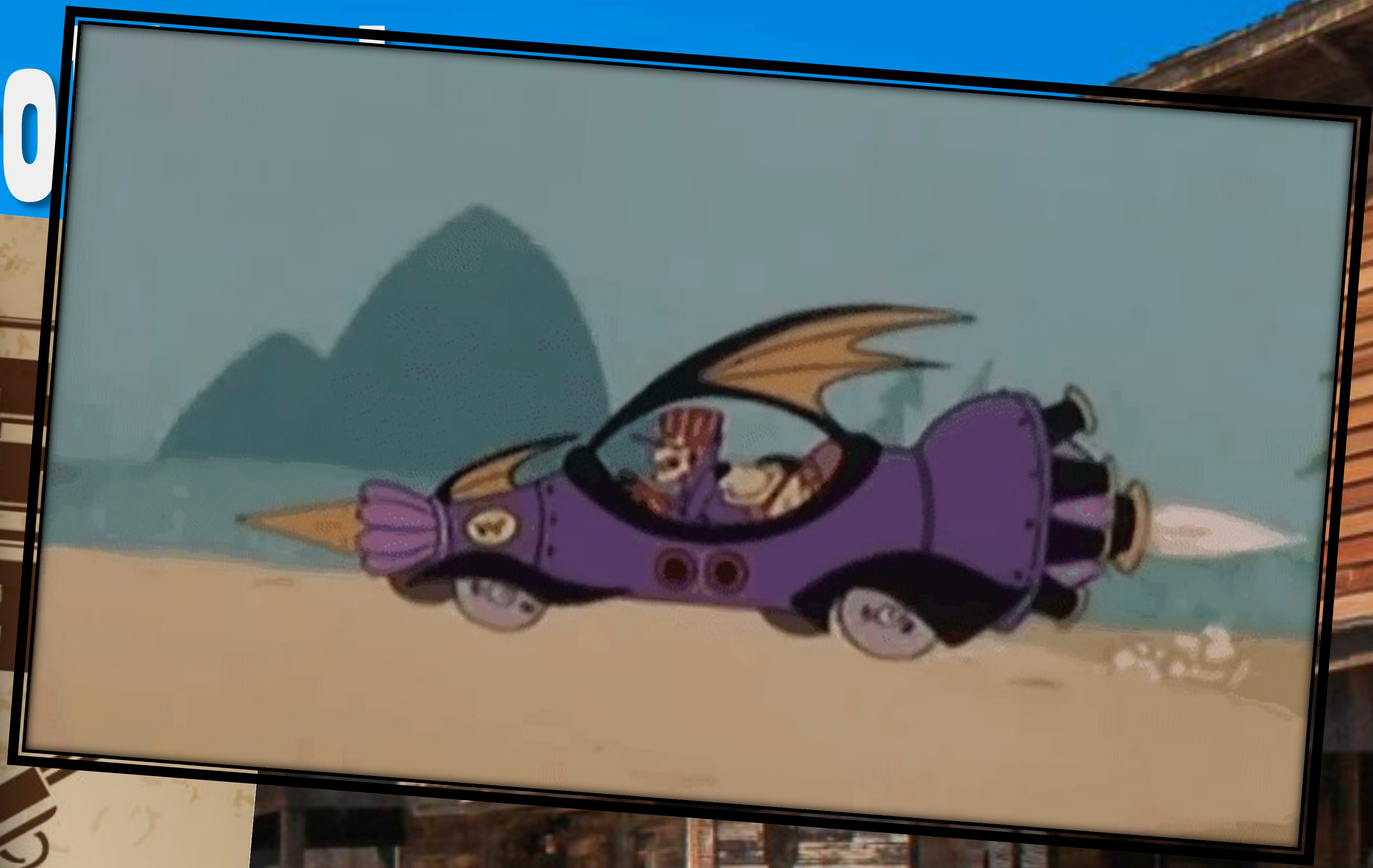
www.zen.co.uk/ip-leasing/ip-sale-16

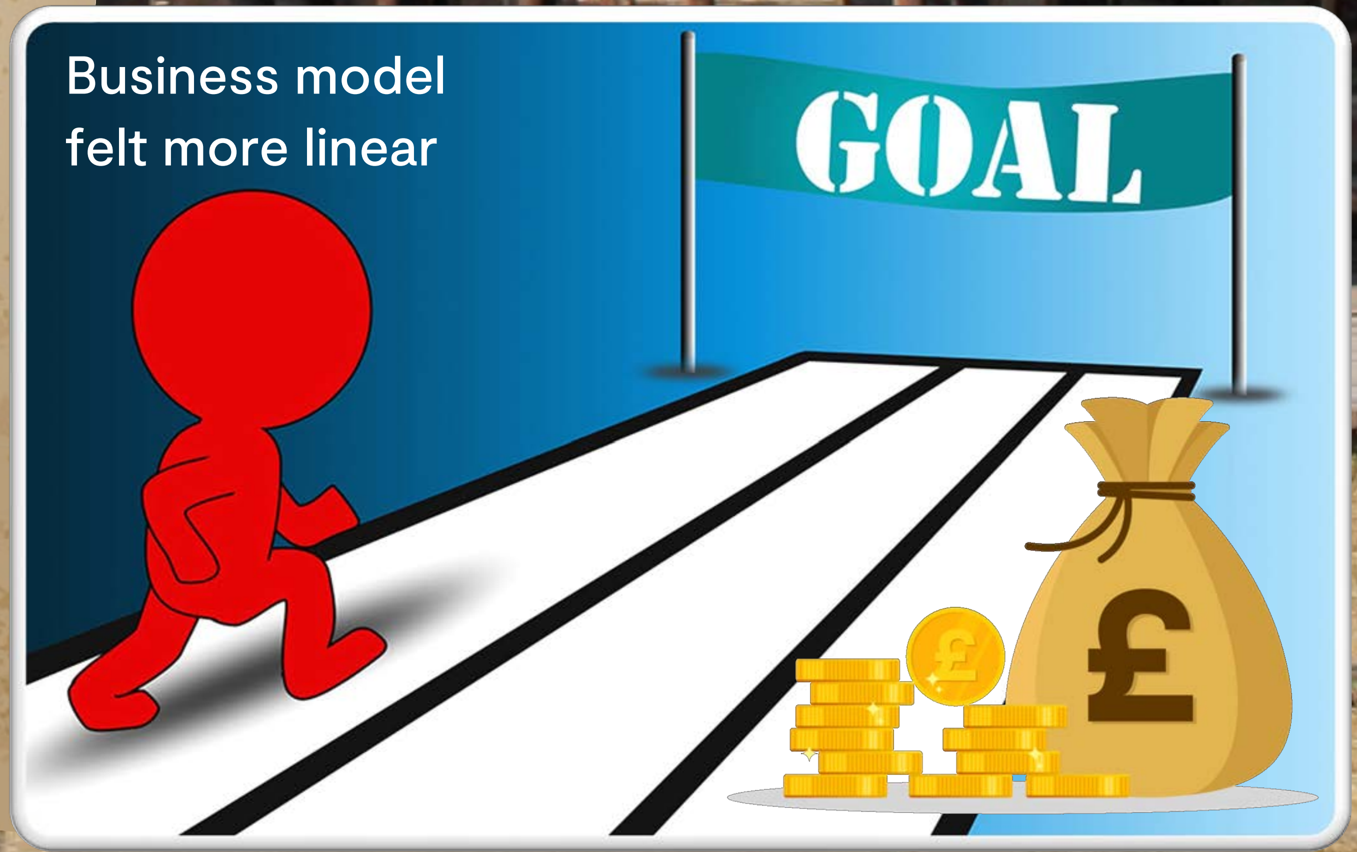

1990s
2000s
2010s
2020s
The decade of full fibre
The last big infrastructure build in our lifetimes
Superfast fibre
Decade of Dial-Up
Decade of ADSL
Decade of FTTC
Decade of Full Fibre


