

# Global telecom vendors performance indicators

Summer 2024

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## Key takeaways

- The top five telecom vendors collectively experienced a 9.5% year-over-year (YoY) revenue increase in Q2-2024, primarily led by strong performance from APAC vendors like Huawei.
- While Huawei's revenue grew significantly (33.7% YoY in Q2-2024), Cisco, Ericsson, and Nokia faced revenue decline. This trend can be attributed to reduced network investment as 5G deployment reaches completion in major markets, slower-than-expected adoption of 5G networks and increased competition.
- Artificial Intelligence (AI) becomes a strategic growth catalyst for telecom vendors to drive innovations, as telcos face headwinds due to slowing network investments.
- **Cisco** reported a 10.3% YoY decline in Q2-2024, impacted by decline in product revenue, which offset the growth in its enterprise business.
  - Splunk's acquisition boosted its software portfolio and increased its annual recurring revenue (ARR).
- **Ericsson's** overall revenues declined by 7.1% YoY in Q2-2024, due to a decline in carrier network business, with enterprise business growth being almost flat.
  - Ericsson's intellectual property rights (IPR) licensing revenue rose by 21.9% due to new licensing agreements.
- **Nokia's** overall revenues declined by 17.9% YoY in Q2-2024 due to weak network infrastructure, mobile networks, and cloud services.
  - The carrier network business, which represents ~80.4% of Nokia's total revenue, declined by 21.3%.
- **Huawei's** revenue increased by 33.7% YoY in Q2-2024, driven by strong growth in its Intelligent Automotive Solutions (IAS) business unit.
- **ZTE's** revenue grew by 1.1% YoY in Q2-2024, driven by its strategic focus on bolstering digital and intelligent infrastructure capabilities.
- Leading telecom vendors focused on strategic themes like 5G, AI, and green tech, to expand their footprint alongwith enhancing the network capabilities for telcos.
- In Q2-2024, the major engagements of leading vendors with telcos centered around deployment of technologies like 5G, fibre optics, and cloud solutions, driving network modernization, enhancing user experiences, and unlocking new business opportunities.



## Trending telecom equipment vendor insights

### 1. AI becomes a strategic growth catalyst for telecom vendors to drive innovation

- Artificial intelligence (AI) is rapidly transforming the telecommunications landscape, driving innovation and fostering strategic partnerships among industry leaders such as Nokia, ZTE, Cisco, Ericsson, and Huawei. These companies are strategically integrating AI into their cloud services, network management, and product development initiatives to accelerate digital transformation.
- For instance, Cisco is investing heavily in AI-powered security and partnerships including USD 1 billion investment fund for AI startups, while Huawei's Nebula Telecom Large Model is advancing intelligent networks. Nokia's MX Grid is empowering organizations with AI-driven operational efficiency.

### 2. Telecom equipment vendors are facing headwinds due to slowing network infrastructure investments

- Telcos are deferring capital expenditures as they struggle to monetize 5G investments beyond basic connectivity services like Fixed Wireless Access (FWA). While FWA is gaining traction, other promising areas such as private networks have yet to deliver expected returns.
- North America and APAC, particularly India, have witnessed a decline in spending owing to 5G deployments reaching maturity, thereby impacting the revenue for vendors like Nokia, Cisco, and Ericsson. However, anticipated investments of about USD 2 billion by Indian telcos, Reliance Jio and Bharti Airtel, to enhance their 5G networks offer a glimmer of hope for revenue recovery in the region.

### 3. Selective acquisitions facilitate innovation and market dominance, while focusing on core competencies and emerging technologies

- Leading telecom vendors continue to bolster innovation and market dominance, by pursuing selective acquisitions, with focus to drive innovation, expand technological capabilities, and establish global market leadership.
- Ericsson is consolidating its leadership in the RAN and core markets while expanding its footprint in North America, in addition to bolstering its enterprise presence through acquisitions such as Cradlepoint and Vonage. Nokia, on the other hand, is optimizing its portfolio by divesting its submarine network business and acquiring Infinera to strengthen its position in the optical network market,

whereas Cisco's acquired Splunk and Isovalent acquisitions aiming to enhance its security and cloud capabilities.

#### **4. Regulatory landscape and geopolitical factors continue to impact the revenue and market dynamics**

- The global telecommunications industry is undergoing a paradigm shift driven by escalating security apprehensions.
- Germany's recent decision to phase out Chinese vendors Huawei and ZTE from its 5G network highlights the evolving regulatory environment. The country has imposed strict timelines for the removal of these vendors' equipment from both core networks (by 2026) and access and transmission networks (by 2029).
- The United States has adopted a similarly stringent approach, mandating the cessation of fixed and mobile broadband services offered by Chinese telecom entities telcos (US units of China Telecom, China Unicom, China Mobile, Pacific Networks, and ComNet) in the country.
- India's Department of Telecommunications (DoT) has initiated an evaluation to assess the financial implications of substituting legacy telecom equipment sourced from untrusted vendors, principally Huawei and ZTE, with secure alternatives.
- This might potentially impact the revenue generation potential of Huawei, ZTE, and other Chinese vendors as well, facing previous ban on equipment approval.

