

# Benchmarking the top 19 global telcos in Q3 2022

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## Key highlights

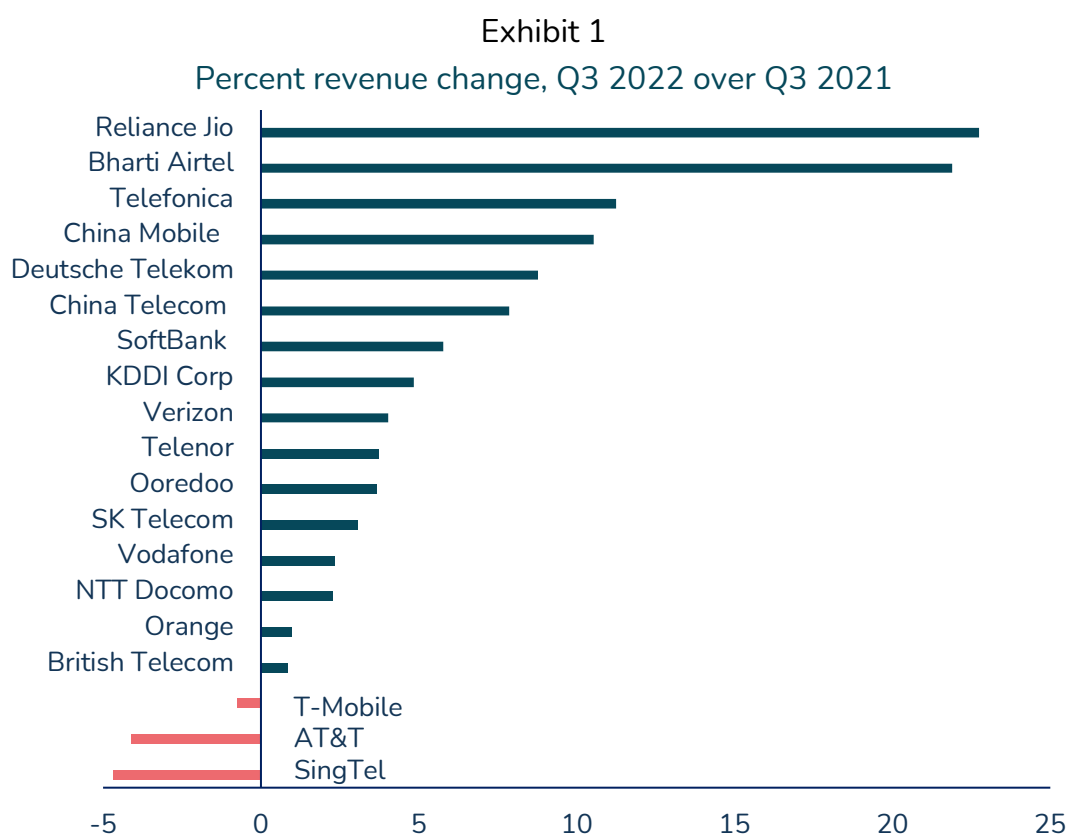
- The top 19 global telcos registered a combined revenue growth of 4.6 percent Year-on-Year (YoY) in Q3 2022. Revenues totalled a commendable US\$ 269.2 billion in Q3 2022, despite a decline by 0.7 percent from Q2 2022.
- 4 of the top 19 telcos achieved double-digit growth. Reliance Jio and Bharti Airtel led with growth rates of 22.7 percent and 21.9 percent, respectively.
- China Mobile added the highest net new revenues in the quarter (US\$ 3.2 billion on YoY basis).
- SoftBank recorded the highest revenue change of 6.2 percent on a QoQ basis, adding US\$ 736 million in new revenues from Q2 to Q3 – an all-time high compared to its previous 6 quarters. Growth in subscriber numbers and stability in the tariffs were key drivers of revenue growth.
- 9 of the top 19 recorded a positive change in EBITDA, with Reliance Jio and Bharti Airtel acing the charts.
- 60 percent of telcos reported a positive YoY change in CAPEX spending. 5G investments is a key driver of the increased spend.

This report reviews the performance of top global telcos for Q3 2022. It covers:

- a. [Revenue and EBITDA performance](#)
- b. [CAPEX spending by telcos](#)
- c. [ARPU and subscriber trends](#)
- d. [Partnerships and collaboration for enterprise and consumer solutions](#)
- e. [Major announcements](#)

## Revenue growth of 4.6 percent in Q3 2022

16 of the top 19 telcos reported a positive revenue change, with 4 of the 16 charting double-digit growth. Exhibit 1 shows the revenue change on a YoY basis for the top 19 telcos.