Oh no!
I've missed
the boat!!
Full fibre game

The great alt-net gamble

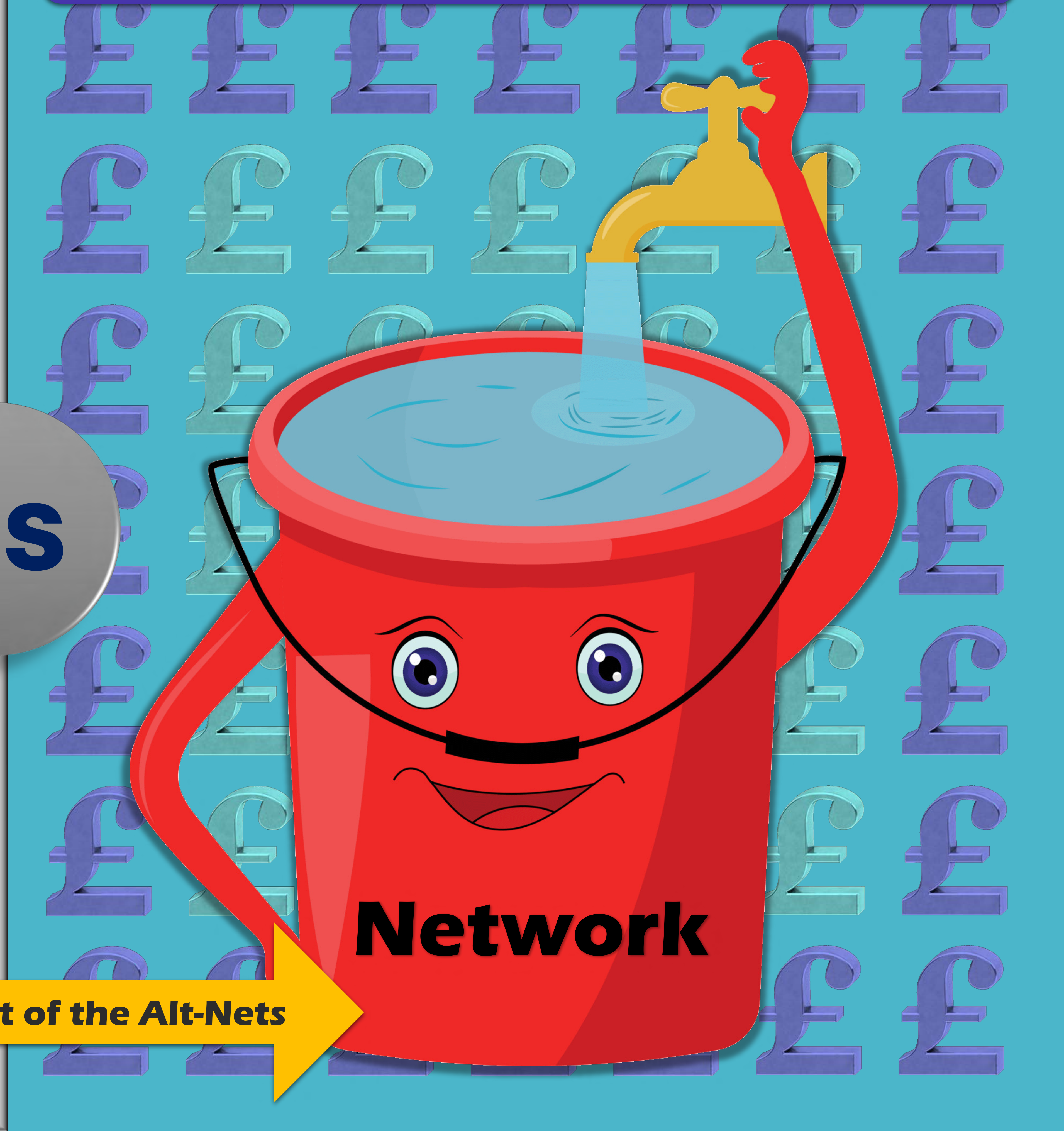
The Full Fibre Go





Build

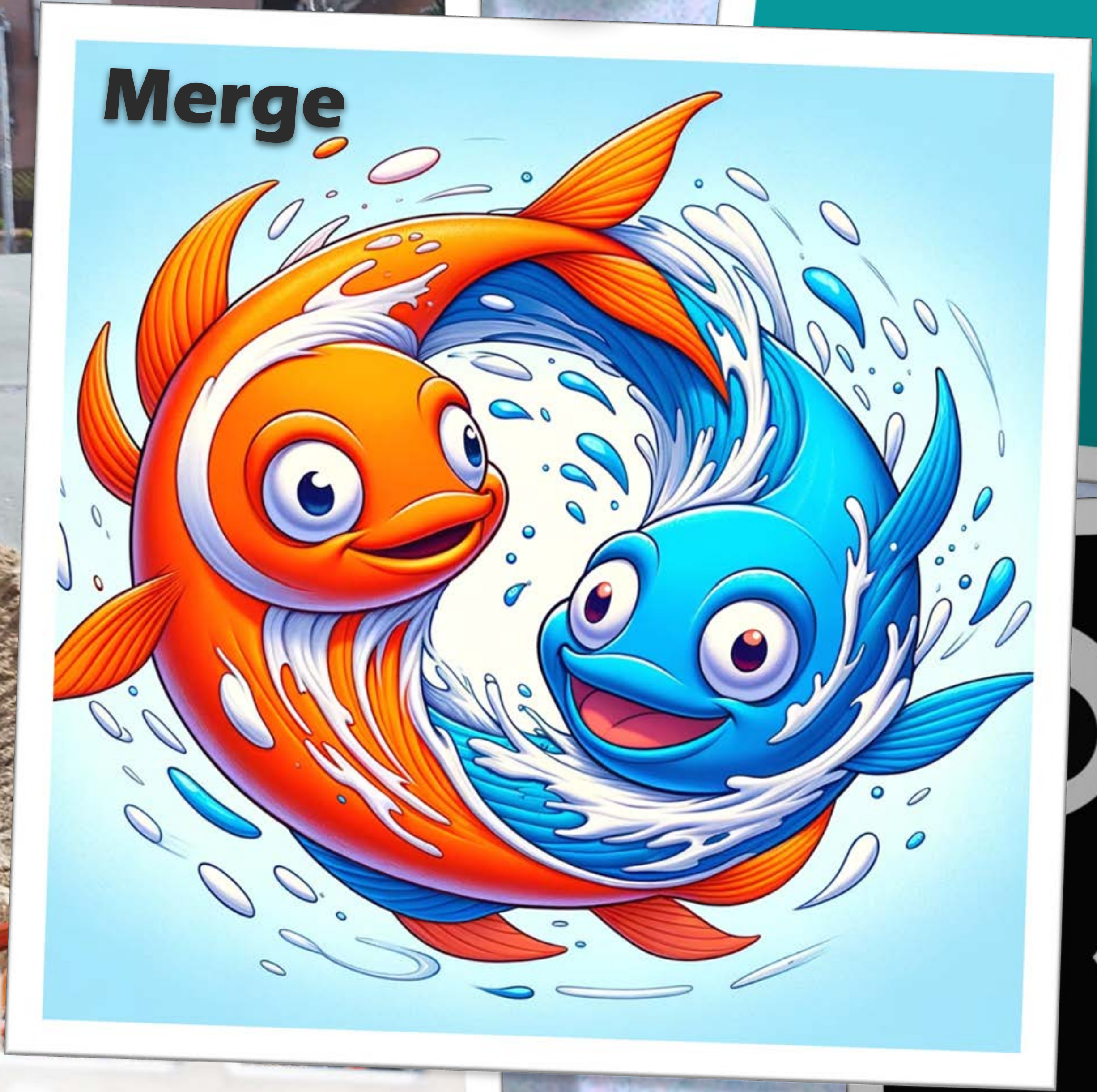
