

2018 BROCHURE

# FSS CAPACITY PRICING TRENDS

2018 Edition

1st Edition | A Euroconsult Executive Report

**Current dynamics for the pricing of satellite capacity, in a context of sustained technology innovation and additional satellite capacity associated with new generation satellites.**

The report is based on:

- ✓ ~200 price points collected over the last 18 months
- ✓ Review of 9 regional markets
- ✓ Overview of factors impacting capacity pricing
- ✓ Average revenue per transponder for regular capacity
- ✓ Overview of regular C-band, Ku-band and HTS pricing
- ✓ Overview of miltatcom pricing
- ✓ Overview of mobility pricing

The combination of oversupply from the addition of traditional satellite capacity in certain areas along with the unrelenting rollouts of HTS capacity has resulted in new pricing references in most geographies and market segments across the FSS sector. While data-oriented markets have been the most exposed, with double-digit capacity pricing declines over the last 2-3 years, video applications have also been impacted. Other factors have included consolidation among service companies in certain segments, resulting in larger capacity buyers with more bargaining power, and heightened competition from a growing pool of national satellite operators.

While prices lower than \$1,000/MHz/month have been reported, even for traditional (regular) capacity, in some geographies or use cases, prices of up to \$7,000 can still be found. Still, reference regular capacity pricing has now fallen below \$2,500 for data applications in nearly all regions, while pricing for HTS capacity primarily stands between \$100-\$500/Mbps/month, with the exception of certain premium services.

The market could see a continuous erosion in the average revenue per capacity unit being sold (ARPU), even if (spot) pricing partly stabilizes. In the longer term, the availability of VHTS systems, with capacity in the range of several hundred Gbps of capacity supply to 1 Tbps, and of NGSO constellations will likely have a new impact on pricing, defining new reference rates. Still, such systems would only cause progressive impacts as most systems would be deployed after 2020.

# ABOUT FSS CAPACITY PRICING TRENDS

## ABOUT

*FSS Capacity Pricing Trends* considers a set of regional markets, together with a specific review of the mobility and government vertical markets.

## ELEMENTS OF THE REPORT INCLUDE:

- ✓ PDF & Excel files
- ✓ Numerous data points
- ✓ Executive summary
- ✓ Capacity trends by region

## REPORT CONTENTS:

In each region reviewed, the assessment considers a set of application segments for the following frequency bands (C-band, Ku-band and Ka-band). The analysis further splits the capacity between HTS capacity and regular capacity (i.e. from traditional payloads).

In each case, we identify a price range, and a reference pre level. As pricing is far from a standard item in the satellites sector, we consider that this approach is the best to reflect actual market conditions. The reference pricing level aims at estimation where the majority of prices would apply. It may but would not necessarily correspond to an average of the observed price range.

In most cases, pricing information is not public in the satellite sector. As such, information provided corresponds to the best estimates we could derive from our review of public sources and from specific surveys and interviews that we conducted.

## DATA COLLECTION:

This pricing dashboard study has been built on a data collection process that we organize and will maintain in order to assess pricing dynamics in the satellite sector. This represents an extension to our historical monitoring of economic performance in the satellite communications sector.

In total, we built this assessment on the collection of ~200 price points over the last 18 months, on top of price points collected over proceeding years. Where we did not have recently available price points, we used the latest reference combined with a set of elements, such as the trends in capacity ARPU (i.e. revenue per unit of capacity leased), trends in neighboring regions and other elements of information as available, such as qualitative comments on trends in capacity pricing.

## REPRESENTATIVENESS OF COLLECTED INFORMATION:

Information collected only represents a fraction of the satellite capacity contracts, and/or corresponds to expressed opinions by market players on the applicable price ranges for the assessed period. As such, pricing estimates should be considered with caution, as actual pricing for a given capacity contract depends on a number of factors as further detailed in the report.

Nevertheless, we consider that the information collected from various sources is sufficient to provide a fair representation of price ranges and dynamics for most regional markets and frequency bands.

