

Economic study 2025

Telecoms: investing to connect territories

Press conference

12/10/2025

| Agenda

- **Fixed and mobile ultra-fast broadband (UFB) is now widespread; legacy network shutdown is underway**
- French operators offer increasingly rich services at highly competitive prices
- Telecom operators continue to invest at exceptional levels but face growing sector-specific taxation
- European telecoms remain comparatively undervalued but stable
- Operators keep investing massively in network capacity and technological transformation to support evolving uses and security requirements
- Investments deliver tangible results across all territories in fixed and mobile coverage

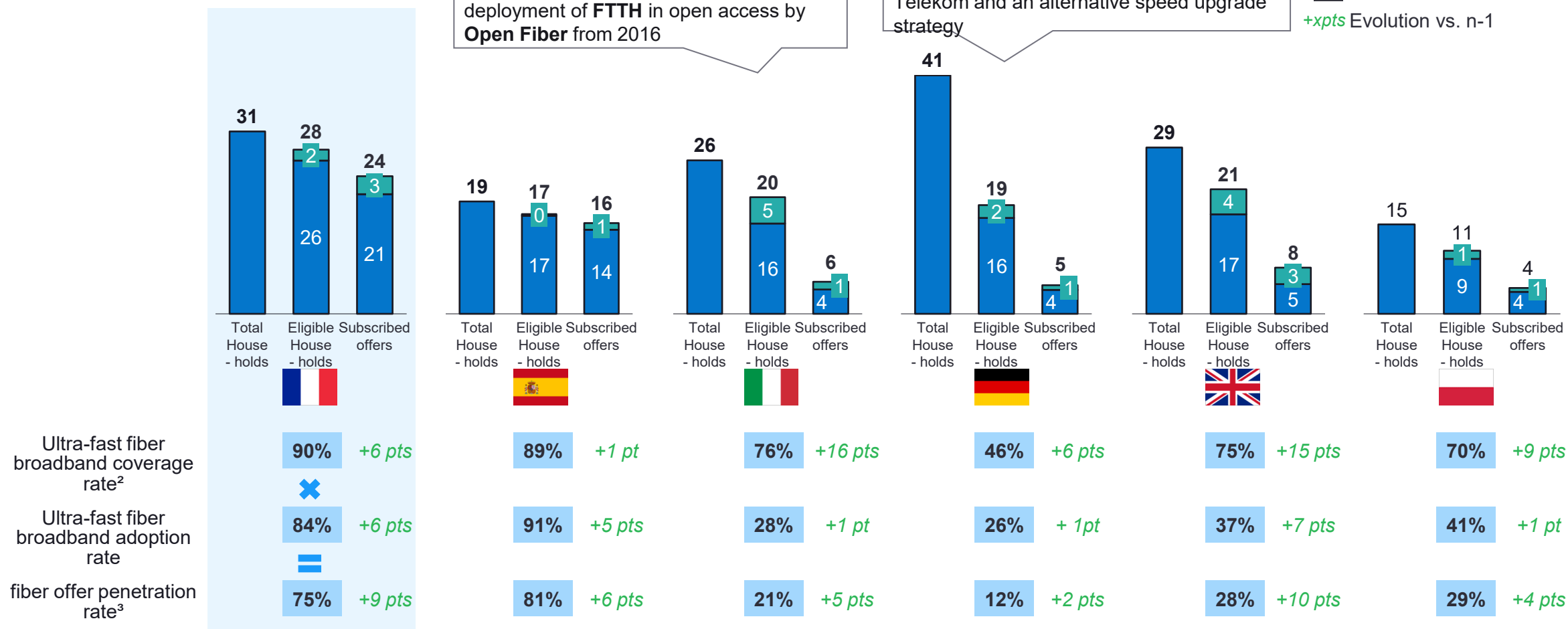
France leads major European countries in the transition to fiber ultra-fast broadband, with a 90% coverage rate

Number of FTTH subscriptions¹ (Europe, millions, Q3 2024)

Adoption of an **FTTN/FTTC strategy**⁴ with VDSL by incumbent operators, and late deployment of **FTTH** in open access by **Open Fiber** from 2016

Historical choice of enhanced copper (VDSL, (super) vectoring) by Deutsche Telekom and an alternative speed upgrade strategy

Added as of T3 2024
+xpts Evolution vs. n-1



1. Methodology: number of households based on data from national statistical institutes in each country; other data sourced from the FTTH Council Europe

2. Share of households eligible for an FTTH offer out of the total number of households

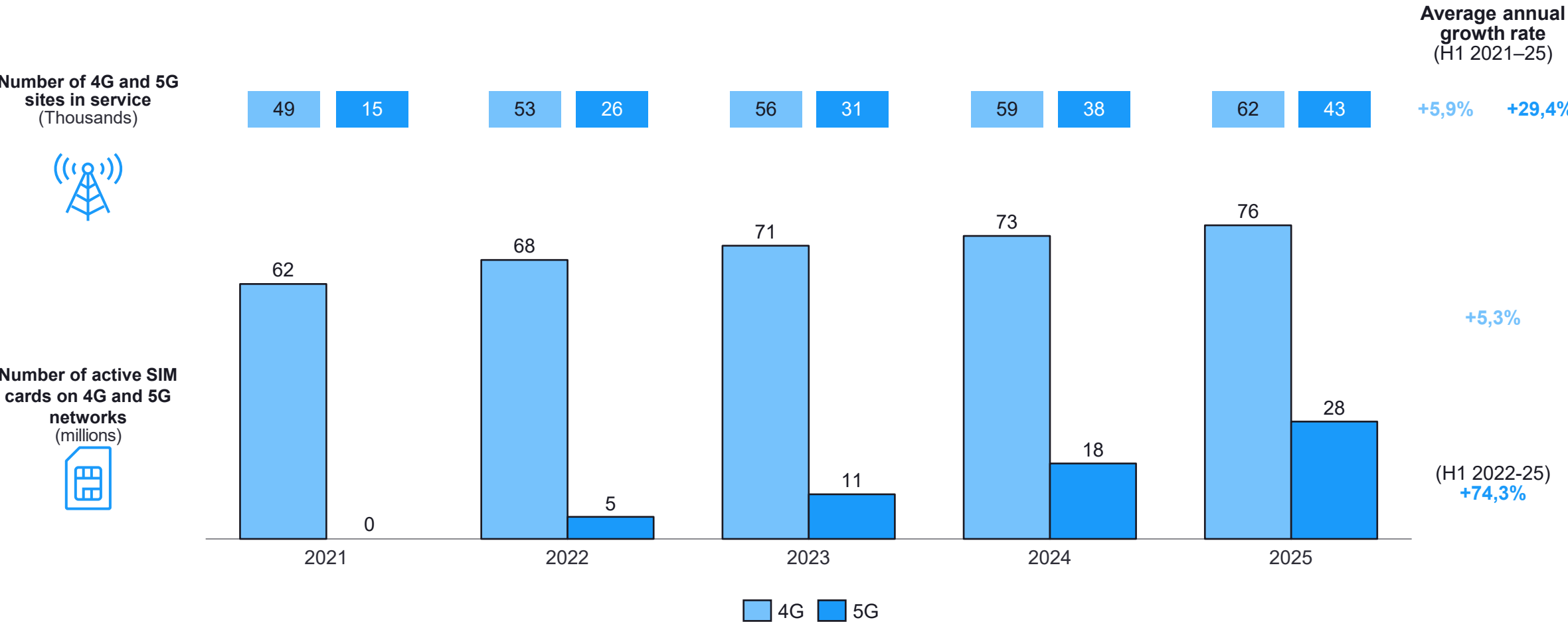
Source : FTTH Council Europe, national statistical institutes, EY-Parthenon analysis

3. fiber penetration rate = FTTH coverage rate × fiber offer adoption rate

4. fiber to the node with VDSL

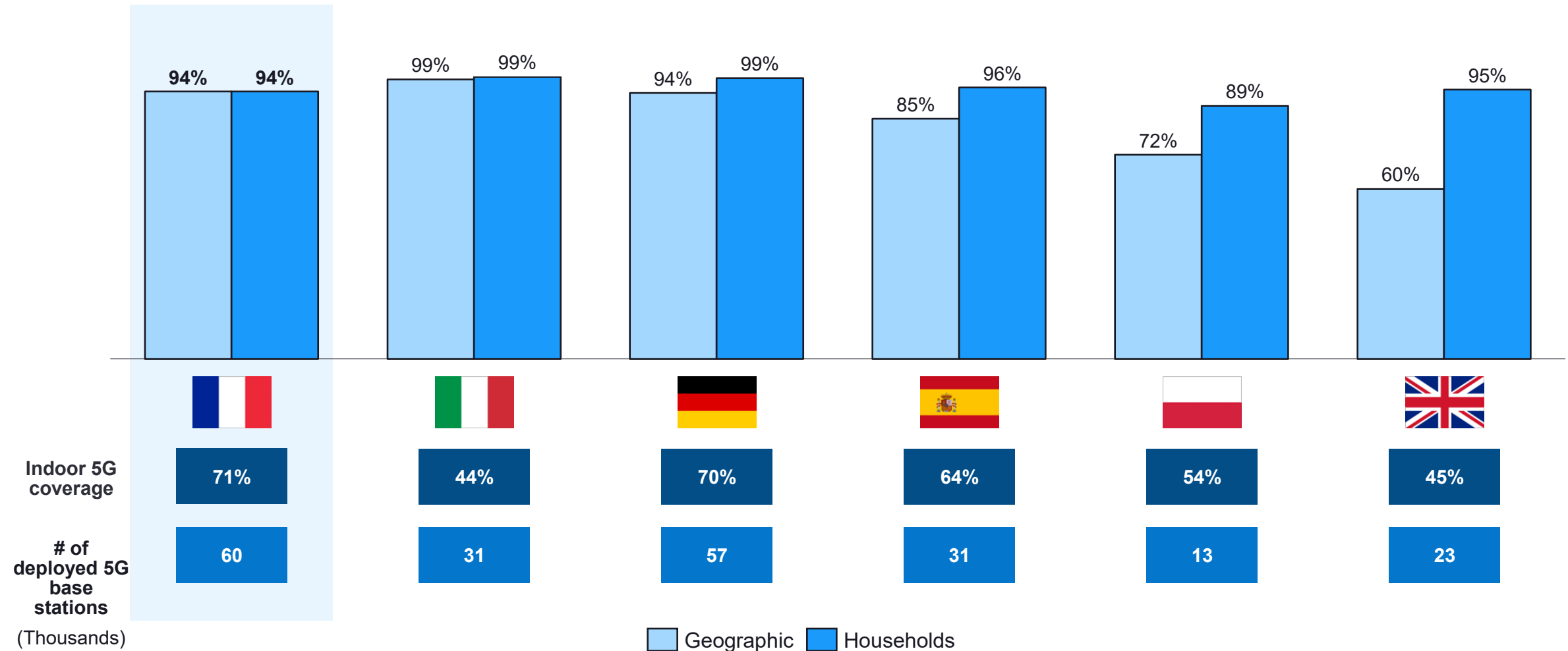
The number of active 5G SIM cards has been multiplied by six since 2022, reaching 28 million in 2025; 4G is still growing, at an annual rate of 5% since 2021

