Telecommunications Market Data Update

Q4 2020

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 totalled £1.7bn in Q4 2020; an increase of £12m (0.7%) from the previous quarter. BT's share of these revenues decreased by 0.3pp to 48.7%.
- Access and add-on call bundle revenues accounted for 88.1% of fixed voice revenues in Q4 2020.
- The number of fixed exchange lines (including PSTN, ISDN and managed VoIP connections) fell by 324k (1%) during the year to 32.1 million at the end of Q4 2020.
- Fixed-originated call volumes increased by 760 million minutes (7.0%) to 11.6 billion minutes during the quarter.
- Total call volumes were 15% (6.0 billion minutes) higher in 2020 than in 2019, largely due to changing usage patterns during the Covid-19 pandemic.

Fixed broadband services

- There were 27.5 million fixed broadband lines at the end of Q4 2020, an increase of 358k (1.3%) from the previous quarter and 618k (2.3%) from Q4 2019.
- The number of ADSL lines fell by 457k (8%) in Q4 2020, while the number of cable broadband lines increased by 268k (5.2%) and the number of 'Other inc. FTTx' lines (predominantly fibre broadband connections) increased by 548k (3.4%).
- There were 16.8 million 'Other inc. FTTx' broadband lines at the end of Q4 2020, accounting for 61.2% of all UK fixed broadband connections.

Mobile services

- Mobile telephony services generated £3.06bn in retail revenues in Q4 2020, a £267m (8%) decrease from a year previously.
- Average monthly revenue per subscriber was £12.16 in Q4 2020, with post-pay subscribers generating more revenue than pre-pay users on average (£14.87 compared to £4.76).
- The number of active mobile subscriptions (excluding M2M) was 83.8 million at the end of Q4 2020, down 0.5 million (0.6%) from a year previously.
- Over the same period, the number of dedicated mobile broadband subscriptions increased by 0.3 million (6.5%) to 4.8 million.
- The number of mobile-originated voice call minutes increased by 6.8 billion (16.4%) to 48.3 billion minutes in Q4 2020, with calls to landlines increasing by 20.8% to 10.6 billion minutes.
- Roaming call volumes decreased by 27.3% to 0.4 billion minutes compared to Q4 2019, the key driver of this fall being travel restrictions that were introduced to combat the spread of Covid-19.
- The number of mobile messages (including SMS and MMS) saw a significant year-on-year decline, down 4.9 billion messages (30.9%) to 10.9 billion.
- Data usage continued to increase rapidly, up 300 PB (32.3%) year-on-year to 1,229 PB.

2. Fixed telecoms market data tables

Q4 2020 (October to December)

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]					
2019	7,198	3,030	842	3,327	42.1%
2020	7,016	3,411	1,060	2,545	48.6%
2019 Q4	1,892	822	265	805	43.5%
2020 Q1	1,814	877	267	670	48.3%
2020 Q2	1,770	858	273	639	48.5%
2020 Q3	1,710	838	262	611	49.0%
2020 Q4	1,722	839	258	626	48.7%
Access[1]					
2019	5,917	2,294	746	2,877	38.8%
2020	6,126	2,998	960	2,167	48.9%
2019 Q4	1,655	709	242	704	42.9%
2020 Q1	1,574	758	243	574	48.1%
2020 Q2	1,533	748	245	540	48.8%
2020 Q3	1,502	745	238	518	49.6%
2020 Q4	1,517	748	235	535	49.3%
Calls					
2019	1,281	736	95	450	57.4%
2020	890	412	100	378	46.3%
2019 Q4	237	113	23	101	47.6%
2020 Q1	240	119	25	96	49.6%
2020 Q2	237	110	28	99	46.5%
2020 Q3	209	93	24	92	44.3%
2020 Q4	205	91	23	91	44.4%

Notes: Excludes VAT. [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] The step change in BT's calls and access revenues in 2019 Q4 is due to a reallocation of revenues; [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]
2019	32,402	13,188	4,802	14,411	40.7%
2020	32,078	13,012	4,624	14,442	40.6%
2019 Q4	32,402	13,188	4,802	14,411	40.7%
2020 Q1	32,377	13,148	4,763	14,467	40.6%
2020 Q2	32,300	13,132	4,749	14,419	40.7%
2020 Q3	32,163	13,113	4,656	14,394	40.8%
2020 Q4	32,078	13,012	4,624	14,442	40.6%

Note: the increase in exchange lines in 2019 Q4 is due to managed VoIP connections being better-captured in the data.

