



Full Stack FTTH

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Evolution of the Full Stack

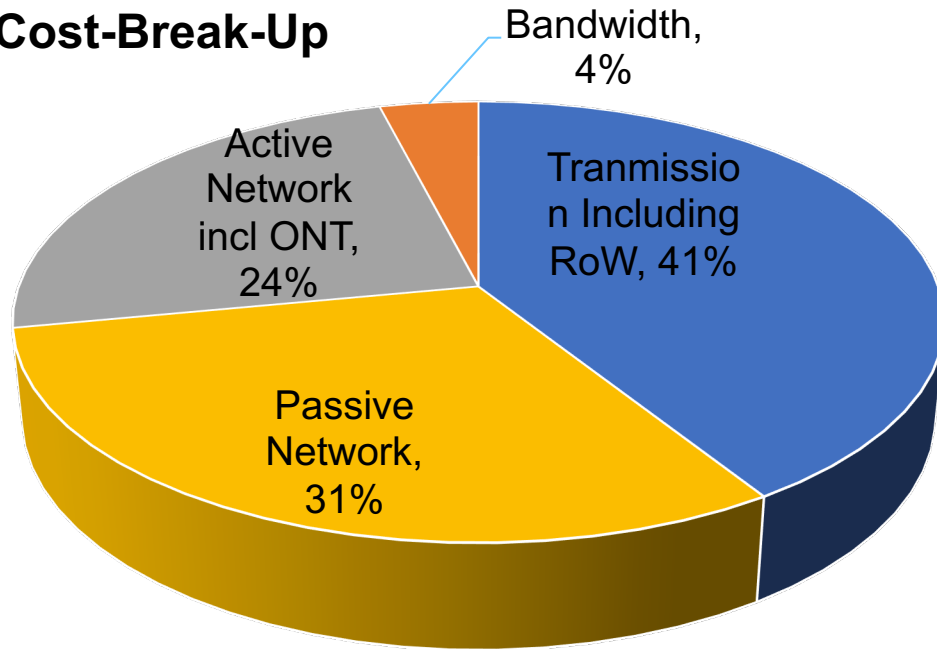
FTTH Economics & Policy

Evolution of the Full Stack

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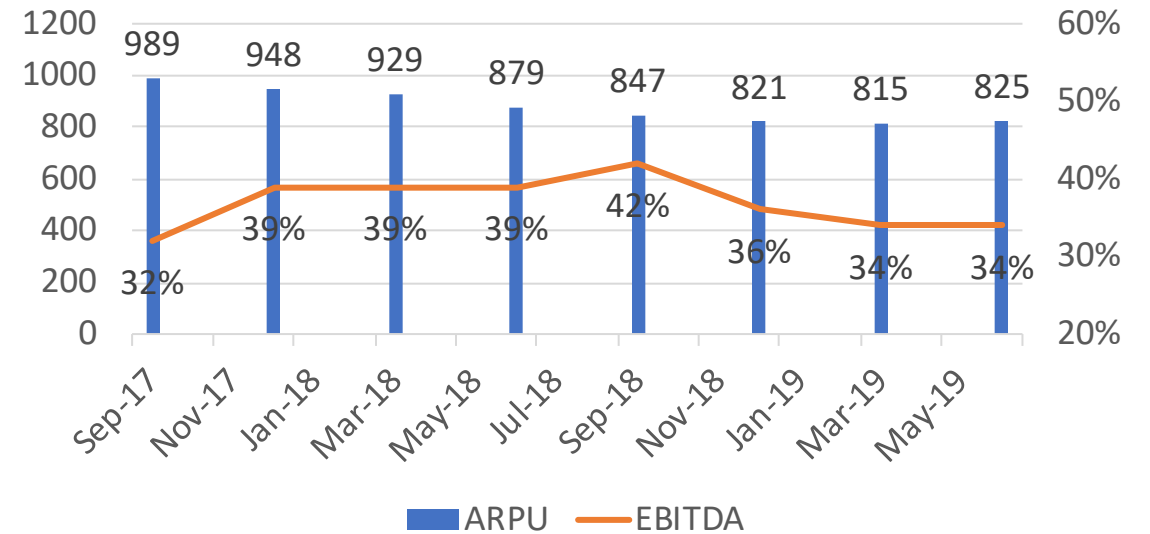
FTTH Cost Economics, Industry ARPU & EBITDA

FTTH Cost-Break-Up



- Major contributors are high transmission cost, which is contributing more than **41% of the deployment cost**
- ROW is 90% of Transmission, and therefore comprises almost **37% of the total deployment cost**

Industry ARPU & EBITDA on Home Broadband



- Majority of large ISPs at **30-35% EBITDA margin** with **4-5 year break-even**
- For FTTH business to **gain economies of scale & lower break-even period**, need to leverage cost benefits using the **Neutral Host Model** similar to ToCo model

