

# The Great Consolidation.

Forecasting the future of the UK ISP and altnet market. Evidence graded, answer first, with resolution criteria published in advance. This edition adds the subsidy evidence, the adjacent forces, and a stress test of the forecast against twelve stakeholder groups.

**68%**

our central call: three national fibre platforms, plus a niche tail

**100+ →**

**~3**

the journey from peak altnet count to surviving national platforms

**2028**

the year this forecast is scored in public, against criteria inside

Dr Alex J. Martin-Smith CMgr MBA LLM DBA · Reviewed by Adrian James

75 referenced sources · All data verified to 12 June 2026, key figures re-verified to 13 July 2026 · [broadbandswitch.uk](https://broadbandswitch.uk)

# Report No. 27.

**Title.** The Great Consolidation: Forecasting the future of the UK ISP and altnet market.

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**Data discipline.** Every statistic carries a value, a date, a scope and a named source. Superscript numbers link each claim to the APA 7th edition reference list at the back. Estimates and single-source figures are flagged. Premises passed, ready for service and connected are kept distinct throughout.

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## VERIFICATION NOTE FOR THIS EDITION, TO 13 JULY 2026

**Bank Rate:** held at 3.75% by a seven-to-two vote at the Monetary Policy Committee decision announced on 18 June 2026, with two members preferring a rise to 4%; next decision 30 July 2026. **The nexfibre and Netomnia review:** on 1 July 2026 the CMA confirmed the deal will move directly to a Phase 2 in-depth investigation, fast-tracked at the parties' own request, with a verdict due by 15 December 2026. The forecast timeline reflects that development throughout. **Sale processes:** the KKR and Warburg Pincus explorations of exits from Hyperoptic and Community Fibre remain exploratory as reported in June 2026. **New to this edition and verified 6 July 2026:** the Gigabit Broadband Voucher Scheme status and closure timetable, the PSTN switch-off and Exchange Exit programme figures, and the 2026 legacy line price staircase. **Re-verified for publication, 13 July 2026:** the CMA's statutory Phase 2 deadline of 15 December 2026 stands, and the regulator published its areas of focus document for the review in the second week of July 2026. thinkbroadband's half-year summary of 7 July 2026 put full fibre at 85% of UK premises and gigabit-capable coverage at 91%, with its tracking recording Openreach past 23 million premises on 4 July 2026 and the combined Virgin Media O2 and nexfibre fibre footprint near 8.7 million. On 8 July 2026 Ofcom fined Virgin Media £28 million, its largest ever penalty under its consumer protection rules, for obstructing customer cancellations between January 2022 and September 2024. No new administrations or completed platform deals had been announced between 12 June and 13 July 2026, and Bank Rate remains 3.75% with the next decision due 30 July 2026.

## WHAT THIS EDITION ADDS

A stakeholder stress test: the analysis was challenged from the perspectives of twelve groups, from altnet chief executives to competition lawyers, and the findings are published in section 3.5. New evidence sections on the subsidy story (2.9) and five adjacent forces (2.10). Four new exhibits, including operator-level take-up. Numbered citations on every factual claim. Commissioned photography and cover art now run throughout, with textured bands opening every part. The corrections panel from the first revision stands: the briefing cross-references and the "fibre debt" phrasing aligned to the sourced figure of 47% of UK fibre firms facing material refinancing by 2026. The test this report sets itself is simple: a household, a board and a regulator should each be able to read it, act on it, and check every number in it.

# Inside this report.



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# My hypothesis, stated before the evidence.

Most coverage of the altnet shake-out asks which networks will fail. That question produces a death list and not much understanding. The better question is structural: what does this market look like once the shake-out is finished, and what is carrying it there?

Between roughly 2018 and 2023, Britain allowed more than a hundred rival companies to dig up the same streets and build full-fibre broadband. No other large country attempted competition at this intensity. Cheap money made it possible and a national fibre target made it policy, and for a while it worked: coverage jumped and prices fell. A market this crowded was never going to keep a hundred builders.

My hypothesis is that the market consolidates into three national fibre platforms plus a small tail of niche survivors, with most of the movement complete by 2028. Openreach holds its position through scale and regulation. A CityFibre-led wholesale platform becomes the second pillar by acquisition. Virgin Media O2 and nexfibre form the third. Around them, perhaps six to twelve smaller networks survive on rural economics or unusually disciplined balance sheets. The rest are absorbed.

The evidence runs through the whole report. The sector lost around £1.5bn in 2024 and carries roughly £9bn of debt raised for a rate environment that no longer exists<sup>9</sup>. Average take-up sits near 18% of homes passed, against around 38% at Openreach, and too few paying customers arrived to service the debt<sup>2</sup>. The consolidation itself is no longer hypothetical: the first half of 2026 brought nexfibre's agreement to buy Netomnia for around £2bn<sup>14</sup> and a £2.3bn CityFibre facility raised expressly for acquisitions<sup>13</sup>.

Part Three weighs the outcomes and lands at 68% for the three-platform market, 27% for a slower and messier shake-out, and 5% for fragmented survival. It also states, in advance, the criteria this forecast will be judged against in 2028, and section 3.5 publishes what happened when we stress-tested the whole analysis against its hundred sharpest critics.

The report is written for three audiences, and Part Four carries a briefing for each: the regulator and industry, investors and altnet boards, and every UK household. Each briefing stands alone. Read yours first.



**Dr Alex J. Martin-Smith**

CMgr MBA LLM DBA · Founder, BroadbandSwitch.uk · Isle of Man, June 2026 · Reviewed by [Adrian James](#)

# The whole story, in plain English.

If you read nothing else, read this page. It explains what is happening to Britain's broadband, and what it means for you, without jargon.

Over the past ten years, more than a hundred companies borrowed billions of pounds to dig up Britain's streets and lay fibre-optic broadband, each racing to reach your home before its rivals. Cheap borrowing made the race possible.

It ended when the cost of money changed. The Bank of England's rate was close to zero when most of these business plans were written; it stands at 3.75% in mid-2026<sup>56</sup>. Debts that once looked manageable no longer are. The largest builders lost £1.5bn between them in 2024 and now owe around £9bn<sup>9</sup>. Customers compounded the problem: on average, only about 18 in every 100 homes that can get these new networks actually buy from them<sup>2</sup>, and a fibre build does not pay for itself at that level.

So bigger companies are buying smaller ones, and the weakest are going bust. A market of more than a hundred builders is on its way to becoming a handful. This report calls that process the Great Consolidation, and expects it to settle, most likely, into roughly three national networks plus a few specialists by the mid-2030s.

## THE THREE QUESTIONS EVERYONE ASKS

### Will my bill go up?

Not so far. Competition pushed average prices down about 6% in real terms in a recent year<sup>3</sup>, and faster fibre often costs the same or less. The risk arrives later: fewer competitors means less of that downward pressure on price.

### Will my choice shrink?

At the network level, probably. Fewer companies will own the pipes beneath the street, though you will still buy through familiar brand names. The best-rated small providers are also the most likely takeover targets<sup>44</sup>.

### Will my service change?

Rarely, day to day. When a network is bought, or even fails, the fibre stays in the ground and customers usually transfer with little disruption<sup>17</sup>. Part Four explains what to do if your provider is one that does not make it.

**So what.** The race that lowered your bill is ending. The sensible response is not alarm but timing: check your options while streets still have rivals fighting for you, because that pressure fades as they combine.