Fill up network with paying customers

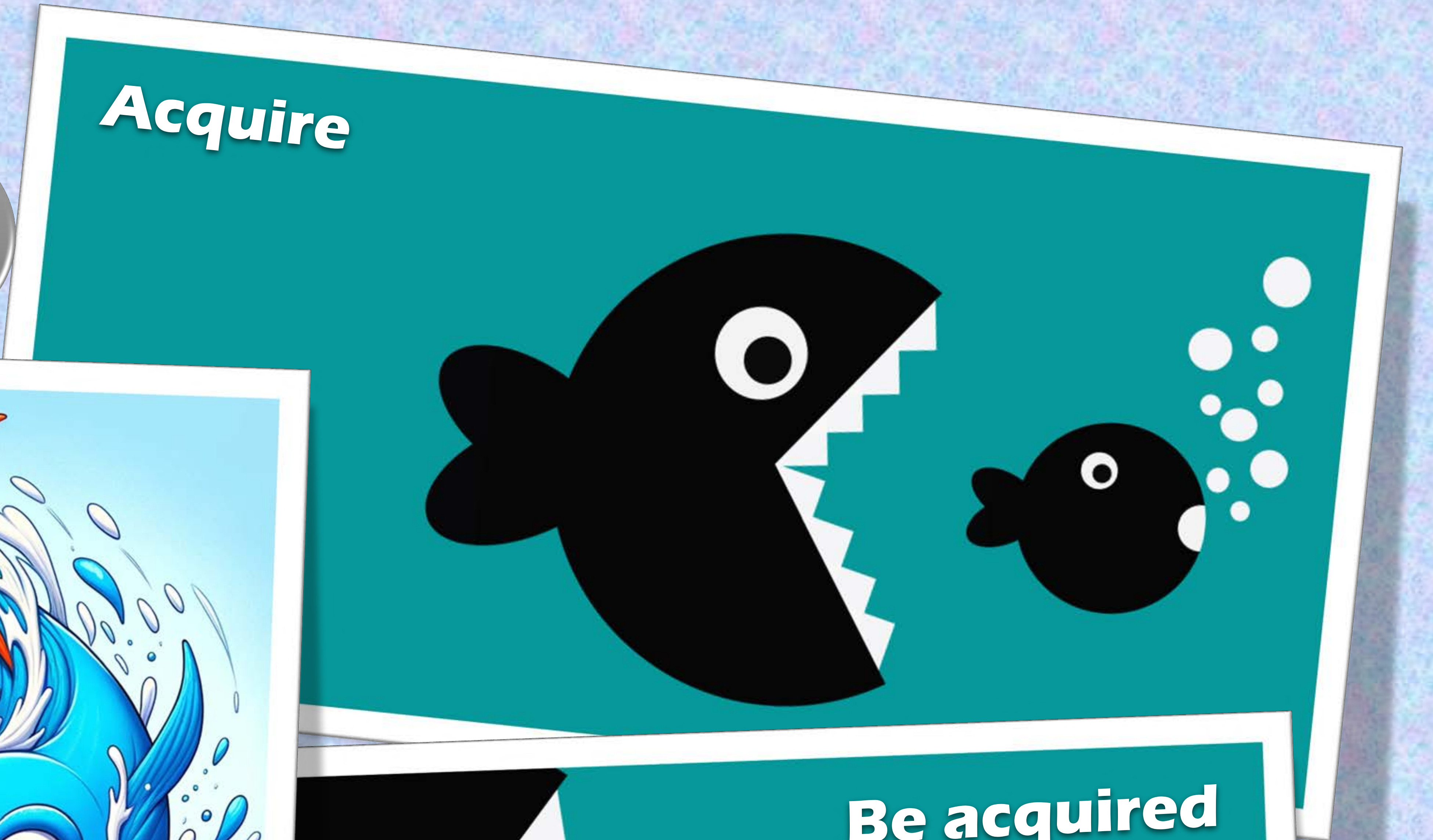


VS

Big trend from a lot of the Alt-Nets

VS





Where will we fit in the big consolidation? And when?

Wholesale

Retail