4G and 5G mobile networks – Excluding MtoM (Mainland France, H1 2021-25)



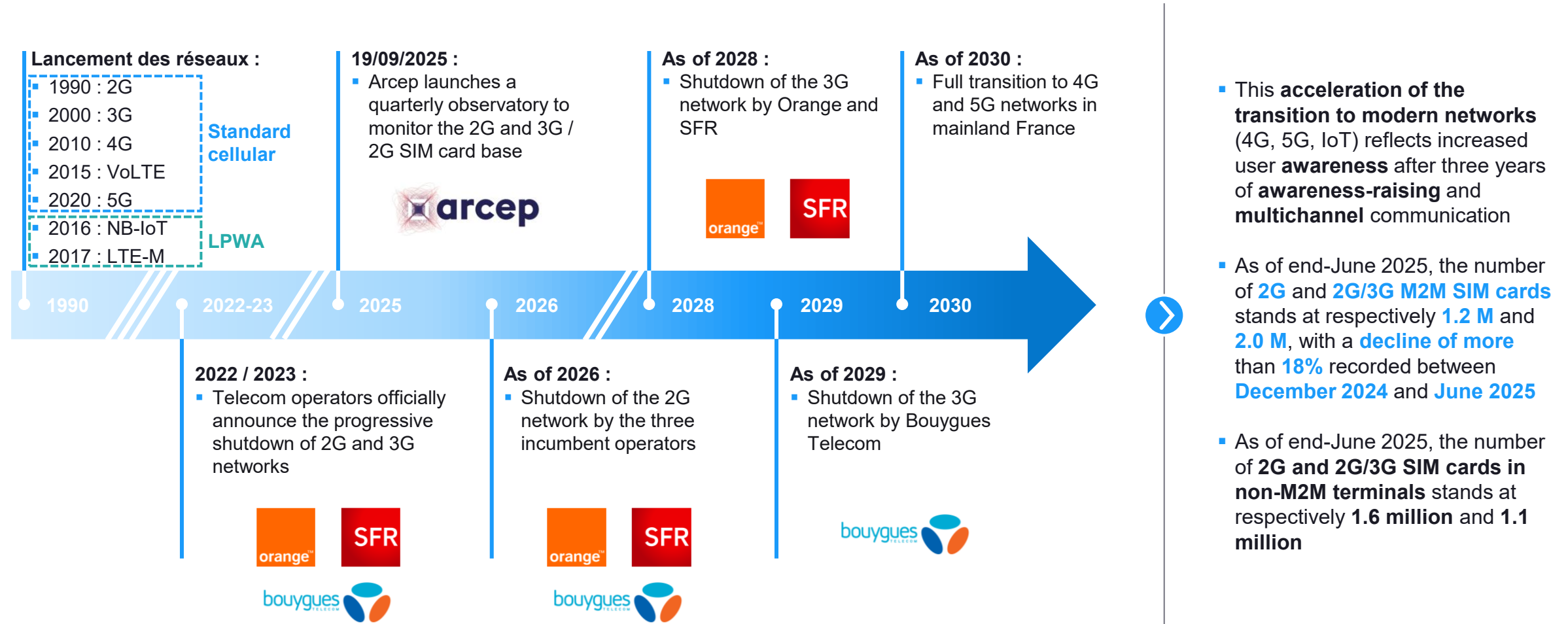
French 5G coverage – 94% outdoors – ranks first among major European countries when it comes to indoor coverage

5G Mobile coverage (Europe, %, H2 2024)



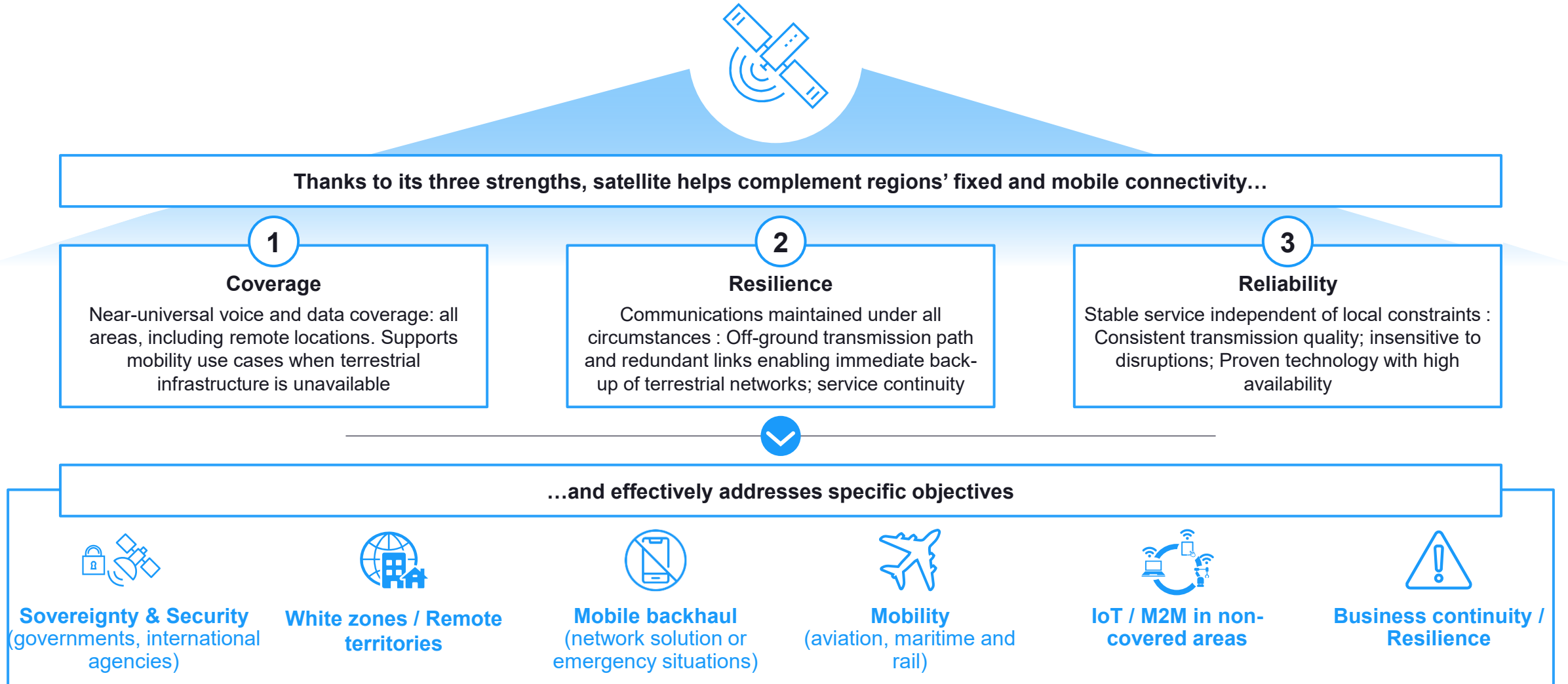
Announced in 2022, 2G and 3G networks' shutdown is accelerating, as evidenced by the sharp decline in SIM cards, with a progressive phase-out starting in 2026

Progressive shutdown of 2G and 3G networks (Mainland France, November 2025)



Satellite coverage is a strategic complement to fixed and mobile ultra-fast broadband in France

Focus on satellite activity (France, November 2025)

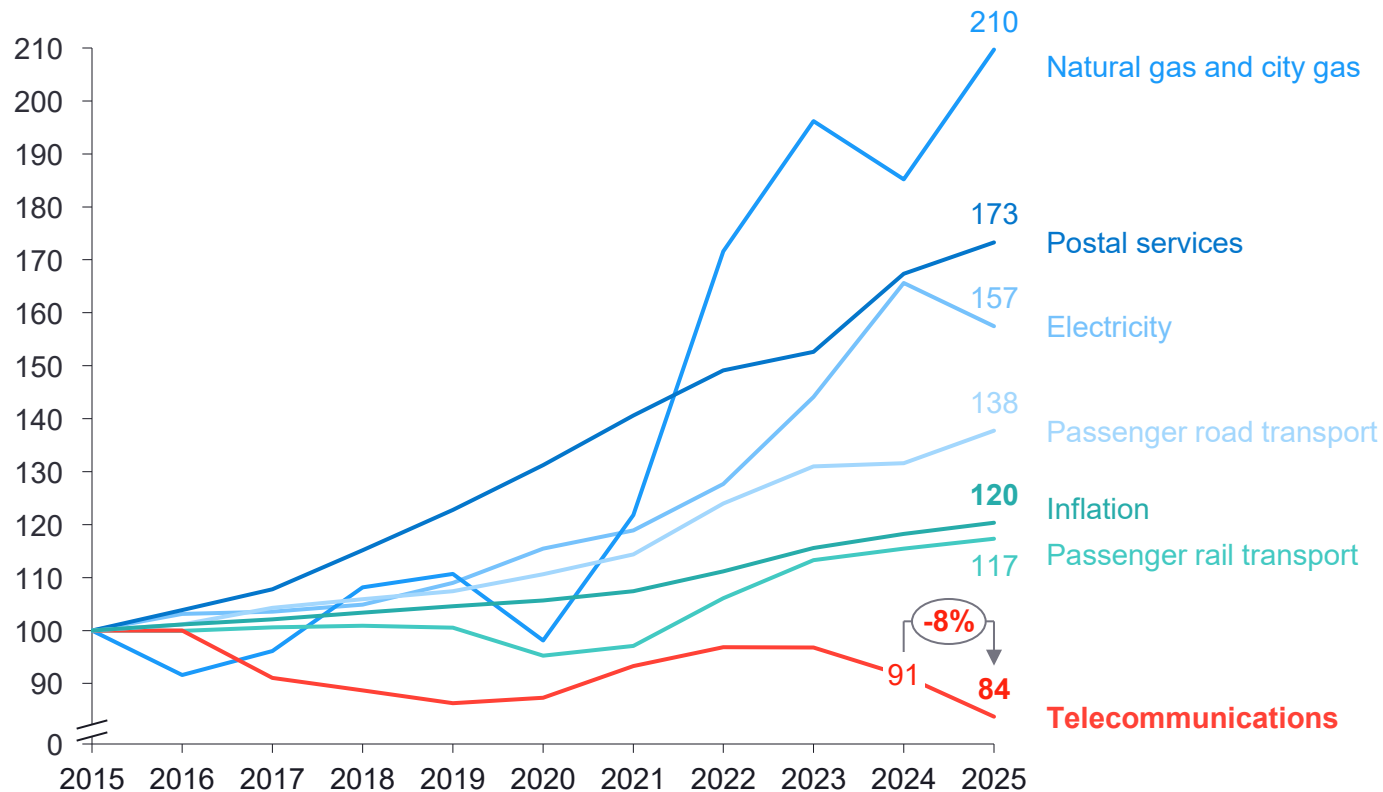


| Agenda

- Fixed and mobile ultra-fast broadband (UFB) is now widespread; legacy network shutdown is underway
- **French operators offer increasingly rich services at highly competitive prices**
- Telecom operators continue to invest at exceptional levels but face growing sector-specific taxation
- European telecoms remain comparatively undervalued but stable
- Operators keep investing massively in network capacity and technological transformation to support evolving uses and security requirements
- Investments deliver tangible results across all territories in fixed and mobile coverage