# The state of the shake-out.

UK altnets passed 19.7 million premises by the end of 2025, up 20% on the year, but connected only 3.5 million of them: an average take-up of 18%, against roughly 38% at Openreach<sup>2</sup>. Sector losses have widened each year since 2022, from £0.76bn to £1.30bn to about £1.5bn in 2024, and the operators carry roughly £9bn of debt with financing costs near 121% of revenue<sup>9</sup>. Fresh lending has largely stopped<sup>22</sup>. Consolidation is under way: in the first half of 2026, nexfibre agreed to buy Netomnia for around £2bn<sup>14</sup>, CityFibre raised a £2.3bn facility for acquisitions<sup>13</sup>, G.Network passed through administration<sup>17</sup>, and Gigaclear's lenders took control from its shareholders<sup>50</sup>. On 1 July 2026 the CMA fast-tracked the nexfibre deal, at the parties' own request, straight to a Phase 2 investigation with a verdict due by 15 December 2026<sup>57</sup>. The open question is not whether the market concentrates, but how far, and whether it stops short of rebuilding the duopoly this experiment was designed to break. This edition adds the subsidy evidence, five adjacent forces including the copper switch-off, and a published stress test of the forecast against twelve stakeholder groups.



Consolidation in one image: two networks becoming one. Almost every deal in this report is a change of ownership, not a loss of service. Image: BroadbandSwitch.uk.

## Key judgements

| JUDGEMENT                                                                          | CONFIDENCE | BASIS                                                                                                                                                               | WHAT WOULD CHANGE IT                                                                                                |
|------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| The market resolves to three national platforms plus a niche tail by the mid-2030s | 68%        | Base rates from comparable build-outs (UK cable: 130+ franchises to one; mobile: many operators to a handful), the debt arithmetic, the take-up gap <sup>9,53</sup> | A CMA block at Phase 2, verdict due 15 December 2026 <sup>57</sup> ; a sustained fall in rates that reopens funding |
| Consolidation stalls into a slower, messier shake-out                              | 27%        | Regulatory friction, seller price expectations, the 2026 to 2031 access settlement <sup>30</sup>                                                                    | Rapid clearance followed by further billion-pound deals through 2027                                                |
| Many independents survive in a fragmented market                                   | 5%         | Would require new funding at scale or policy intervention; no evidence of either today <sup>22</sup>                                                                | Government subsidy for altnets, or a dramatic collapse in rates                                                     |
| Customers keep their broadband through the shake-out                               | High       | The fibre survives changes of owner: G.Network and Gigaclear both demonstrated this in 2026 <sup>17,50</sup>                                                        | A wound-down exclusive rural network with no alternative supplier, the rare exception                               |
| The binding constraint is take-up, not coverage                                    | High       | 18% conversion against 38%; financing costs near 121% of revenue <sup>2,9</sup>                                                                                     | Altnet take-up climbing towards 30% would rewrite the sector's economics                                            |

**100+**

independent altnets at the 2023 peak<sup>2</sup>

**19.7m**

premises passed by end 2025, up 20% on the year<sup>2</sup>

**£9bn**

aggregate sector debt, financing costs near 121% of revenue<sup>9</sup>

**18% v 38%**

altnet take-up against Openreach's roughly 38%<sup>2</sup>

**£1.5bn**

sector losses in 2024, a third straight year of widening<sup>9</sup>

**3 + tail**

the forecast market shape, scored in public in 2028

## What changes next

**1 April 2026.** Ofcom's 2026 to 2031 access settlement takes effect<sup>30</sup>. **Mid-December 2026.** The CMA's Phase 2 verdict on nexfibre and Netomnia falls due, the single biggest swing factor in this forecast<sup>57</sup>. **31 January 2027.** The PSTN switch-off completes, with legacy line prices roughly doubling across 2026 on the way<sup>69</sup>. **31 March 2027.** The last gigabit vouchers are issued as the scheme winds down<sup>64</sup>. **2026 to 2027.** Nearly half of UK fibre firms face a material refinancing, on the 2025 baseline<sup>22</sup>. **2028.** Forecast resolution: the criteria in Part Three fall due.

## What is actually there, before anyone argues about it.

Five pages of ground truth: what an altnet is, who owns the map, the four ways a network changes hands, what survives, and seven common claims tested against the record.

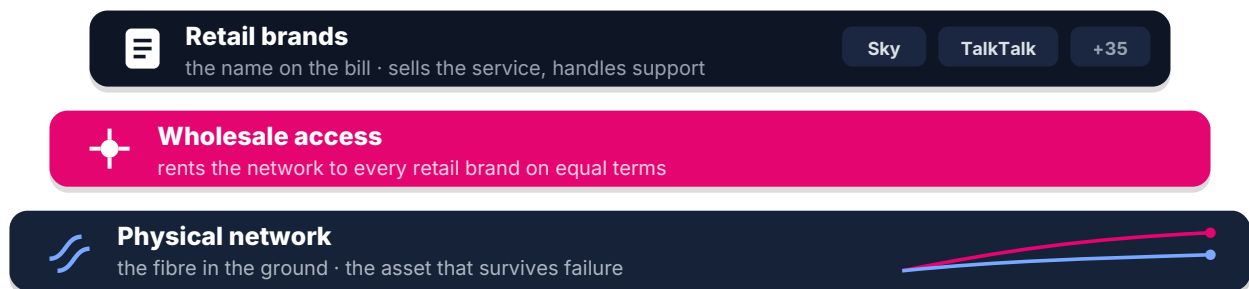
### 1.1 What an altnet is, and the three layers of the market.

An altnet, short for alternative network, is a company building its own full-fibre infrastructure in competition with Openreach rather than renting its lines. At the peak around 2023 there were more than one hundred of them, collectively committing tens of billions of pounds<sup>2</sup>. The conditions were close to perfect: interest rates near zero, a national gigabit target with subsidy behind it, and a regulator that deliberately encouraged rival builds. The result was the fastest infrastructure build in modern British telecoms. Altnet coverage went from a rounding error to 19.7 million premises passed by the end of 2025, up 20% in that year alone<sup>2</sup>. Full fibre as a whole reached 78% of UK homes by mid 2025 and 85% of UK premises by July 2026, and around a quarter of all full-fibre connections are now delivered by altnets<sup>3,5,74</sup>.

To follow any deal in this market, one idea is essential: broadband is built in three stacked layers. The physical network is the fibre in the ground, hugely expensive to build and the asset that survives even when a company fails. Wholesale access rents space on that network to retail brands on equal terms; Openreach and CityFibre operate here. The retail brand is the name on the bill, selling the service and handling support. A vertically integrated altnet owns all three layers. A wholesale-only network such as CityFibre owns the bottom two and lets more than 35 retail brands sell on top<sup>13</sup>.

The layers explain why one deal is often really two or three. When nexfibre agreed to buy Netomnia in 2026, the physical network went one way while the YouFibre and brsk retail brands were sold to Virgin Media O2 for £150m<sup>14,48</sup>. Reading any acquisition headline, the first question is which layer changed hands.

#### EXHIBIT 1



The three layers of UK broadband. Openreach was made a legally separate company in 2017 to run wholesale access fairly for everyone, including BT's own retail arm<sup>3</sup>.

#### PLAIN ENGLISH · THE TOLL ROAD AND THE COACHES

Think of a toll road. Someone builds and owns the road itself (the physical network). Someone runs the tolling and lets coach firms use it on equal terms (wholesale). The coach companies sell you your ticket (retail). Every deal in this report is a change of ownership somewhere on that road, and the road itself stays open throughout.

**So what.** Once you see the three layers, consolidation stops looking like disappearance. Almost every deal in this report is the bottom two layers changing hands while the service on top keeps running.

## 1.2 Who owns the UK fibre map.

Three kinds of network now cover Britain, and they overlap heavily. Openreach, the BT Group access division, had passed around 22.1 million premises with full fibre by early 2026 and remains the wholesale backbone most retail providers rely on<sup>3,4</sup>. Virgin Media O2, with its build vehicle nexfibre, a joint venture backed by InfraVia, Liberty Global and Telefonica, covers around 8.3 million premises between upgraded cable and new fibre<sup>4,14</sup>. The altnet sector is the third group: more than a hundred challengers led by CityFibre at 4.7 million premises at the end of 2025 and Netomnia at 3.0 million, with a long tail behind them<sup>2,73</sup>.

