MVNOs Congress Asia 2017

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MVNOs – Now is the time

Seize The Day
抓紧时机

Entering a hyper disruptive, competitive and growing market

With a 1 billion people internet opportunity

Asia mobile market will remain one of the world's fastest growing

24% growth in new subscribers by 2020 in Asia (vs Europe 5%)

600m

Source: GSMA

Penetration rate by 2020 (excluding M2M)

70%

Source: GSMA

Data growth is driven by sub-$200 devices, led by Chinese OEMS

Source: GSMA

Continuing focus on offering streaming video services. 42% take up in South Korea vs 24% in UK.

Source: GSMA

Internet relevance at the local level in Asia, not affordability (although still a factor), is the key barrier for take-up.

Source: GSMA

Mobile data usage will grow from 0.9Gb in 2014 to 5.7Gb in 2019*

*per user, per month

Source: GSMA

Loss of core revenues to OTT players continues to bite.

2.5 billion

users now on WeChat, Whatsapp and Facebook Messenger who continue to dominate messaging with over 10% growth YoY.

44% MVNO growth

in Asia due to supporting regulation by 2020.

Source: GSMA

How do MVNOs enter this market considering massive data growth, challenging affordability and hyper competition?

Other Markets – Rise of the Asset Light Virtuals

RIDES

UBER

NYC Rides
25,000/day
9 years Old
Market Share Increasing

YELLOW CAB

NYC Rides
14,000/day
120 Years Old
Market Share Dropping

PROPERTY

airbnb

Listings
3.0m
$30bn valuation
191 Countries

Marriott

Rooms
1.2m
$17.8bn valuation
110 Countries

RETAIL

amazon

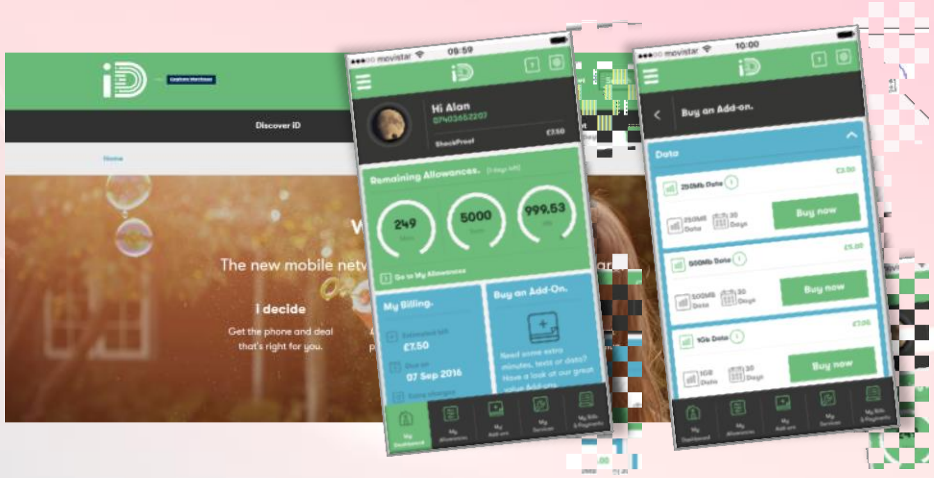
Customers
300m
100,000 Suppliers
185 Countries

Walmart

Customers
100m
61,000 Suppliers
15 countries

Examples of Success

ID Mobile (UK)



I DECIDE, I CHANGE, I SAVE

550,000 contracted subs in 18 months

- UK based, operating on the Three Network. Launched April 2015
- Rapid growth with limited ATL marketing
- Full Service App – control spend, pay, change tariffs & boltons instantly
- Real-time implemented to underpin unique customer experience
- First to market : free data rollover, mid-cycle upgrades

Circles (Singapore)

NO COMMITMENTS, NO CONTRACTS

Exporting model to other countries

- Singapore based, operating on M1 Limited. Launched late 2015.
- On track to take 4-6% of Singapore market from Singtel, Starhub and M1
- Exporting model to new countries, including Indonesia and Hong Kong
- Management through a mobile app. Doesn't have physical distribution channels
- Innovation through unlimited Plan Changes, Unlimited Whatsapp

Digital Customer Experience

89% of Gen Z likely to promote brand as a result of +ve experience

Over

58%

Willing to switch to digital-only operators (Cap Gemini 2016)