Source: twimbit analysis

### Reliance Jio and Bharti Airtel

The two Indian telcos have been the torchbearers of growth in the global telecom industry. The increase in tariffs has been the primary driver for the stellar performance.

### Telefonica

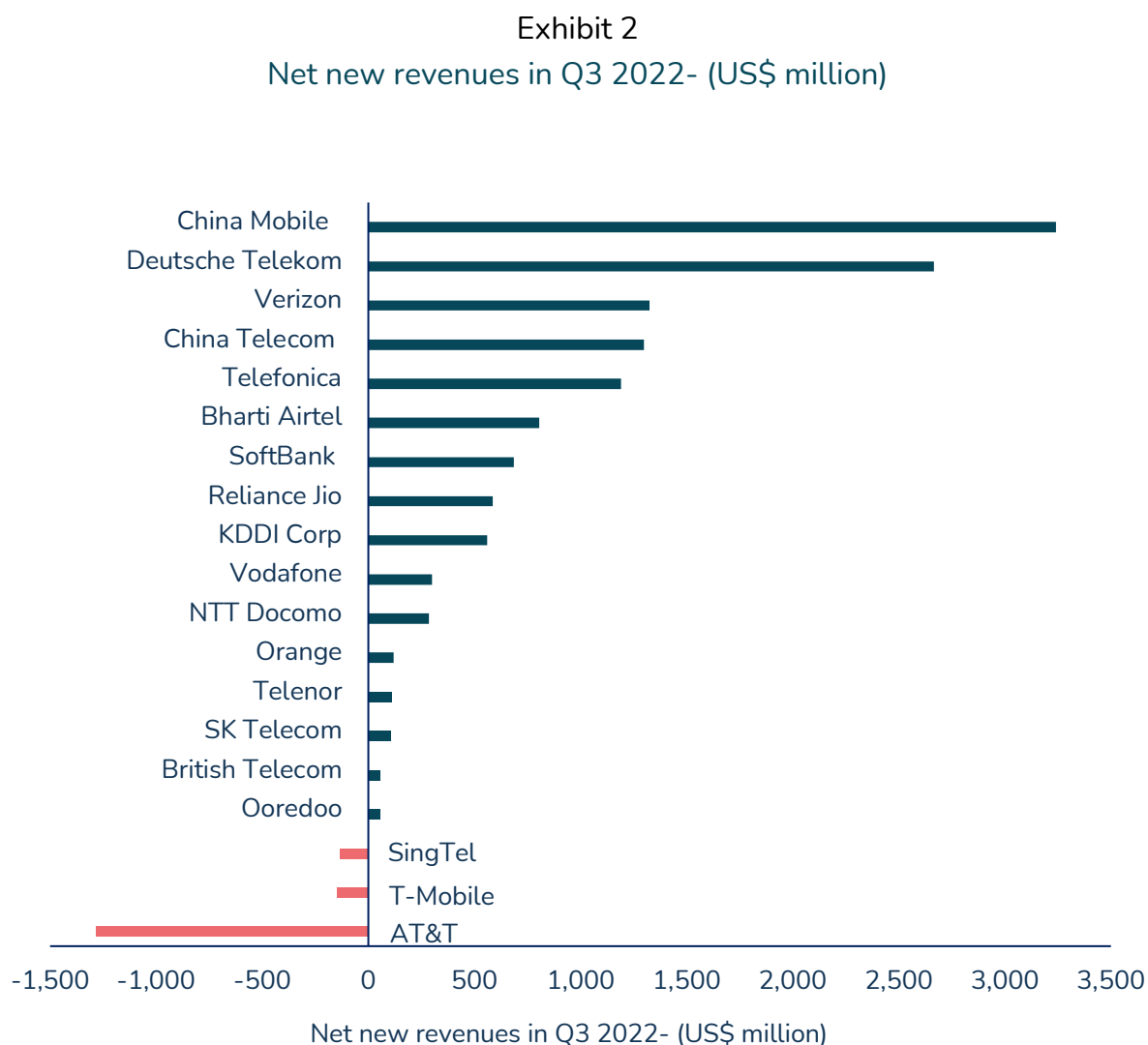
Telefonica had an impressive growth of 11.2 percent, with a net addition of US\$ 1.19 billion in revenues. T.Brasil (28.9 percent growth) and T. Hispam (18.2 percent growth) were major contributors, making up US\$ 1.03 billion of the US\$ 1.19 billion net revenue addition.