These groups do not divide the country between them. They overbuild each other. By early 2026, 13.4 million premises could order from two or more fibre networks, and around 2.5 million from three or more<sup>2,5</sup>. The UK now averages roughly two and a half fibre networks per connected household, and three or four in the most contested cities<sup>7</sup>. No other large country overbuilt at this intensity<sup>37</sup>. By early July 2026, industry tracking put Openreach past 23 million premises and the combined Virgin Media O2 and nexfibre fibre footprint near 8.7 million, so the overlap figures here, measured earlier in the year, are conservative rather than generous<sup>74</sup>.

That overbuild is the fact that makes consolidation arithmetic rather than opinion. When three companies have each spent hundreds of pounds per premises to pass the same house, only one of them usually wins the customer, and none can earn back the dig three times over.

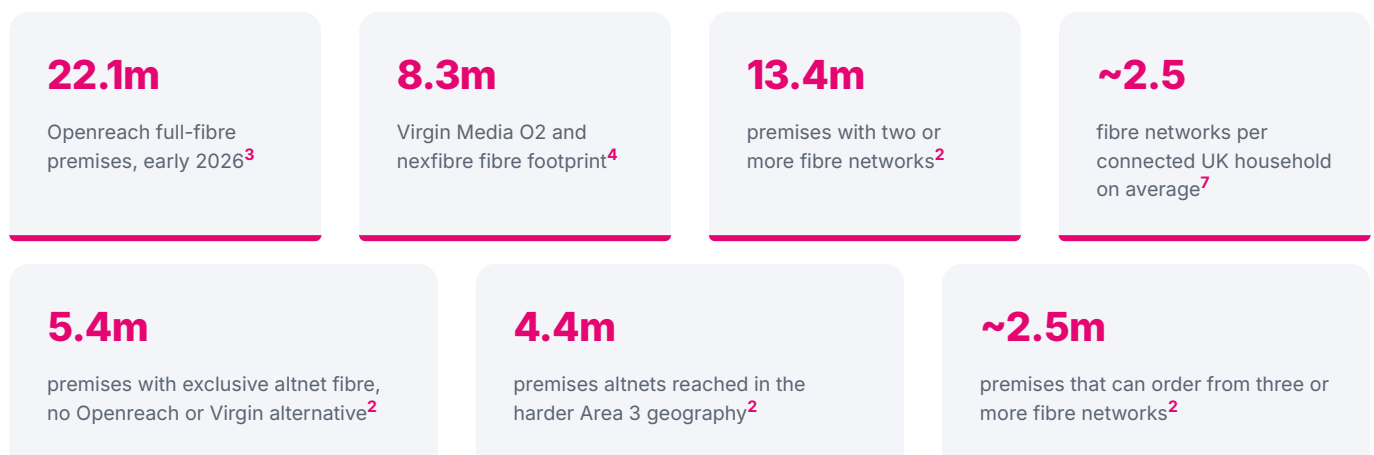
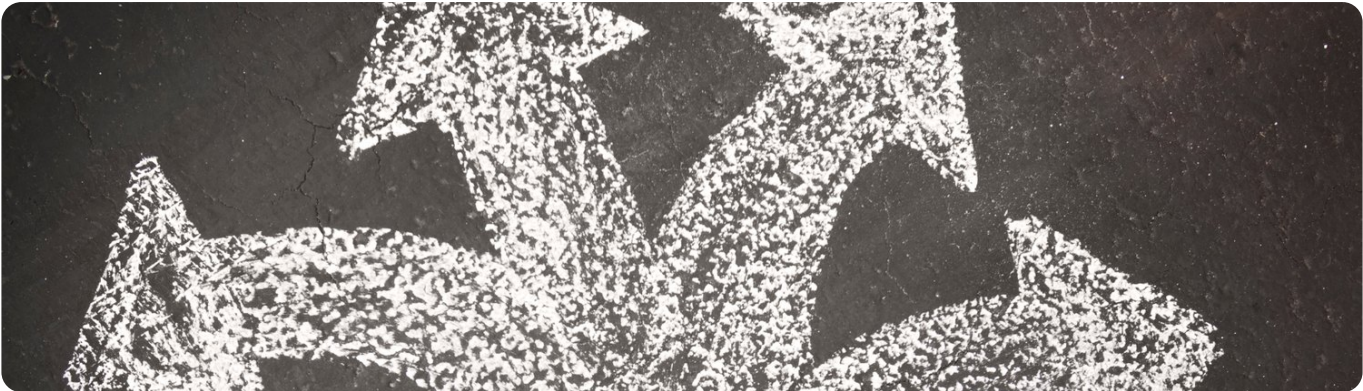


Exhibit 2. Footprints and overlap, early 2026. Sources as numbered.

**So what.** The map is the forecast. Overlap this heavy guarantees that someone's dig never pays back, and the only questions left are whose, and who buys the loser.

# 1.3 The four exits.

When people say the altnets will consolidate, they blur four different events with different consequences for customers, staff and investors.



Four exits, four directions. A merger, an acquisition, an administration and a lender takeover send a network four different ways, but the fibre keeps carrying broadband through all of them. Image: BroadbandSwitch.uk.

| THE EXIT        | WHAT HAPPENS                                                                                                     | WHO FEELS IT MOST                                               | 2024 TO 2026<br>EXAMPLE                      |
|-----------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------|
| Merger          | Two networks combine to cut duplicated cost and reach scale; both brands may survive for a while                 | Staff in overlapping roles; investors in diluted holdings       | FullFibre and Zzoomm, 2025 <sup>19</sup>     |
| Acquisition     | A larger player buys a smaller one, often mainly for footprint and customers; the acquired brand may vanish      | The acquired brand and management; customers see a new owner    | nexfibre buying Netomnia, 2026 <sup>14</sup> |
| Administration  | The company enters a formal insolvency process and is restructured or sold; the fibre keeps operating throughout | Equity investors, often wiped out; lenders take a haircut       | G.Network, early 2026 <sup>17</sup>          |
| Lender takeover | Lenders take ownership from the original equity holders, usually writing off part of the debt                    | Original owners lose control; lenders convert debt to ownership | Gigaclear, 2026 <sup>18,50</sup>             |

In all four, the fibre in the ground keeps carrying broadband. A network is a physical asset with paying customers, and it has value precisely because it keeps working. A dark network is worth far less than a lit one, so disconnection is almost never the outcome. What changes is the name on the bill and, sometimes, the price.

**So what.** Read every consolidation headline against this table. The word "collapse" usually describes an ownership event, and the exit type tells you who actually gets hurt: investors and lenders in three of the four, customers in almost none.

# 1.4 What survives, and the three engines driving the rest together.

Consolidation is a change of ownership. The cables, cabinets and connections stay where they are, and Ofcom's continuity rules and the buyer's commercial interest point the same way: keep customers connected and billing. Some networks will not consolidate at all. Around 5.4 million premises have exclusive altnet fibre with no Openreach or Virgin Media alternative, and altnets reached 4.4 million premises in the harder Area 3 geography<sup>2</sup>. Rural and community specialists with low debt, loyal customers and no rival on the street are the likeliest standalone survivors. Scarcity protects them.

For the rest, three engines are pulling the market together. CityFibre, the largest altnet and wholesale-only, raised £2.3bn in July 2025 including an £800m facility earmarked for acquisitions, and its chief executive speaks openly of consolidating the altnet sector into a sustainable third national network<sup>13</sup>. nexfibre agreed in February 2026 to acquire Netomnia for around £2bn, creating a platform of roughly 8 million premises and a credible second challenger, a deal now under a fast-tracked CMA Phase 2 review with a verdict due by 15 December 2026<sup>14,57</sup>. And Openreach exerts gravity without buying anyone: its scale, reach and wholesale pricing offers such as Equinox pull retail demand toward it, starving thinly used altnets of the customers they need<sup>20,35</sup>.

