

# INFOCOM WORLD CONFERENCE 2017



**Prysmian**  
Group

**Jan Schindler**  
Wednesday  
25 October 2017  
Athens, Divani Caravel

# Agenda

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Why OF is booming?

Market overview

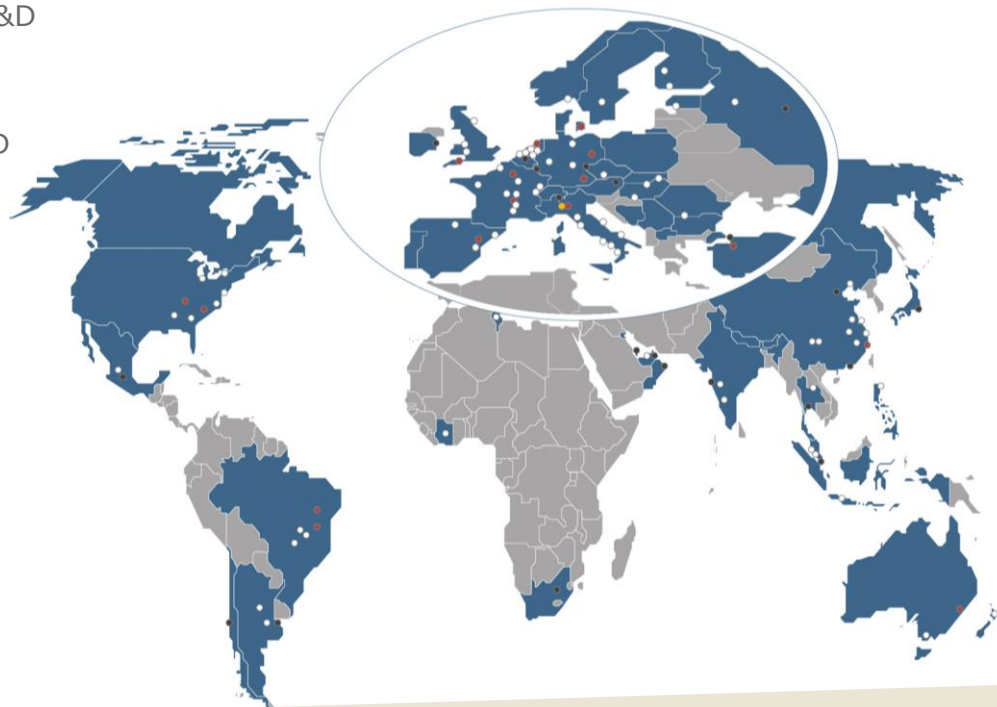
# A Snapshot of Prysmian Group

● HQ + HQ R&D

○ Plant

● Plant + R&D

● Office



## Vision

The Prysmian Group believes in the effective, efficient and sustainable supply of Energy and Information as a primary driver in the development of communities.



## Mission

The Prysmian Group provides its customers worldwide with superior cable solutions based on pioneering technology and consistent excellence in execution, ultimately delivering sustainable growth and profit.



## Values

### Excellence

Every day we relentlessly pursue excellence in all we do

### Understanding

We listen closely to our customers to really understand their needs

### Integrity

We uphold the highest standards of integrity in our actions



**140** years  
of history

**50**  
countries

**82**  
plants

**17** R&D  
centres

**21,000**  
employees

**€ 7,6** billion  
sales in 2016

## Global trends in the Telecom market





# Digital Service Revolution is under way

**Connected people**  
(WW population of 7,4bln): from 9bln up to 10,5bln in 2021



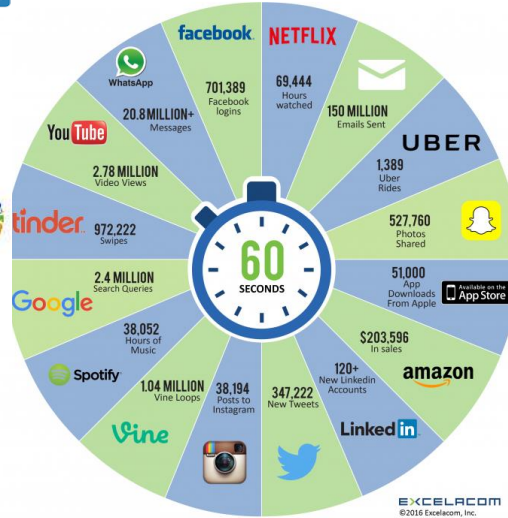
**Connected machines** (IoT will surpass mobile phones as largest category in 2018): from 4,6bln up to 15,7bln in 2021



**Video streaming** vs broadcasting (killer application for bandwidth): crossover in 2015



## 2016 What happens in an INTERNET MINUTE



**Hyper connectivity**  
(connected anytime-anywhere-anydevice)



Increase of **new services and apps** (Virtual Reality, connected/driverless cars, etc.) that will require more bandwidth and lower latency