Neutral Host Model vs Traditional FTTH Model

Infrastructure	Traditional FTTH Model	Neutral FTTH Model
Uplink Bandwidth	Not Shared	Not Shared
OLT	Not Shared	Shared
CO Location	Not Shared	Shared
Access Network /ODN	Not shared	Shared
Drop Cable	Not shared	Shared
ONT	Not shared	Not shared

Advantages of a Neutral Host

Lower Cost

- Reduction in Total Cost of Ownership (TCO) and thus enabling a win-win business model amongst all entities

Limited O&M

- Field visits required is minimal, and limited to only the neutral host team, not individual operators

Equal Quality of Service across operators

- With Active & Passive Network owned and managed by a neutral host, all operators are on a level playing field

Sharing benefits

Faster GTM

Simplified O&M

Enhanced Market
Competitiveness

Summary of Key Recommendations

Fiber First Policy

- Accord Fiber Optic status of public utility
- Amend Building Codes to include Fiber along with other utilities
- Deployment of Common Telecom Infrastructure during construction of new Highways, roads and civil works

Operational Challenges

- Uniform RoW processes across utilities, approvals within stipulated timelines (deemed approvals in case of inaction)
- Develop electronic application portal for processing RoW permissions

National Fiber Authority with Fiber First Policy

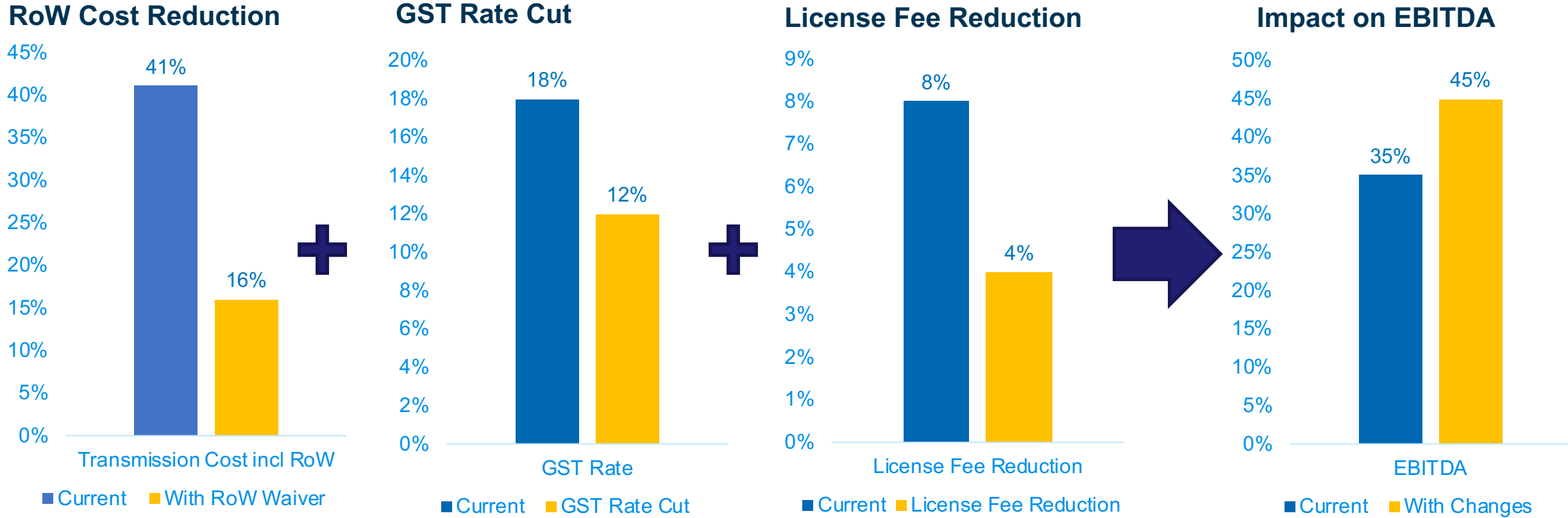
Financial Challenges

- Uniform pricing – Rationalise RoW charges across States/Cities depending on city types (Metro, Class A, B, C etc.)
- Cash Flow predictability – Define standard processes / timelines for refund of deposit money with local bodies

National Fiber Authority

- Create a National Fiber Authority to handle all Fiber related regulations
- Create collaborative mechanism between Centre, State, Local Bodies for common RoW, Costs and timelines

Government / Regulatory Intervention & its Impact of FTTH EBITDA & Pay-Back



- 75% reduction on RoW Charges, GST Rate Cut from 18% to 12% & License Fee Reduction from 8% to 4%
- Yields 45% EBITDA margin, thereby decreasing Payback period to ~2 – 2.5 years fueling growth in FTTH industry

Contact Details



CloudExtel (Excel Telesonic India Pvt Ltd)

Empire House
AK Nayak Marg
Fort, Mumbai 400001
India
+91-22-2219-7301