Two active buyers and one gravitational incumbent is the configuration that produces a three-platform market. The 68% central case in Part Three is these engines running to their logical end.

| THE ENGINE                          | WHAT IT IS                                                                                                                         | WHERE IT POINTS                                                      |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| CityFibre, the buyer                | The largest altnet, wholesale-only, with £2.3bn raised in July 2025 and £800m expressly earmarked for acquisitions <sup>13</sup>   | A growing wholesale platform that absorbs smaller altnets one by one |
| nexfibre and VMO2, the second buyer | The Virgin Media O2 build vehicle, acquiring Netomnia for around £2bn to create a roughly 8 million premise platform <sup>14</sup> | A combined VMO2 and nexfibre platform rivalling Openreach            |
| Openreach's gravity                 | The incumbent needs to buy no one: scale, reach and Equinox pricing pull retail demand toward it <sup>35</sup>                     | Pressure that pushes weak altnets toward sale or failure             |

Exhibit 3. Sources as numbered.



The three engines in logo form: the incumbent whose gravity pulls demand inward (Openreach), and the two buyers arming to consolidate the rest, one wholesale-only (CityFibre) and one cable-and-mobile-backed (nexfibre, with Virgin Media O2). Logos are the trade marks of their respective owners and are shown for identification only.

**So what.** A market needs buyers to consolidate, and this one has exactly two arming themselves plus an incumbent that wins by standing still. That configuration, not sentiment, is what the 68% is priced on.

# 1.5 Seven common claims, tested.

| THE CLAIM                                          | THE EVIDENCE                                                                                                                                                                                                                    |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| "If my altnet goes bust, I lose my broadband."     | Almost never. The fibre is a working asset that is sold or handed to lenders as a going concern. G.Network passed through administration in 2026 and emerged still serving customers <sup>17</sup> .                            |
| "Consolidation means back to a BT monopoly."       | The likely end state is three national platforms plus a niche tail. Fewer than a hundred, far more than one. Keeping it that way is the regulator's job, examined in Part Four.                                                 |
| "All the altnets are failing."                     | The sector passed 19.7 million premises by end 2025 and added 850,000 net customers in a year <sup>2</sup> . The shake-out sorts thriving networks from distressed ones.                                                        |
| "The government set this in motion."               | Indirectly. Policy set the gigabit target and encouraged competitive building, but the consolidation itself is a commercial event driven by interest rates, take-up and debt. Section 2.9 examines the subsidy record directly. |
| "It is too late to switch; the market is closing." | During consolidation, competition for customers is often fiercest, with discounts and contract buy-outs as networks fight for share. The choice window is open now.                                                             |
| "Overbuild was a waste of money."                  | Partly. Duplicated digging destroyed some capital, and it also delivered genuine choice, lower prices and faster national coverage than a single network would have <sup>3</sup> .                                              |
| "This will all happen overnight."                  | The forecast puts the bulk over 2026 to 2028 with a tail to 2030, and prices a slower path at 27%. Consolidation is a process of deals, refinancings and quiet wind-downs.                                                      |

**So what.** Most public debate about altnets argues with claims in the left column. Substantiation for every row appears in Parts Two and Three, so disagreements can be had about evidence rather than slogans.



## The numbers underneath the story, graded and sourced.

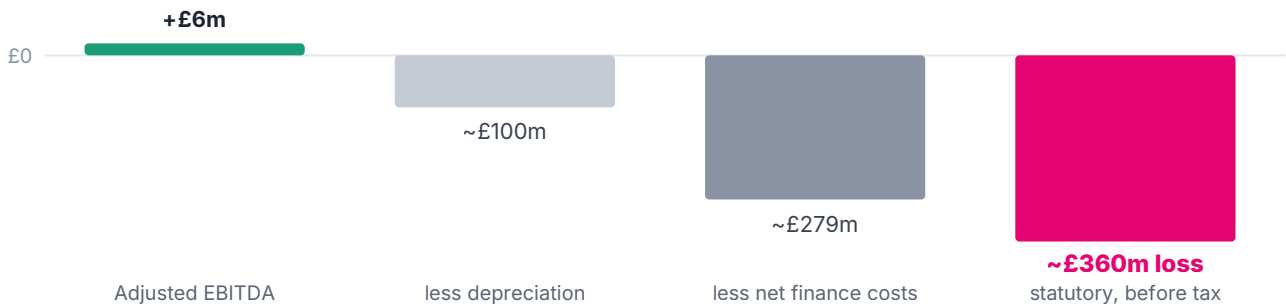
Ten sections: the accounting reality, the road here, debt, take-up, the deal record, risk, precedent, the merger history, the subsidy story, and the five adjacent forces. Every figure carries its reference number.

### 2.1 What "profitable" hides.

Several altnets now report positive adjusted EBITDA. The same companies are losing large sums. Both are true at once, and the gap between them explains most of this sector. EBITDA excludes interest, depreciation and the capital spent digging, which for a fibre builder are the three largest costs in the business. CityFibre's filed accounts to 31 December 2024 show roughly £6m of adjusted EBITDA becoming a statutory loss before tax of around £360m, with finance costs of about £279m and depreciation near £100m<sup>9,25</sup>.

Enders Analysis calculates that altnets need EBITDA margins above 35% simply to reach cashflow break-even, before interest<sup>9</sup>. Few are there. A "profitable" marker in this report therefore means the day-to-day operation covers its running costs, a real milestone for a business still building, and no more than that. Adjusted EBITDA is also non-standardised and differs between companies, so figures are directional rather than strictly comparable<sup>32</sup>.

#### EXHIBIT 4



The EBITDA bridge, illustrative and rounded, using CityFibre's filed accounts to 31 December 2024<sup>25</sup>. A small adjusted-EBITDA profit becomes a large statutory loss once depreciation and finance costs return.

**So what.** When an altnet announces profitability, ask which line. The distance between the green sliver and the pink bar above is the distance between a press release and a balance sheet, and it is where this consolidation is being decided.

## 2.2 The road here, 2017 to 2026.

The build thesis took hold in 2017 and 2018: near-zero rates, a national gigabit ambition and a pro-competition regulator made fibre cheap to finance, and CityFibre secured Vodafone as a wholesale anchor in November 2017<sup>27</sup>. Capital flooded in through 2019 and 2020, when CityFibre bought FibreNation from TalkTalk for £206m and lifted its target from 5 to 8 million premises<sup>27</sup>. Project Gigabit launched in March 2021 with £5bn of subsidy for hard-to-reach premises<sup>43</sup>.

The turn came in 2022. Altnet numbers passed one hundred just as rates began rising sharply, and sector losses reached £0.76bn<sup>9</sup>. The first cracks showed in 2023: nexfibre acquired the distressed builder Upp after a government-forced sale on national security grounds, a network that had passed 175,000 premises but signed only around 4,000 customers<sup>16</sup>. Losses for 2023 reached £1.30bn<sup>9</sup>, and the analyst conversation shifted from build pace to survival.

The shake-out proper began in 2024. CityFibre acquired Lit Fibre in May. Netomnia and brsk combined under the Substantial Group umbrella<sup>48</sup>. Sky agreed in August to use CityFibre's network, roughly doubling its addressable retail market, a deal Enders described as putting CityFibre firmly in the driving seat for consolidation<sup>10,11</sup>. Sector losses for 2024 reached £1.5bn<sup>9</sup>. In 2025, FullFibre and Zzoomm completed their merger<sup>19</sup>, CityFibre acquired the Connexin network, AllPoints Fibre took shape, and in July CityFibre raised its £2.3bn<sup>13</sup>. Then early 2026 delivered the distress and the flagship deal together: G.Network passed through administration and emerged debt-free<sup>17</sup>, nexfibre agreed to buy Netomnia for around £2bn<sup>14</sup>, Freedom Fibre and Truespeed agreed to merge, and Gigaclear's lenders took control<sup>18,50</sup>.



The build that ran on cheap money: fibre ducting laid through a city street. When rates rose, the digging that reshaped Britain's pavements became the debt that is now reshaping its ownership. Image: BroadbandSwitch.uk.