### China Mobile

China Mobile, the world's largest telco, with a subscriber base of 974 million added

US\$ 3.2 billion in net new revenues this quarter. It has managed to acquire an impressive 557 million 5G subscribers, which now account for 60 percent of its total subscriber base. In addition, the telco invested a total of US\$ 8.8 billion in the first half of the year. The high growth rate is attributed to the execution of numerous enterprise 5G projects across industries such as ports, healthcare, manufacturing and mining.

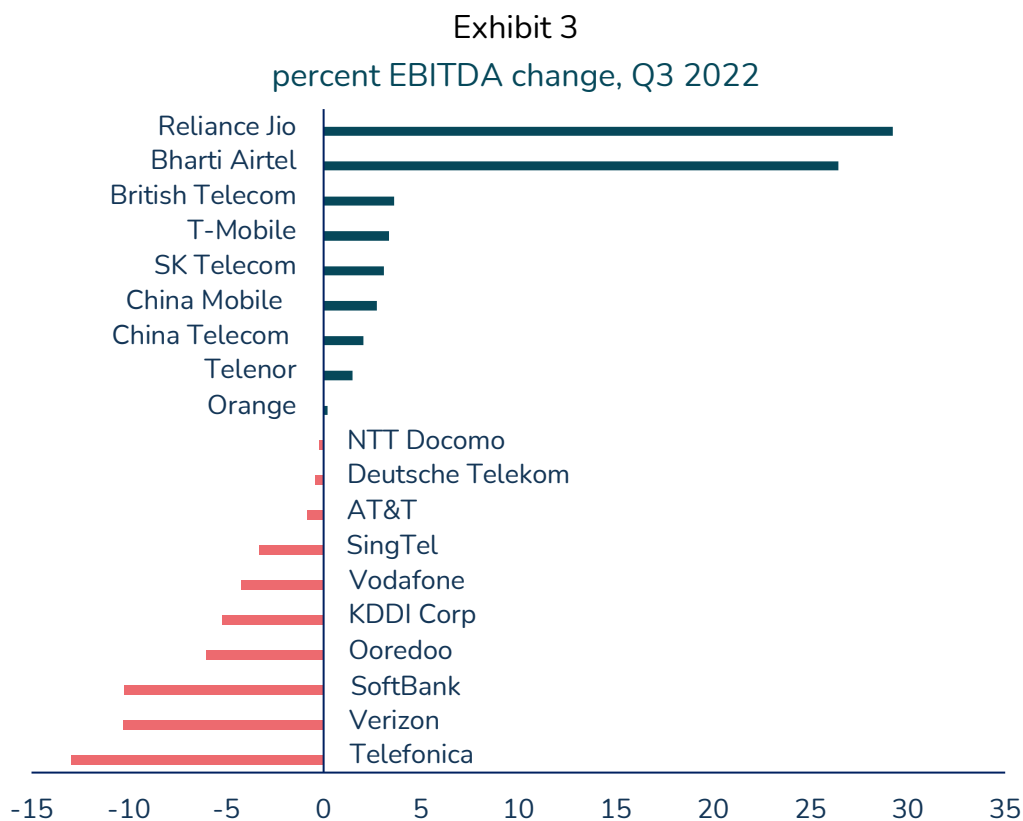
Exhibit 2 shows the net new revenues added by the top telcos in Q3 2022.



- Each of the top 5 telcos added new net revenues of more than US\$ 1 billion in Q3 2022.
- Deutsche Telekom has bucked the overall trend of decline in sequential quarterly revenues with US\$ 1.2 billion in new revenues added from Q2 2022 to Q3 2022,
- The 19 top global telcos added US\$ 11.8 billion in new revenues this quarter.