**New video technologies** like 4k UHD and future 8K that requires more bandwidth (25Mbps)



Increase of **screen devices per home**: from 6,5 up to 20 in 2020



# Digitalization of our life

**Change of habits** of personal and business communication (social media, apps, digitalization of everything): BB creates dependence



Millennials



**Millennials & Generation Z** to drive demand for more fibre as a direct result of their lifestyles and spending trends (multitasking – multiscreen)

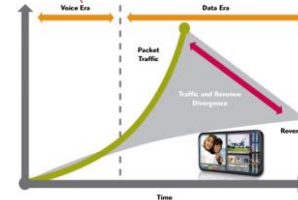
**Cloud of Things** "we're moving to the point where we will have a parallel digital world that mirrors the analogue world" (world of avatars)



**Smart Cities**  
**Smart homes**  
**Smart factories** (Industry 4.0)



**Digitalization of our life:**  
towards the Digital Society,  
Network Society, Gigabit  
Society



**Voice is dead: Long life to the Data.** Towards a totally asynchronous communication

**Hungriness for data:** data traffic will grow 10 folds till 2021



# **Towards a European Gigabit Society**

# Digital Agenda for Europe

Objectives set by the Digital Agenda for Europe for 2020 set in 2010

1. 2013.....100% broadband coverage
2. 2020.....100% coverage for 30 Mbps+ (SFB)
3. 2020..... 50% of customers with access to a 100 Mbps+ connection (UFB)

- **Broadband (BB):** Any technology that provides a continuous connection of **more than 144 Kbps**, using ADSL, mobile or satellite.
- **Superfast broadband (SFB) connectivity:** Coverage for connections in excess of 30 Mbps: at minimum a next generation access (NGA) technology: VDSL, FTTH, FTTB, FTTx, Cable Docsis 3.0, providing the advertised speed
- **Ultrafast broadband (UFB) connectivity > 100 Mbps:** Subset of SFB technologies enabling connection speeds of 100 Mbps and up Essentially two groups of technologies: FTTH/B and FTTx/Cable Docsis 3.0\*

