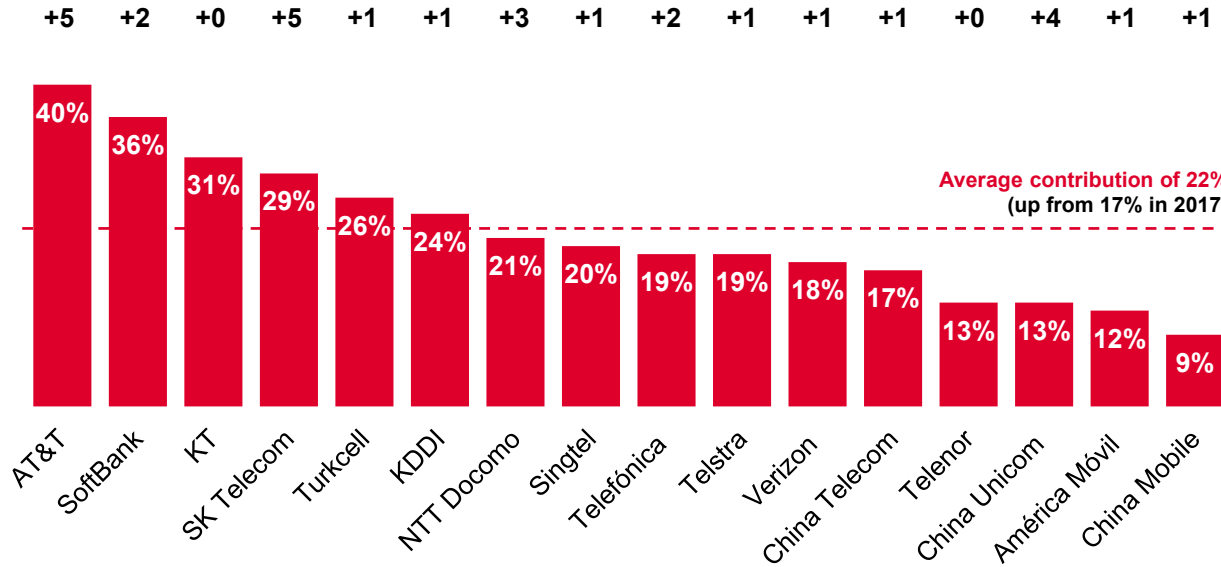


Operator revenue diversification: services beyond core become strategic focus

Services beyond core* as a percentage of total revenue in 2019 and YoY change (pp)



Selected operator groups (consolidated figures)

*Services beyond core include a range of B2C and B2B services, such as pay TV, media and advertising, IoT, cloud, security, financial and lifestyle services, and solutions for vertical industries

Operators make progress beyond core

Services beyond core are now worth \$200+ billion in revenue – and growing – for operators. Growth has been organic for most, but large-scale M&A has given a significant boost to AT&T and SoftBank.

For half the operators we analysed, these services are the only source of revenue growth because of stagnating or declining core revenues.

Further, there is some revenue growth correlation, meaning that services beyond core help core and vice versa.