### The boom and the bust have the same cause: the price of money.

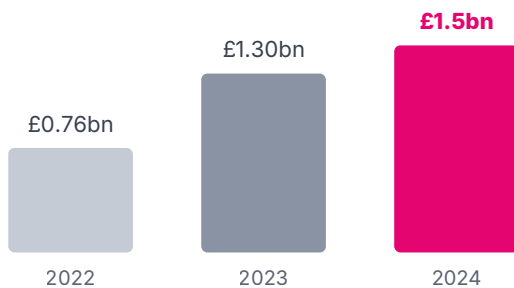
**So what.** Nothing on this timeline is random. Each entry follows the rate cycle with a lag, which is why the 2026 to 2027 refinancing season, not any single deal, is the next chapter's engine.

## 2.3 Sector debt and financing costs.

Since 2020, more than £17.4bn has been invested in UK altnets, over £1,000 for every premises passed, up from under £400 in 2022 as the easy dense areas were exhausted<sup>2</sup>. During the regulatory debates of the period the sector cited more than £25bn committed to BT's competitors<sup>30</sup>. Most of that capital came as debt, and Enders Analysis estimated in November 2025 that the sector carried around £9bn of it, with financing costs near 121% of revenue, an interest burden it described as looking unpayable under any reasonable scenario<sup>9</sup>. Many altnets owe more in interest than they earn in total.

The losses confirm the direction: £0.76bn in 2022, £1.30bn in 2023, around £1.5bn in 2024<sup>9</sup>. This is a sector whose annual losses widened as cheap-money debt came due in an expensive-money world. The financing wall makes the timetable concrete. Around 47% of UK fibre companies faced refinancing a material part of their debt or equity by 2026, on the 2025 assessment, and the lenders who would normally roll that debt, NatWest and Lloyds among them, have pulled back<sup>21,22</sup>. A company that can neither refinance nor service its debt sells, merges or hands the keys to its lenders.

### EXHIBIT 5



Altnet sector annual losses<sup>9</sup>.

**£17.4bn+**

invested in UK altnets since 2020, over £1,000 per premises passed<sup>2</sup>

**~121%**

altnet financing costs as a share of revenue, late 2025<sup>9</sup>

**47%**

of UK fibre firms facing material refinancing by 2026, on the 2025 baseline<sup>22</sup>

### PLAIN ENGLISH · FINANCING COSTS OF 121% OF REVENUE, IN ONE LINE

Imagine a shop whose interest bill alone exceeds everything it takes at the till. That is the position Enders describes for the sector as a whole. It can only end in writing off debt, finding new owners, or both.

**So what.** Debt is the clock on this consolidation. Take-up decides who is weak; the refinancing calendar decides when weakness becomes a transaction.

## 2.4 Take-up and unit economics, and the spectrum behind the average.

If the financing wall is the trigger, the take-up gap is the underlying condition. Across the sector, average take-up reached 18% of premises passed by the end of 2025, up two points on the year but less than half the roughly 38% Openreach achieves on its own fibre<sup>2</sup>. For every home an altnet connects and bills, it has paid to pass four or five that generate nothing. The debt was raised against all the homes passed; the revenue comes only from the connected.

The unit economics follow directly. The average altnet carries over £500 of net debt per home passed, within a range of £263 to more than £1,000, but over £4,000 per home actually connected<sup>22</sup>. Enders' verdict is blunt: it is difficult to see a scenario in which retail altnets generate cash returns, even before interest costs<sup>9</sup>. AlixPartners frames the survival side: payback on customer acquisition and connection runs more than five years, and the economics are challenging even if debts are fully written off<sup>22</sup>.

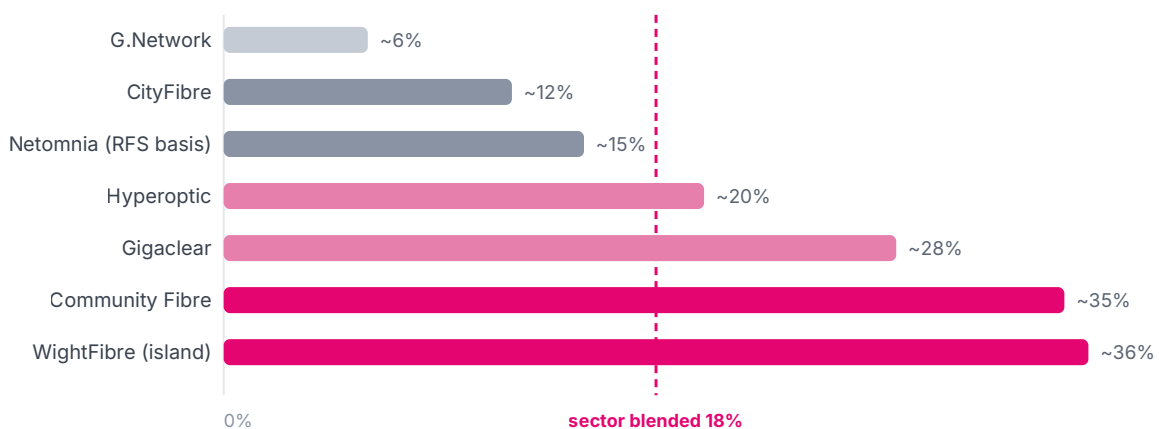
One number, though, hides a spectrum, and the operators are right to say so. The blended 18% mixes footprints built last year with networks a decade old, and the range across operators runs from roughly 6% to 36%. Exhibit 7 shows it, derived from the filed accounts in Exhibit 18: distress cases sit in single digits, the scaled survivors in the mid-thirties, and maturity clearly matters. The refinement changes the diagnosis for individual networks; it does not change the arithmetic for the sector, because the financing wall prices today's blended number, not the potential of 2030<sup>9,22</sup>.

### EXHIBIT 6



Average take-up, the share of premises passed that are connected, end 2025<sup>2</sup>. Openreach figure indicative of mature-footprint take-up.

### EXHIBIT 7 · NEW



The spectrum behind the average: connections as a share of premises passed or ready for service, by operator. Derived by BroadbandSwitch.uk from the filed accounts and operational figures in Exhibit 18; bases differ by operator and are stated there. Grade: Derived<sup>9,25</sup>.

**So what.** The average tells you the sector cannot service its debt. The spectrum tells you who gets bought and who does the buying. Both are true, and this report now shows both.

## 2.5 Deals and distress, 2020 to 2026.

The full consolidation record on one landscape page: every merger, acquisition, financing and distress event that has reshaped the UK altnet market since 2020.