"As a wholesale-only operator, CityFibre will explore options for the retail ISP following the integration of the network"

VS

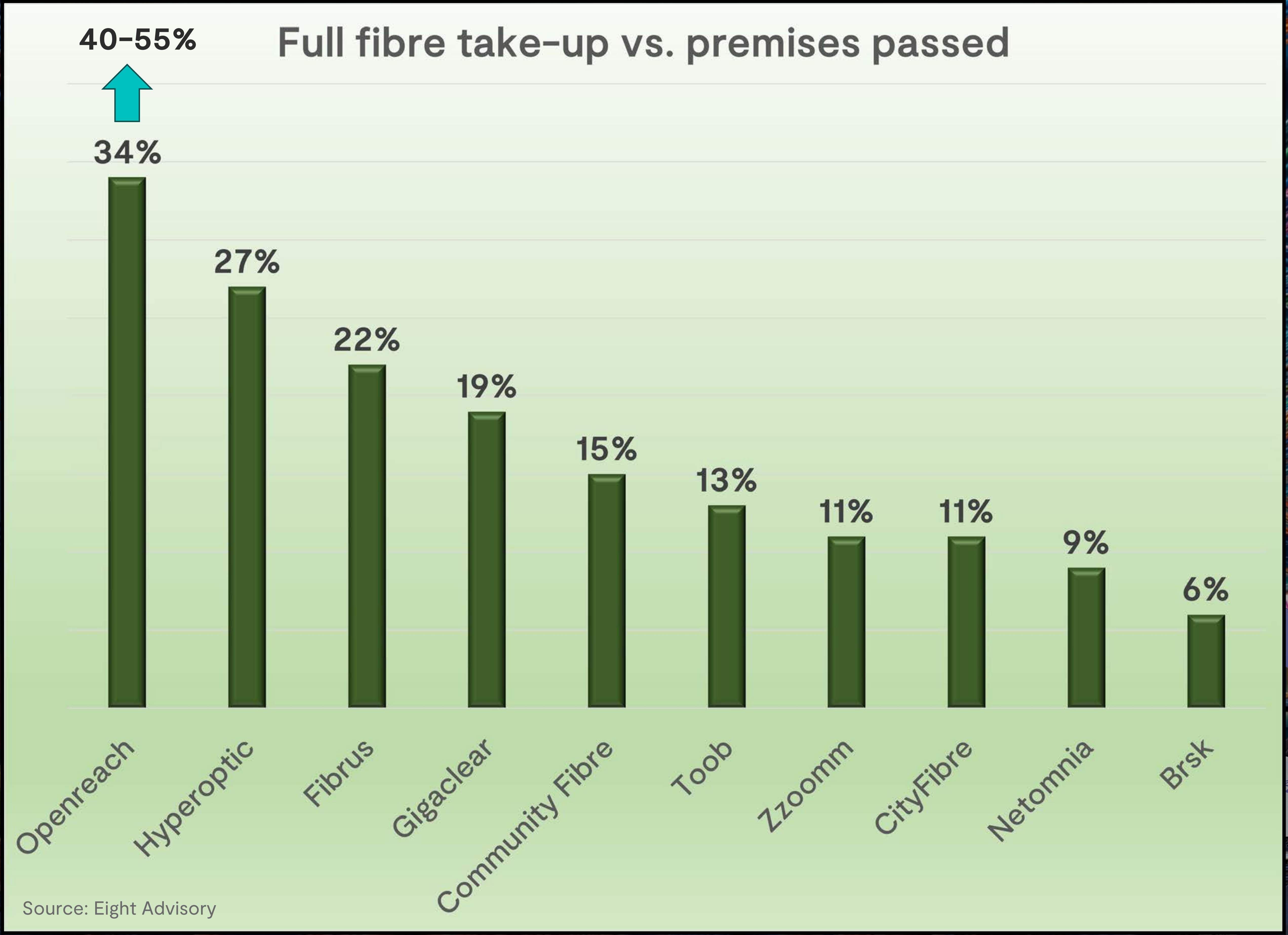
unning a retail ISP isn't.