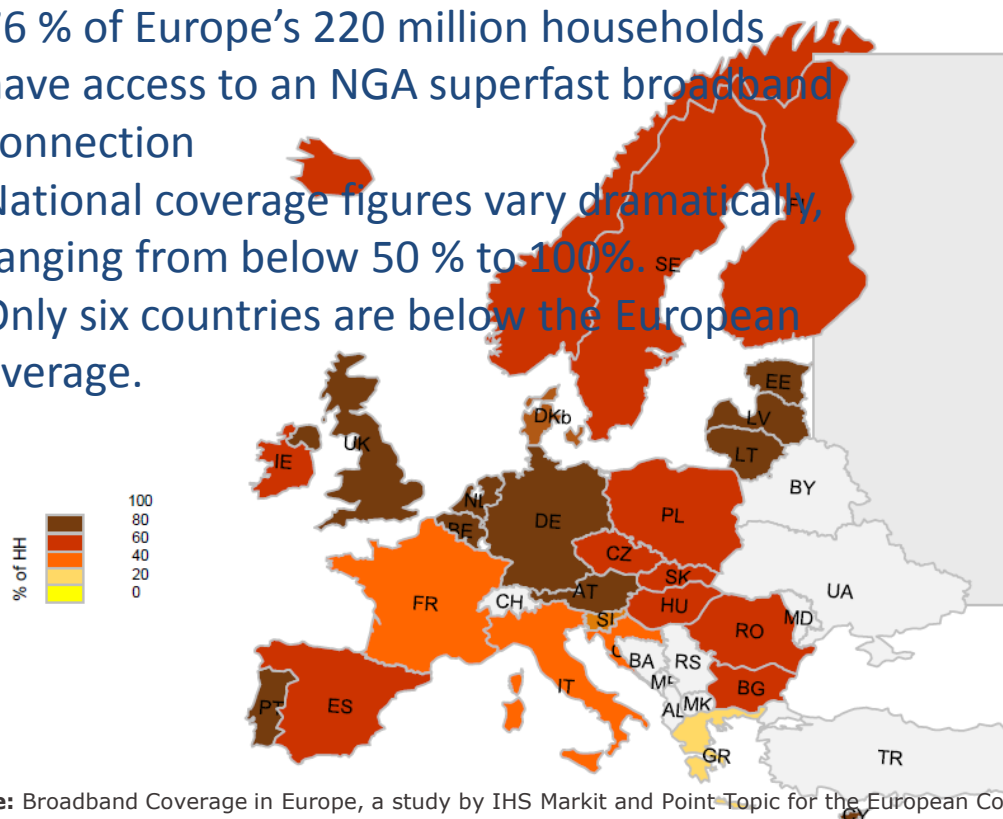
Source: Idate September 2016



# Digital Agenda for Europe

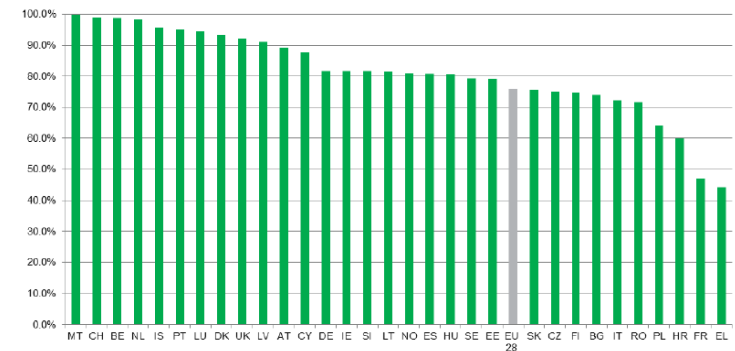
## Objective 2: > 30 Mbps SFB coverage

- 76 % of Europe's 220 million households have access to an NGA superfast broadband connection
- National coverage figures vary dramatically, ranging from below 50 % to 100%.
- Only six countries are below the European average.

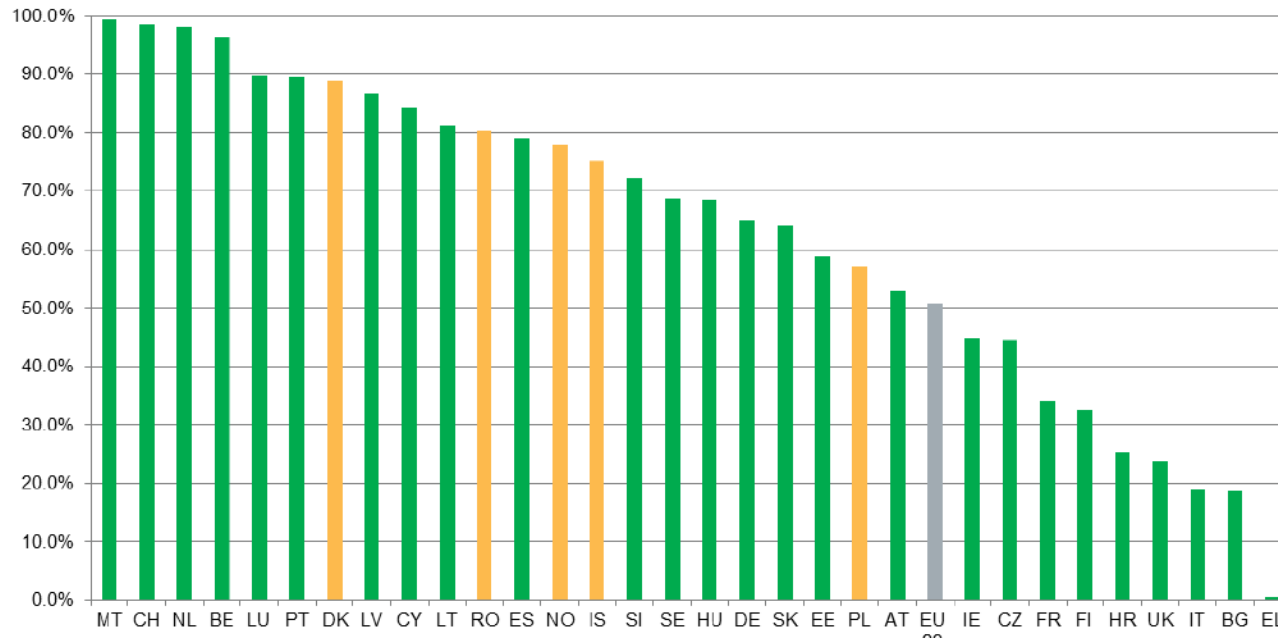


### Top countries

- Malta remained 100% coverage for NGA
- Switzerland, Belgium, Netherlands, Iceland and Portugal about 95%.
- Low levels in France & Greece 45%.



Source: Broadband Coverage in Europe, a study by IHS Markit and Point Topic for the European Commission – September 2017



- EU as whole reached the Digital Agenda goal by mid-2016
- Big differences among individual countries, e.g. 99.4% in Malta to virtually no connections being able to support at least 100 Mbps speeds in Greece

**Source:** Broadband Coverage in Europe, a study by IHS Markit and Point Topic for the European Commission – September 2017