Table 3: Summary of call volumes (millions of minutes)[1]

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2019	39,029	16,327	4,952	17,750	41.8%
2020	44,991	19,105	5,768	20,118	42.5%
2019 Q4	9,559	3,883	1,174	4,502	40.6%
2020 Q1	10,441	4,482	1,348	4,611	42.9%
2020 Q2	12,180	5,383	1,649	5,148	44.2%
2020 Q3	10,805	4,567	1,359	4,879	42.3%
2020 Q4	11,565	4,673	1,412	5,480	40.4%

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

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2019	1,281	378	96	320	487
2020	890	337	85	318	149
2019 Q4	237	84	24	76	52
2020 Q1	240	90	24	79	47
2020 Q2	237	93	22	92	29
2020 Q3	209	79	20	78	32
2020 Q4	205	75	19	69	41

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.

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

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
UK geographic calls					
2019	26,040	11,370	3,735	10,935	43.7%
2020	30,218	14,051	4,129	12,038	46.5%
2019 Q4	6,365	2,785	816	2,764	43.8%
2020 Q1	7,094	3,291	958	2,845	46.4%
2020 Q2	8,440	4,033	1,208	3,199	47.8%
2020 Q3	7,094	3,299	952	2,843	46.5%
2020 Q4	7,590	3,428	1,011	3,151	45.2%
International calls					
2019	1,586	370	114	1,102	23.3%
2020	1,618	333	108	1,177	20.6%
2019 Q4	414	85	27	302	20.5%
2020 Q1	413	91	27	295	22.0%
2020 Q2	409	90	31	288	22.0%
2020 Q3	372	73	25	274	19.6%
2020 Q4	424	79	25	320	18.6%
Calls to mobiles					
2019	5,173	1,822	631	2,720	35.2%
2020	6,816	2,559	831	3,426	37.5%
2019 Q4	1,256	438	150	668	34.9%
2020 Q1	1,365	514	172	679	37.6%
2020 Q2	1,842	693	237	912	37.6%
2020 Q3	1,757	671	207	879	38.2%
2020 Q4	1,852	681	215	956	36.8%
Other calls[1]					
2019	6,229	2,765	472	2,992	44.4%
2020	6,339	2,162	700	3,477	34.1%
2019 Q4	1,524	575	181	768	37.7%
2020 Q1	1,568	586	191	791	37.4%
2020 Q2	1,489	567	173	749	38.1%
2020 Q3	1,582	524	175	883	33.1%
2020 Q4	1,700	485	161	1,054	28.5%

[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]					
2019	5,579	2,163	799	2,618	38.8%
2020	5,361	2,552	1,016	1,793	47.6%
2019 Q4	1,463	586	255	622	40.1%
2020 Q1	1,402	652	256	494	46.5%
2020 Q2	1,363	643	262	458	47.2%
2020 Q3	1,303	625	250	428	47.9%
2020 Q4	1,293	633	247	413	49.0%
Access[2]					
2019	4,759	1,627	721	2,410	34.2%
2020	4,815	2,281	936	1,598	47.4%
2019 Q4	1,324	514	236	573	38.9%
2020 Q1	1,252	572	237	443	45.7%
2020 Q2	1,211	566	239	406	46.8%
2020 Q3	1,180	567	232	381	48.1%
2020 Q4	1,171	575	229	368	49.1%
Calls					
2019	820	536	78	207	65.3%
2020	546	272	80	195	49.7%
2019 Q4	140	72	18	49	51.6%
2020 Q1	150	79	20	51	53.0%
2020 Q2	151	76	23	52	50.4%
2020 Q3	123	57	19	47	46.6%
2020 Q4	122	59	18	45	48.1%

Excludes VAT. [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] The step change in BT's calls and access revenues in 2019 Q4 is due to a reallocation of revenues. [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]
2019	26,234	9,682	4,568	11,984	36.9%
2020	26,061	9,477	4,425	12,159	36.4%
2019 Q4	26,234	9,682	4,568	11,984	36.9%
2020 Q1	26,244	9,599	4,543	12,102	36.6%
2020 Q2	26,200	9,582	4,536	12,081	36.6%
2020 Q3	26,126	9,556	4,452	12,119	36.6%
2020 Q4	26,061	9,477	4,425	12,159	36.4%

Table 8: Summary of residential call volumes (millions of minutes)[1]

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2019	25,794	11,188	4,246	10,360	43.4%
2020	31,074	14,251	4,897	11,926	45.9%
2019 Q4	6,097	2,672	961	2,464	43.8%
2020 Q1	7,069	3,247	1,130	2,692	45.9%
2020 Q2	9,062	4,252	1,437	3,373	46.9%
2020 Q3	7,318	3,296	1,137	2,885	45.0%
2020 Q4	7,625	3,456	1,193	2,976	45.3%