#### **5. Telecom vendors undertake restructuring initiatives to improve profitability alongwith tactical focus shift to high growth areas**

- Faced with declining market demand, Cisco, Ericsson, and Nokia are implementing aggressive cost-cutting measures, including large-scale layoffs.
- Cisco plans to reduce its total global workforce by 7% in the second round of layoffs announced in Aug-2024 (owing to challenges faced in hardware sales) to focus towards higher-growth sectors like cybersecurity and AI. Earlier this year, Nokia also announced of job reductions of upto 14,000, whereas Ericsson aimed to streamline its operations with global layoffs, affecting 1,200 positions in Sweden.



## Financial Performance

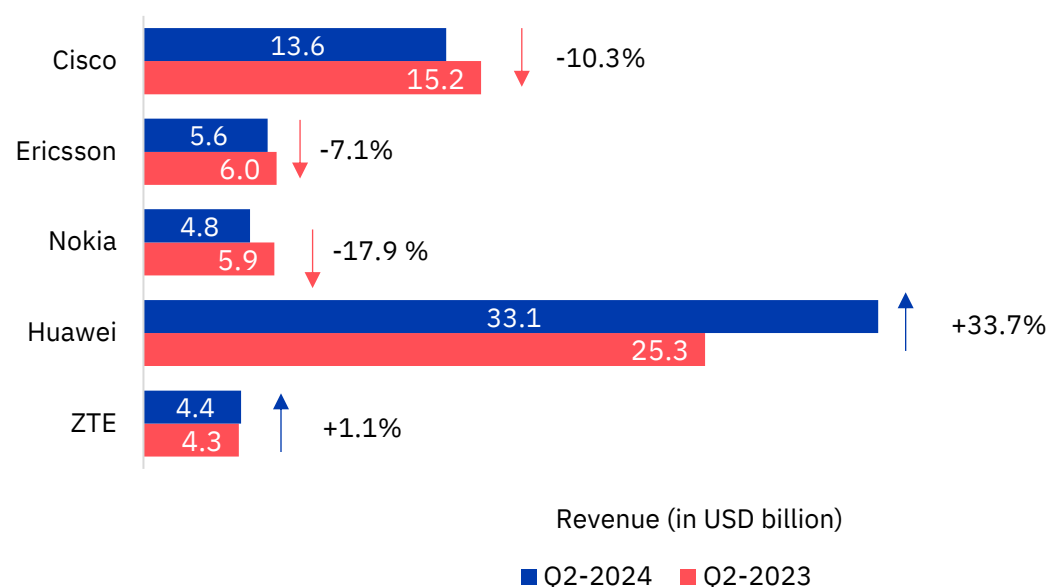
### Revenue for the top 5 telecom vendors increased by 9.5% YoY in Q2-2024, driven by growth in revenue of APAC vendors Huawei and ZTE

The top five telecom vendors collectively achieved a year-over-year (YoY) revenue increase of 9.5% in Q2-2024. This growth, which surpassed the ~5.5% YoY growth rate observed a year ago, was primarily driven by the resilient performance of APAC vendors, notably Huawei's 33.7% YoY revenue growth. This positive contribution offset revenue declines at Cisco, Ericsson, and Nokia.

A comparative analysis of the top five vendors' revenue performance in Q2 2024 uncovers the following:

- Huawei outperformed its global counterparts, demonstrating sustained growth driven by its strategic focus on high-quality initiatives, including a particularly strong expansion in its automotive business.
- ZTE's revenue exhibited a more moderate growth trajectory.
- European and American vendors experienced revenue declines due to relatively lower spending on 5G deployment across major markets."

#### Exhibit 1: Leading telecom vendor revenue trends YoY basis, Q2-2024



Source: Company reports and filings, Industry reporting, Twimbit analysis

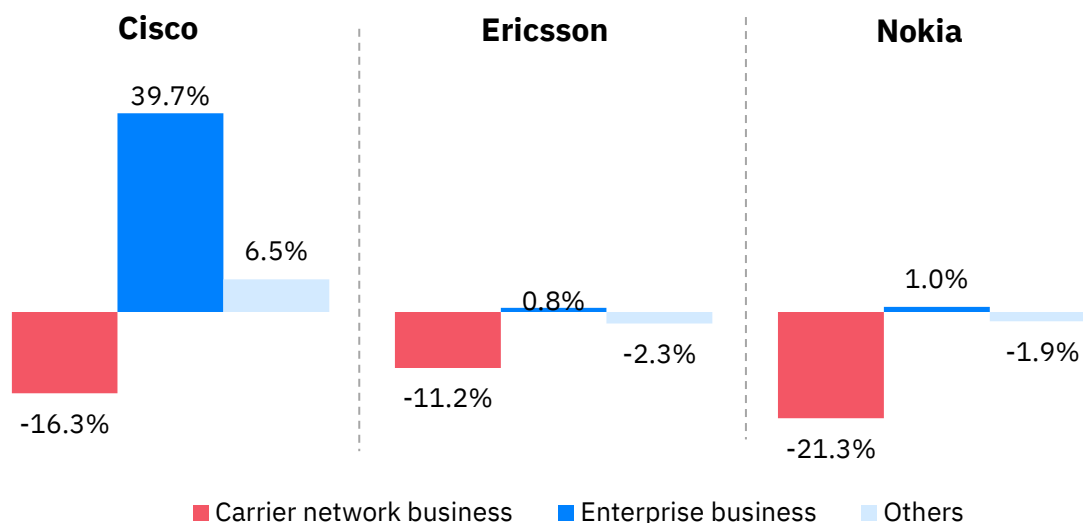
Note:

1. USD conversion is on a constant currency basis
2. Cisco's financial performance is from May 2024 to July 2024
3. Huawei and ZTE revenue includes its consumer business revenue

The slowdown in 5G network deployment has had a substantial negative impact on the revenue growth of telecom equipment vendors. Reduced demand for 5G equipment, delayed returns on investment by telecom operators, intensified competition among vendors, and uncertainty about future demand due to slower-than-anticipated global 5G adoption have collectively contributed to revenue challenges within the industry.

Telecom vendors such as Cisco, Ericsson, and Nokia have experienced revenue declines, particularly in developed markets like North America, Europe, and India, where 5G deployment has reached a mature stage. In contrast, their Chinese counterparts, Huawei and ZTE, have continued to report revenue growth by diversifying their offerings beyond core network solutions into areas like AI, cloud computing, and other digitalization services.

## Exhibit 2: Leading telecom vendor revenue trends by customer type, Q2-2024



Source: Company reports and filings, Industry reporting, Twimbit analysis

Note:

1. Cisco's financial performance is from May 2024 to July 2024
2. Huawei and ZTE do not disclose revenue by customer type every quarter

### Cisco

- Q2-2024 revenue declined by 10.3% YoY to USD 13.6 billion, owing to a decline in product revenue which offset the mild growth in service revenue.
  - During the period, product revenue declined by ~15.8% YoY, whereas services revenue witnessed a growth of 6.5%.



- Carrier network business representing nearly 50% of the total revenue, reported a decline of 16.3% YoY to USD 6.8 billion, as the telco and cable customer demand remained muted overall amid continued industry-wide pressure.
- Enterprise business accounted for 22.4% of total revenue and grew by 39.7% YoY in Q2-2024 to USD 3.1 billion.
  - A relatively higher revenue growth rate was reported for the Enterprise segment, owing to growing demand across all the regions.
  - It also signed several contracts of over USD 100 million+ with global enterprises, seeking to optimise and automate their network operations coupled with AI/ML deployments.
  - Revenue momentum remains positive in software-heavy segments in Q2-2024. Security and Observability grew by 81.7% and 40.9%, whereas Collaboration revenue almost remained flat (-0.4% YoY growth).
    - The newly introduced security solutions (XDR and Secure Access) continue to witness strong adoption and added 230+ new customers during the quarter.
- The acquisition of Splunk bolstered Cisco's software portfolio and increased (Annual Recurring Revenue (ARR) by ~USD 4.2 billion post-acquisition.
  - Total annualized recurring revenue (ARR) reached USD 29. Billion, including USD 4.3 billion from Splunk, up 22% year over year.
- Total Remaining Performance Obligations (RPO) increased 18% YoY to USD 41 billion (USD 37.5 billion without Splunk), driven by strong organic performance and the addition of Splunk.
  - Product and services RPO grew by ~27% and ~10% on YoY basis, with Short-term RPO growing by ~17%.
- Cisco's revenue for Q3-2024 (Aug-Oct) is estimated to be in between US 13.6 5 billion – 13.85 billion, whereas revenue for its fiscal year 2025 (Aug 2024-July 2025) is estimated to range between USD 55 billion – USD 56.2 billion.
- Cisco plans to reduce its total workforce by 7% in the second round of layoffs announced in Aug-2024 (owing to challenges faced in hardware sales) to focus towards higher-growth sectors like cybersecurity and AI.

*"We delivered a strong close to fiscal 2024" said Chuck Robbins, chair and CEO of Cisco. "In our fourth quarter, we saw steady customer demand with order growth across the business as customers rely on Cisco to connect and protect all aspects of their organizations in the era of AI."*

**- Chuck Robbins, Chairman and CEO, Cisco**



**Ericsson**

- Overall revenues declined 7.1% YoY to USD 5.6 billion (SEK 59.8 billion) in Q2-2024.
- Carrier network business represents 63.0% of total revenues.
  - Segment revenue declined by 11.2% YoY to USD 3.5 billion (SEK 37.7 billion).
  - Revenues from all the reporting regions declined YoY in Q2-2024, which offset the 21% growth from the North American region.
- Enterprise business represents 36.2% of total revenues.
  - Revenues increased marginally by ~0.8% to ~USD 2 billion (SEK 21.7 billion).
  - Cloud software and service revenues increased 16.4% YoY to ~USD 1.4 billion (SEK 15.180 billion).
    - South East Asia, Oceania and India experienced sales growth due to the completion of key project milestones despite a decline in other market areas.
  - Enterprise revenue increased 8.6% YoY to USD 0.6 billion (SEK 6.5 billion).
  - Revenue grew marginally by 1.6% in Q2-2024.
    - Global Communications Platform declined 9.5% YoY to USD 0.4 billion (SEK 3.8 billion) due to reduced activity and low-margin customer contract losses.
    - Enterprise Wireless Solutions grew by ~23% YoY to USD 112.4 million (SEK 1.2 billion), driven by customer demands for private network solutions.
  - Intellectual property rights (IPR) licensing revenue rose ~21.9% to USD 365.2 million (SEK 3.9 billion), driven by new licensing agreements in Q2-2024.

