Telecommunications Market Data Update

Q1 2019

MARKET DATA:

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Contents

Section

1. Market Monitor

In the following section we highlight some of the key trends emerging this quarter from the data we collect on the UK telecommunications sector.

Fixed voice services

- UK fixed voice service revenues generated £1.8bn in revenues in Q1 2019, a decrease of 3.6% quarter-on-quarter and down 8.1% from Q1 2018. BT's share of these revenues was 41.9%, a decrease of 2.8 percentage points from the previous year.
- Access revenues decreased by £74m (5%) from Q1 2018, while call revenues fell by £85m (19%) over the same period. In Q1 2019, access accounted for 80% of total revenues, up 3pp YoY.
- There were 31.9 million fixed exchange lines (including PSTN and ISDN channels) at the end of Q1 2019, 103k (0.3%) fewer than in Q4 2018 and a 180k (0.6%) year-on-year decrease. BT's share of these lines was 38.6% in Q1 2019, a decrease of 0.4pp from from the pevious quarter.
- UK fixed telephony lines generated 10.3 billion minutes of outgoing calls in Q1 2019, down by 2.7 billion minutes (21%) compared to Q1 2018.

Fixed broadband services

- The UK had 26.7 million fixed broadband connections at the end of Q1 2019, up 109k (0.4%) from the previous quarter and 502k (1.9%) from Q1 2018.
- BT's share of these lines was 34.4%, a decrease of 1.3pp year-on-year.
- There were 12.5 million 'Other (inc. FTTx)' lines (predominantly fibre) at the end of Q1 2019, a year-on-year increase of 2.5 million lines (25%).

Mobile services

From 2018, bundled revenues are reported according to the new IFRS15 accounting standard and do not include any device revenues.

- Mobile telephony services generated £3.4bn in retail revenues in Q1 2019, a £25m (0.7%) decrease from a year previously.
- Average revenue per subscriber in Q1 2019 was £13.45, with post-pay subscribers generating more revenue than pre-pay subscribers (at £17.26 and £4.74 respectively).
- The number of active mobile subscriptions (excluding M2M) was 83.9 million at the end of Q1 2019, down 0.2 million (0.2%) from a year previously. Over the same period, the number of dedicated mobile broadband subscriptions decreased by 0.5 million (9.2%), to 4.5 million.
- The number of mobile voice calls was 40.0 billion in Q1 2019, down 0.4 billion (0.9%) from a year previously. The number of mobile messages (including SMS and MMS) continued to decline over the same period, down 2.1 billion (11%), while data usage continued to increase rapidly, up 160PB (30%) year-on-year.

2. Fixed telecoms market data tables

Q1 2019 (January to March 2019)

Table

Note: The data in these tables are the most accurate currently available. Where historical restatements have occurred, this is due to either operator restatements or improvements in methodology.

Table 1: Summary of network access & call revenues (£millions)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
Access & calls[1]					
2017	8,186	3,644	783	3,758	44.5%
2018	7,620	3,301	769	3,550	43.3%
2018 Q1	1,967	880	193	894	44.8%
2018 Q2	1,900	826	191	883	43.5%
2018 Q3	1,877	803	191	883	42.8%
2018 Q4	1,876	792	194	890	42.2%
2019 Q1	1,809	758	192	858	41.9%
Access[1]					
2017	6,299	2,514	649	3,136	39.9%
2018	5,968	2,302	648	3,018	38.6%
2018 Q1	1,520	602	159	759	39.6%
2018 Q2	1,489	578	160	750	38.9%
2018 Q3	1,481	568	162	752	38.3%
2018 Q4	1,478	554	166	758	37.5%
2019 Q1	1,446	540	168	739	37.3%
Calls					
2017	1,887	1,130	135	622	59.9%
2018	1,652	999	122	532	60.5%
2018 Q1	447	279	34	135	62.3%
2018 Q2	411	247	31	133	60.2%
2018 Q3	396	235	29	131	59.4%
2018 Q4	398	238	27	133	59.7%
2019 Q1	362	219	24	120	60.3%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