## Negative EBITDA change for the majority of the telcos

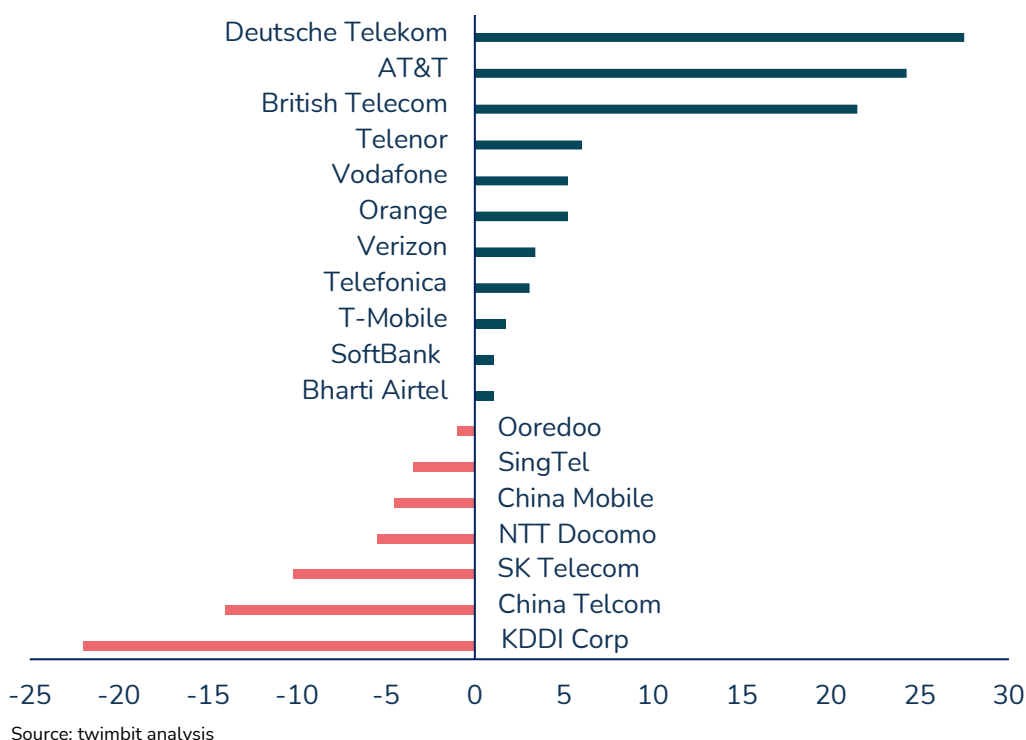
- The tariff increase fuelled Reliance Jio and Bharti Airtel's earnings performance with an incredible EBITDA growth of over 25 percent
- Softbank registered a decline in its EBITDA margin from 34.8 percent in Q3 2021 to 29.6 percent in Q3 2022 of its total revenue.
- Ooredoo's EBITDA reduced by 5.2 percent, driven by a decline in its subscriber base from 58 million in Q3 2021 to 55 million in Q3 2022.
- Verizon's EBITDA declined by 13.8 percent in Q3 2022 because of the increase in SGA (selling, general and administrative) costs.
- Telefonica recorded one-time capital gains in the same period of 2021, totalling more than US\$ 795 million. This resulted in a decline in its relative EBITDA performance for Q3, 2022.



Source: twimbit analysis

## 5G continues to drive CAPEX spending growth for leading telcos

Exhibit 4  
percent CAPEX change, Q3 2022

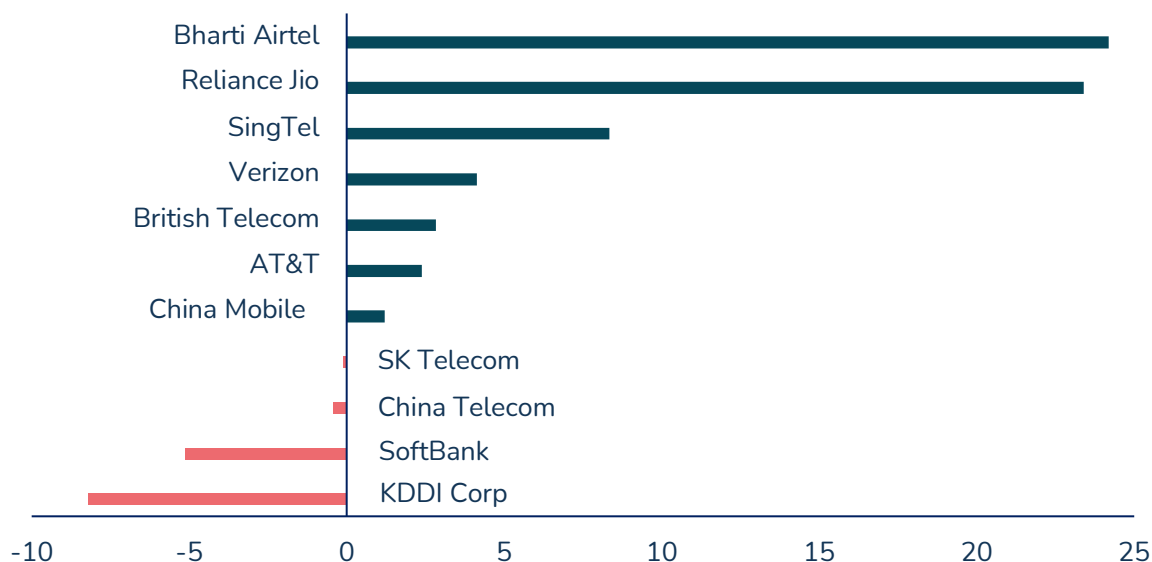


Investments in 5G continue to drive growth in CAPEX for the industry with the exception of telcos in South Korea, Singapore, China and Japan. Telcos in these countries reached peaked capex spending in 2021 driven largely by investments in 5G. Some key trends in CAPEX include:

- Deutsche Telekom continues to invest in the 5G network build-out for T-Mobile in the United States
- AT&T invests in fibre infrastructure and 5G deployment, aiming to serve 100 million people with the mid-band 5G spectrum by end of 2022.
- British Telecom is increasing spending on fibre network infrastructure.
- Telenor is investing to enhance its network infrastructure deployment in Bangladesh and Pakistan.
- Bharti Airtel has just announced its 5G contract, and CAPEX spending is expected to increase in the coming quarters.

## Subscriber and ARPU trends

Exhibit 5  
percent Mobile ARPU change, Q3 2022



The tariff hikes in India have uplifted the ARPU, positively impacting revenues and profitability. Over time, there has been a massive surge in data consumption in the Indian market. The rising levels of ARPU equally match the surge in data consumption. ARPU and data consumption are currently at an all-time high (refer to Exhibit 6). The trend is expected to continue with the anticipated commercial deployment of 5G.

Exhibit 6  
percent ARPU change and Data consumption for Indian telcos, Q3 2022

Telco	Sept 2022		Sept 2021		Sept 2020	
	Data GB/month	ARPU INR	Data GB/month	ARPU INR	Data GB/month	ARPU INR
Bharti Airtel	20.7	190	19.0	153	162	16.4
Reliance Jio	22.2	177	17.6	144	134	12.6

- SingTel Singapore reported an increase in ARPU by 8.3 percent, primarily due to the adoption of higher priced 5G plans.
- SoftBank reported a decline of 5.1 percent, while KDDI reported a decline of 8.2 percent in its ARPU. The intervention by the regulator in late 2020 has resulted in declining tariffs impacting the ARPU.

- Verizon added 21.15 million new customers thanks to the acquisition of TracFone Wireless on 23 November 2021. This led to a massive surge in prepaid connections.
- Bharti Airtel added 21 million subscribers. Additionally, the company has improved its overall network infrastructure over the last few years, winning consumer trust with greater transparency of its network coverage.
- US telcos AT&T and T-Mobile both have seen a growth of 4.5 percent in subscriber base after shutting down their 3G networks in Q1 2022.

## **Partnerships and collaboration for enterprise and consumer solutions in Q3 2022**

- Singtel and Ericsson have partnered to deploy Singapore's most energy-efficient radio cell, the Ericsson AIR 3268, to its 5G network. It aims to create a 5G site that is 76 percent lighter than a 4G site and reduce energy consumption by 58 percent.
- Ooredoo Qatar has partnered with Commvault. It will make Ooredoo the first managed service provider in Qatar to provide Metallic Data Management as a service (DMaaS). The partnership also expands Ooredoo's capabilities in SaaS-based data protection service on Azure cloud.
- China Mobile and ZTE have partnered to build the world's first 5G NTN (Non-Terrestrial Network Field) trial. NTN networks include satellite communication networks, high-altitude platform systems (HAPS), and air-to-ground networks.
- Deutsche Telekom and Google will jointly pilot several network services, such as 5G Standalone in Austria. Also, Deutsche Telekom will use Google's data analytics, AI and ML solutions to improve customer and network experience
- Telefónica announced that they had entered an agreement with NEC Corporation to conduct Open RAN (Radio Access Network) pre-commercial trials in Telefonica's four core global markets: Spain, Germany, the UK and Brazil.
- SK Telecom partners with AhnLab Blockchain Company and Atomics Lab to develop a digital wallet that supports cryptocurrencies, non-fungible tokens and digital credentials.
- SK Telecom and e& (global technology and investment conglomerate) signed an MOU to promote the metaverse business in the Middle East.

- Jio entered into several partnerships with global tech giants in this quarter. These include:
  - Partnership with Qualcomm to work on a cloud-native, scalable and flexible 5G infrastructure in both mmWave and sub-6HZ
  - Partnership with Meta for immersive technology and 5G use cases.
  - Partnership with Google to offer Jio's private 5G stack and other 5G-enabled solutions.

### **Major announcements by telcos in Q3 2022**

- Singtel concluded its planned sale of a 3.33 percent stake in Bharti Airtel to Bharti Telecom for US\$ 1.76. billion.
- Reliance Jio announced intentions to complete its pan-India 5G rollout by December 2023.