**Nokia**

- Overall revenues declined 17.9% YoY to ~USD 4.8 billion (EUR 4.5 billion) due to weak network infrastructure, mobile networks, and cloud service in Q2-2024.
- The contribution of carrier network business to revenue declined from 83.9% in Q2-2023 to 80.4% in Q2-2024.
  - Revenue declined 21.3% YoY to USD 3.9 billion (EUR 3.6 billion) due to a performance fall in EMEA and India.
  - Network infrastructure sales declined ~10.8% YoY to USD 0.1 billion (EUR 1.522 billion) due to a decline in revenue across all the three sub-segments.
    - IP Networks segment declined by 5.2% YoY.
    - Optical Networks segment declined by 17.7% YoY.
    - Fixed Networks segments declined by 10.7% YoY.



- Mobile network sales declined 24.9% YoY to USD 0.2 billion (EUR 2 billion), primarily due to underperformance in APAC (led by India) and EMEA.
  - North America: Net sales increased 19.9% YoY to USD 751.6 million (EUR 698 million), owing to outstanding negotiation settlements with AT&T.
    - AT&T selected Ericsson for RAN deployment contracts in late FY-2023. Part of the resolution led to USD 161.5 million (EUR 150 million) inflow in Q2-2024.
    - In contrast, Nokia expects largely stable Mobile Network sales to AT&T in FY-2024 and then decline by almost 50% in FY-2025.
  - APAC: Net sales declined 55.2% YoY to USD 648.3 million (EUR 602 million) due to peak 5G deployment.
  - EMEA: Net sales declined slightly by 5.9% YoY to USD 721.5 million (EUR 670 million), owing to a decline in the Middle East & Africa region.
- The enterprise segment represents 11.5% of total revenues in Q2-2024.
  - Revenues for the segment grew by just 1% YoY to USD 554.6 million (EUR 515 million).
  - This minute growth was due to the strong growth in webscale customers, which was nearly offset by declines with other enterprise customers.

## Huawei

- Q2-2024 revenue increased 33.7% YoY in Q2-2024 to USD 33.1 billion (~CNY 239 billion), as the company continued to optimise its industry portfolio and focused on building a robust and prosperous industrial ecosystem offering.
- Additionally, the company reported its second-highest quarterly YoY growth over the past 10 quarters (highest being 35.1% in Q1-2024), primarily led by strong revenue growth in its Intelligent Automotive Solutions (IAS) business unit.
  - Revenue of IAS business unit increased exponentially to ~USD 1.4 billion (CNY 10 billion) in H1-2024, led by significant contribution from Seres (China based EV manufacturer). The unit reported revenue of ~ USD 290 million (CNY 2.1 billion) and ~USD 647 million (CNY 4.7 billion) for FY-2022 and FY-2023 respectively.
  - The company claimed stable revenue from its ICT infrastructure, cloud, and digital power businesses.



*"Our overall performance was in line with forecast. Moving forward, we'll continue driving high quality across all business processes, optimizing our portfolio to enhance business resilience, and building thriving ecosystems. Ultimately, our goal is to provide customers with even more competitive products and solutions."*