Under

10%

MNO are truly digital. Although 40% have hybrid solutions. (Cap Gemini 2016)

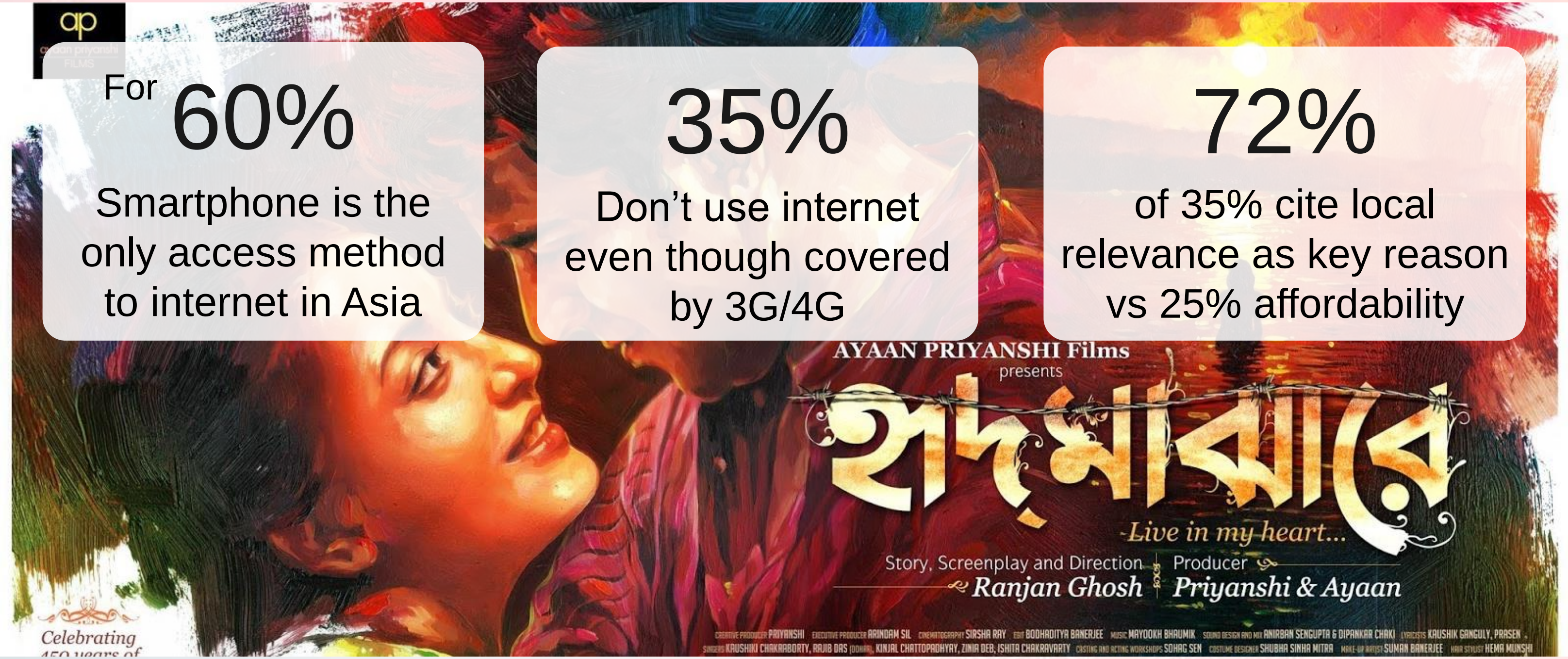
However

80%

of MVNOs are stagnant and failing to innovate.

MVNOs have the agility and lightness to deliver truly **transformational experiences** without the legacy holdups suffered by MNOs

Connect the unconnected via local relevance



For **60%**
Smartphone is the only access method to internet in Asia

35%
Don’t use internet even though covered by 3G/4G

72%
of 35% cite local relevance as key reason vs 25% affordability

Lack of local content, affordability and digital awareness continue to hamper growth for 35% of the Asian population

Local Partners for Content & Services
Local Language for Engagement
Local Pricing for Affordability

MNVO have the entrepreneurial mindset and agility to deliver relevance to targeted segments

SME/SMB are underserved

96%

EU businesses are SME. 20m vs 45,000 large enterprises

6 Employees

On average EU business served by 2.3 CSP's

50% SME

on personal & residential contracts (Telesperience 2016)

The GIG society is growing. Fragmented corporate spending.