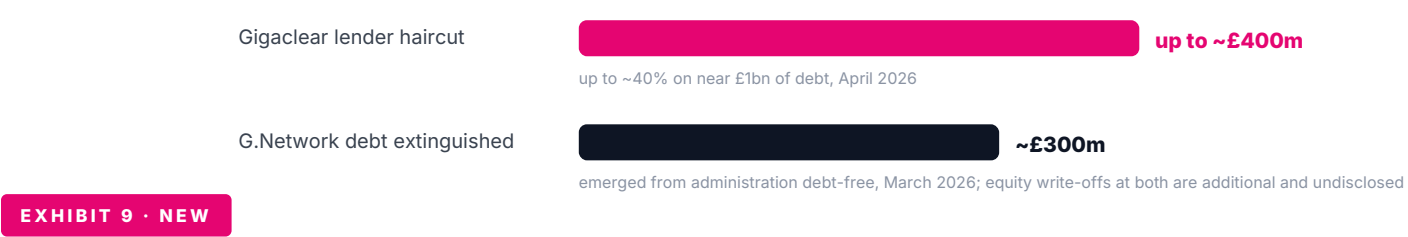
| WHEN            | EVENT                                                | TYPE           | VALUE         | SCALE                              | WHAT IT DID                                                                    |
|-----------------|------------------------------------------------------|----------------|---------------|------------------------------------|--------------------------------------------------------------------------------|
| <b>Mar 2020</b> | CityFibre acquires FibreNation <sup>27</sup>         | Acquisition    | £206m         | TalkTalk becomes wholesale anchor  | Target lifts from 5m to 8m premises                                            |
| <b>Sep 2023</b> | nexfibre acquires Upp <sup>16</sup>                  | Forced sale    | Undisclosed   | 175k passed, ~4k customers         | The sector's starkest take-up warning                                          |
| <b>Mar 2024</b> | CityFibre acquires Lit Fibre <sup>13</sup>           | Acquisition    | Share-based   | ~300k premises                     | Buyer intent signalled                                                         |
| <b>Jun 2024</b> | Netomnia merges with brsk <sup>48</sup>              | Merger         | £1.6bn raised | ~1.5m premises, 140k customers     | Forms Substantial Group                                                        |
| <b>Aug 2024</b> | Sky agrees to use CityFibre <sup>10,11</sup>         | Wholesale deal | n/a           | Addressable market roughly doubles | Enders: driving seat for consolidation                                         |
| <b>Mar 2025</b> | FullFibre merges with Zzoomm <sup>19</sup>           | Merger         | Undisclosed   | ~600k premises, 70k customers      | Single Zzoomm brand across ~110 towns                                          |
| <b>Jul 2025</b> | CityFibre raises £2.3bn <sup>13</sup>                | Financing      | £2.3bn        | 4.5m+ premises, ~550k customers    | £800m earmarked for acquisitions                                               |
| <b>Jan 2026</b> | G.Network enters, exits administration <sup>17</sup> | Distress       | n/a           | ~420k premises, ~25k customers     | Emerges debt-free under FitzWalter; 106 of 230 staff redundant                 |
| <b>Feb 2026</b> | nexfibre to acquire Netomnia <sup>14,57</sup>        | Acquisition    | ~£2bn         | ~8m premise platform               | Fast-tracked to CMA Phase 2, July 2026; VMO2 takes YouFibre and brsk for £150m |

| WHEN     | EVENT                                             | TYPE            | VALUE       | SCALE                           | WHAT IT DID                |
|----------|---------------------------------------------------|-----------------|-------------|---------------------------------|----------------------------|
| Feb 2026 | Freedom Fibre merges with Truespeed <sup>15</sup> | Merger          | Undisclosed | ~412k premise platform          | Both lightly leveraged     |
| Apr 2026 | Gigaclear lenders take control <sup>18,50</sup>   | Lender takeover | ~£1bn debt  | ~600k premises, ~170k customers | ~40% haircut; equity wiped |

Exhibit 8. Values are enterprise values or amounts raised where publicly stated. Sources as numbered.

Every entry is a buyer getting bigger, two sellers combining, or a weak network changing hands under pressure. None points toward a more fragmented market. The distress cases repay closer reading. G.Network carried around £300m of debt against roughly 420,000 premises passed but only about 25,000 customers, a take-up near 6%; it was sold to FitzWalter Capital, passed through administration and emerged debt-free in March 2026 with the network operating throughout<sup>17</sup>. At Gigaclear, eleven lenders including the taxpayer-backed National Wealth Fund, NatWest, Lloyds, HSBC and ABN AMRO took control from equity owners Infracapital, Equitix and Railpen, accepting a haircut of up to around 40% on near £1bn of debt<sup>18,50</sup>.

Exhibit 9 puts the crystallised pain in one picture. Roughly £700m of debt value has already been written off or extinguished across just the two 2026 distress cases, before counting the equity wiped out on top, which is undisclosed. The pain fell on investors and lenders while both networks were preserved and re-homed. This is what distressed consolidation looks like in a sector built on real, working assets, and it is why even the slower 27% scenario is not a consumer catastrophe.



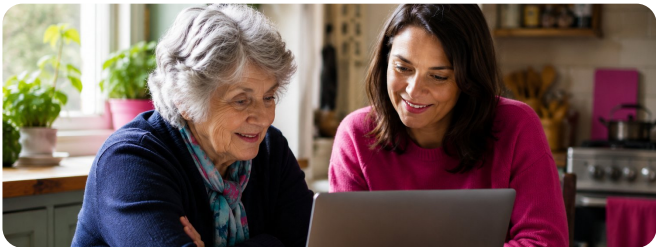
Losses crystallised so far in the 2026 distress cases. Derived from sourced inputs; the Gigaclear figure is an upper estimate from reported haircut terms. Grade: Derived<sup>17,18,50</sup>.

**So what.** Consolidation is no longer a forecast with a start date. Around £700m of value destruction has already been booked, and the deal tracker shows the survivors buying the map from the casualties.

## 2.6 Where the risk sits.

Plotting who is exposed against how badly, most consolidation risk is financial and lands on the investors and lenders who chose it. Equity write-downs and lender haircuts sit exactly where capital markets place them. Staff and suppliers carry real but bounded exposure as construction gives way to connection.

The cell that deserves genuine public attention is the household relying on a single altnet with no Openreach or Virgin alternative, especially the roughly 940,000 hard-to-reach premises covered by Project Gigabit contracts<sup>43</sup>. If one of those networks fails badly, its customers have no easy fallback, and Part Four returns to what that means for the regulator and for the households themselves.



The household on a single exclusive network is where consolidation risk actually concentrates. For most, a change of owner means a new name on the bill; for this group, it is the one case that warrants a genuine safety net. Image: BroadbandSwitch.uk.

| EXPOSURE                         | SEVERITY IF IT GOES WRONG | SCALE EXPOSED                                                                           | READING                                                                                    |
|----------------------------------|---------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Stranded rural, exclusive homes  | Critical                  | Up to ~5.4m exclusive premises <sup>2</sup> ; ~940k under Project Gigabit <sup>43</sup> | The one cell that warrants regulatory attention: no easy fallback if a network fails badly |
| Altnet staff and suppliers       | High                      | Large contractor workforce                                                              | The build-to-connect shift lands before the deals make news                                |
| Customers of distressed altnets  | Moderate to high          | Hundreds of thousands                                                                   | Service usually continues; the change is ownership and billing <sup>17</sup>               |
| Lenders and infrastructure funds | Moderate                  | ~£9bn sector debt <sup>9</sup>                                                          | Haircuts and write-downs sit where capital chose the risk                                  |
| Equity investors                 | Low to moderate           | Billions committed                                                                      | Write-downs and wipe-outs, as at Gigaclear <sup>50</sup>                                   |
| Local authorities                | Low                       | Wayleaves, street works                                                                 | Fewer, larger counterparties; questions over half-finished builds                          |

Exhibit 10. Exposure mapping: BroadbandSwitch.uk editorial judgement, June 2026. Scale figures as numbered.

**So what.** Most of this shake-out is capitalism working as designed: risk landing on those paid to take it. The exception, the exclusive rural home, is small in number and large in consequence, and it is where policy attention belongs.

## 2.7 International precedent.

Every comparable market that overbuilt competitive fibre has consolidated to a few scale players, usually within a decade and usually accelerated by rising rates.

| MARKET               | THE BUILD                                                                                                        | THE OUTCOME                                                                                        | LESSON FOR THE UK                                        |
|----------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>Spain</b>         | Earliest and most overbuilt large European market, peaking around three networks per premises <sup>37</sup>      | Consolidated around a few national players plus the MasMovil and Orange merger, 2024 <sup>51</sup> | Heavy overbuild precedes, not prevents, consolidation    |
| <b>Germany</b>       | Rapid altnet-style build led by Deutsche Glasfaser, heavily debt-financed                                        | Multi-billion-euro restructuring; consolidation ongoing <sup>37</sup>                              | Debt-funded builders restructure when rates rise         |
| <b>France</b>        | Wholesale infracos built at scale, then changed hands among funds                                                | Consolidated into a small number of large wholesale platforms <sup>37</sup>                        | Wholesale platforms are the stable end state             |
| <b>Portugal</b>      | Early, near-complete coverage via a small number of operators                                                    | Stable oligopoly; little fragmentation to resolve                                                  | Avoiding overbuild avoids the shake-out                  |
| <b>United States</b> | Competitive overbuild in many metros, backed by private capital                                                  | Active consolidation and distressed sales among independents <sup>52</sup>                         | The same capital cycle produces the same outcome         |
| <b>UK</b>            | The most fragmented of all: 100-plus altnets, overbuilt at around 2.5 networks per connected home <sup>2,7</sup> | In progress: three-platform consolidation forecast by 2028 to 2030 (this report)                   | History says the tail consolidates; Britain is mid-story |

Exhibit 11. International comparisons are directional, reflecting differing market structures and regulation. Sources as numbered.