here's lots involved in running a retail ISP: e.g., add on services like Digital Voice, and regulatory requirements like One Touch Switching.

Many Alt-nets are forced to have a retail ISP, even if they don't want one, since they have no wholesale partners, and so retail is their only route to market.

And then there's the issue of the wholesale Alt-net that acquires another Alt-net with a retail ISP attached.

The retail ISP dilemma



Minimum take-up to make the business model work is typically at least 30% of premises passed.

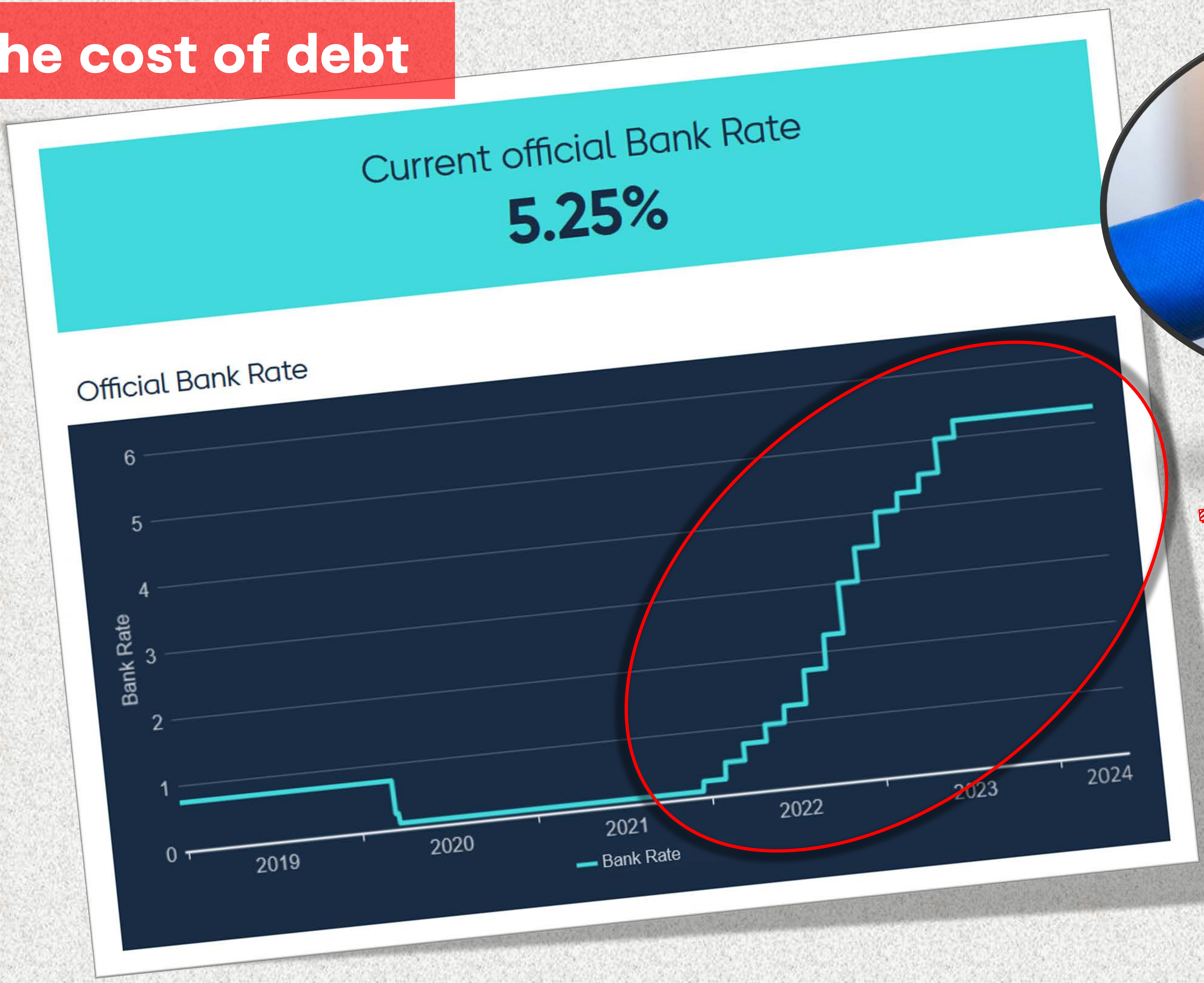
Lowest break-even figure I've heard is 13% (from Netomnia).

Alt-Net take-up currently varies between 5% and 30%, average 16%.