MNO are challenged with significant variability, difficult economics, brand and competition (Gartner 2016)

MVNOs can capitalise

5-7%

Growth is Software & IT revenue **not** H/W/Connectivity (1-2%) (Gartner 2016)

48%

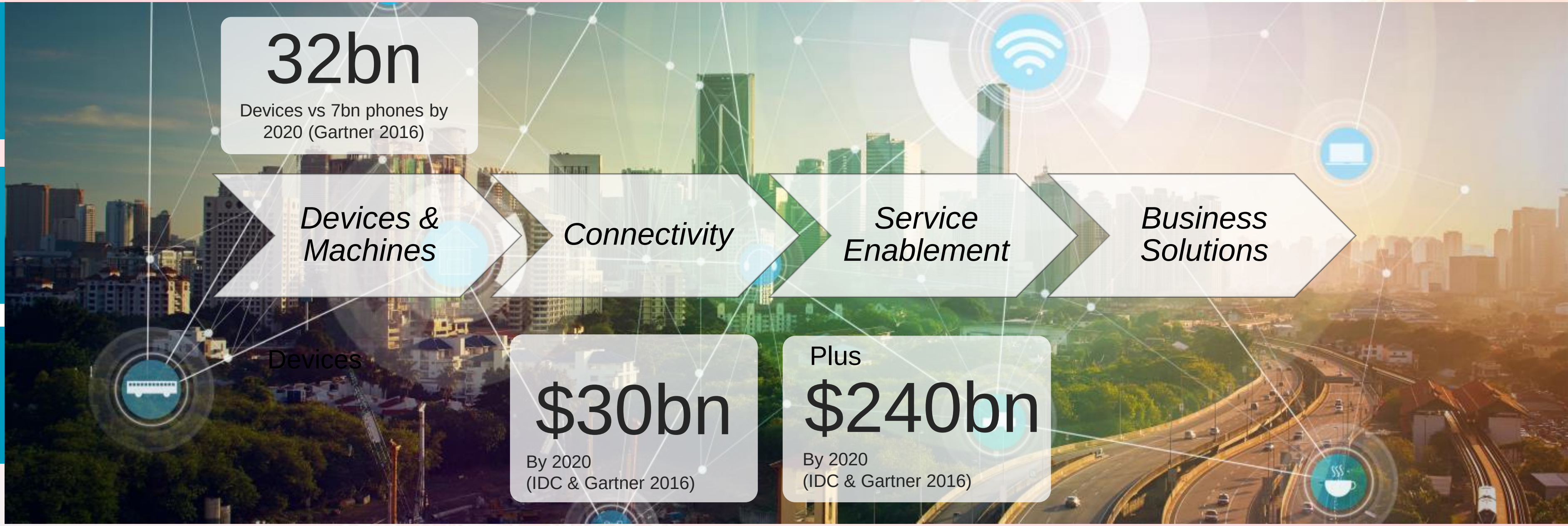
of SME's want to buy their comms and IT from single provider – only 7% can (Telesperience 2016)

IoT Market is a huge growth area

Mobile 15%

Fixed 50%

LPWN 35%



Critical Success:

- Flexible Deals, Network & Outcome Pricing Per Application
- Vertical Specialism and Agility

IoT is a Practise

Not just connectivity or platform.
MNO have challenges in agility, industry focus and network independence.