**- Mr. Xu Zhijun (Eric Xu)**

**Deputy Chairman, Rotating Chairman, Huawei**

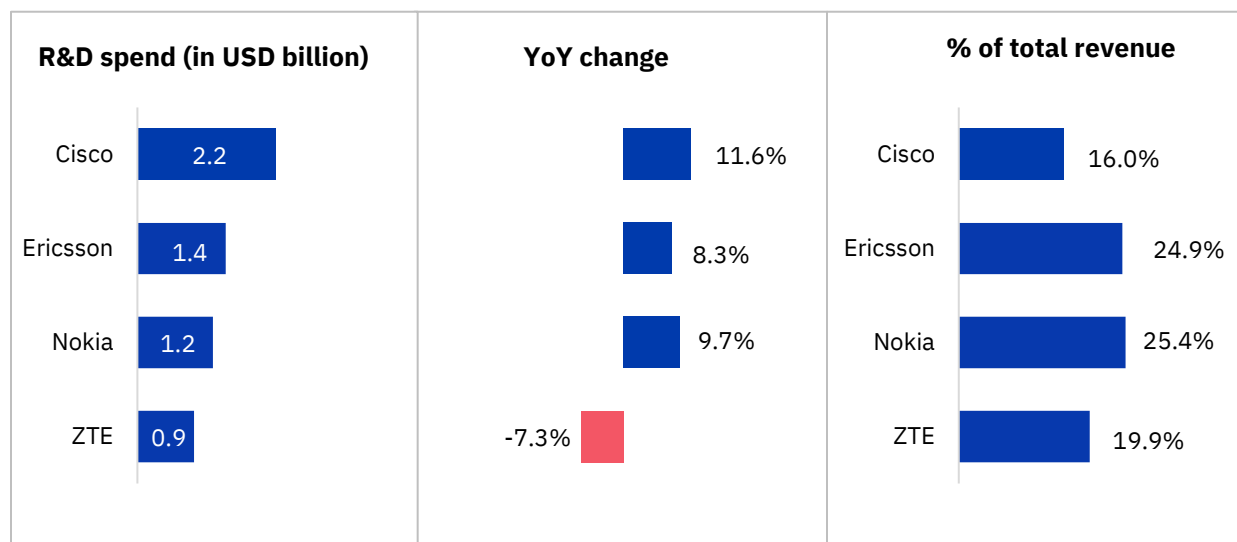
## **ZTE**

- Revenue grew 1.1% YoY in Q2-2024 to USD 4.4 billion (CNY 31.9 billion) underpinned by the company's strategic focus on bolstering digital and intelligent infrastructure capabilities.
  - By advancing core technological innovations and expanding its footprint across the "connectivity + computing + capability + intelligence" spectrum, the company has successfully harnessed the synergy between connectivity and computing.
  - This strategic alignment has translated into robust top-line and bottom-line growth, with profits surging 6.3% YoY to USD 411.7 million (~CNY 3 billion).
- During H1-2024, the operator network segment contributed the lion's share to revenue, generating USD 5.2 billion (CNY 37.3 billion), accounting for 59.7% of the total. The government-enterprise and consumer businesses followed suit, delivering USD 1.3 billion (CNY 9.2 billion) and USD 2.2 billion (CNY 16 billion) respectively, representing 14.7% and 25.6% of overall revenue.

## R&D performance

**R&D spending witnessed a growth of ~7% YoY in Q2-2024, led by Cisco, Ericsson and Nokia, despite ZTE's spending decline**

**Exhibit 3: Leading telecom vendor R&D spending trends, Q2-2024**



Source: Company reports and filings, Industry reporting, Twimbit analysis

Note:

1. USD conversion is on a constant currency basis
2. Cisco's financial performance is from May 2024 to July 2024
3. Huawei did not disclose R&D spend for Q2-2024

### Cisco

- Cisco's R&D spending increased by 11.6% YoY to USD 2.2 billion in Q2-2024, representing ~16% of its revenue.
  - R&D expenses declined owing to lower headcount-related expenses and reduced contracted services spending.
  - This partially offsets the higher expenses from share-based compensation, cash compensation from acquisitions and higher discretionary spending.

### Ericsson

- R&D expenses increased 8.3% YoY to ~USD 1.4 billion (~SEK 15 billion) in Q2-2024, representing 24.9% of its revenue.
  - This increase helped support its strategy to build high-performance programmable networks.



**Nokia**

- R&D expenses increased 9.7% YoY to USD 1.2 billion (EUR 1.1 billion) in Q2-2024 to sustain its technological leadership.
- Nokia increased R&D investments in Network infrastructure, Cloud and Network services, and Nokia technologies.
  - The R&D allocation as a percentage of revenue increased by 640 bps to 25.4% in Q2-2024.

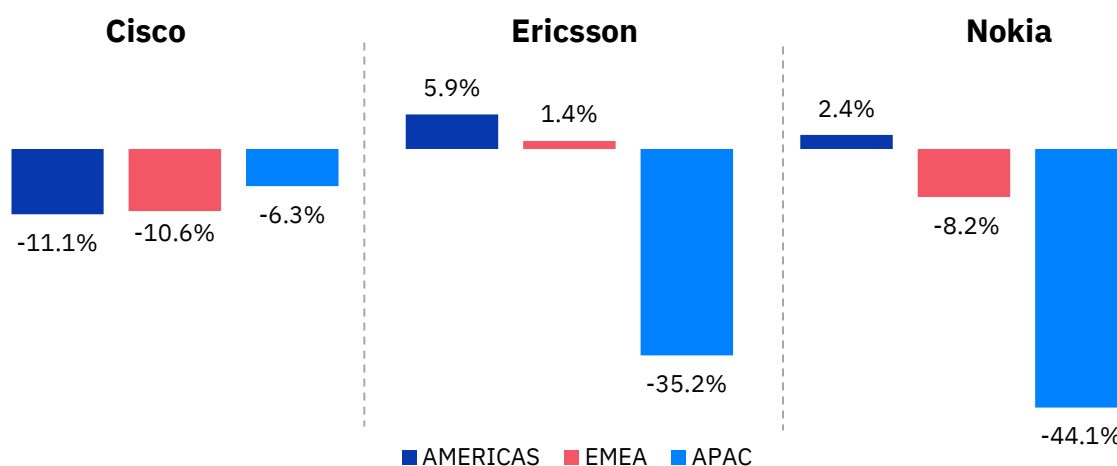
**ZTE**

- ZTE's R&D investments contracted by 7.3% YoY to USD 0.9 billion (~CNY 6.4 billion) in Q2-2024, constituting approximately 20% of total revenue.
  - While R&D expenditure accounted for 20.4% of operating revenue in H1-2024, ZTE remains steadfast in its commitment to driving market leadership through technological innovation in the digital intelligence landscape.