The price of telecom services has continued to decline since 2015, while all other essential services have increased (–16 pts for telecoms vs. +20 pts inflation)

Consumer price index for a sample of products and services (France, base 100 = 2015, 2015-25)



- Between 2015 and 2025, the telecommunications services price index declined on average by approximately **2% per year**
- The decline in telecom service prices accelerated, reaching **–8% between 2024 and 2025** (vs. –5% between 2023 and 2024)
- In 2025, telecom services account for **less than 3% of consumer budgets** for more than 10 years, making them the **second-lowest spending category**, after telecom equipment



1%
Phone equipment



3%
Telecoms



7%
Leisure



8%
Insurance & financial services



10%
Health



13%
Transport



19%
Food

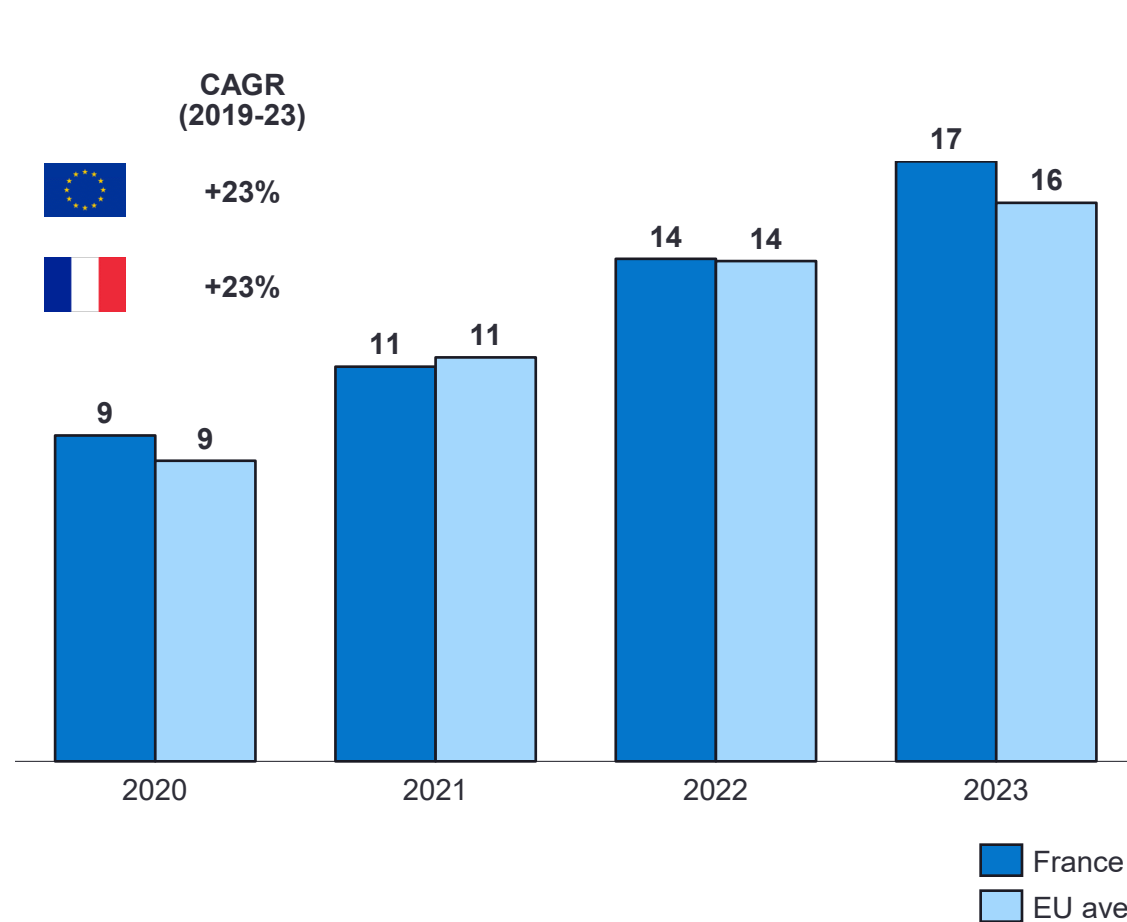


29%
Housing

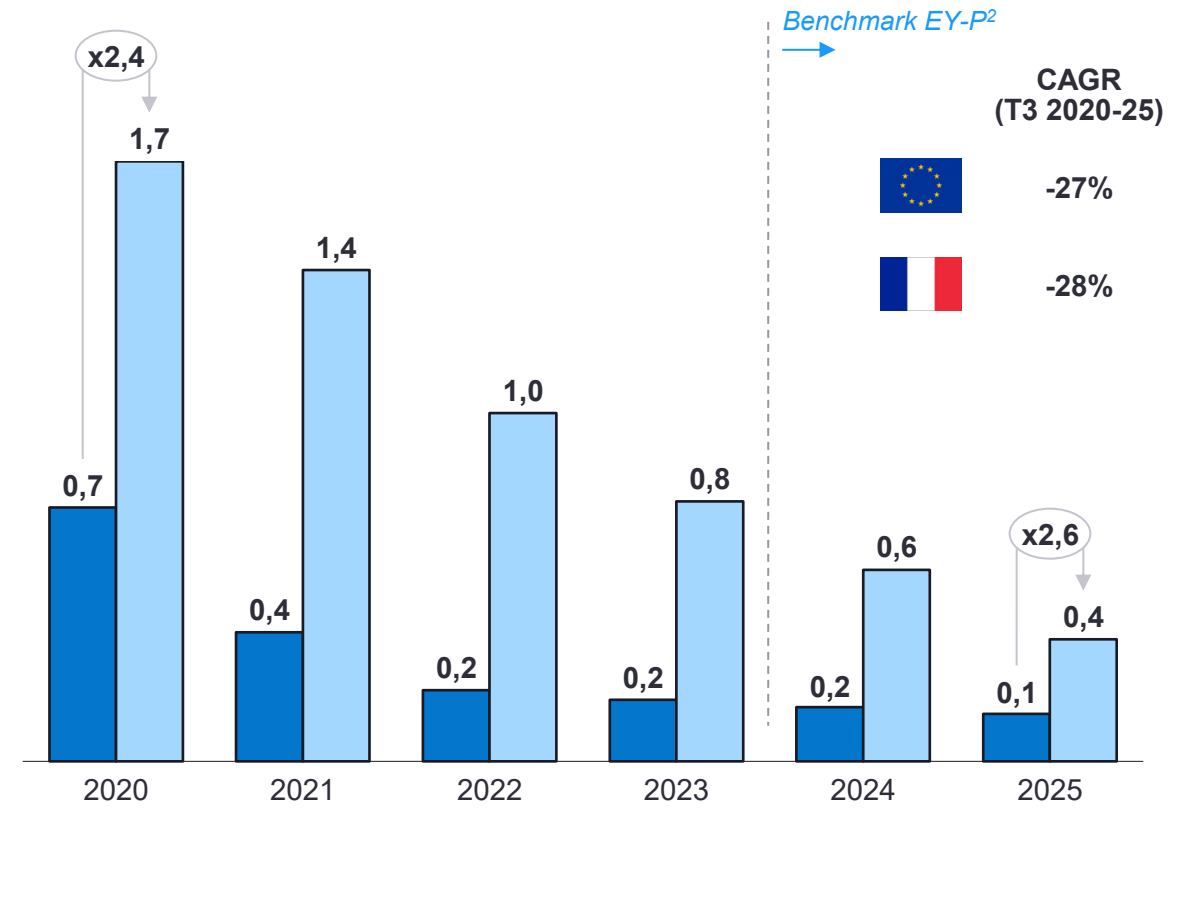
Over five years, French operators have reduced the price of a 5G gigabyte (-28% per year), democratizing the use of ultra-fast mobile internet (+23% per year)

Mobile usage and associated service prices

Mobile data consumption per person/month (Europe, Gigaoctets, 2020-23)



Price of a 5G mobile gigabyte (Europe¹, € incl. VAT, Q3 2020-25)



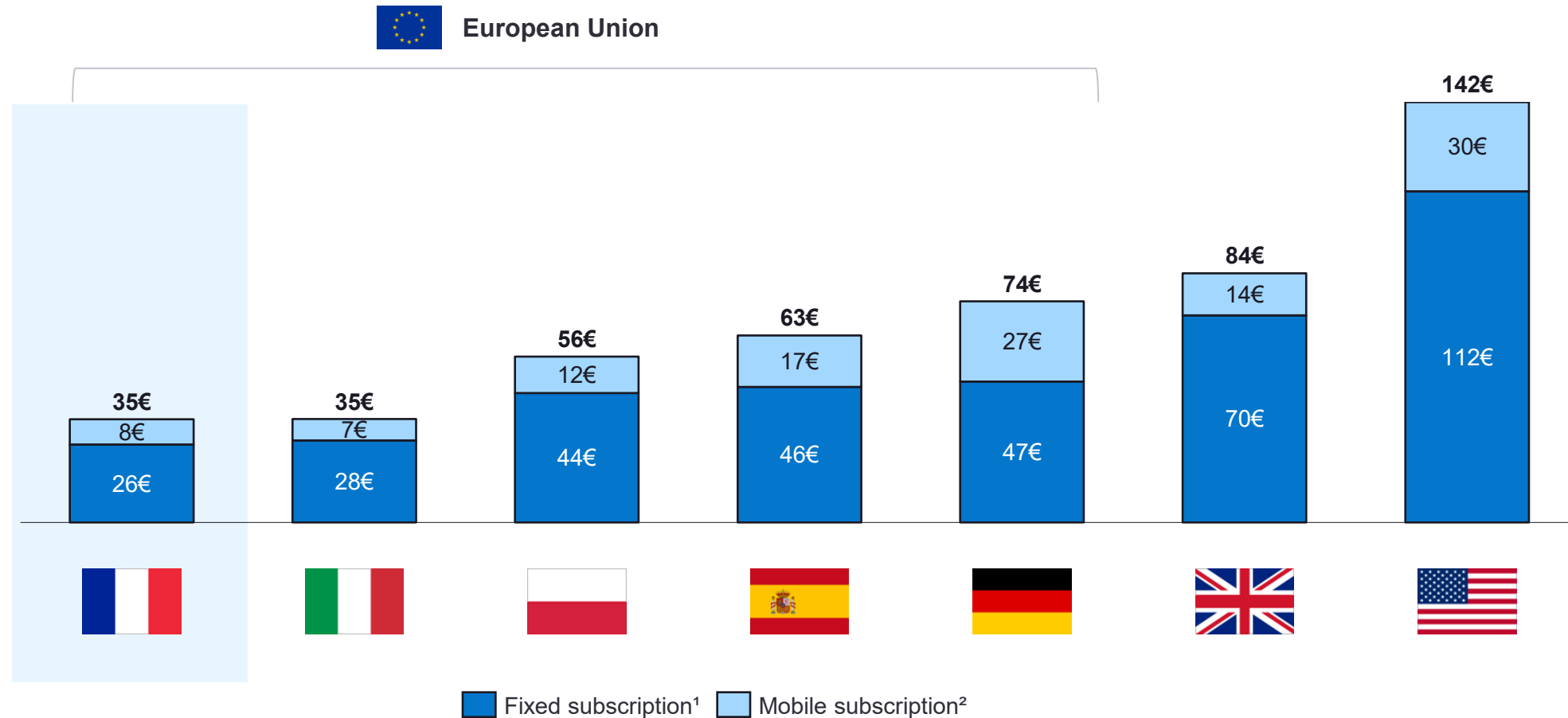
1. Average calculated across Western European countries bordering France