## Three strategic connectivity objectives for 2025

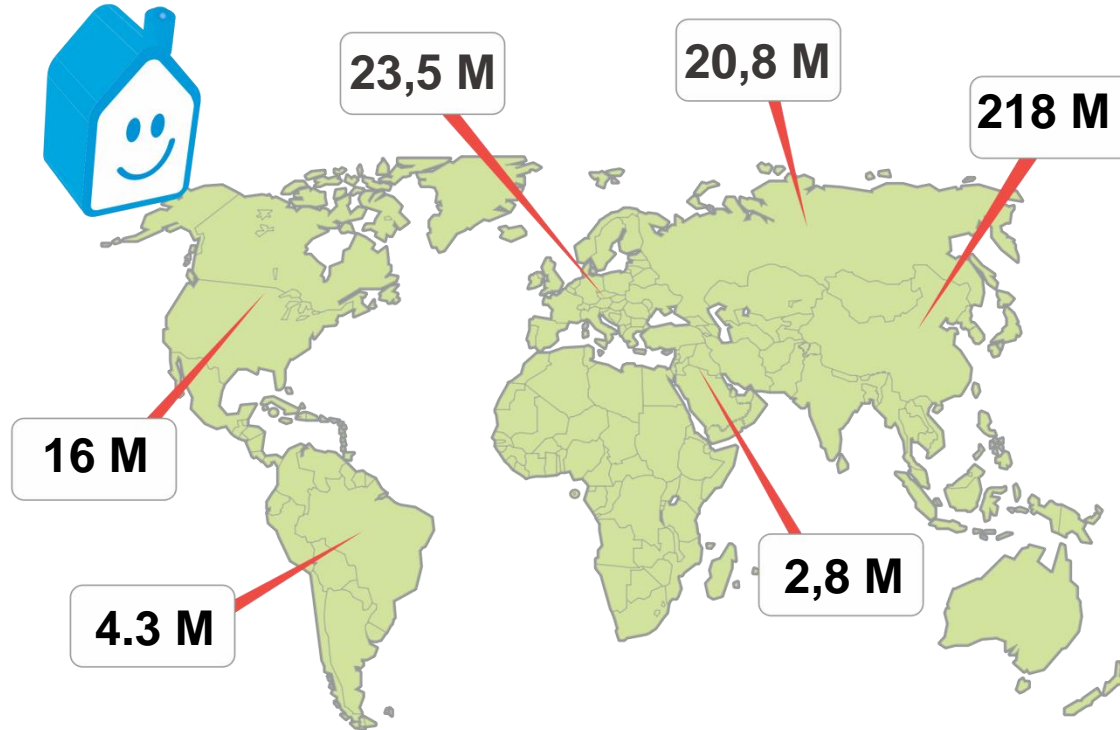
- All main socio-economic drivers, such as **schools, universities, research centres, transport hubs**, all providers of public services such as hospitals and administrations, and enterprises relying on digital technologies, should have \*access to Gigabit connectivity (1Gbps download/upload)\*
- **New digital targets:** All European households, rural or urban, should have access to connectivity offering a download speed of at least 100Mbps, which can be upgraded to Gigabit speeds
- All urban areas as well as major roads and railways should have **uninterrupted 5G coverage**. As an **interim target, 5G should be commercially available in at least one major city in each EU Member State by 2020**.



