

Fibre will not be the sole broadband technology in the Netherlands

In the first quarter of 2025, fibre overtook cable as the dominant broadband technology in Dutch households for the first time. Most of the gains came at the expense of older copper xDSL networks. While cable broadband saw a dip in users, it's still expected to play a key role in the Netherlands' connectivity landscape

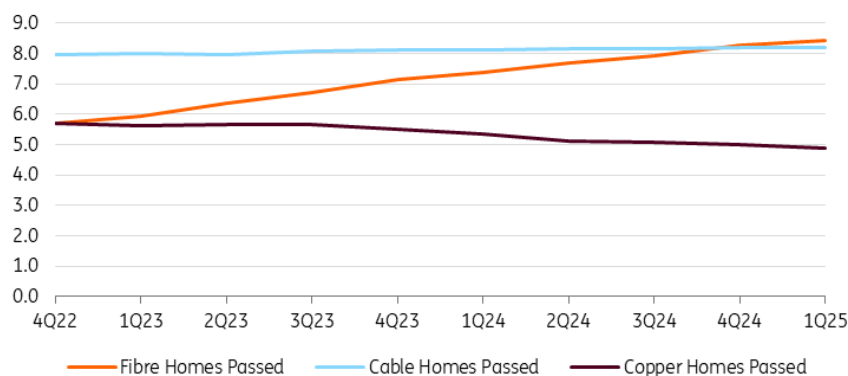


Fiberglass production in Amsterdam. In the Netherlands, there are now more broadband customers using fibre than cable

There are now more broadband customers using fibre than cable in the Netherlands

In the Netherlands, [market trends are ahead of those in Belgium](#). The figure below illustrates the steady improvement in fibre coverage across the country. There is a significant expansion of fibre infrastructure, making high-speed internet more widely accessible.

Dutch fibre customers are surpassing cable customers (m)

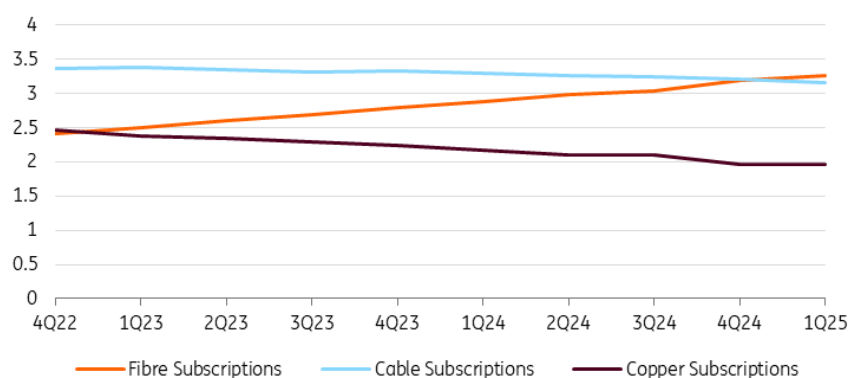


Source: ACM, ING

As fibre adoption accelerates, xDSL platforms are experiencing the sharpest decline in users. We expect the Dutch market to remain competitive as the fibre roll-out continues. KPN now passes 5.51m homes, of which 695k are connected through Glaspoort (a JV with APG). KPN reports that 4.3m of these 5.51m homes are connected (including Glaspoort), while it reports 1.9m fibre customers in the consumer segment.

The fibre network of Open Dutch Fiber (ODF) passes more than 1m homes (it is expected to pass 1m homes by YE23 and just under 1.5m homes by YE25), while Delta Fiber’s network passes 1.7m homes, of which 1.1m are connected. Delta Fiber has 594,000 clients.

In the Netherlands, xDSL is suffering most from the fibre uptake (m)



Source: ACM, ING

Despite the technological shift to fibre, the share of cable broadband solutions has held up relatively well

By 2028, KPN aims to pass c.80% of Dutch homes (c.6.7m homes). Interestingly, Delta Fiber has scaled back its ambitions to pass 2m homes. It now sticks with its current coverage area and has sold a network passing 200k homes to KPN. This transaction is pending regulatory approval. The reason given by Delta Fiber for this strategic change is the challenge of network overbuild. In

mid-2024, there were 100k houses where two operators had built a network. ODF has also reduced its targets and now aims for 1.5m homes passed by 2026, although it expects the target will largely be achieved by YE25.

Although the developments underscore the technological shift to fibre solutions in the Dutch broadband market, the share of HFC (cable) broadband solutions has held up relatively well at 38%, down from 41% in 4Q22. Nevertheless, cable networks no longer have a speed edge over copper now that fibre networks offer the fastest broadband technology, especially when looking at upload speeds.

We expect VodafoneZiggo to maintain solid market share

As VodafoneZiggo is under pressure to reinvent its business model, pricing and product innovation are key. This is the reason that it brought its pricing in line with KPN, as it can no longer charge a premium, because it no longer offers a speed advantage. However, we still believe VodafoneZiggo can maintain a solid market share, as competition also depends on the brand, marketing and ancillary services. Moreover, historically, KPN has been able to compete with VodafoneZiggo on price, while its xDSL product was slower than VodafoneZiggo's HFC (cable) offer.

Moreover, the Dutch press (*Het Financieele Dagblad*) reports that both ODF and Delta Fiber carry quite a bit of debt. This could become a challenge if interest costs rise. Also, it has proven difficult to gain market share from KPN and VodafoneZiggo. Therefore, it would be beneficial to them if KPN or VodafoneZiggo were to start using their networks. VodafoneZiggo will already do so for 200k homes on the Delta Fiber footprint where it does not have a network itself. As VodafoneZiggo announced a plan to upgrade its network to Docsis 4.0, a near-term wholesale agreement is not likely. We expect VodafoneZiggo to require significant equity upside, being part of a transaction that sees its customers moving to another network.

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