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

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2019	820	261	53	171	336
2020	546	258	48	153	88
2019 Q4	140	58	12	40	30
2020 Q1	150	66	13	42	29
2020 Q2	151	76	13	49	14
2020 Q3	123	60	10	35	18
2020 Q4	122	57	11	27	27

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					
2019	18,893	8,598	3,375	6,920	45.5%
2020	23,803	11,345	3,766	8,692	47.7%
2019 Q4	4,490	2,057	711	1,722	45.8%
2020 Q1	5,328	2,553	854	1,921	47.9%
2020 Q2	7,060	3,433	1,129	2,498	48.6%
2020 Q3	5,549	2,600	861	2,088	46.9%
2020 Q4	5,866	2,759	922	2,185	47.0%
International calls					
2019	986	248	105	633	25.2%
2020	930	256	103	571	27.5%
2019 Q4	225	57	24	144	25.3%
2020 Q1	236	65	25	146	27.5%
2020 Q2	257	72	30	155	28.0%
2020 Q3	214	56	24	134	26.1%
2020 Q4	222	63	24	135	28.4%
Calls to mobiles					
2019	2,071	674	369	1,028	32.5%
2020	2,711	1,017	435	1,259	37.5%
2019 Q4	499	163	81	255	32.7%
2020 Q1	583	210	95	278	36.0%
2020 Q2	784	296	128	360	37.8%
2020 Q3	649	241	104	304	37.1%
2020 Q4	694	270	108	316	38.9%
Other calls[1]					
2019	3,844	1,668	397	1,779	43.4%
2020	3,630	1,633	593	1,404	45.0%
2019 Q4	882	395	145	342	44.8%
2020 Q1	922	419	156	347	45.5%
2020 Q2	960	451	150	359	47.0%
2020 Q3	906	399	148	359	44.1%
2020 Q4	842	364	139	339	43.2%

[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]					
2019	1,612	860	43	709	53.4%
2020	1,652	855	44	753	51.8%
2019 Q4	427	234	11	182	54.8%
2020 Q1	411	224	11	176	54.4%
2020 Q2	406	214	11	181	52.7%
2020 Q3	407	212	11	183	52.2%
2020 Q4	428	205	11	213	47.8%
Access[1]					
2019	1,159	667	25	466	57.6%
2020	1,312	718	24	570	54.7%
2019 Q4	332	195	6	131	58.8%
2020 Q1	322	185	6	131	57.6%
2020 Q2	322	181	6	134	56.4%
2020 Q3	322	178	6	138	55.4%
2020 Q4	346	173	6	167	50.0%
Calls					
2019	454	193	18	243	42.6%
2020	340	137	20	183	40.3%
2019 Q4	95	39	5	52	40.8%
2020 Q1	89	38	5	46	43.2%
2020 Q2	85	33	5	47	39.0%
2020 Q3	85	34	5	45	40.3%
2020 Q4	82	31	5	45	38.4%

Excludes VAT. [1] Revenue figures are not intended to include subscription revenues for internet access although some element may remain. [2] The step change in BT's calls and access revenues in 2019 Q4 is due to a reallocation of revenues. [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]
2019	6,168	3,507	234	2,427	56.9%
2020	6,016	3,535	199	2,283	58.8%
2019 Q4	6,168	3,507	234	2,427	56.9%
2020 Q1	6,133	3,549	220	2,365	57.9%
2020 Q2	6,100	3,549	212	2,338	58.2%
2020 Q3	6,036	3,557	204	2,275	58.9%
2020 Q4	6,016	3,535	199	2,283	58.8%

Note: the increase in exchange lines in 2019 Q4 is due to managed VoIP connections being better-captured in the data.

Table 13: Summary of business call volumes (millions of minutes)[1]

	All Operators	BT[2]	Virgin Media	Other	BT share[2]
2019	13,227	5,131	706	7,390	38.8%
2020	13,909	4,846	871	8,192	34.8%
2019 Q4	3,461	1,210	213	2,038	35.0%
2020 Q1	3,370	1,233	218	1,919	36.6%
2020 Q2	3,116	1,129	212	1,775	36.2%
2020 Q3	3,485	1,269	222	1,994	36.4%
2020 Q4	3,939	1,215	219	2,505	30.8%

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

	All calls	UK geographic calls	International calls	Calls to mobiles	Other calls[1]
2019	454	117	43	150	144
2020	340	79	38	165	58
2019 Q4	95	27	12	36	20
2020 Q1	89	25	11	36	17
2020 Q2	85	18	9	43	14
2020 Q3	85	19	9	43	14
2020 Q4	82	18	8	43	13