Source: European Commission : September 2016

# FTTH at Sep 2016

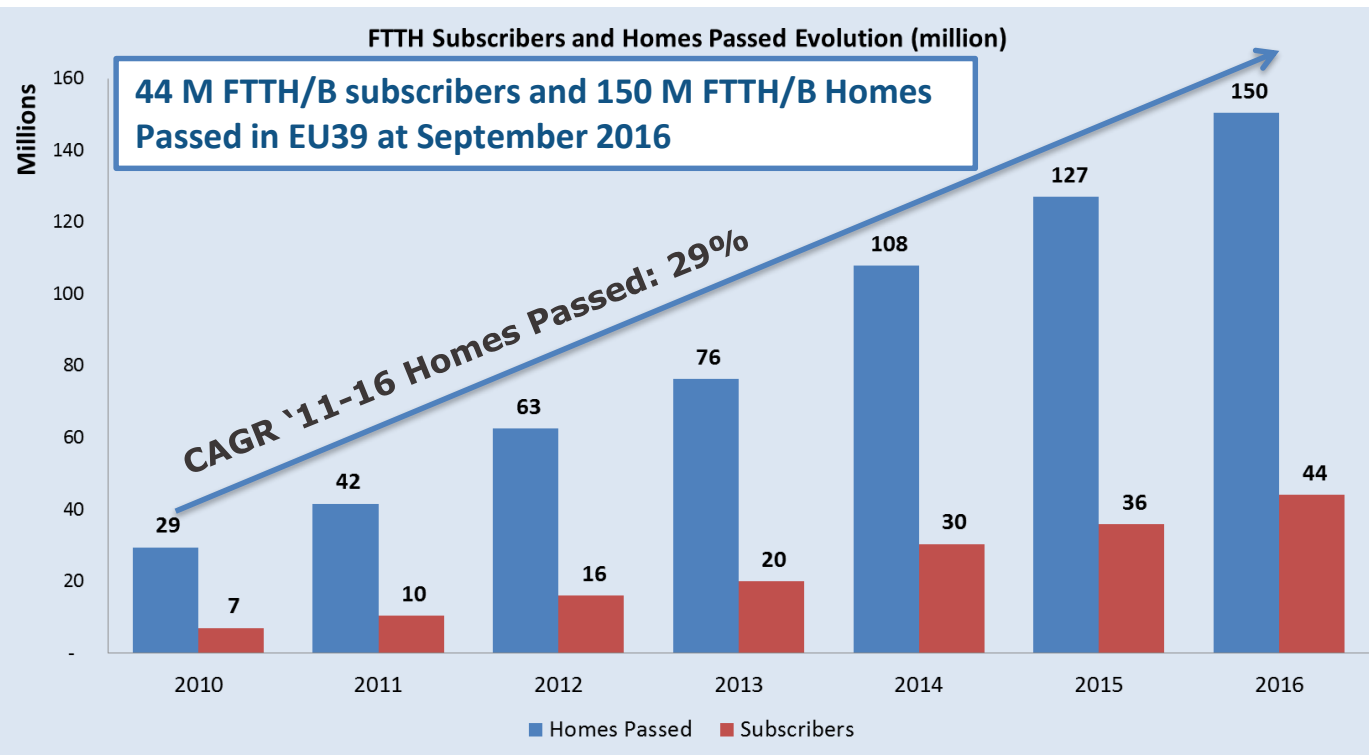
# Global FTTH Panorama



Source: FTTH Global Alliance, Feb 2017



## EU 39: FTTH/B figures at end September 