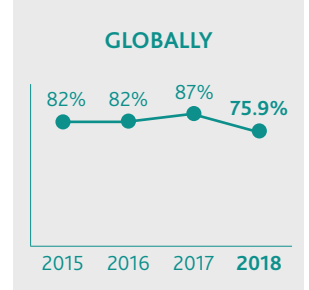
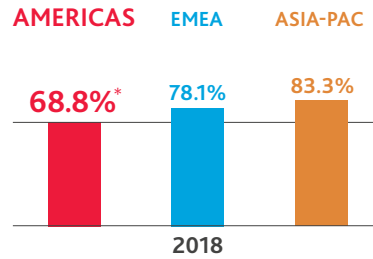


TOP 5 RISKS FOR TELECOM COMPANIES



1 / EXCHANGE RATES & FOREIGN CURRENCY FLUCTUATIONS

This year, foreign exchange markets continue to suffer from the uncertainty that defined 2017. Factors like large, international customer bases, susceptibility to macroeconomic volatility, and changes in key markets make telecoms especially vulnerable to volatile exchange rates.

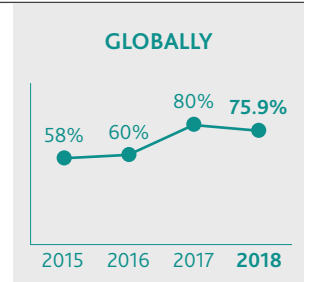
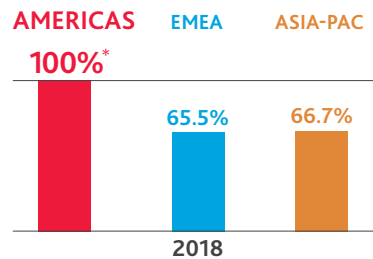


*Percentage of companies citing exchange rate & foreign currency changes as a risk



2 / INCREASED COMPETITION

Telecoms are continuing to consolidate as they face competition for market dominance. New entrants challenge existing businesses and put pressure on prices and earning potential. The market especially faces pressure from the presence of several multi-service cable operators.

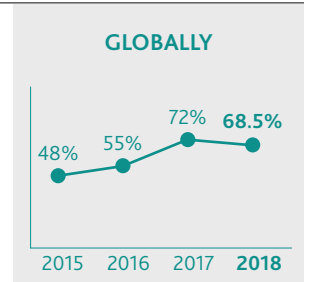
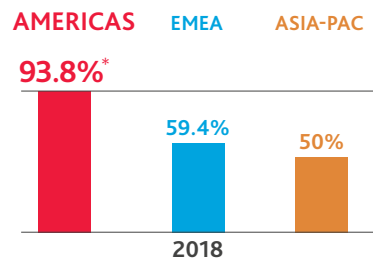


* Percentage of companies citing increased competition as a risk



3 / FAST ARRIVAL OF NEW TECHNOLOGIES

Services like Skype, WhatsApp, and Viber have overtaken a substantial portion of the telecoms market. Changing customer demands prompt the arrival of new solutions and technology, while proximity to Silicon Valley enhances the industry's pressure.

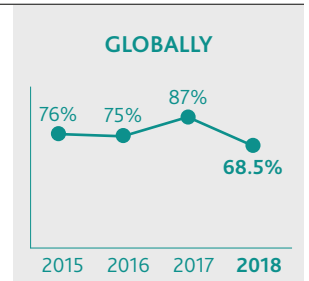
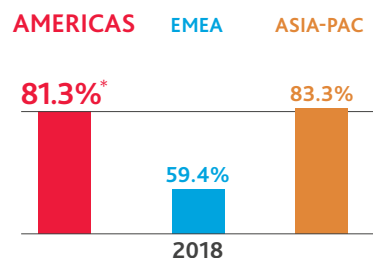


* Percentage of companies citing the fast arrival of new technologies as a risk



4 / ACCESS TO FINANCE

Telecoms is a land of megadeals and large-scale infrastructure projects. Lower-than-normal industry credit ratings and falling profit-per-customer make access to funding a significant risk.

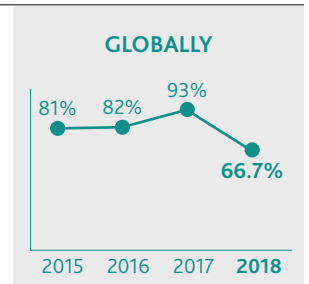
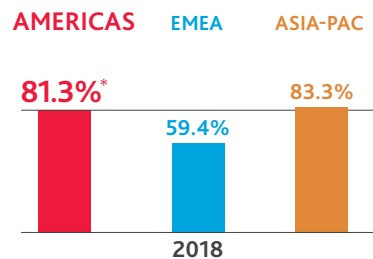


* Percentage of companies citing access to finance as a risk



5 / INTEREST RATE PRESSURES

The industry's long-term nature of investments and large scale of M&A traditionally makes it more vulnerable to changes in interest rates than many other sectors. Often regarded as blue-chip dividend stocks, both rises and falls in interest rates can lead to great financial risks.



*Percentage of companies citing interest rate pressures as a risk

* Americas is defined as United States, Canada and Mexico.



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The **2018 BDO Telecommunications Risk Factor Survey** analyzes risks identified by approximately 60 telecom companies across the globe, covering key markets in the Americas, Europe, the Middle East and Africa (EMEA), and Asia-Pacific regions.

For more information, read the [full report](#), visit BDO's Technology practice [page](#), or contact:

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