## Geographic performance

**APAC region witnessed revenue decline for the leading telecom vendors, Cisco's revenue declined across all geographies**

**Exhibit 4: Leading telecom vendor regional revenue trends, Q2-2024**



Source: Company reports and filings, Industry reporting, Twimbit analysis

Note:

1. Cisco's financial performance is from May 2024 to July 2024
2. Huawei and ZTE don't report geographic-wise revenue every quarter

### Cisco

- Cisco's Q2-2024 performance saw revenue decline across all the regions, with the Americas region recording the highest YoY decline during the period.
- Revenue from the Americas region declined 11.1% YoY in Q2-2024 to ~USD 8 billion, primarily impacted by decline in product revenue from enterprise, service provider and cloud market, which offset the services revenue growth owing to Splunk acquisition.
  - Product revenue declined impacted by decline in geographies like United States, Canada, Mexico and Brazil.
- EMEA revenue declined by ~10.6% YoY in Q2-2024 to USD 3.5 billion, owing to revenue decline across each of its customer markets in geographies like United Kingdom, Germany and France.
- Revenue from the APAC region declined 6.3% YoY to ~USD 2.1 billion, owing to decline in revenue across all its customer markets, primarily Japan, Australia, India and China.

## Ericsson

- The overall decline in Q2-2024 is due to a revenue drop in APAC, which offset the growth in EMEA and the Americas.
- Revenue from the APAC region declined 35.2% YoY in Q2-2024 to USD 1.1 billion (~SEK 12.3 billion).
  - This drop was primarily due to a ~44.4% sales decline in South East Asia, Oceania and India to USD 0.7 billion (SEK 7.7 billion).
  - Network sales declined in India due to the peak investment levels by the telcos in FY-2023.
  - Peak investments in 5G radio and core network deployments have led to a 9.9% YoY decline in North East Asian sales to USD 0.4 billion (SEK 4.6 billion).
- EMEA revenue increased by a modest 1.4% YoY to ~USD 1.5 billion (~SEK ~16 billion) in Q2-2024.
  - Sales from the Middle East and Africa grew 6.6% YoY to USD 0.5 billion (~SEK 5 billion), driven by 5G investments across several markets.
  - Sales in Europe witnessed a slight decline due to reduced telco network investments and managed services volumes.
- The Americas revenue increased 5.9% YoY to ~USD 2 billion (SEK 21.3 billion) in Q2-2024.
  - North America revenues increased 14.9% YoY to USD 1.6 billion (SEK 16.6 billion), owing to increased network investments by selected large customers.
  - Sales from Latin America declined owing to reduced network investments in telcos and increased competition levels.

*“Our results highlight our competitiveness, and we will continue to take proactive steps to position the business for longer-term success. We expect market conditions to remain challenging this year, as the pace of India investments slow, however our sales will benefit during the second half from contract deliveries in North America.”*

**- Börje Ekholm, President and CEO, Ericsson**



## Nokia

- In Q2-2024, Nokia experienced a revenue decline in the EMEA and APAC regions, except for modest growth in the Americas (2.1% YoY growth).
- Americas revenue increased 2.4% YoY to USD 1.7 billion (EUR 1.6 billion) in Q2-2024.
  - North America revenues grew by 3.9% YoY to USD 1.4 billion (EUR 1.3 billion), owing to the resolution of the outstanding AT&T contract in Mobile Networks and growth in IP Networks and Fixed Networks within the Network Infrastructure segment.
  - Latin America revenue declined 6.9% YoY to USD 232.6 million (EUR 216 million) due to Cloud and Network service weaknesses.
- APAC revenue declined 35.2% YoY to ~USD 1 (EUR 1.1 billion) in Q2-2024, impacted by the Mobile Networks and Network Infrastructure business segments.
  - APAC faced a 68.5% YoY decline in revenue to USD 354.3 million (EUR 329 million) due to peak investments for 5G deployments in Q2-2023.
  - Revenues declined by 14.2% YoY in Greater China and 15.6% YoY in the rest of the APAC region in Q2-2024.
- EMEA region reported a revenue decline of 8.2% YoY to ~USD 2 billion (EUR 1.9 billion) in Q2-2024.
  - Revenues in Europe declined 10.4% YoY to USD 1.5 billion (EUR 1.4 billion) impacted by the Network Infrastructure, Mobile Networks, Cloud and Network Services segments.
  - Revenue from the Middle East and Africa declined by a modest 1% to USD 509.3 million (EUR 473 million), with Mobile Network growth offsetting the decline in Cloud and Network services revenue.