2016

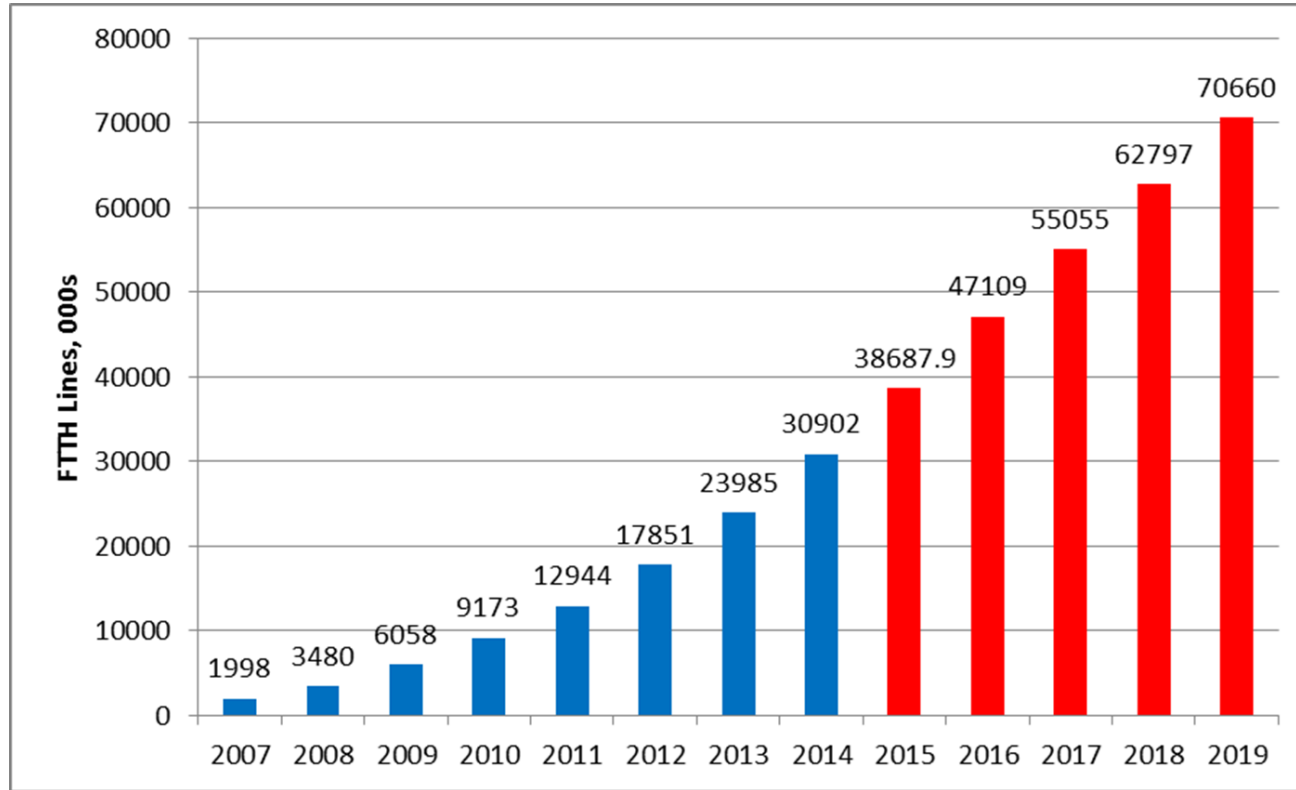


### New Homes passed

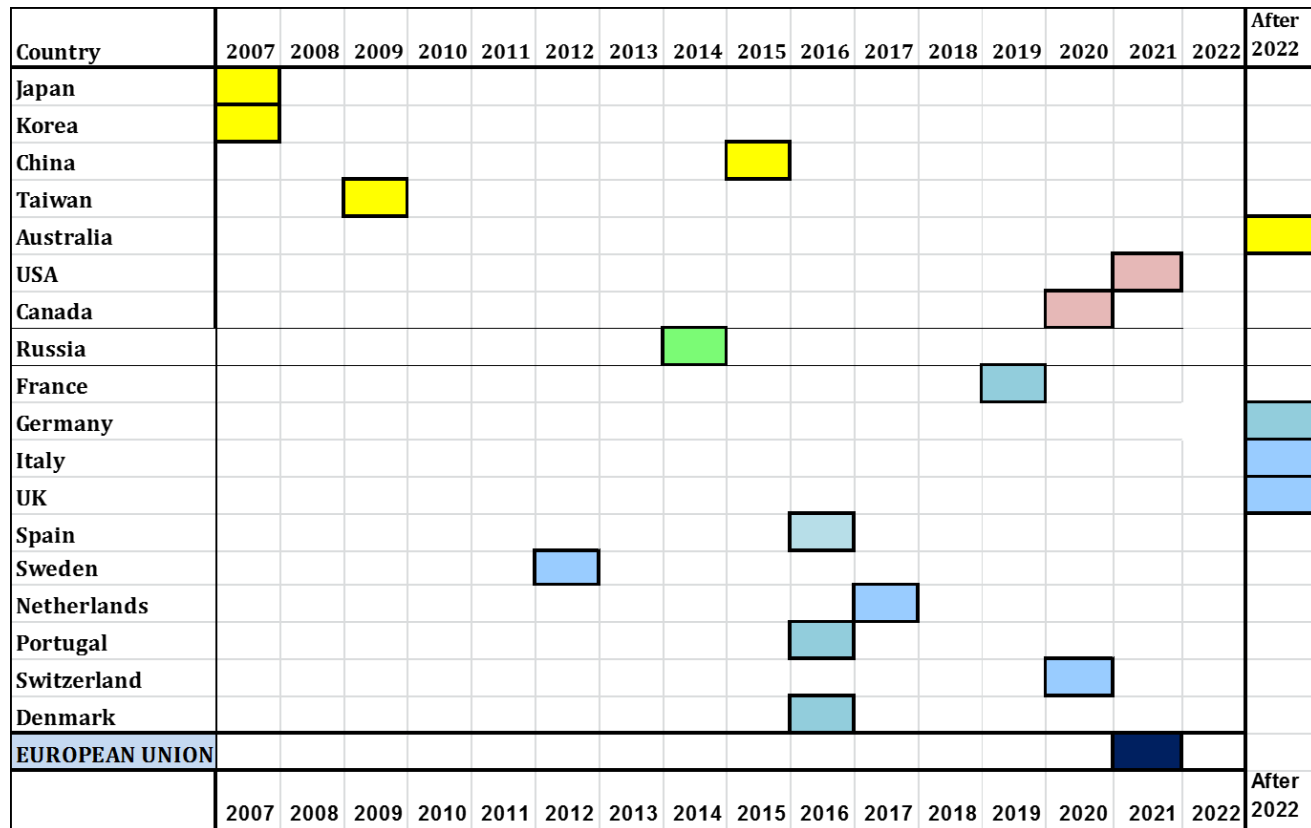
Spain	7.630.000
Russia	2.600.000
France	2.327.000
UK	1.175.000
Portugal	1.000.000
Poland	947.000