**So what.** Britain is not running a novel experiment; it is running the standard one harder. Betting on fragmented survival here means betting this market breaks a pattern every comparable market has followed.

## 2.8 The consumer merger record.

UK telecoms has consolidated in waves before, and the three big consumer deals are the closest precedents for the fixed-line wave now running.

| DEAL                       | VALUE AND DATE                                 | REMEDY                                                                                                   | OUTCOME                                                                                                                                                                 |
|----------------------------|------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BT buys EE</b>          | £12.5bn, completed 29 Jan 2016 <sup>33</sup>   | Cleared; Deutsche Telekom took 12% of BT, Orange 4%                                                      | Created a converged leader; EE call handling returned to UK and Ireland centres, adding over 900 staff; missed engineer appointments cut by about a third <sup>33</sup> |
| <b>Virgin Media and O2</b> | £31bn JV, completed 1 Jun 2021 <sup>32</sup>   | Cleared without remedies                                                                                 | Synergies valued at £6.2bn NPV; spawned the nexfibre build vehicle <sup>32</sup>                                                                                        |
| <b>Vodafone and Three</b>  | ~£15bn JV, completed 31 May 2025 <sup>31</sup> | Behavioural remedies: an £11bn eight-year investment commitment plus three-year price and wholesale caps | First UK four-to-three mobile merger cleared without structural divestment; the CMA had estimated £216m a year of consumer harm absent the remedies <sup>31,38</sup>    |

The Vodafone and Three clearance is the precedent every altnet buyer now leans on: the CMA accepting binding investment and price commitments in place of forced break-ups<sup>31</sup>. The academic record adds a caution the report does not hide: cross-country studies of mobile consolidation found four-to-three mergers associated with higher prices alongside higher investment per operator<sup>53</sup>. Concentration is a trade, not a free lunch, which is why Part Four's regulatory briefing matters.

Customer experience data adds the human dimension. Small challengers dominate satisfaction measures: Gigaclear and Zzoomm score 4.7 on Trustpilot against BT at 1.3 and Virgin Media at 1.5, with self-selection bias applying<sup>46</sup>, while Zen topped the Which? survey of 5,235 members at 84% with Hyperoptic and Community Fibre close behind, and Virgin Media, TalkTalk and NOW Broadband at the bottom on 59%, 59% and 54%<sup>44</sup>. Ofcom's complaints data runs the same direction, though Virgin Media's turnaround from the worst record in Q4 2023 to among the best by Q4 2025 shows service reputations can be rebuilt at scale<sup>45,55</sup>. The repair is recent, though: on 8 July 2026 Ofcom fined Virgin Media £28 million, its largest ever penalty under its consumer protection rules, for obstructing customer cancellations between January 2022 and September 2024<sup>75</sup>. The challenge for the surviving platforms is keeping challenger-level service at incumbent scale, because churn is the enemy of a debt-laden network: a provider that cannot keep customers cannot pay back the cost of connecting them.

TalkTalk is the cautionary tale on the other side. A 2015 cyber attack accessed 156,959 customer accounts, cost around £60m, drew a then-record £400,000 ICO fine and lost the company 101,000 customers<sup>34</sup>. From 4.1 million customers after the Tiscali acquisition, the base fell to about 3.2 million by 2025, with roughly 400,000 lost in 2024 alone, while the 2021 take-private left leverage near fifteen times earnings on about £1.2bn of debt<sup>36</sup>. A 2024 refinancing, a 2025 split into consumer, business and wholesale arms and a £100m injection pushed maturities to 2028<sup>36</sup>. Heavy debt plus lost customer trust produces a long, grinding series of refinancings rather than a clean recovery, and it is the outcome the weakest altnets may not avoid.

Exhibit 12, the two-decade consolidation timeline from NTL and Telewest to Vodafone and Three, carries over from the first edition unchanged. Sources as numbered.



Consumer Britain has absorbed three telecoms mega-mergers in a decade. What the fourth wave does to the household bill is the question this report prices. Image: BroadbandSwitch.uk.

**So what.** The precedents cut both ways and the report says so: regulators will likely allow this wave on commitments, and the price literature says households should watch what happens after the ink dries.

## 2.9 The subsidy story: vouchers and the small-builder tail.

Public money did not just watch this market form. It helped build the long tail of small networks, and the way that money now flows is quietly consolidating the same tail it created.

**How the scheme worked.** The Gigabit Broadband Voucher Scheme launched nationally in 2018, and its first £67m phase was fully used within two years<sup>64</sup>. A second, rural-focused wave followed from May 2019, and the scheme was folded into Project Gigabit from 2021 with a £210m allocation inside the £5bn programme<sup>64</sup>. The mechanics are supplier-led: homes and businesses in eligible areas pledge vouchers now worth up to £4,500 per premises, a registered builder pools them into a project, builds the connection, and is paid by Building Digital UK only once each connection is live, with local authority top-ups sometimes adding thousands more<sup>64</sup>. By April 2024 around 118,000 vouchers had been used to fund a connection<sup>63</sup>.

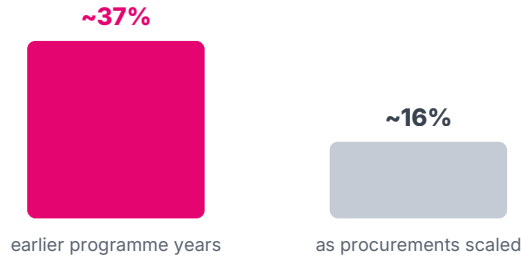
**What it built.** Vouchers made tiny rural builds bankable one cluster at a time, and they part-created the niche tail this report forecasts as survivors. The exemplar is B4RN, Broadband for the Rural North: a community benefit society and registered voucher supplier that has passed around 32,000 of some of Britain's hardest premises, often with volunteer labour, and which is structurally acquisition-proof because its members own it<sup>66</sup>. The voucher model and the community model fit together: pooled public money plus pooled local effort reaches the places no commercial case could.

**What changed.** Procurement has superseded vouchers as the main channel for public money. As Project Gigabit's contracted builds scaled, the vouchers' share of subsidised delivery fell from around 37% to around 16%<sup>63,64</sup>, and voucher availability was progressively paused or withdrawn in areas earmarked for contracts, a mechanism that has repeatedly stranded community groups mid-application<sup>64</sup>. The end is now dated: BDUK announced in early 2024 that the scheme would close at the end of March 2028, with the final vouchers issued by 31 March 2027, and adjusted the closure mechanics in June 2026<sup>64</sup>. Every voucher-dependent business model in the country now has a countdown running.

### Where it went wrong, and where the work goes.

Broadway Partners, a voucher-era rural builder, entered administration in 2023 and its assets were absorbed by Voneus<sup>67</sup>. And when FullFibre, Freedom Fibre and Voneus stepped back from Project Gigabit lots through 2025 and 2026, the descoped premises were re-let to Openreach under the cross-regional Type C framework worth around £1.2bn<sup>68</sup>. The pattern deserves plain statement: when subsidised challengers stumble, the subsidised work flows to the incumbent. Parliament's Public Accounts Committee has pressed the value-for-money question throughout, and continuity of subsidised contracts through ownership changes is now a live procurement issue rather than a hypothetical one<sup>65,68</sup>.