*“Our financial performance in the second quarter continued to be impacted by the ongoing market weakness with net sales declining 18% year-on-year in constant currency. The most significant impact was the challenging year-ago comparison period which saw the peak of India's rapid 5G deployment with India accounting for three quarters of the decline.*

**- Pekka Lundmark, President and CEO, Nokia**



**ZTE**











- Domestic operator network business encountered challenges during the period, owing to the challenging investment climate. Conversely, ZTE demonstrated remarkable resilience on the international stage, securing breakthroughs with key countries and leading telcos (like True, AIS etc.), thereby sustaining double-digit growth.
  - Concurrently, the company executed a strategic expansion into the government-enterprise and consumer domains, broadening its market presence, enabling it to register a growth of 56.1% and 14.3%, respectively, in the two segments.



## Key strategic developments

### Key strategic partnerships and alliances: Q2-2024

Leading network vendors (Cisco, Ericsson, Nokia, Huawei, and ZTE) pursued strategic alliances to drive digital growth. They strive to leverage 5G, AI, and green tech, to expand their global footprint, alongwith enhancing the network capabilities.

Vendor	Highlights	Key Partners*
	<ul style="list-style-type: none"> <li>Strategic partnerships focused around offering integrated solutions in cybersecurity, AI and infrastructure.</li> <li>Partnered with Nvidia to launch Cisco Nexus HyperFabric AI cluster solution, to streamline AI infrastructure deployment and enhance large-scale data centre performance.</li> </ul>	
	<ul style="list-style-type: none"> <li>Strategic alliances centered digital transformation and new opportunities in Open RAN, 5G, and APIs.</li> <li>Vonage's partnership with Telstra and Singtel, focused on APIs, to offer robust network ecosystem for product offerings.</li> </ul>	
	<ul style="list-style-type: none"> <li>Nokia focused on network advancements and digital inclusion around areas like AI, 5G, fiber networks and open RAN technologies.</li> <li>Key partnerships include with Telefonica, Vodafone, Infobip and ITIDA.</li> </ul>	
	<ul style="list-style-type: none"> <li>Bridging the digital divide by expanding connectivity and empowering communities, were the key focus themes for Huawei.</li> <li>Partnerships with China Unicom and Ethio Telecom focused on providing communication infrastructure.</li> </ul>	
	<ul style="list-style-type: none"> <li>ZTE collaborated to extend network infrastructure capabilities for telcos.</li> <li>China Telecom, Telecom Namibia and MyRepublic partnered to leverage ZTE's offerings and capabilities for network ecosystem deployment and expansion.</li> </ul>	

\* Not an exhaustive list

Source: Company reports and filings, Industry reporting, Twimbit analysis

## Key strategic initiatives: Q2-2024




























Cisco, Ericsson, Nokia, and ZTE are driving technological advancements and sustainable growth. By leveraging AI, investing in research and development, and expanding global operations, these companies aim to further innovate and enhance connectivity, boost operational efficiency, and addressing environmental challenges. Their focus on innovation, sustainability, and customer-centric solutions positions them as leaders in the telecommunications industry.

Vendor	Description
	<ul style="list-style-type: none"> <li>Cisco is driving AI innovation and expanding its global footprint. The company is investing in AI startups, strengthening its India presence, and launching solutions like Cisco Hypershield to protect critical infrastructure and accelerate digital transformation.</li> </ul>
	<ul style="list-style-type: none"> <li>Ericsson continues to strengthen its sustainable and efficient network operations capabilities. By leveraging AI and investing in domestic manufacturing, Ericsson is striving to optimise energy consumption and carbon footprint reduction, for a greener and more connected future.</li> </ul>
	<ul style="list-style-type: none"> <li>Nokia is leveraging AI to transform industrial operations. MX Grid empowers businesses to harness the power of data for improved decision-making and operational efficiency</li> </ul>
	<ul style="list-style-type: none"> <li>ZTE is at the forefront of technological innovation, driving the future of connectivity, with the launch of Wi-Fi 7 ONU in Southeast Asia and Nebula Telecom Large Model (for a powerful AI tool for accelerating the evolution of intelligent networks.</li> </ul>

Source: Company reports and filings, Industry reporting, Twimbit analysis

## Key contract wins: Q2-2024

Leading networking vendors (Cisco, Ericsson, Nokia, Huawei and ZTE) are leading the charge in digital transformation through advanced networking solutions. These vendors are collaborating with global telcos to deploy technologies like 5G, fibre optics, and cloud solutions, driving network modernization, enhancing user experiences, and unlocking new business opportunities.

Vendor Name	Highlights	Key clients*
	<ul style="list-style-type: none"> <li>Key contracts centered around network offerings to facilitate connectivity.</li> <li>Select clients include AT&amp;T and TPG telecom for FWA deployment and site interconnectivity respectively.</li> </ul>	  
	<ul style="list-style-type: none"> <li>Ericsson's engagement focused on 5G deployments, network upgrades and automation, and energy efficiency solutions.</li> <li>Ericsson Nikola Tesla secured contracts worth ~EUR 4 million and ~EUR 11 million from HT Eronet and Ipko respectively.</li> <li>Network contracts include with telcos like XL Axiata, 2degrees, Orange Egypt, Ooredoo Oman, Telefonica Germany and Videotron.</li> </ul>	       
	<ul style="list-style-type: none"> <li>Nokia reported a series of successful deployments including 5G networks for Claro, 2degrees, and Perfectum.</li> <li>Also provided fiber solutions for HKBN, Deutsche Glasfaser and Baktelecom.</li> </ul>	      
	<ul style="list-style-type: none"> <li>Collaboration with MTN south Africa focused on Net5.5G capabilities enhancement 400GE, SRv6, slicing, and Network Digital Map, to improve MTN's resilience and service experience.</li> </ul>	
	<ul style="list-style-type: none"> <li>ZTE inked several deals in Asia which included modernizing Banglalink's 4G network in Bangladesh and deploying advanced digital networks with AIS and True Corp in Thailand, aimed at improving network efficiency and green technologies.</li> </ul>	  