Table 2: Summary of exchange line numbers at end of quarter (000's)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2017	32,203	12,888	4,825	14,490	40.0%
2018	31,973	12,491	4,881	14,600	39.1%
2018 Q1	32,050	12,754	4,813	14,484	39.8%
2018 Q2	31,897	12,611	4,826	14,460	39.5%
2018 Q3	31,847	12,464	4,849	14,534	39.1%
2018 Q4	31,973	12,491	4,881	14,600	39.1%
2019 Q1	31,870	12,313	4,907	14,650	38.6%

Table 3: Summary of call volumes (millions of minutes)

	All Operators	BT[1,2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
2017	52,977	21,949	4,483	16,363	10,183	41.4%
2018	47,019	19,605	6,285	13,803	7,326	41.7%
2018 Q1	12,987	5,446	1,783	3,698	2,060	41.9%
2018 Q2	11,843	4,892	1,583	3,510	1,858	41.3%
2018 Q3	11,245	4,702	1,505	3,300	1,739	41.8%
2018 Q4	10,943	4,565	1,414	3,295	1,670	41.7%
2019 Q1	10,301	4,397	1,307	2,993	1,604	42.7%

Table 4: Summary of call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2017	1,887	542	155	435	754
2018	1,652	469	128	378	677
2018 Q1	447	128	35	100	184
2018 Q2	411	116	33	96	166
2018 Q3	396	110	30	94	162
2018 Q4	398	114	30	88	165
2019 Q1	362	106	28	82	147

Excludes VAT; [1] Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

Table 5: Summary of call volumes by call type (millions of minutes)

	All Operators	BT[2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
UK geographic calls						
2017	34,427	14,914	3,338	9,846	6,329	43.3%
2018	31,194	13,323	4,756	8,612	4,503	42.7%
2018 Q1	8,643	3,714	1,344	2,273	1,312	43.0%
2018 Q2	7,796	3,281	1,189	2,179	1,148	42.1%
2018 Q3	7,437	3,187	1,132	2,071	1,047	42.9%
2018 Q4	7,318	3,141	1,091	2,089	997	42.9%
2019 Q1	6,883	3,040	1,018	1,895	930	44.2%
International calls						
2017	2,471	576	107	1,320	469	23.3%
2018	1,994	496	145	1,029	324	24.9%
2018 Q1	559	146	41	286	87	26.1%
2018 Q2	527	135	38	270	84	25.6%
2018 Q3	459	110	34	238	77	24.0%
2018 Q4	448	105	32	235	76	23.4%
2019 Q1	417	103	31	208	75	24.7%
Calls to mobiles						
2017	6,280	2,304	508	1,789	1,679	36.7%
2018	5,732	2,078	707	1,567	1,380	36.3%
2018 Q1	1,542	567	194	408	373	36.8%
2018 Q2	1,465	535	184	396	350	36.5%
2018 Q3	1,379	499	170	380	330	36.2%
2018 Q4	1,345	477	159	382	327	35.5%
2019 Q1	1,319	478	152	353	336	36.2%
Other calls[1]						
2017	9,799	4,155	530	3,408	1,706	42.4%
2018	8,099	3,708	677	2,595	1,119	45.8%
2018 Q1	2,242	1,019	204	731	288	45.4%
2018 Q2	2,054	941	172	666	276	45.8%
2018 Q3	1,970	906	169	610	286	46.0%
2018 Q4	1,832	842	132	589	269	46.0%
2019 Q1	1,681	776	106	536	263	46.2%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.
[2] Includes EE from 2017 Q4.

Table 6: Summary of residential network access & call revenues (£millions)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
Access & calls[1]					
2017	6,043	2,509	719	2,815	41.5%
2018	5,733	2,315	716	2,702	40.4%
2018 Q1	1,476	621	178	677	42.1%
2018 Q2	1,417	571	177	669	40.3%
2018 Q3	1,415	563	179	673	39.8%
2018 Q4	1,424	560	182	683	39.3%
2019 Q1	1,396	542	182	672	38.8%
Access[2]					
2017	4,821	1,697	614	2,510	35.2%
2018	4,666	1,585	618	2,462	34.0%
2018 Q1	1,180	414	151	614	35.1%
2018 Q2	1,157	395	153	609	34.1%
2018 Q3	1,160	392	154	614	33.7%
2018 Q4	1,169	384	159	625	32.9%
2019 Q1	1,159	380	162	617	32.8%
Calls					
2017	1,222	812	105	305	66.5%
2018	1,067	730	98	239	68.4%
2018 Q1	297	207	27	63	69.8%
2018 Q2	260	176	24	60	67.7%
2018 Q3	254	171	24	59	67.4%
2018 Q4	256	176	22	58	68.6%
2019 Q1	237	163	20	54	68.6%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