Source: Idate for FTTH Council Europe, December 2016

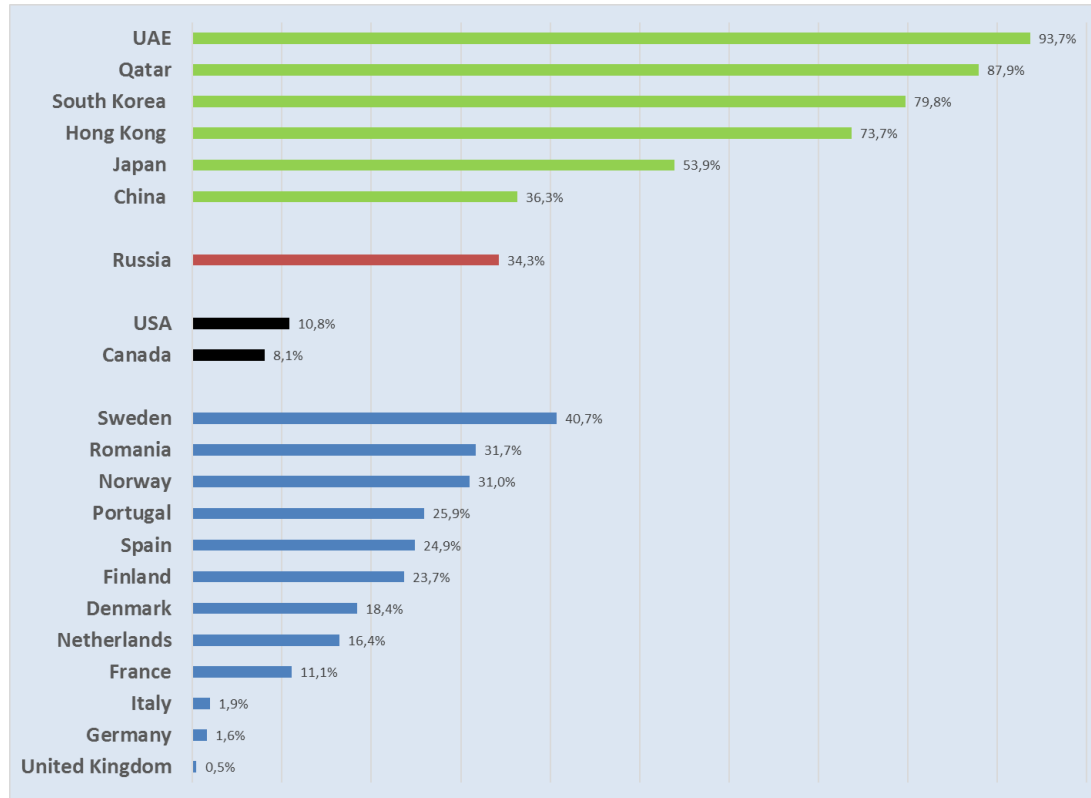
## FTTH Forecast 2019



# The Race to “FTTH Maturity”\*



## FTTH/ B Penetration by country

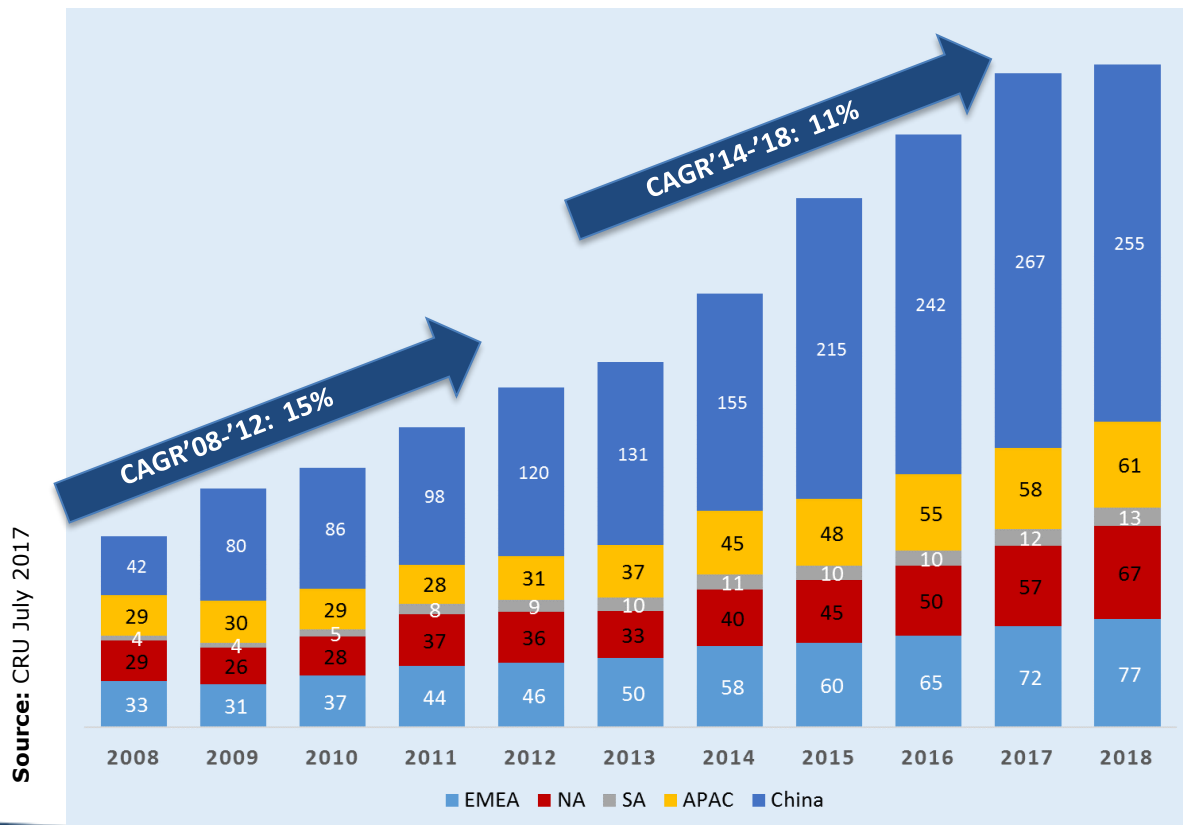


Fiber will be essential for 5G as it is desirable for backhauling of small cells. Therefore, those countries where FTTH is quite advanced will be in a better position to deploy 5G.