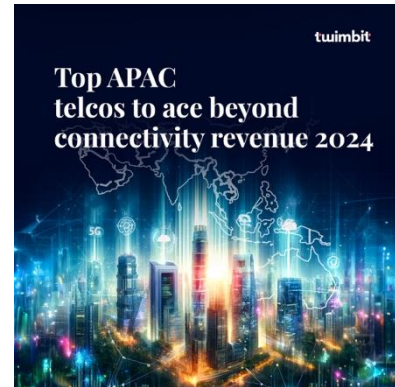
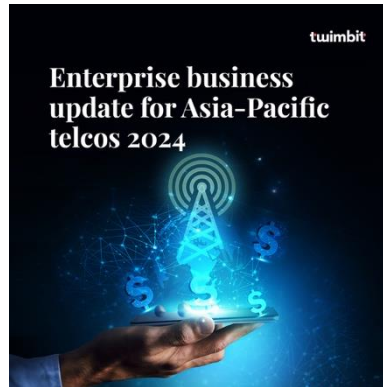
\* Not an exhaustive list

Source: Company reports and filings, Industry reporting, Twimbit analysis

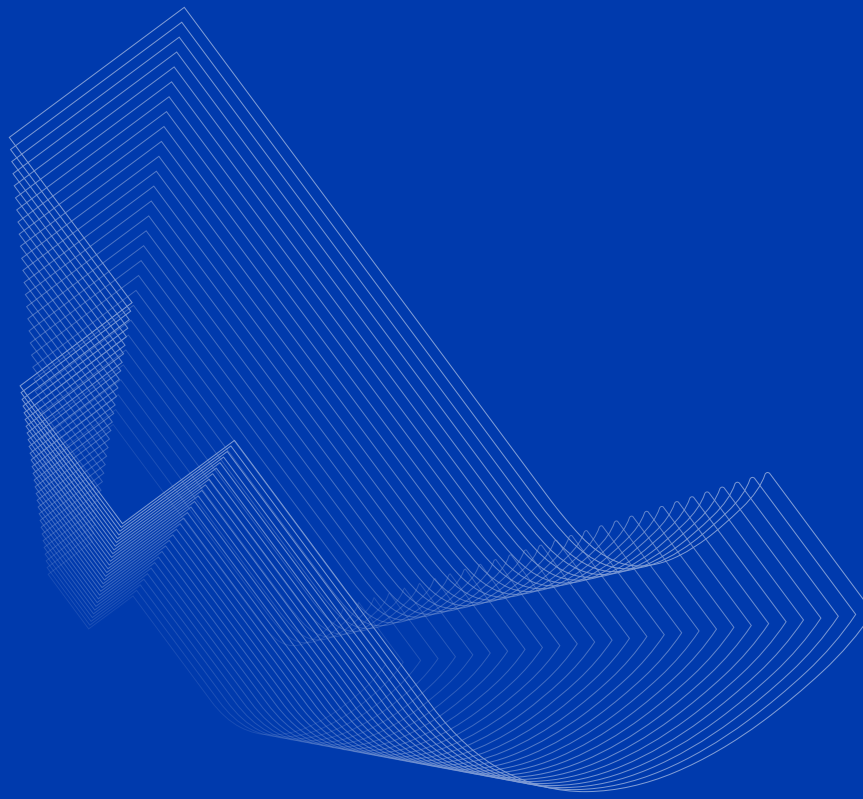
## Research methodology and assumptions

- The report “Global telecom vendor updates: Summer 2024” provides brief insights into the financial and operational performance of leading telecom vendors (Cisco, Ericsson, Nokia, Huawei and ZTE) for the period April-June 2024.
- This report harnesses insights gleaned from official sources, financial reports, and regulatory filings of leading telecom equipment vendors, providing a robust foundation for analysis.
- The financial performance for Q2-2024 serves as a powerful leading indicator, offering invaluable insights into future market trends and potential disruptions.
- The report provides actionable insights for benchmarking carrier and enterprise business operations against these key vendors.
- A summary of key strategic developments for Q2-2024, encompassing product launches, partnerships, and contract wins, provides a holistic understanding of vendor strategies and their potential impact on the market.
- All local currency figures have been converted to USD using an average exchange rate calculated for April-June 2024 to facilitate fair comparison.
- The data presented in this report is based on the most current information available at the time of compilation. As such, it may not reflect subsequent developments. This report is intended for informational purposes only and should not be relied upon as a substitute for independent research.

## Related telecom equipment vendor insights







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