Openreach take-up 34%.

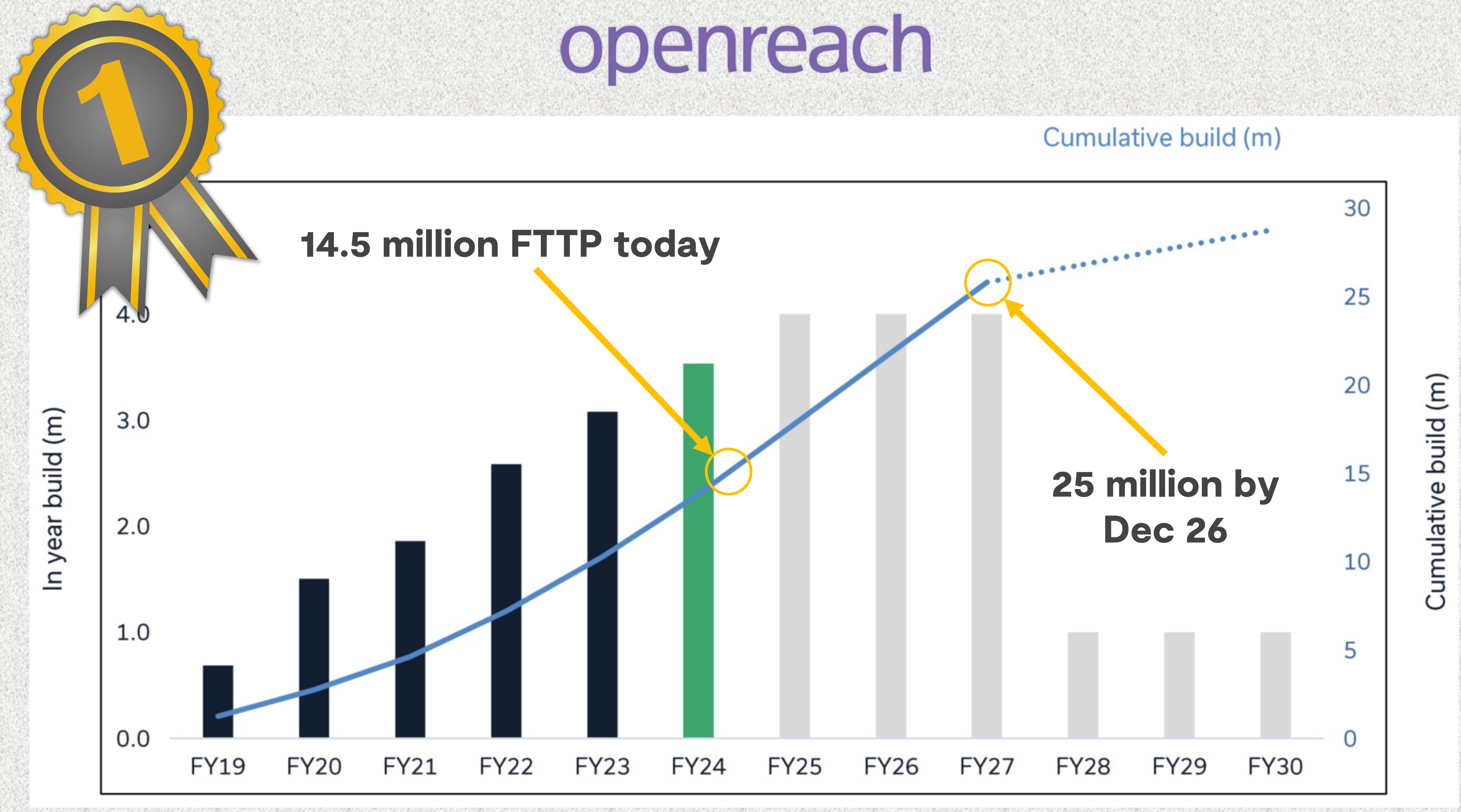
The threat of overbuild

The cost of debt



That makes things a lot trickier!

openreach



Cumulative build (m)
14.5 million FTTP today
25 million by Dec 26
In year build (m)
Cumulative build (m)
4.0
3.0
2.0
1.0
0.0
30
25
20
15
10
5
0
FY19
FY20
FY21
FY22
FY23
FY24
FY25
FY26
FY27
FY28
FY29
FY30

Build

- **VMO2**: Upgrade whole network of 16.2 million DOCSIS 3.1 premises to XGS-PON by 2028 – project Mustang. Done about 3.2 million so far.
- **nexfibre**: Build 5m by end 2026 + option for 2m more. Exceeded 1m last month


nexfibre CEO, Rajiv Datta

nexfibre will build full fibre to more homes in 2024 than any other Alt-Net

“Combined footprint of 23 million homes”

Telefóni

nexfibre

million premises in urban areas

million premises in semi-urban to semi-rural areas

exfibre

Are they eff ... same entity?

ntities with common parentage and a fundamental partnership – siblings.