2. Methodology identical to that applied by Cable.co.uk, covering all 5G plans from several leading operators in each country (premium and low-cost), SIM-only plans, 5G internet where available, unlimited SMS, MMS and calls

Source : Arcep, Connect Europe (ex-ETNO), Cable.co.uk 2020–2023, EY-Parthenon Benchmark 2024 & 2025, EY-Parthenon analysis

For both fixed and mobile services, prices offered in France are among the lowest in Europe, up to twice cheaper than for some other European consumers

Comparison of fixed and mobile subscription prices ((Worldwide, € incl. VAT, PPP³, September 2025)



1. Fixed triple-play subscription including fiber where available, standard TV package and fixed telephony, minimum >1 Gbps, excluding promotions and connection fees, monthly price averaged over the first 24 months

2. Subscription including 50 GB of 5G data and unlimited mobile telephony services (SMS, MMS and calls), excluding promotions, no commitment where available, excluding handset and SIM fees

3. Purchasing Power Parity using EU-27 coefficients

Source : European Commission, World Bank, EY-Parthenon operator benchmark, EY-Parthenon analysis

| Agenda

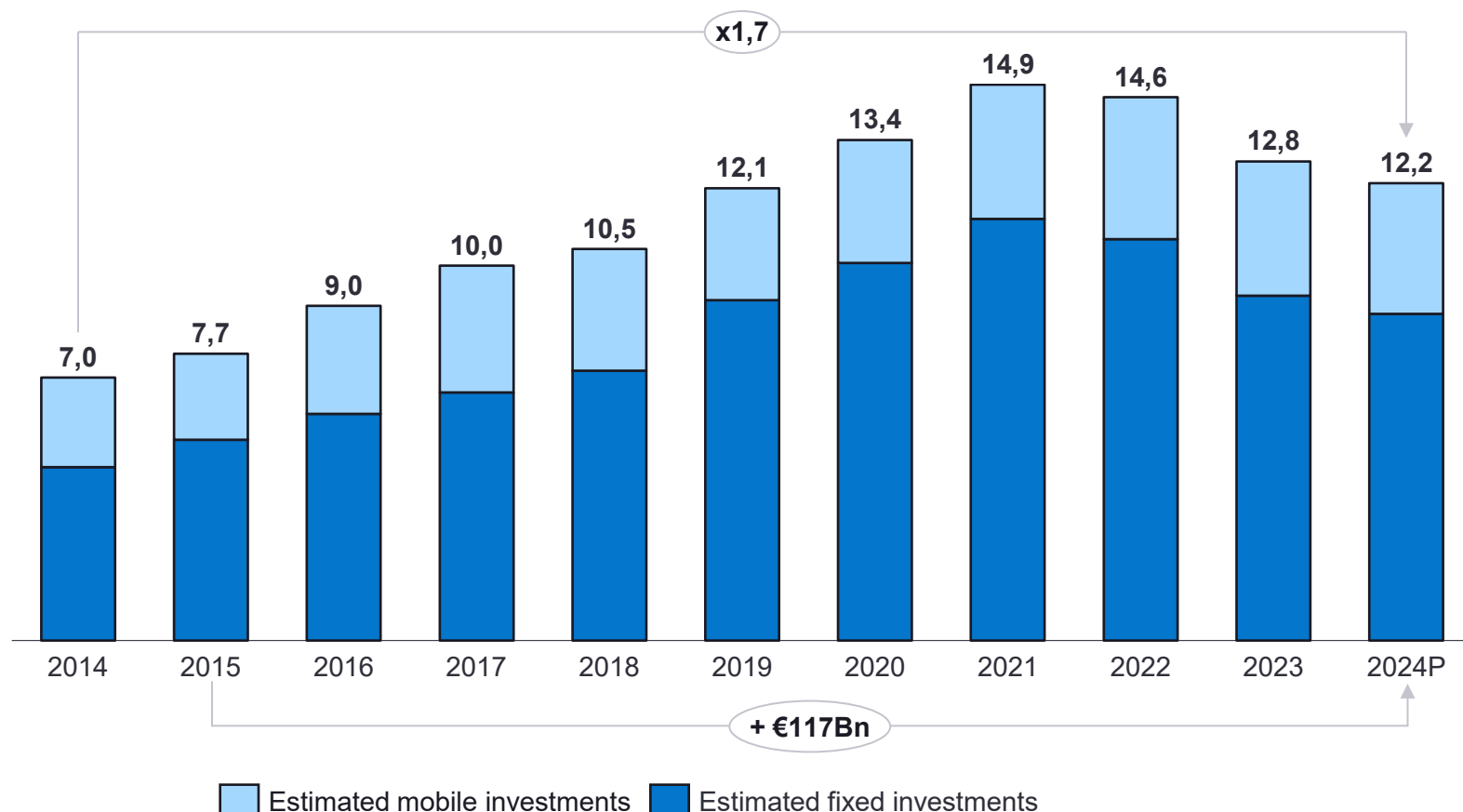
- Fixed and mobile ultra-fast broadband (UFB) is now widespread; legacy network shutdown is underway
- French operators offer increasingly rich services at highly competitive prices
- **Telecom operators continue to invest at exceptional levels but face growing sector-specific taxation**
- European telecoms remain comparatively undervalued but stable
- Operators keep investing massively in network capacity and technological transformation to support evolving uses and security requirements
- Investments deliver tangible results across all territories in fixed and mobile coverage

Operators have invested €117bn over 10y and continue to sustain high investment levels (€12bn, 2024), despite the increasing maturity of fixed and mobile networks

Analysis of investments by French telecom operators

Investments by French operators in telecom networks¹ – excluding mobile spectrum purchases
(France, € Billions, 2014-24P)

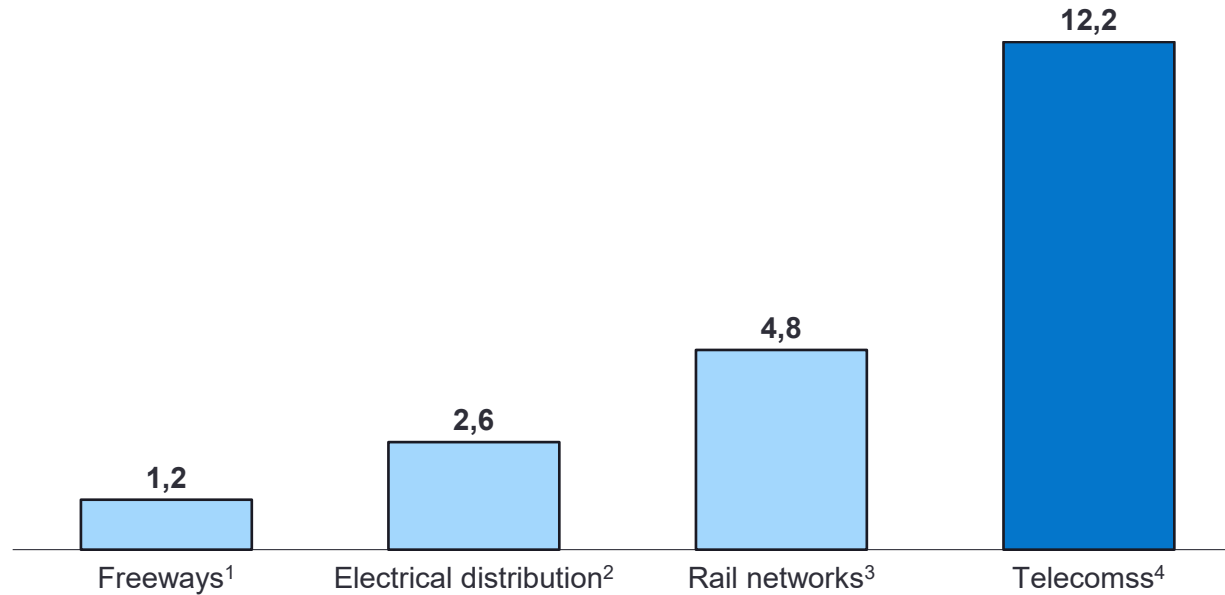
Comments



- Between 2015 and 2017, the strong growth in fiber-optic deployment—into which operators invested heavily—took place within the framework of the *France Très Haut Débit* plan, as well as the early stages of 4G deployment
- Between 2017 and 2021, the continued growth in investments reflects operators' significant efforts to strengthen their networks, notably through the deployment of 4G under the *Mobile New Deal*
- Over the last three years, telecom networks have reached an advanced stage of maturity thanks to the *Plan France Très Haut Débit* (PFTHD) and the *Mobile New Deal*
- €6.5bn** in mobile spectrum purchases over the 2014–24P period, including:
 - €2.8bn in 2015
 - €2.8bn in 2020
 - €0.7bn in 2021
 - €0.2bn in 2024

In 2024, telecoms dominate infrastructure network investment with €12.2bn, mainly privately funded

Investments by infrastructure network (France, € Bn, 2024)



- **Rail networks** : investments remain stable until 2029, then reach **€7bn per year between 2030 and 2040**
- **Electricity distribution** : **+24% increase vs. 2023** (€2.1bn in 2023), in line with RTE's electricity grid modernisation plan
- **Telecom networks** : total investment in 2024 remains **well above pre-2020 levels** and will continue to be significant in order to meet the objectives of ARCEP's "Ambition 2030" plan

12,2 Mds €, soit l'équivalent de :