## 01\ INTRODUCTION & METHODOLOGY

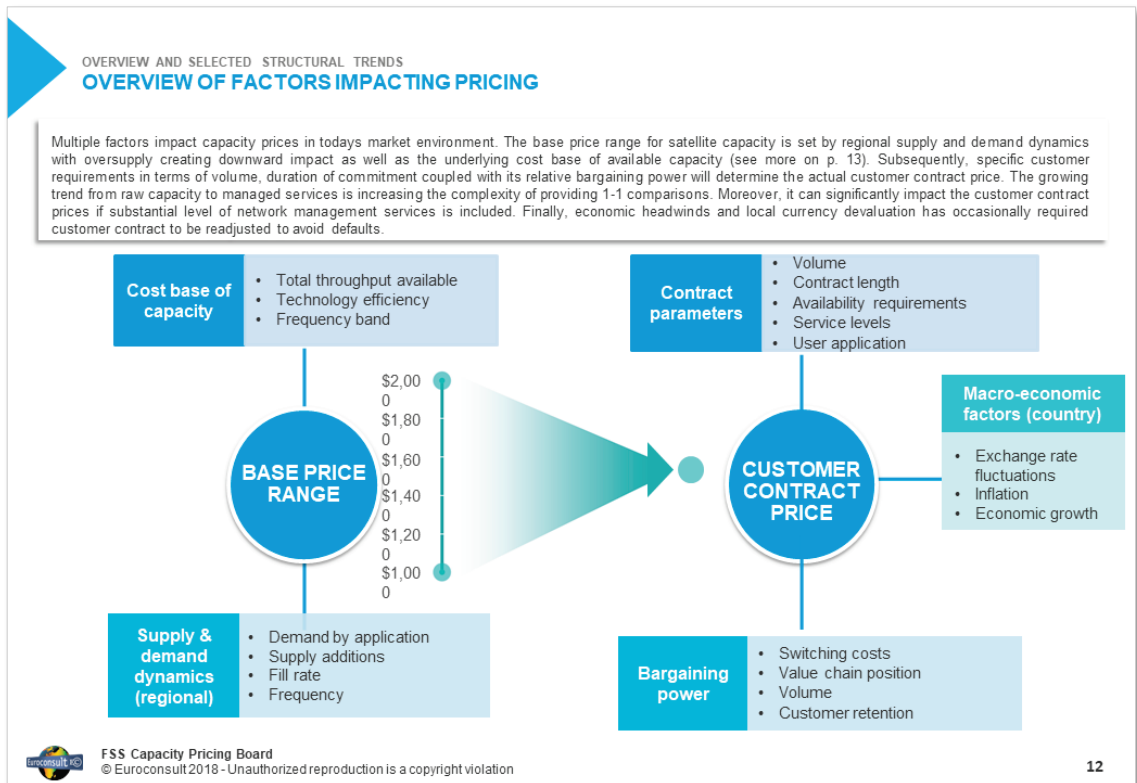
- Executive Summary
- Methodology & Acronyms
- Applied Methodology to Collect Underlying Data
- Limitations

## 02\ OVERVIEW & SELECTED STRUCTURAL TRENDS

- Overview of Factors Impacting Capacity Pricing
- Cost Basis of Capacity
- Oversupply by Region
- Capacity Pricing vs. Capacity ARPU
- Average Revenue per Transponder for Regular Capacity
- Overview of Regular C-Band Pricing – Excluding Mobility & Milsatcom
- Overview of Regular Ku-Band Pricing – Excluding Mobility & Milsatcom
- Overview of HTS Pricing – Excluding Mobility & Milsatcom
- Overview of Milsatcom Pricing
- Overview of Mobility Pricing

## 03\ REVIEW OF CAPACITY TRENDS BY REGION

- North America
- Latin America
- Europe
- Russia & Central Asia
- Middle East & North Africa
- Sub Saharan Africa
- Southern Asia
- South East Asia
- Oceania & Pacific





# ORDER FORM

(1/2) (COPYRIGHT ON REVERSE SIDE IS MANDATORY)

## FSS CAPACITY PRICING TRENDS 2018 Edition

Please complete this form and return by e-mail to reports@euroconsult-ec.com or by fax to + 33 1 48 05 54 39. If you have any questions about ordering, would like to enquire about specific corporate licenses or would like to order for multiple locations and/or legal entities, please contact reports@euroconsult-ec.com or call +1 (514) 903-1001. **All prices are in Euros. All orders must be prepaid** (if not possible, please contact us). Applicable VAT taxes will be added in Euros.