Wholesale

Reinforces our position as the leading challenger to Openreach

NetCo

Feb-24

- Complete 16.2m XGS-PON upgrade
- Wholesale
- Potential Alt-Net consolidation
- nexfibre JV remains separate

nexfibre

- Wholesale was always part of their plan
- Acquisition too
- Strong possibility that the wholesale offering will be joined up with VMO2

RACE UPDATE – 28 MAY 2024

Position	Network builder	Premises built	
1	Openreach	14.5m	zen
2	VMO2 + nexfibre	4.2m	~3.2m VMO2 + ~1m nexfibre
3	CityFibre	3.6m	zen
4	Hyperoptic	1.4m	
5	Community Fibre	1.3m	
6	Netomnia	900k	
7	Brsk	520k	
8	Gigaclear	510k	

*Estimates + not all Ready For Service (RFS)

Sources: Openreach, ISP Review + others

The big consolidation

Today there are c. 25 “scale” full fibre players in the UK (>= 100,000 premises passed)

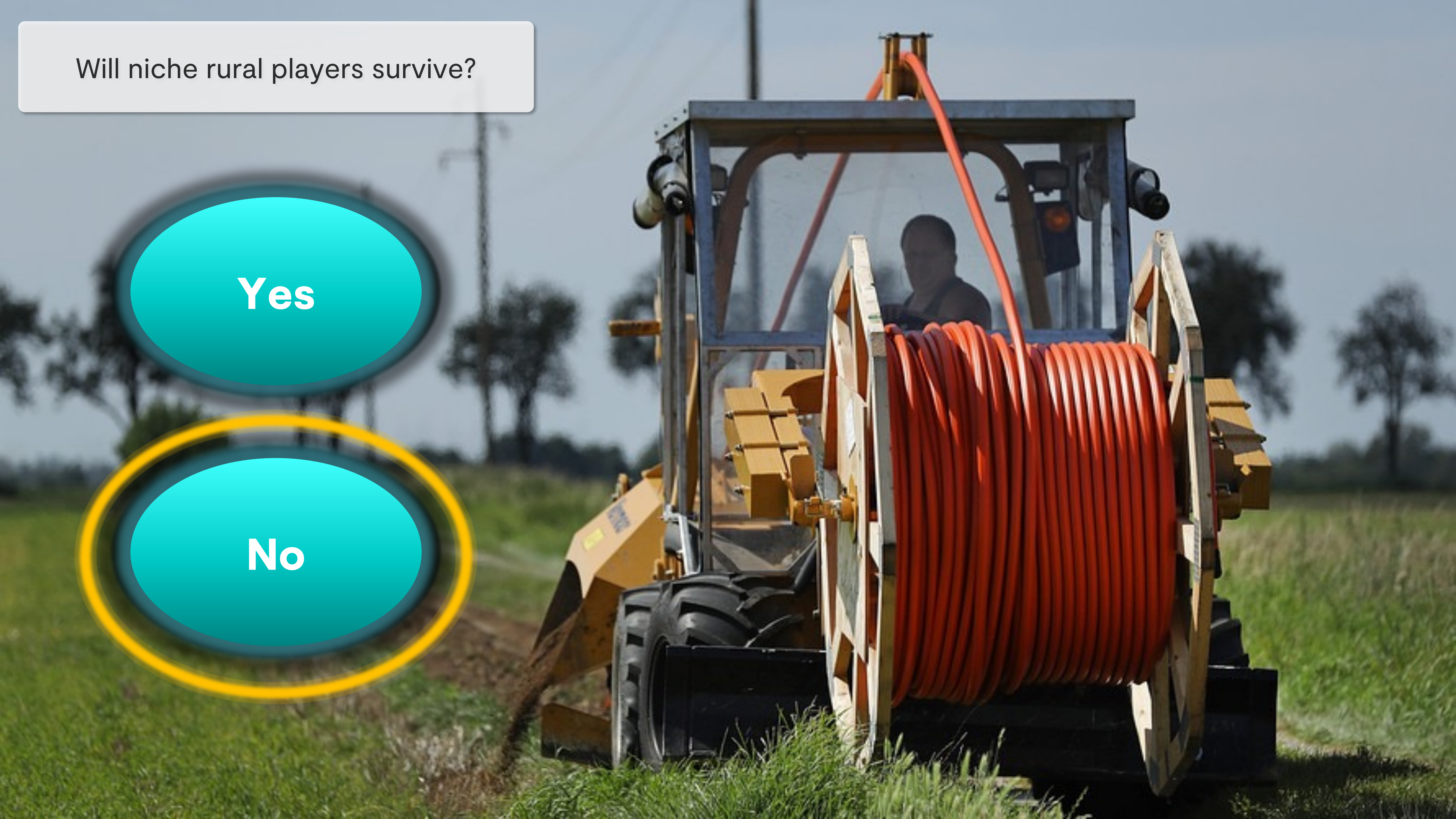
Everyone thinks there will be less, but where will we end up in 2030?