350

high-speed train double units,
enough to renew the SNCF TGV
fleet



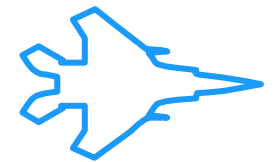
14 fois

the cost of reconstructing
Notre-Dame de Paris



110

Airbus A320neo



70

Rafale F4

1. ASFA 2025 key figures (Association of French Motorway Companies)

2. RTE: 2024 annual results

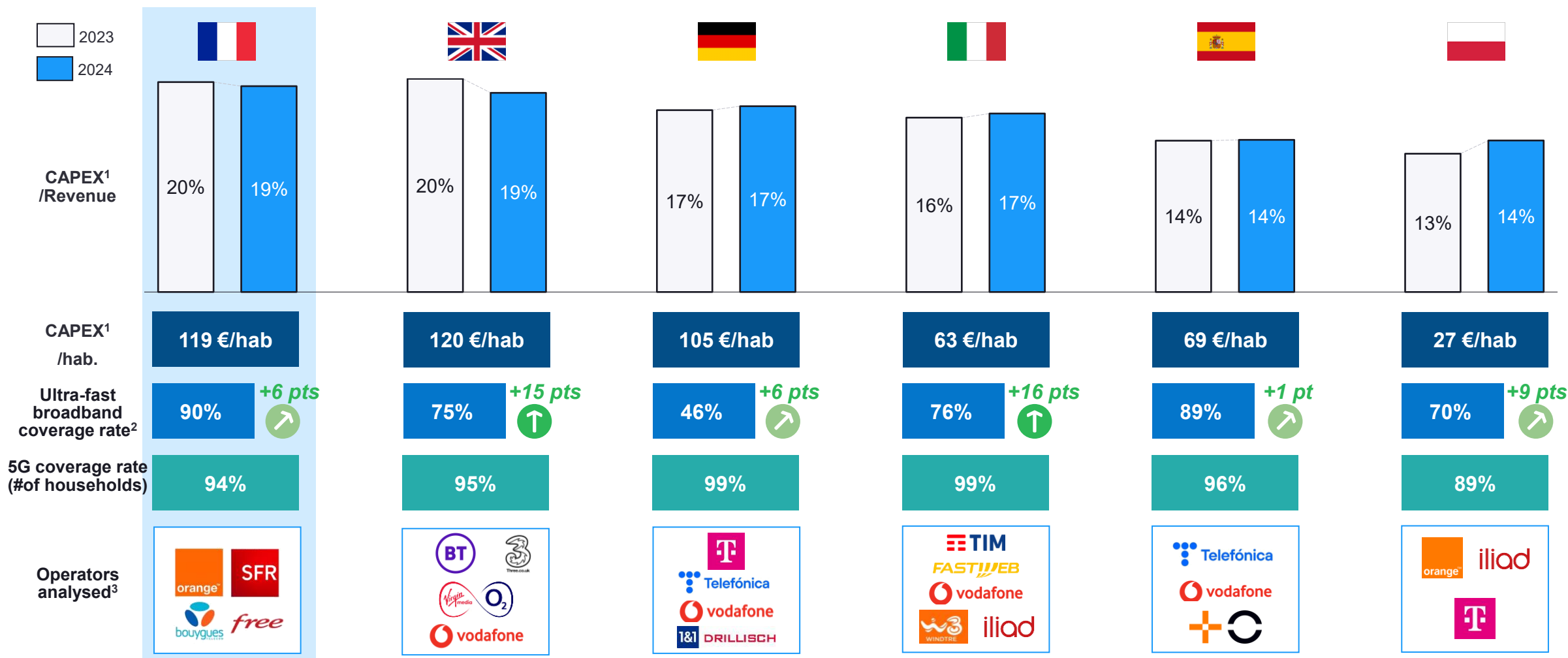
Source : Arcep, ASFA, RTE, Transport Regulatory Authority, desk research, EY-Parthenon analysis

3. Long-term scenarios for the French rail network (2022–2042)

4. ARCEP 2025 figures

French telecom operators have one of the highest investment levels per capita, even though fixed and mobile coverage is already very advanced

Investment effort and fixed and mobile coverage rates of major telecom operators by country



1. CAPEX data extracted from the latest published annual reports

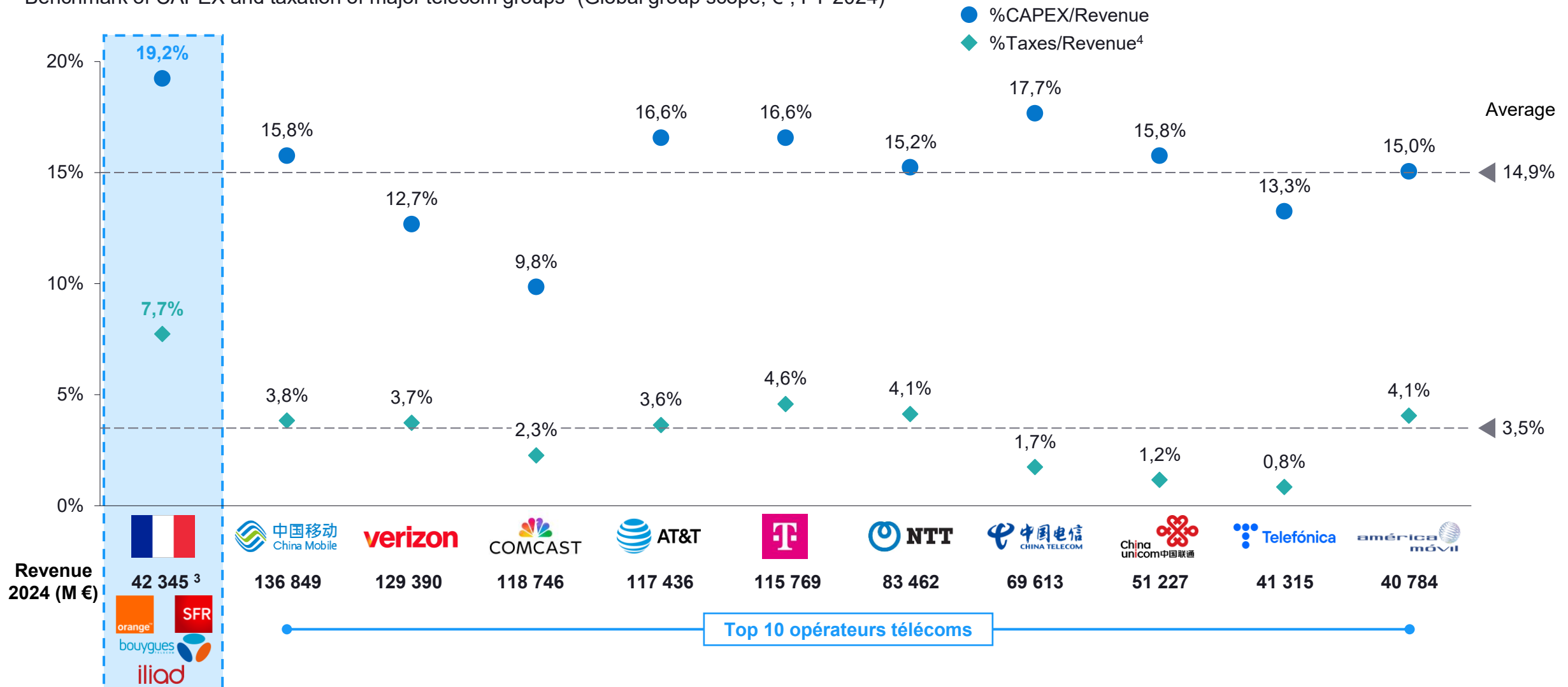
2. Share of households eligible for an FTTH/FTTO offer

3. Telecom operators with a market share above 10%

Source : Annual reports, Arcep, European Commission (Omdia / Point Topic), FTTH Council Europe, FFT, EY-Parthenon analysis

French operators stand out for their higher investment effort and tax contribution compared with leading global telecom players

Benchmark of CAPEX and taxation of major telecom groups¹ (Global group scope, €, FY 2024)



1. Top 10 global telecom operator groups by 2024 revenue; CAPEX and taxes reported at group level

2. Exchange rates converted to euros at fiscal year-end

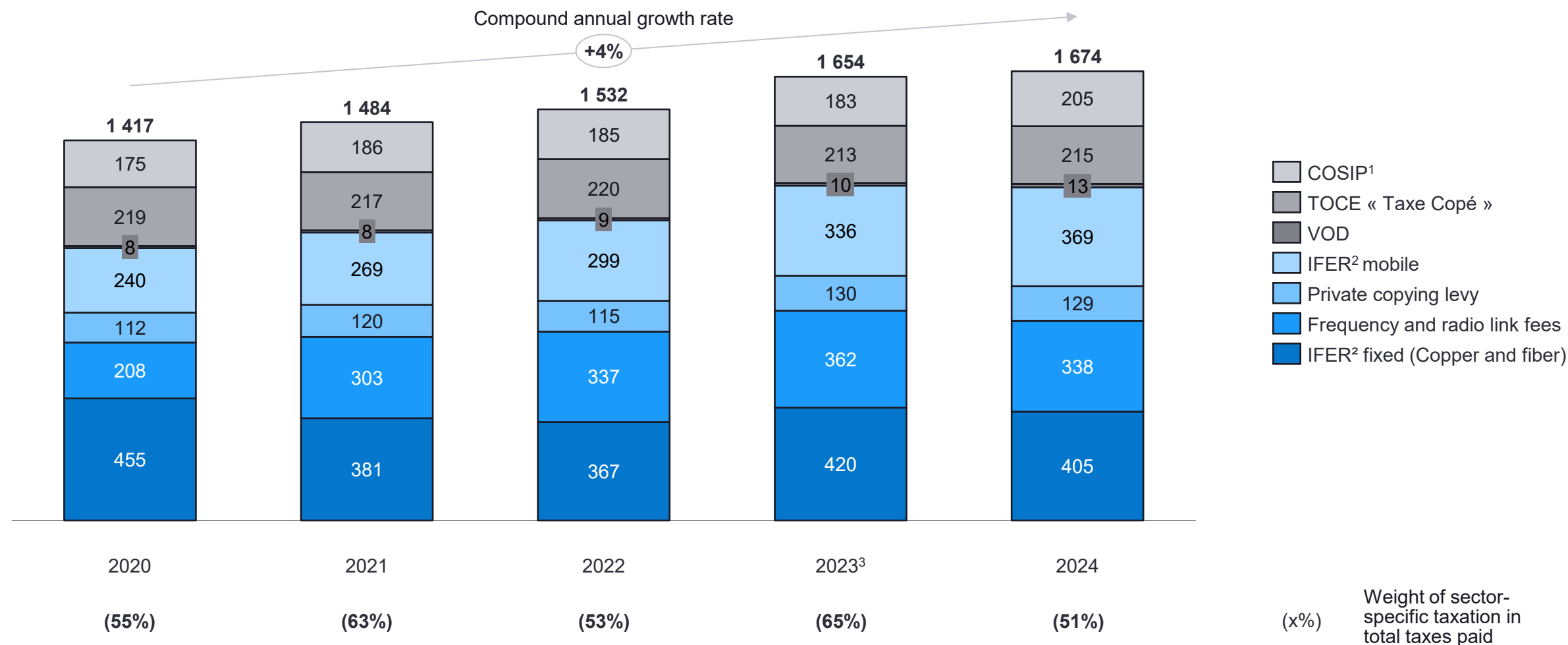
Source : Annual reports, Capital IQ, EY-P analysis

3. Scope limited to operator subsidiaries located in France only (for France bar)

4. Includes corporate income tax (CIT) and sector-specific taxation

Sector-specific taxation applied to telecom operators continues to increase (+4% per year), in line with corporate income tax, reaching €1.7bn in 2024

Amount of taxes and levies paid by telecom operators (France, € m, 2020-24)