# Optical Cable Market



# Optical Cable market Evolution



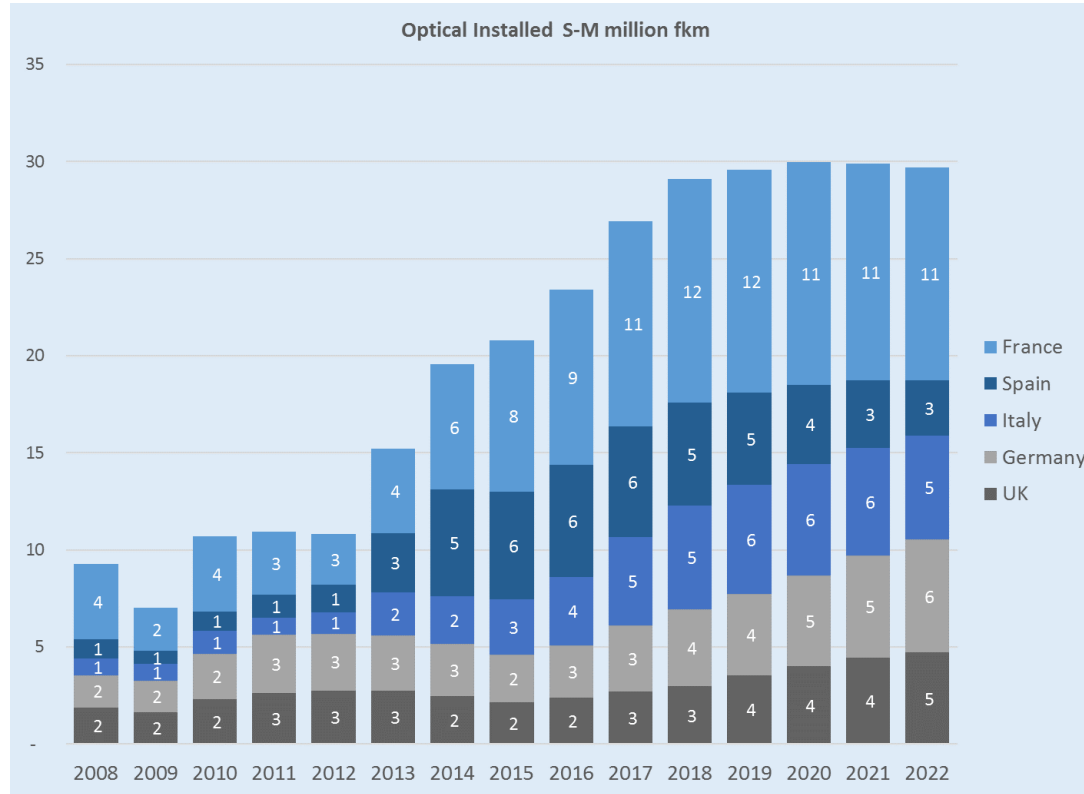
## Compound annual growth rate '14-'18

EMEA	7% (8%)
NA	14% (6%)
SA	5% (23%)
APAC	8% (2%)
China	13% (30%)

- Global optical cable deployment has reached 425 million f-km, a 11,2% y-o-y
- 64% global demand from China

## Europe: Optical Cable S-M million f-km

Source: CRU July 2017



➤ Gigabit Society to promote fibre deployments in EU

# Conclusions

1

Network transformation

2

CAPEX

3

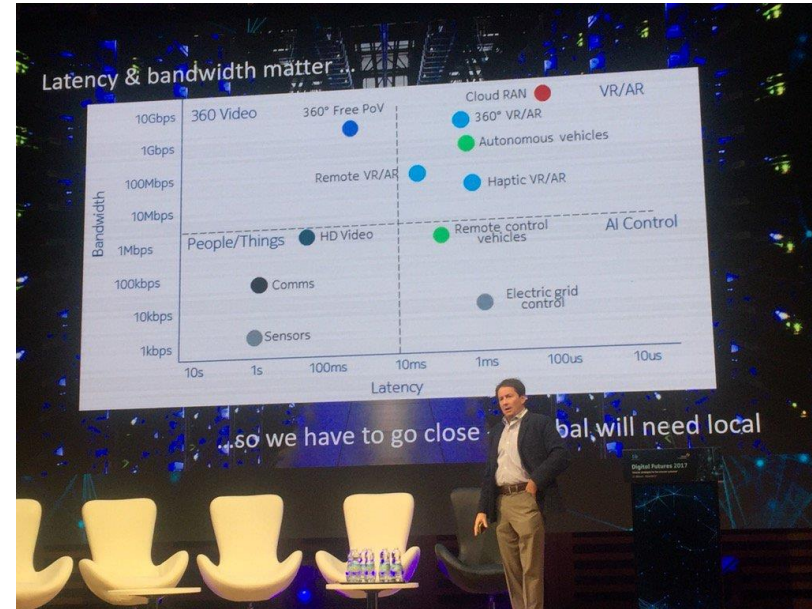
EU Digital Agenda 2025

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Fiber/Cable manufacturers: TCO

5

Digital Revolution





# Thank You!

**Prysmian**  
Group

 **PRYSMIAN**

 **Draka**