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	BT share[2]
UK geographic calls					
2019	7,147	2,772	360	4,015	38.8%
2020	6,415	2,706	363	3,346	42.2%
2019 Q4	1,875	728	105	1,042	38.8%
2020 Q1	1,766	738	104	924	41.8%
2020 Q2	1,380	600	79	701	43.5%
2020 Q3	1,545	699	91	755	45.2%
2020 Q4	1,723	669	89	965	38.8%
International calls					
2019	600	122	9	469	20.3%
2020	688	77	5	606	11.2%
2019 Q4	188	28	3	157	14.9%
2020 Q1	177	26	2	149	14.7%
2020 Q2	152	18	1	133	11.8%
2020 Q3	158	17	1	140	10.8%
2020 Q4	202	16	1	185	7.9%
Calls to mobiles					
2019	3,102	1,148	262	1,692	37.0%
2020	4,106	1,542	396	2,168	37.6%
2019 Q4	758	275	69	414	36.3%
2020 Q1	782	304	77	401	38.9%
2020 Q2	1,058	397	109	552	37.5%
2020 Q3	1,107	430	103	574	38.8%
2020 Q4	1,158	411	107	640	35.5%
Other calls[1]					
2019	2,378	1,089	75	1,214	45.8%
2020	2,701	521	107	2,073	19.3%
2019 Q4	640	179	36	425	28.0%
2020 Q1	645	165	35	445	25.6%
2020 Q2	527	114	23	390	21.6%
2020 Q3	674	123	27	524	18.2%
2020 Q4	855	119	22	714	13.9%

[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]
2019	26,872	7,362	5,080	14,430	34.0%
2020	27,490	5,252	5,428	16,811	33.4%
2019 Q4	26,872	7,362	5,080	14,430	34.0%
2020 Q1	26,961	6,730	5,090	15,142	33.7%
2020 Q2	27,040	6,264	5,145	15,630	33.7%
2020 Q3	27,132	5,709	5,160	16,263	33.7%
2020 Q4	27,490	5,252	5,428	16,811	33.4%

[1] Includes EE from 2017 Q4.

3. Mobile telecoms market data tables

Q4 2020 (October to December 2020)

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
2019	13,539	10,398	179	210	228	307	229	574	1,414
2020	12,832	10,271	133	170	182	218	155	518	1,185
2019 Q4	3,325	2,632	37	50	49	59	51	146	301
2020 Q1	3,206	2,553	36	49	49	61	49	136	273
2020 Q2	3,122	2,567	25	21	36	49	17	120	286
2020 Q3	3,104	2,523	24	20	33	41	23	116	325
2020 Q4	3,058	2,493	20	20	30	37	23	124	311

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

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

	All calls	UK fixed calls	On-net mobile calls	Off-net mobile calls	Int'l calls	Calls when roaming	Other calls	SMS & MMS messag es	Data
2019	161.11	33.91	47.98	67.55	3.47	2.87	5.32	65.05	3,291.35
2020	189.66	41.62	54.61	82.36	3.06	1.75	6.27	48.28	4,440.92
2019 Q4	41.45	8.76	12.47	17.50	0.84	0.50	1.39	15.82	929.22
2020 Q1	44.88	9.73	13.19	18.99	0.86	0.51	1.60	14.71	1001.15
2020 Q2	49.60	10.93	14.01	22.02	0.81	0.33	1.50	10.80	1055.22
2020 Q3	46.92	10.38	13.44	20.24	0.71	0.55	1.62	11.85	1155.63
2020 Q4	48.26	10.58	13.97	21.11	0.68	0.36	1.56	10.92	1228.91

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

Table 3: Subscriber numbers by type (millions)

	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 broadband subs at end of period
2019	84.34	59.73	24.62	0.95	71.0%	4.50
2020	83.80	61.59	22.21	-0.54	73.0%	4.79
2019 Q4	84.34	59.73	24.62	0.06	70.8%	4.50
2020 Q1	83.40	60.12	23.28	-0.95	72.1%	4.41
2020 Q2	83.11	60.55	22.56	-0.29	72.9%	4.73
2020 Q3	83.85	61.10	22.75	0.74	72.9%	4.80
2020 Q4	83.80	61.59	22.21	-0.05	73.5%	4.79

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
2019	13.36	17.03	4.96
2020	12.45	15.36	4.80
2019 Q4	13.15	16.52	5.00
2020 Q1	12.74	15.82	5.05
2020 Q2	12.50	15.46	4.69
2020 Q3	12.40	15.27	4.71
2020 Q4	12.16	14.87	4.76

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

Table 5: Interconnection call volumes (billions of minutes)

	All operators
2019	60.29
2020	65.80
2019 Q4	15.01
2020 Q1	16.26
2020 Q2	16.61
2020 Q3	16.67
2020 Q4	16.26

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