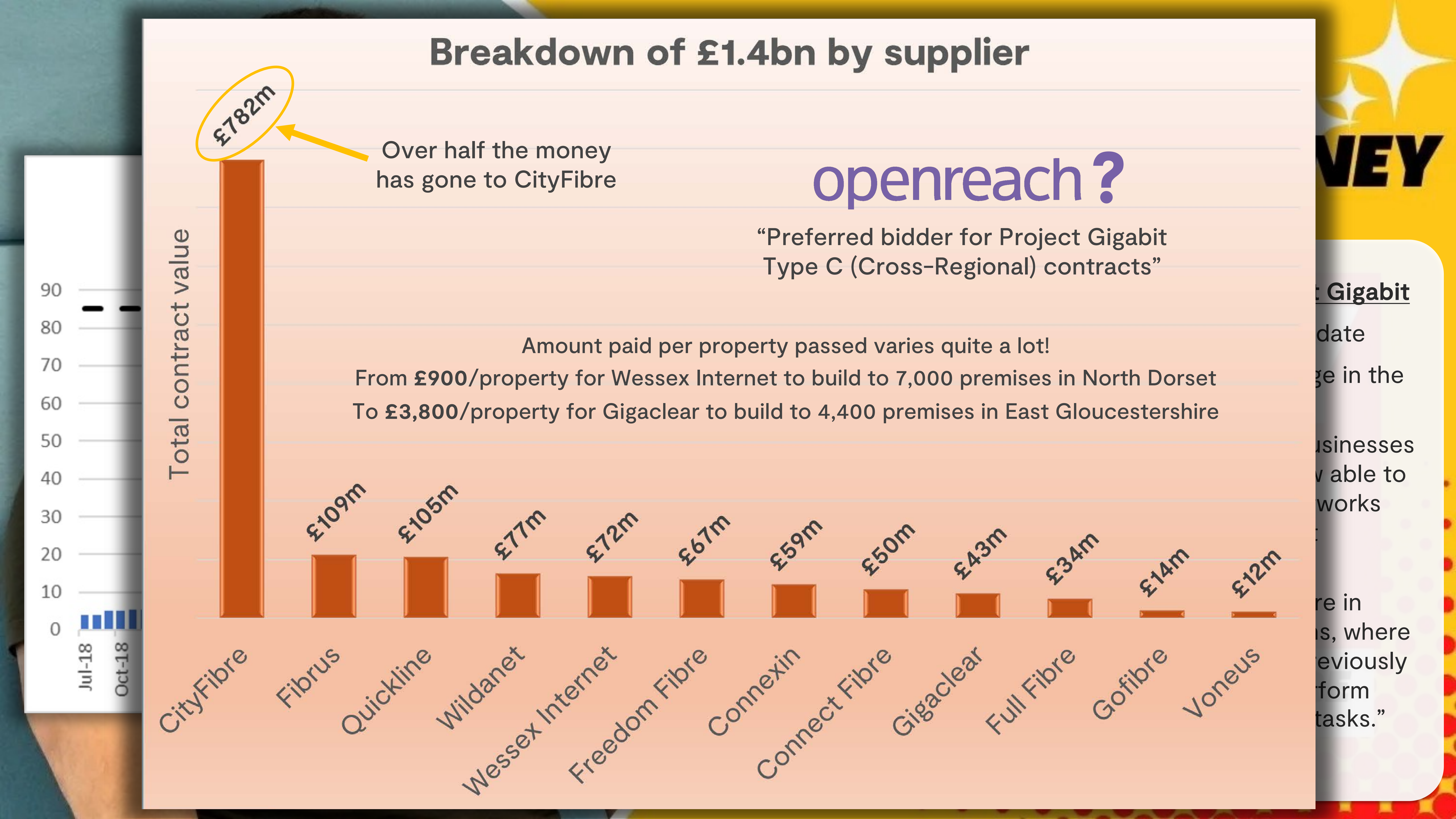
A. 2 or 3

B. 4-6

C. 7-10

D. more than 10


Will niche rural players survive?
Yes
No


Breakdown of £1.4bn by supplier
Total contract value
£782m
Over half the money has gone to CityFibre
openreach ?
"Preferred bidder for Project Gigabit Type C (Cross-Regional) contracts"
Amount paid per property passed varies quite a lot!
From £900/property for Wessex Internet to build to 7,000 premises in North Dorset
To £3,800/property for Gigaclear to build to 4,400 premises in East Gloucestershire
£109m
£105m
£77m
£72m
£67m
£59m
£50m
£43m
£34m
£14m
£12m
CityFibre
Fibrus
Quickline
Wildanet
Wessex Internet
Freedom Fibre
Connexin
Connect Fibre
Gigaclear
Full Fibre
Gofibre
Voneus


BDUK WASTE OF
$500m
OneWeb
of taxpayer's
money
www.youtube.com/@RTZen

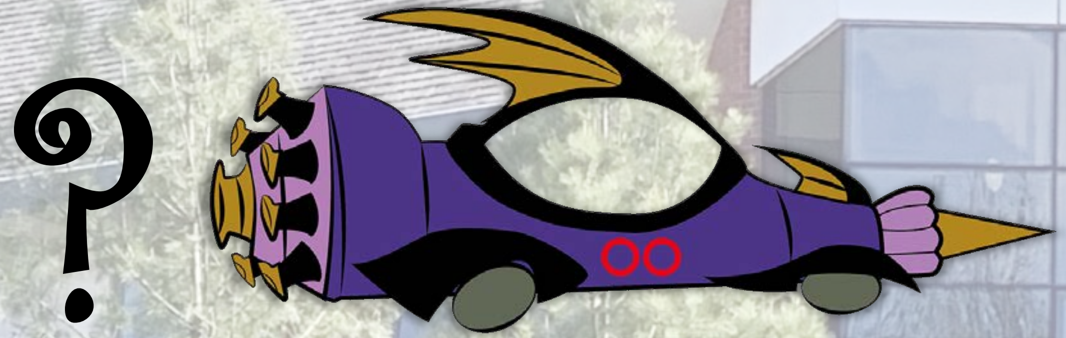
Are LLMs showing early signs of true intelligence?

Or are they just dumb algorithms that happen to be good at predicting the next word?

Early signs of true intelligence!

Dumb algorithms that are good at predicting the next word.

With change comes opportunity



We currently have two infrastructure partners

openreach

Powered by CityFibre

Actively exploring the possibility of partnering with others

Winner
CUSTOMER SERVIC
BRAND OF THE YEA
Which?
Awards 2024

Dave Barber
Strategy Director
david.barber@zeninternet.co.uk

PC PRO
BEST BROADBAND
Every year for 20 years!
2004-2023

Trustpilot
Reviews 9,985 • Excellent
4.5
VERIFIED COMPANY

Ethical Consumer
Best Buy

Neutral
Organisation

Certified
B
Corporation
Certified in 2020
We are proud to be using business as a force for good
Find out how we are reinventing business at bcorporation.uk

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UK 2024

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For Wellbeing
Large Organisations
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UK 2022

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for Women
Large Organisations
Great Place To Work®
UK 2022


I have a Question!
zen
THANK YOU!