1

Product		Price	Total
eFiles (PDF & Excel files)		€ 4,000	
Additional eFiles license	Qty:	€ 400	
Enterprise license		€ 10,000	
VAT if applicable companies based in France must add VAT 20%			
<b>Product Total in Euros (€)</b>			

3

Accounting Dept. E-mail: \_\_\_\_\_

4

**Invoicing Address** (Please use capital letters)

First name \_\_\_\_\_

Last name \_\_\_\_\_

Company name \_\_\_\_\_

Occupation \_\_\_\_\_

Address \_\_\_\_\_

Zip Code \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Country \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

2

### Payment Information

Company VAT n° (required for all companies)  
\_\_\_\_\_

**Credit Card**

Please check credit limit with bank prior to submitting form.

VISA     MasterCard     AMEX

Cardholder Name (as it appears on card)  
\_\_\_\_\_

Cardholder Number  
\_\_\_\_\_

Expiration Date (month/year) | Cryptogram (last 3 digits on the back)  
\_\_\_\_\_

Cardholder's Signature  
\_\_\_\_\_

**Bank Transfer**

(All bank charges are to be paid by the sender)

to EUROCONSULT, please NOTE IMPERATIVELY:  
Swift-BIC code: CM CI FR PP  
IBAN: FR76 3006 6109 1500 0200 6760 132  
Account n° 00020067601  
CIC Nanterre Enterprises, 105 Rue des 3 Fontanot,  
92022 Nanterre Cedex, France.

**Cheque or Money Order Enclosed**

Payable to Euroconsult:  
86 Blvd. Sebastopol, 75003 Paris, France

5

**Delivery Address** (If different from invoicing address)

First name \_\_\_\_\_

Last name \_\_\_\_\_

Company name \_\_\_\_\_

Occupation \_\_\_\_\_

Address \_\_\_\_\_

Zip Code \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Country \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_



## COPYRIGHT AGREEMENT

(2/2) (COPYRIGHT ON REVERSE SIDE IS MANDATORY)

### FSS CAPACITY PRICING TRENDS 2018 Edition

Please complete and return the order form & copyright agreement by e-mail to [reports@euroconsult-ec.com](mailto:reports@euroconsult-ec.com) or fax to + 33 1 48 05 54 39. Each team user must sign a copy of the copyright agreement. Please complete the information below for each user of the research files.

Please read this license agreement carefully.  
By using the research files, you are agreeing  
to adhere by the terms of this license.

#### SINGLE USER LICENSE

- a) This product is licensed only for a team working together on a project, working on the same site in the same company. The person signing this agreement is responsible for the use of the research files. Euroconsult must be informed of all users of the research files before use. The information may not be shared with other company sites or other work teams in the same or other companies in any form, neither photocopied nor reproduced, including for internal use.
- b) No part or extract, in any format whatsoever, must be transmitted to any other organization, including cooperative entities and subsidiaries. All licenses purchased at the additional license price are for internal use only by the organization ordering (same company name, same location as indicated on original order form). Euroconsult must be informed of the users of the additional licenses purchased.
- c) All data or information extracted from the research files for use in other documents must rightfully use the copyright reference: *Euroconsult, name of report, year*. Before any other use of the information contained in the research files, prior written consent by Euroconsult is required.
- d) This Agreement shall in all respects be governed by the laws of the Republic of France. The user agrees that the proper jurisdiction and forum for the resolution of any claim arising under this license shall be at Euroconsult's sole option.

#### Research Report User

First name \_\_\_\_\_

Last name \_\_\_\_\_

Company \_\_\_\_\_

Occupation \_\_\_\_\_

E-mail \_\_\_\_\_

Date \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

#### Research Report User (For additional user)

First name \_\_\_\_\_

Last name \_\_\_\_\_

Company \_\_\_\_\_

Occupation \_\_\_\_\_

E-mail \_\_\_\_\_

Date \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_