1. Tax on television services paid by distributors

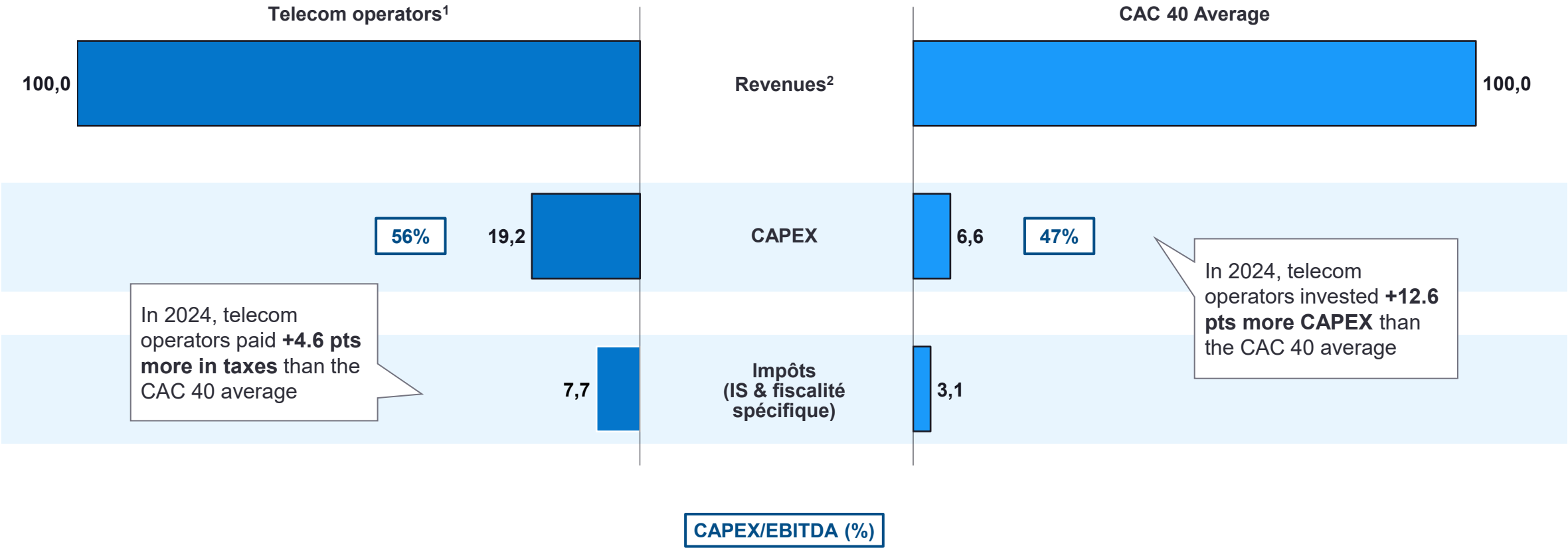
2. Flat-rate tax on network companies

3. Adjustment of historical 2023 figures for "Private copying" and "Frequency and radio link fees"

Source : Annual reports, French telecom operators, EY-Parthenon analysis

French telecom operators deliver an investment effort three times higher than CAC 40 companies, investing nearly 13 additional CAPEX points

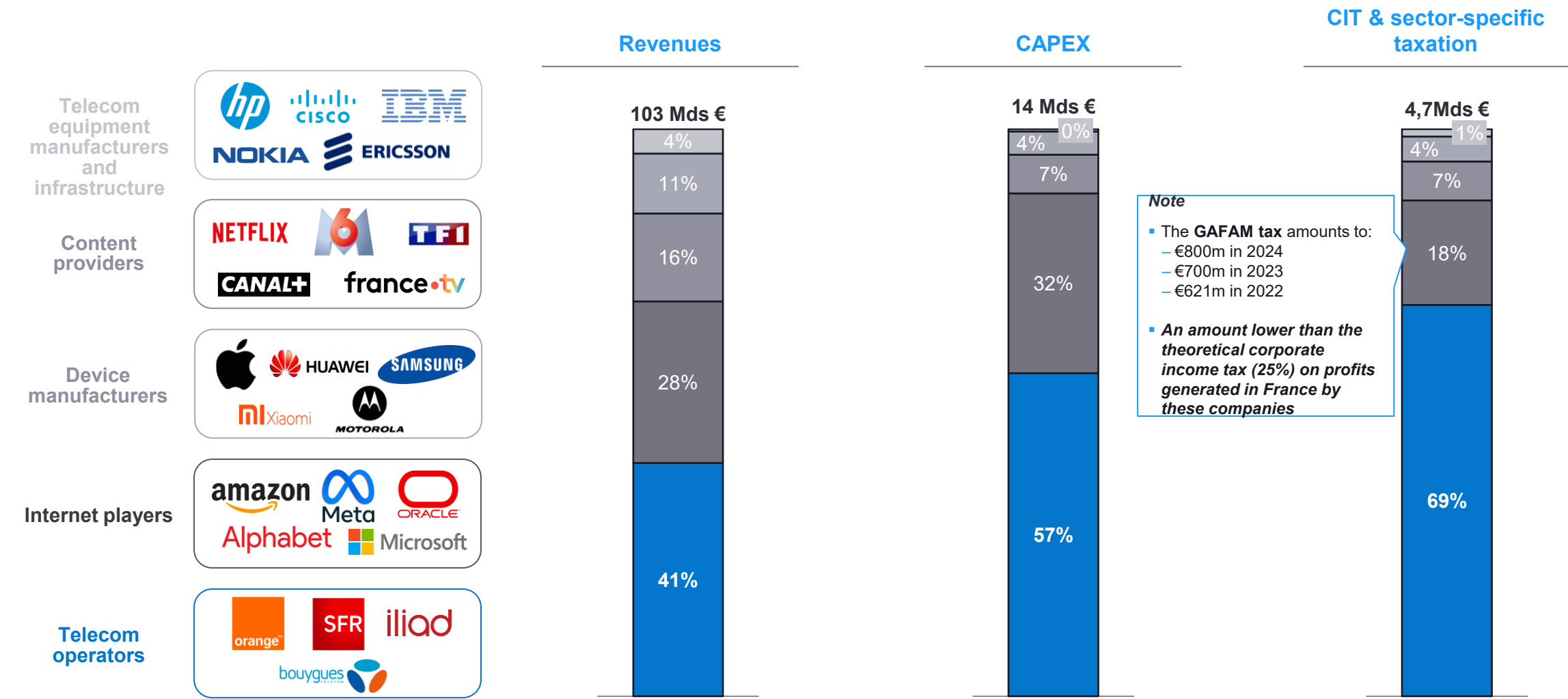
Revenue, EBITDA, CAPEX, Taxes (2024, base 100 = 2024 Revenue)



1. Based on the top 4 electronic communications operators (ECOs): Orange, Bouygues Telecom, SFR and Free; financial aggregates of telecom operators calculated on the **France-only perimeter**
2. Total revenue (worldwide)
Source : Annual reports, Capital IQ, Orbis, EY-Parthenon analysis

In France in 2024, telecom operators generate 40% of revenues, 60% of investments and 70% of the digital sector's tax revenues

Contribution to revenues, CAPEX, corporate income tax and sector-specific taxation across digital value chains (France, € bn, 2024)

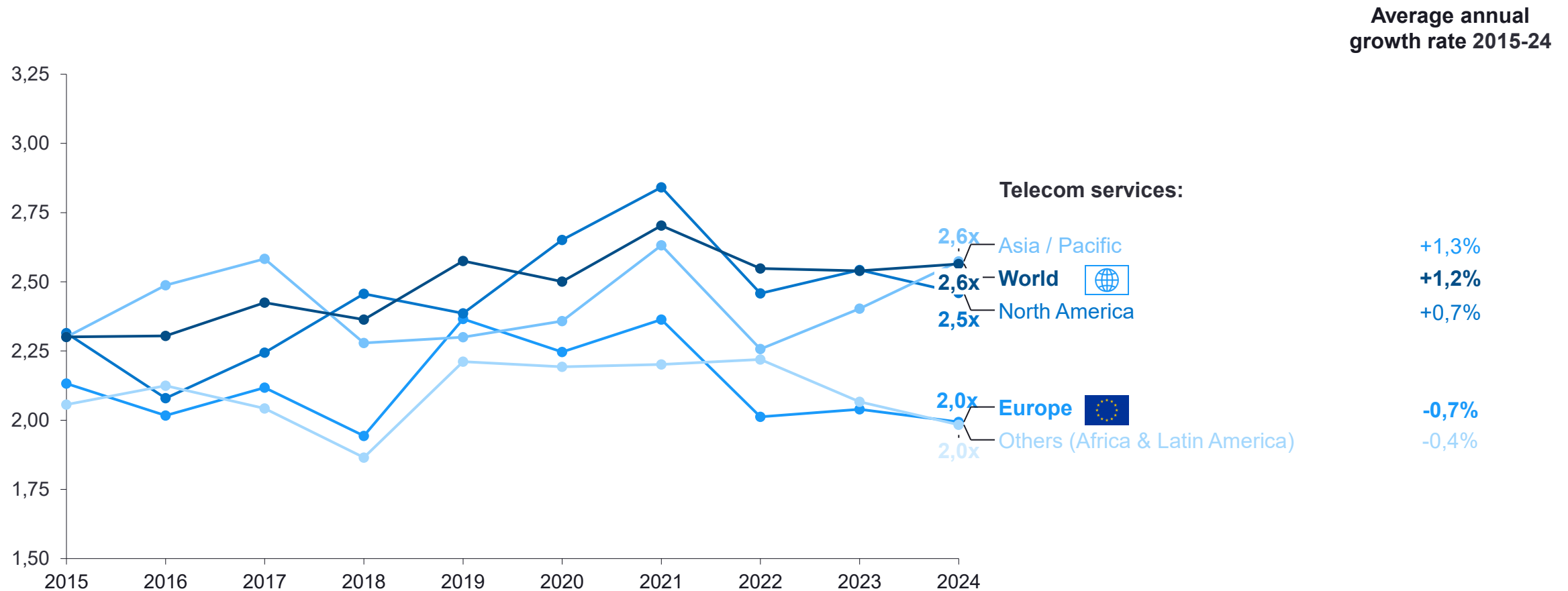


| Agenda

- Fixed and mobile ultra-fast broadband (UFB) is now widespread; legacy network shutdown is underway
- French operators offer increasingly rich services at highly competitive prices
- Telecom operators continue to invest at exceptional levels but face growing sector-specific taxation
- **European telecoms remain comparatively undervalued but stable**
- Operators keep investing massively in network capacity and technological transformation to support evolving uses and security requirements
- Investments deliver tangible results across all territories in fixed and mobile coverage

The valuation of European operators is structurally lower than that of operators in other regions of the world, and has even declined slightly since 2021