Table 7: Summary of residential exchange line numbers at end of quarter (000's)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2017	25,847	10,191	4,424	11,232	39.4%
2018	26,129	9,985	4,523	11,622	38.2%
2018 Q1	25,874	10,134	4,418	11,322	39.2%
2018 Q2	25,854	10,070	4,443	11,341	38.9%
2018 Q3	25,934	9,958	4,477	11,499	38.4%
2018 Q4	26,129	9,985	4,523	11,622	38.2%
2019 Q1	26,161	9,838	4,569	11,754	37.6%

Table 8: Summary of residential call volumes (millions of minutes)

	All Operators	BT[1,2]	Virgin Media	Other	BT share[2]
2017	34,968	15,243	3,418	16,307	43.6%
2018	28,821	13,857	2,140	12,824	43.2%
2018 Q1	8,907	3,903	1,507	3,497	43.8%
2018 Q2	8,010	3,429	1,334	3,247	42.8%
2018 Q3	7,642	3,315	1,297	3,030	43.4%
2018 Q4	7,506	3,210	1,246	3,050	42.8%
2019 Q1	6,933	3,033	1,158	2,742	43.8%

Table 9: Summary of residential call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2017	1,222	362	89	228	543
2018	1,050	315	73	202	460
2018 Q1	297	89	21	54	133
2018 Q2	260	78	19	50	113
2018 Q3	254	75	18	53	109
2018 Q4	256	80	19	46	112
2019 Q1	237	74	17	44	102

Excludes VAT; [1] Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

Table 10: Summary of residential call volumes by call type (millions of minutes)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
UK geographic calls					
2017	24,705	11,392	2,746	10,567	46.1%
2018	23,164	10,427	4,268	8,469	45.0%
2018 Q1	6,444	2,928	1,192	2,324	45.4%
2018 Q2	5,732	2,540	1,054	2,138	44.3%
2018 Q3	5,491	2,481	1,022	1,988	45.2%
2018 Q4	5,497	2,478	1,000	2,019	45.1%
2019 Q1	5,082	2,339	941	1,802	46.0%
International calls					
2017	1,550	345	88	1,117	22.3%
2018	1,315	328	131	856	25.0%
2018 Q1	368	93	36	239	25.2%
2018 Q2	343	86	34	223	25.1%
2018 Q3	305	77	31	197	25.2%
2018 Q4	298	72	30	196	24.2%
2019 Q1	275	70	29	176	25.5%
Calls to mobiles					
2017	2,586	939	185	1,462	36.3%
2018	2,462	860	414	1,188	34.9%
2018 Q1	653	241	108	304	36.9%
2018 Q2	632	226	103	303	35.7%
2018 Q3	597	207	102	288	34.7%
2018 Q4	580	186	101	293	32.1%
2019 Q1	528	175	96	257	33.2%
Other calls[1]					
2017	6,127	2,567	399	3,161	41.9%
2018	5,125	2,242	571	2,312	43.7%
2018 Q1	1,441	641	171	629	44.5%
2018 Q2	1,303	577	143	583	44.3%
2018 Q3	1,249	550	142	557	44.0%
2018 Q4	1,132	474	115	543	41.9%
2019 Q1	1,048	449	92	507	42.8%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.
[2] Includes EE from 2017 Q4.

Table 11: Summary of business network access & call revenues (£millions)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
Access & Calls[1]					
2017	2,132	1,125	64	943	52.8%
2018	1,879	977	54	848	52.0%
2018 Q1	489	257	15	216	52.6%
2018 Q2	480	252	14	214	52.5%
2018 Q3	460	238	12	210	51.7%
2018 Q4	449	230	12	208	51.2%
2019 Q1	411	214	11	186	52.1%
Access[1]					
2017	1,478	817	34	626	55.3%
2018	1,302	717	29	556	55.0%
2018 Q1	340	187	8	145	55.1%
2018 Q2	332	183	7	141	55.2%
2018 Q3	321	176	7	137	54.9%
2018 Q4	310	170	7	133	54.9%
2019 Q1	288	160	7	121	55.6%
Calls					
2017	655	308	30	317	47.0%
2018	577	261	24	292	45.2%
2018 Q1	149	70	7	72	46.9%
2018 Q2	149	69	7	73	46.5%
2018 Q3	140	62	5	73	44.2%
2018 Q4	140	60	5	75	42.9%
2019 Q1	124	54	4	65	43.9%