MVNOs can Capitalise

Journey As-A-Service

Market Relevance and Loyalty

Negotiate Wholesale
Limit Costs
Understand Users

Real-time Experiences
Data Driven Engagement
Automated Processes

Reverse Churn
Real-time Campaign
Elective Migration

Regions & Channels
Smart Groups & Social Nets.
Multi Networks & Partners

Integrate Brand Assets
Servitise Products (IoT)
Cross-Sell Industries

Optimise → Digitalise → Unify → Deepen → Extend

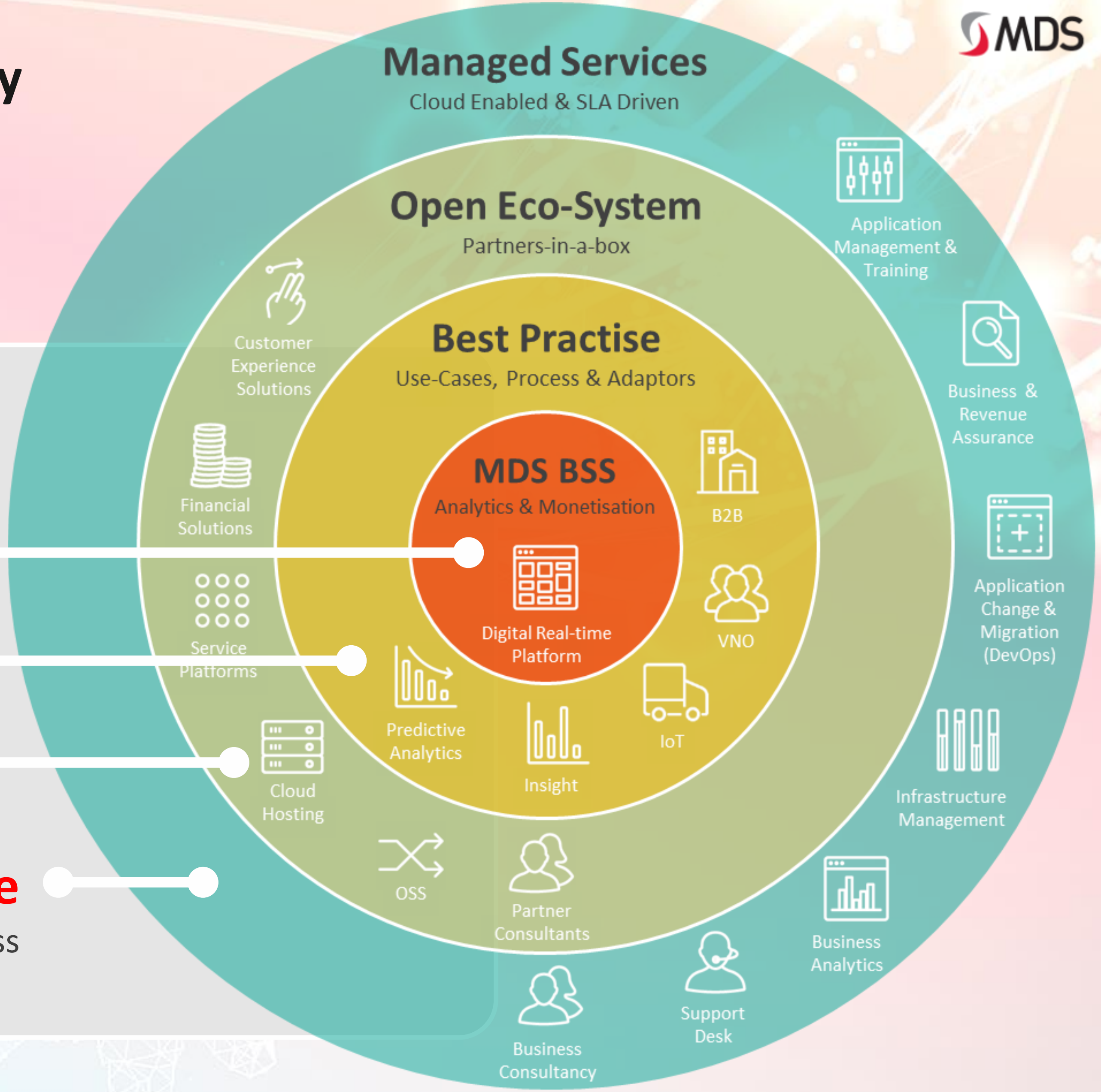
Choose Your Service Partner carefully

Data Empowered BSS Core
Real-time Analytics & BSS

Rapid, Efficient and Low Risk
Best Practice On-boarding

Tailor the experience
Best of integrated proposition

Partner Manages Service
Leaving you to focus on your business



Seize The Day

More Musk, Less MNO!

Ford	Tesla
$46bn	$49bn April 2017
6,650,000 vehicles	[illegible] vehicles
100 years	15 years

VMNO Market

- ☑ **Crowded market**
  Only luxury car company to grow in 2014 & 2015 in US
- ☑ **Horizontal Integration**
  Energy + Storage + Vehicle + Driver Assisted + Public
- ☑ **Asset-Light Start**
  Doesn't own energy fields still
- ☑ **Changing the Experience**
  Automation, Energy Savings, New Partnerships, New Age

Tesla Cars
Closest to driver-less

Solar Tiles
Energy Collection

Powerwall
Electric Energy Storage

Hyperloop
Supersonic Transport

Gary Bunney

CEO MDS

THANK YOU

VNOnDemand from MDS