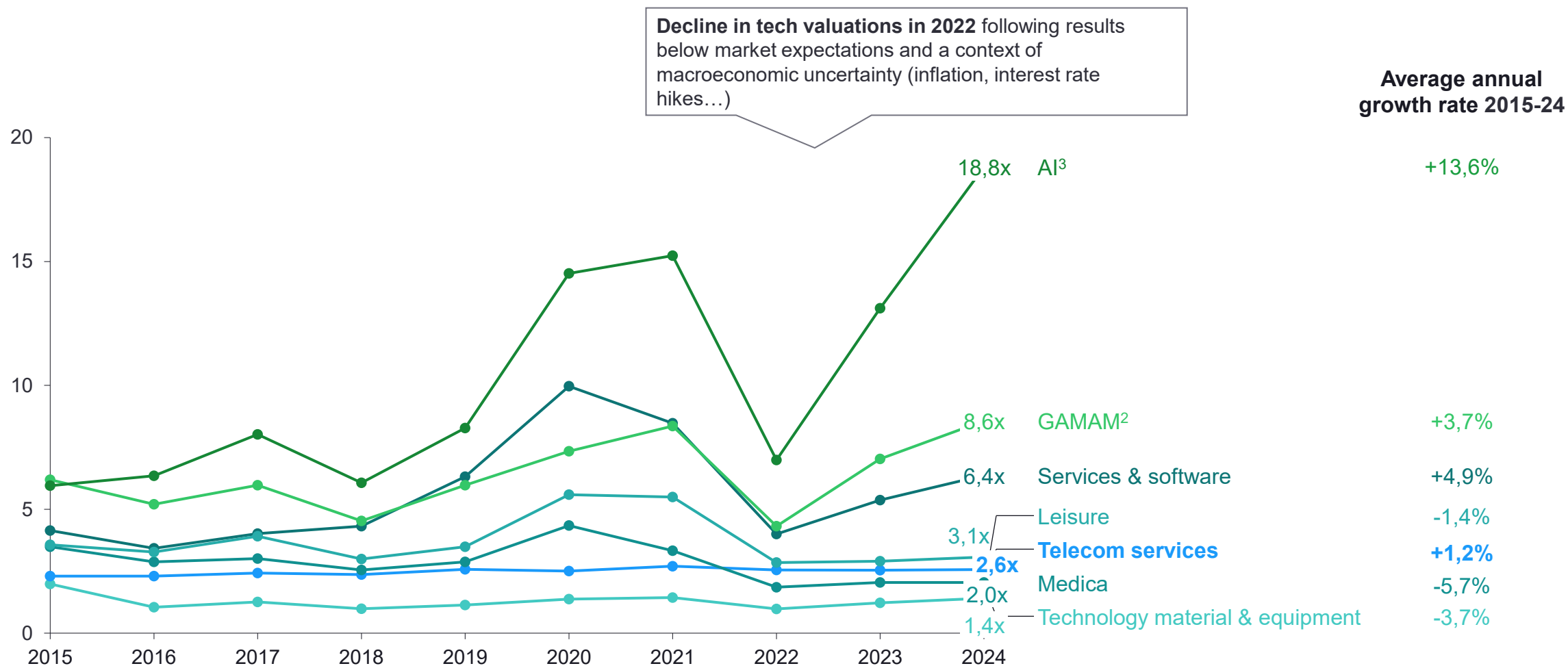
Valuation of telecom companies relative to their revenues¹ (Global, 2015-24, revenue multiple)



1. Panel of 500 companies: by geographic area, companies selected based on revenue from the top 100 companies in 2024
Source : Capital IQ, Annual reports, EY-P analysis

Telecom operator valuation, even if it does not increase significantly, proves to be less volatile and more resilient

Valuation of digital companies relative to their revenues¹ (Global, 2015-24, revenue multiple)



1. Panel of 500 companies: by sector, companies selected based on revenue from the top 100 companies in 2024

2. Google, Apple, Meta, Amazon, Microsoft

3. Microsoft, Oracle, Adobe, Apple, Alphabet, Meta, Nvidia, TSMC, ASML, Palantir

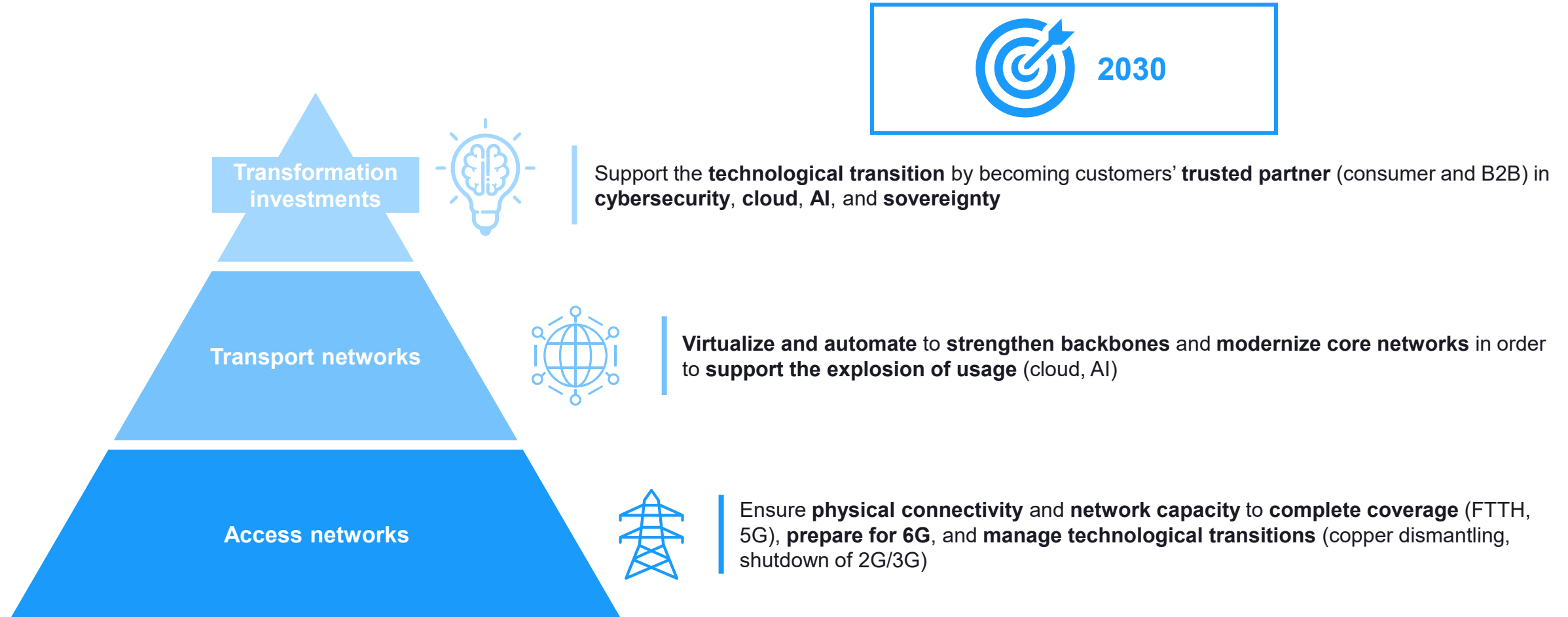
Source : Capital IQ, annual reports, EY-Parthenon analysis

| Agenda

- Fixed and mobile ultra-fast broadband (UFB) is now widespread; legacy network shutdown is underway
- French operators offer increasingly rich services at highly competitive prices
- Telecom operators continue to invest at exceptional levels but face growing sector-specific taxation
- European telecoms remain comparatively undervalued but stable
- **Operators keep investing massively in network capacity and technological transformation to support evolving uses and security requirements**
- Investments deliver tangible results across all territories in fixed and mobile coverage

Telecoms must deploy a large-scale investment program across three key areas: access networks, transport, and transformation investments

Main investment pillars of telecom operators

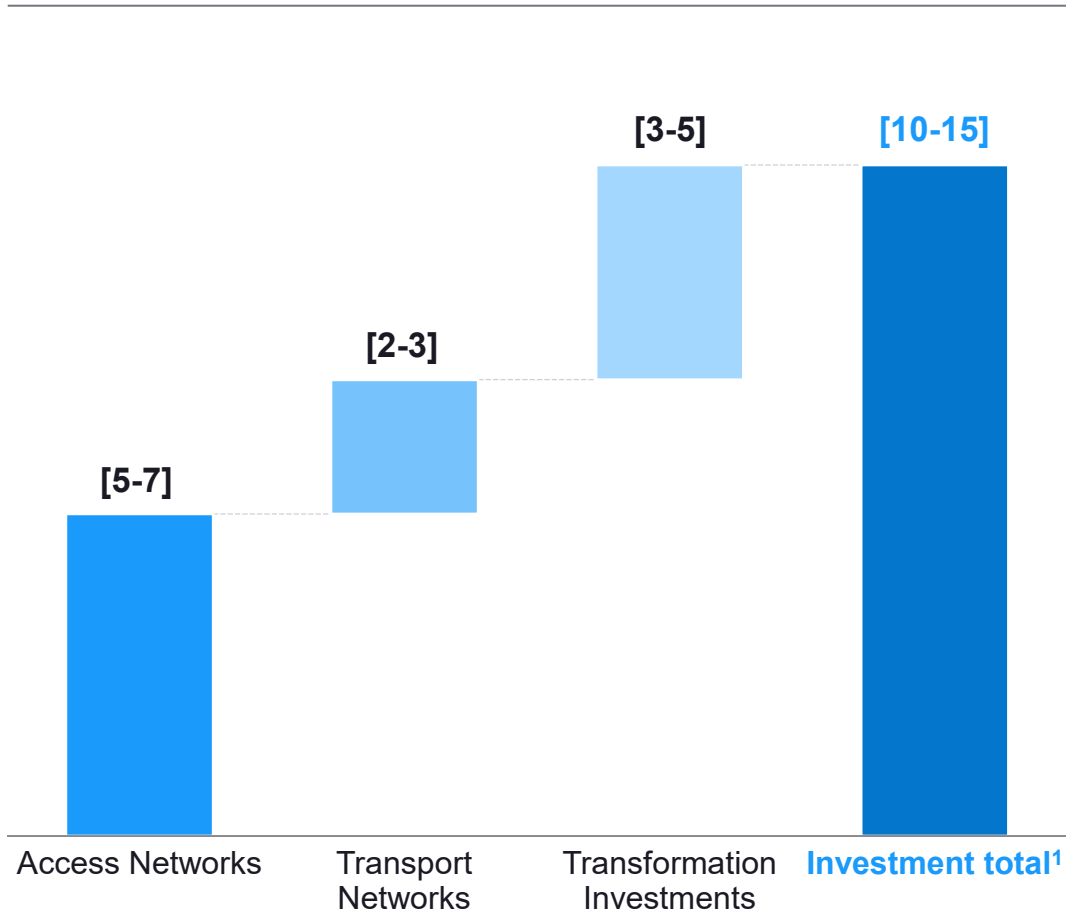


Telecom investments are expected to stabilize between €10bn and €15bn per year, with a gradual increase in transformation investments

Quantitative outlook of the main investment pillars of telecom operators

NON-EXHAUSTIVE

Projected investment range between 2026 and 2030 (€bn)



Transformation investments

- **Cybersecurity:** compliance with **NIS2 standards**, representing several tens of millions of euros per year
- **Support for the move to cloud, AI transition, and sovereignty**

Transport Networks

- Continuous increase in the **capacity of aggregation networks and core networks** to manage the **massive growth in traffic**
- In Europe, **24% of the €64.5bn invested in 2023**, i.e. **€15.5bn**, concerned **backbones, core networks, IT and non-technical infrastructures**

Access Networks

- **Access networks:** recurring investment of **€5–7bn per year** dedicated to the maintenance and evolution of fixed and mobile access networks
- **FTTH:** end of deployment covering the **remaining 3.2 million premises**, which are more costly to cover; **completion of connections for all users by 2030**
- **Mobile:** end of **5G deployment**, densification, and launch of **6G deployment**