Excludes VAT; [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

Table 12: Summary of business exchange line numbers at end of quarter (000's)

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2017	6,355	2,697	401	3,258	42.4%
2018	5,844	2,506	359	2,979	42.9%
2018 Q1	6,176	2,620	395	3,162	42.4%
2018 Q2	6,043	2,541	383	3,118	42.1%
2018 Q3	5,913	2,506	373	3,034	42.4%
2018 Q4	5,844	2,506	359	2,979	42.9%
2019 Q1	5,709	2,475	338	2,896	43.4%

Table 13: Summary of business call volumes (millions of minutes)

	All Operators	BT[2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
2017	17,994	6,690	1,065	4,941	5,299	37.2%
2018	14,940	5,735	901	3,856	4,448	38.4%
2018 Q1	4,077	1,540	276	1,061	1,200	37.8%
2018 Q2	3,829	1,460	249	984	1,135	38.1%
2018 Q3	3,599	1,383	208	919	1,090	38.4%
2018 Q4	3,434	1,352	168	892	1,023	39.4%
2019 Q1	3,366	1,362	149	845	1,011	40.5%

Table 14: Summary of business call revenues by call type (£millions)

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2017	655	180	66	208	201
2018	577	148	51	175	203
2018 Q1	149	40	14	46	50
2018 Q2	149	38	13	46	51
2018 Q3	140	36	12	41	51
2018 Q4	140	34	12	42	51
2019 Q1	124	31	11	38	43

Excludes VAT; [1] Includes freephone, special services, premium rate, directory enquiries and all other call types. Figures are not intended to include subscription revenues for internet access although some element may remain. [2] Includes EE from 2017 Q4.

Table 15: Summary of business call volumes by call type (millions of minutes)

	All Operators	BT[2]	Virgin Media	Other Direct Access	Other Indirect Access	BT share[2]
UK geographic calls						
2017	9,723	3,522	592	2,688	2,921	36.2%
2018	8,029	2,896	488	2,191	2,454	36.1%
2018 Q1	2,198	786	152	584	676	35.8%
2018 Q2	2,064	741	135	554	634	35.9%
2018 Q3	1,946	706	110	533	596	36.3%
2018 Q4	1,821	663	91	520	548	36.4%
2019 Q1	1,801	701	77	501	522	38.9%
International calls						
2017	921	231	19	514	157	25.1%
2018	680	168	14	375	123	24.7%
2018 Q1	192	53	5	102	32	27.6%
2018 Q2	184	49	4	99	33	26.6%
2018 Q3	154	33	3	88	29	21.5%
2018 Q4	150	33	2	86	29	22.0%
2019 Q1	143	33	2	76	31	23.1%
Calls to mobiles						
2017	3,694	1,365	323	752	1,254	37.0%
2018	3,270	1,218	293	640	1,119	37.2%
2018 Q1	889	326	86	176	301	36.7%
2018 Q2	833	309	81	159	284	37.1%
2018 Q3	783	292	68	153	269	37.3%
2018 Q4	765	291	58	151	265	38.0%
2019 Q1	791	303	56	151	281	38.3%
Other calls[1]						
2017	3,657	1,572	131	986	967	43.0%
2018	2,960	1,453	106	650	752	49.1%
2018 Q1	798	375	33	198	191	47.0%
2018 Q2	748	361	29	173	185	48.3%
2018 Q3	718	352	27	144	195	49.1%
2018 Q4	697	365	17	135	180	52.4%
2019 Q1	631	325	14	116	175	51.5%

[1] Includes freephone, special services, premium rate, directory enquiries and all other call types.
[2] Includes EE from 2017 Q4.

Table 16: Summary of residential and small business broadband connections at end of quarter (000's)

	Total	ADSL	Cable	Other (inc. FTTx)	BT retail share[1]
2017	26,043	11,493	5,110	9,440	35.9%
2018	26,586	9,550	5,225	11,810	34.6%
2018 Q1	26,194	11,030	5,149	10,014	35.7%
2018 Q2	26,367	10,716	5,173	10,478	35.3%
2018 Q3	26,455	10,137	5,203	11,115	34.8%
2018 Q4	26,586	9,550	5,225	11,810	34.6%
2019 Q1	26,695	8,933	5,250	12,512	34.4%

[1] Includes EE from 2017 Q4.

3. Mobile telecoms market data tables

Q1 2019 (January to March 2019)

Note: The data in these tables are the most accurate currently available. Where historical restatements have occurred, this is due to either operator restatements or improvements in methodology.

Table 1: Estimated retail revenues generated by mobile telephony (£millions)

	Total	Access and bundled svcs	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Other calls	SMS and MMS	Data services
2017	16,168	12,147	253	242	296	416	436	645	1,733
2018	13,853	10,210	208	224	233	377	354	612	1,636
2018 Q1	3,413	2,503	52	55	61	89	87	150	416
2018 Q2	3,443	2,545	53	55	58	93	87	150	403
2018 Q3	3,517	2,588	54	58	59	102	93	154	410
2018 Q4	3,480	2,574	50	55	55	93	86	158	408
2019 Q1	3,388	2,565	44	51	48	81	71	148	379

Note: From 2018, bundled revenues are reported according to the new IFRS15 accounting standard, and they do not include any device revenues. Revenue figures from 2018 onwards are not comparable to those beforehand. Includes estimates where Ofcom does not receive data from providers; excludes revenues from interconnection.

Table 2: Call and message volumes by call type (billions of minutes/messages/TB)

	All calls	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Calls when roaming	Other calls	SMS & MMS messages	Data
2017	153.75	33.99	45.74	61.23	4.76	2.48	5.57	78.78	1,794
2018	161.26	34.85	47.93	66.10	3.97	2.79	5.63	73.84	2,451
2018 Q1	40.38	8.57	12.01	16.82	1.07	0.55	1.37	18.88	532
2018 Q2	40.50	8.83	12.09	16.45	1.01	0.72	1.41	18.56	597
2018 Q3	39.90	8.70	11.75	16.15	0.99	0.87	1.43	18.74	638
2018 Q4	40.49	8.76	12.08	16.68	0.90	0.65	1.42	17.66	684
2019 Q1	40.01	8.58	11.89	16.68	0.89	0.54	1.43	16.73	693

Note: Includes estimates where Ofcom does not receive data from providers.

Table 3: Subscriber numbers by type (millions)

	Conns during period	Total subs at end of period	Post-pay subs at end of period	Pre-pay subs at end of period	Net change during period	Proportion post-pay	Mobile b'band subs at end of period
2017	28.77	84.10	56.54	27.56	0.19	67.2%	5.00
2018	28.55	84.00	58.08	25.92	-0.10	69.1%	4.51
2018 Q1	6.72	84.09	57.07	27.02	0.00	67.9%	4.94
2018 Q2	6.66	83.76	57.07	26.69	-0.33	68.1%	4.81
2018 Q3	7.76	83.99	57.43	26.57	0.23	68.4%	4.59
2018 Q4	7.40	84.00	58.08	25.92	0.00	69.1%	4.51
2019 Q1	6.41	83.90	58.80	25.09	-0.10	70.1%	4.48

Note: Includes estimates where Ofcom does not receive data from providers; excludes M2M connections.

Table 4: Average monthly retail revenue per subscriber (£ per month)

	All subscribers	Post-pay contract	Pre-pay
2017	16.03	21.84	4.82
2018	13.75	17.89	4.89
2018 Q1	13.53	17.77	4.70
2018 Q2	13.68	17.84	4.83
2018 Q3	13.97	18.11	5.08
2018 Q4	13.81	17.84	4.95
2019 Q1	13.45	17.26	4.74

Note: From 2018, bundled revenues are reported according to the new IFRS15 accounting standard, and they do not include any device revenues. Revenue figures from 2018 onwards are not comparable to those beforehand. Revenues are only from those services detailed in Table 1 and do not include those generated by incoming calls or VAT.

Table 5: Interconnection call volumes (billions of minutes)

	All operators
2017	57.26
2018	58.67
2018 Q1	14.46
2018 Q2	14.85
2018 Q3	14.45
2018 Q4	14.92
2019 Q1	15.18

Note: Shows the number of call minutes terminating on mobile networks which originate on other networks.