1. Annual investments excluding mobile spectrum purchases

Source : Arcep, Connect Europe (ex-ETNO), European Commission (*State of the Digital Decade 2025*), IDATE, Reuters, desk research, EY-Parthenon analysis

| Agenda

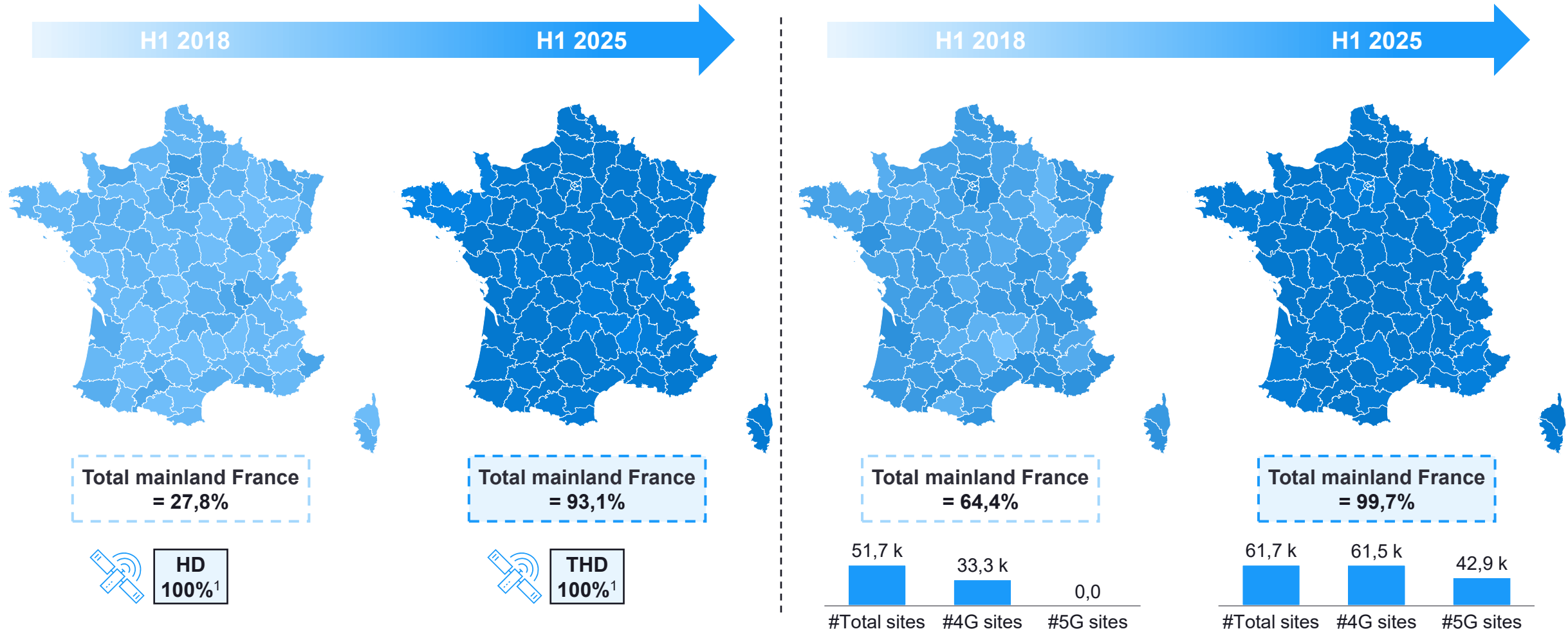
- Fixed and mobile ultra-fast broadband (UFB) is now widespread; legacy network shutdown is underway
- French operators offer increasingly rich services at highly competitive prices
- Telecom operators continue to invest at exceptional levels but face growing sector-specific taxation
- European telecoms remain comparatively undervalued but stable
- Operators keep investing massively in network capacity and technological transformation to support evolving uses and security requirements
- **Investments deliver tangible results across all territories in fixed and mobile coverage**

Ultra-fast broadband (UFB) rose thanks to a complementary technology mix of fixed, mobile and satellite, achieving near-complete UFB coverage by H1 2025

Ultra-fast broadband coverage atlas (Mainland France, H1 2018-25)

FttH Coverage (Share of connected premiers)

Mobile 4G coverage (share of sites equipped with 4G in service²)



1. Theoretical satellite coverage rate

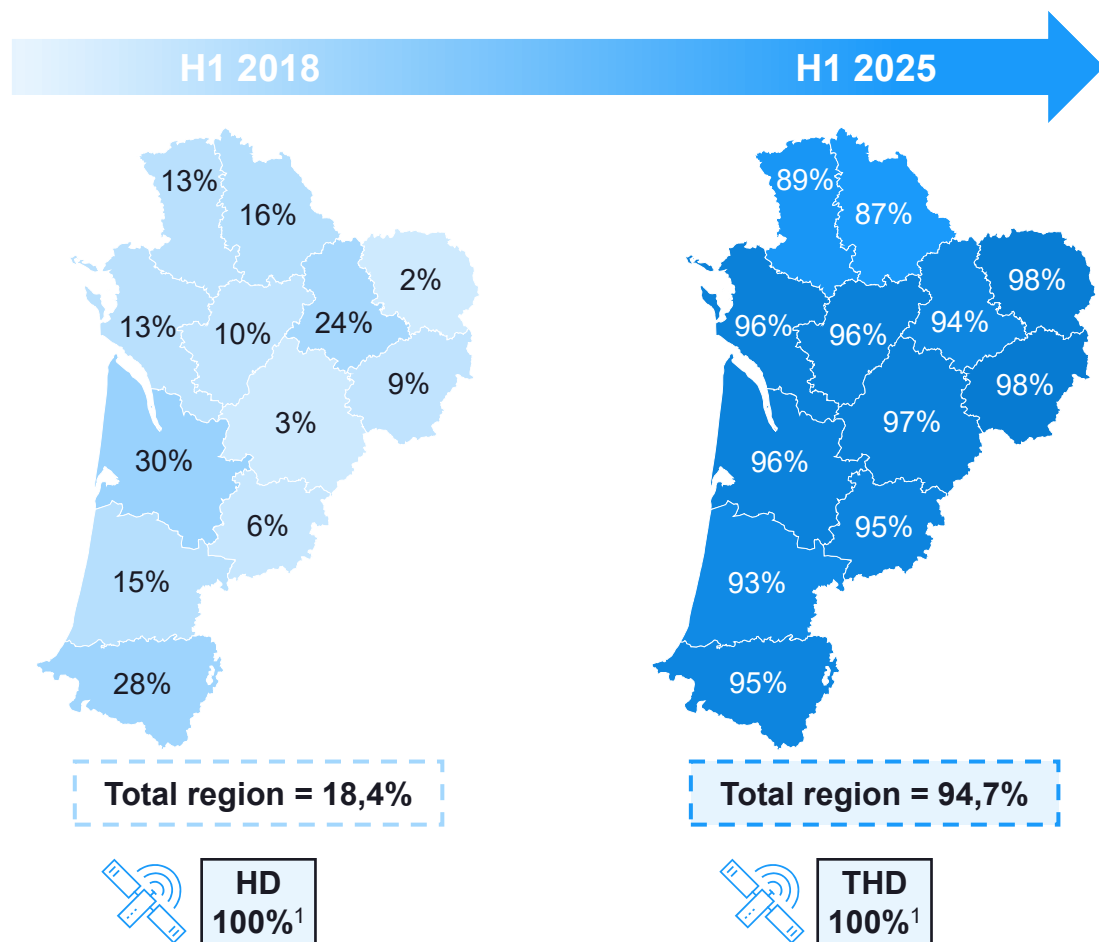
2. A site is considered deployed once it is equipped by at least one operator

Source : Arcep, ANFR, EY-Parthenon analysis

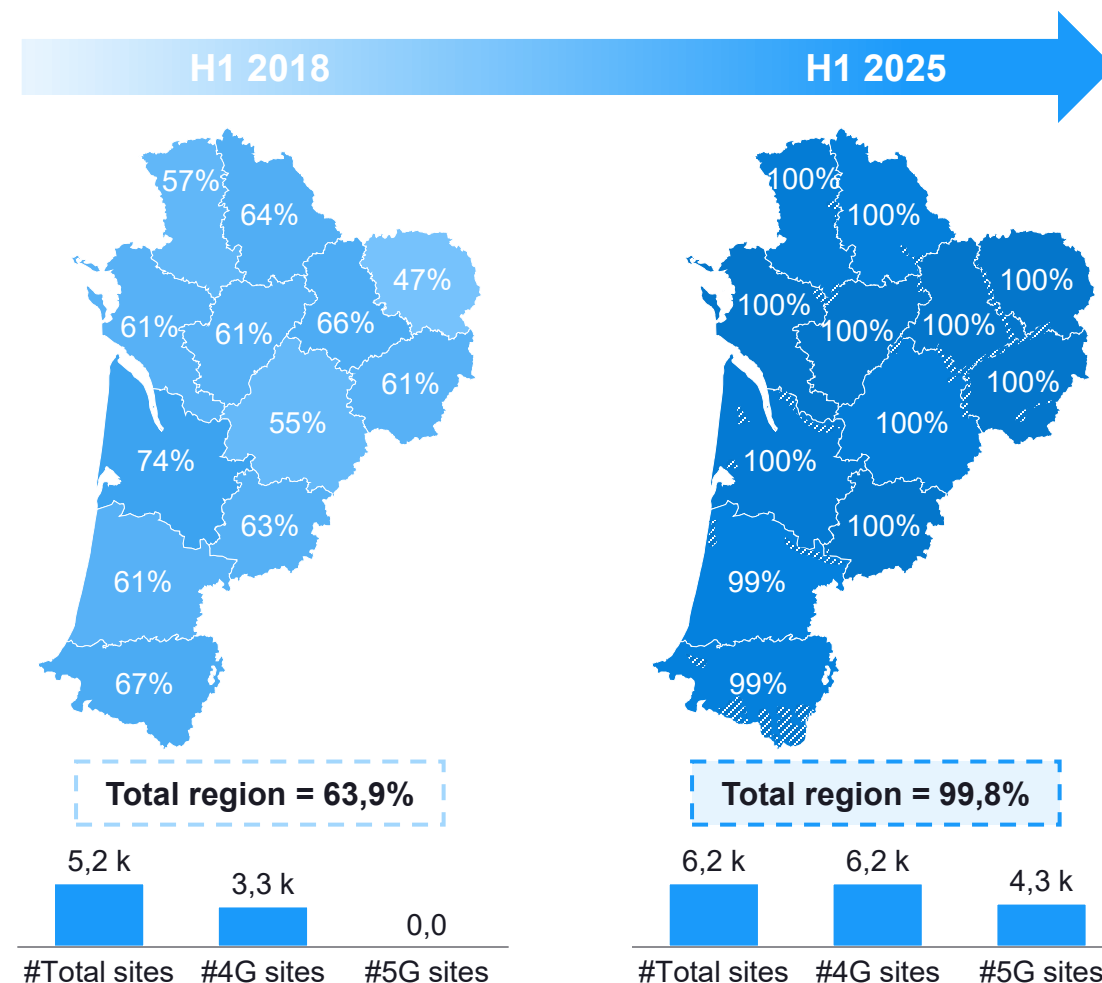
Ultra-fast broadband network coverage in Nouvelle-Aquitaine is close to 99.8% for mobile internet & reaches 94.7% for FTTH, in a homogeneous manner

Ultra-fast broadband coverage atlas (Nouvelle-Aquitaine region³, H1 2018–25)

FTTH coverage (share of connected premises)



Mobile 4G coverage (share of sites equipped with 4G in service²)



1. Theoretical satellite coverage rate

2. A site is considered deployed once it is equipped by at least one operator

3. Department-level percentages rounded to the nearest whole number

Source : Arcep, ANFR, EY-P Analysis



Thank you