#### EXHIBIT 13 · NEW



Vouchers' share of BDUK-subsidised premises delivery. Grade: Single-source, from programme delivery reporting<sup>63,64</sup>.

**~118,000**

vouchers used to fund a connection by April 2024<sup>63</sup>

**£4,500**

current maximum voucher value per premises, within a £210m allocation<sup>64</sup>

**31 Mar 2027**

final date for voucher issuance; the scheme closes at the end of March 2028<sup>64</sup>

### The same scheme, from three chairs

#### Government

A bridge, not a pillar: vouchers filled gaps while procurement scaled, under standing value-for-money scrutiny from the Public Accounts Committee<sup>65</sup>. The open question is continuity: what taxpayers get when a subsidised supplier is bought, merges or fails mid-contract<sup>68</sup>.

#### Suppliers

For small builders, vouchers were the only bankable route to the margins of the map, and pauses in procurement areas created planning blight the sector protested throughout<sup>2,64</sup>. The 2027 issuance deadline removes the marginal-build subsidy exactly as the refinancing wall arrives.

#### Communities

Pooled vouchers let neighbours buy their own dig, and rule changes mid-application have stranded groups more than once<sup>64</sup>. The durable form is community ownership: B4RN's members cannot be bought out from under themselves<sup>66</sup>.

**So what.** Subsidy design has flipped from creating the tail to consolidating it. Vouchers built the fringe, procurement now channels the same public money through scale players, and the March 2027 deadline puts a clock under every voucher-dependent model. At the edge of the map, this strengthens the central case.

## 2.10 The adjacent forces.

Five forces sit just outside the deal tracker yet bear directly on how fast, and how completely, the market consolidates. Each is tagged for the direction it pushes the forecast.

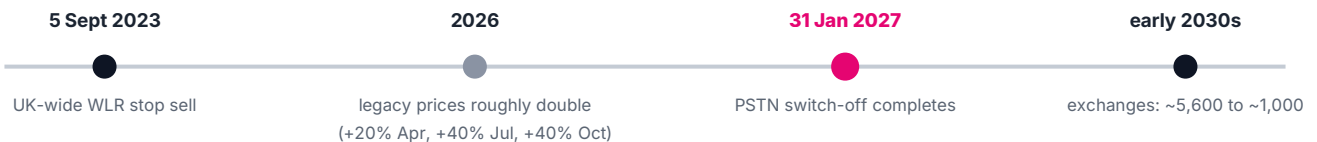
### The copper switch-off

STRENGTHENS THE CENTRAL CASE

The old analogue phone network switches off on 31 January 2027, a date Openreach says will not move again, with around 1.9 million lines still to migrate as of June 2026, down from more than 16 million when the programme began<sup>69</sup>. The forcing is now financial as well as calendar: legacy line rental prices rise 20% from 1 April 2026, a further 40% from 1 July and 40% again from 1 October, roughly doubling across the year<sup>69</sup>. Behind the switch-off sits the longer Exchange Exit programme: Openreach plans to shrink from around 5,600 exchanges to roughly 1,000, with about 105 priority closures by 2030 and the majority of the remaining 4,500 exiting through the early 2030s<sup>70</sup>. More than 1,000 exchanges covering roughly 8.9 million premises were already under stop-sell by mid-2026<sup>69</sup>. The ageing network it retires still consumes around 1% of Britain's energy<sup>69</sup>.

The consolidation reading cuts both ways, and lands one way. Forced migration is a demand tailwind: nearly two million lines must land on modern networks within months, and some land on altnets. But exchange exit is also a new cost line for every altnet with kit in a closing building: operator estimates for relocation and re-routing run from £100,000 to £200,000 per exchange at Netomnia to £1.4m per exchange at Neos Networks<sup>71</sup>. Scale absorbs a relocation programme across three-year notice periods; sub-scale does not. The switch-off accelerates the sorting.

#### EXHIBIT 14 · NEW



The copper retirement timetable<sup>69,70</sup>.



The copper beneath these rooftops carried a century of calls. It switches off for good on 31 January 2027. Image: BroadbandSwitch.uk.

## Wholesale aggregation

NEUTRAL TO STRENGTHENS

Aggregation platforms now bundle multiple altnet networks into a single shop front for national retail brands, extending the multi-network deals Sky, Vodafone and TalkTalk pioneered on CityFibre<sup>10,13</sup>. For a sub-scale network this cuts the cost of reaching customers, a genuine lifeline. It also standardises interfaces and commoditises the last mile, which makes those same networks cleaner to absorb. Aggregation slows some corporate failures while making the eventual asset consolidation easier, which is why it earns a neutral tag rather than a rescue narrative.

## The workforce contraction

STRENGTHENS THE CENTRAL CASE

The build-to-connect shift is measured in people before it is measured in deals. G.Network's administration alone made 106 of 230 staff redundant<sup>17</sup>, and contractor pipelines feel each network's pivot from civils to sales well before announcements are made. Construction capacity leaving the market raises the cost of any future re-start, entrenching whoever has already built, and a sector that has stopped digging is a sector arranging itself for ownership change rather than expansion.

## Data centres and AI demand

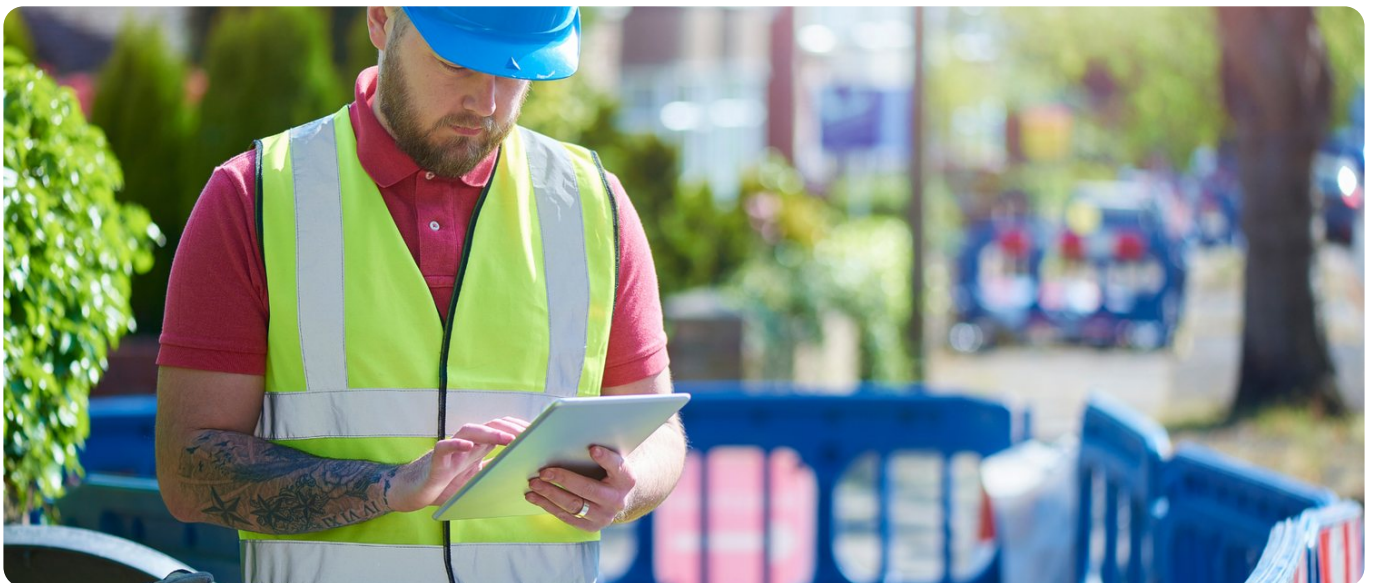
NEUTRAL, HONESTLY ARGUED

Metro-dense fibre carries strategic value beyond the homes it passes, because business connectivity and data-centre backhaul concentrate exactly where London and city networks built. The valuation evidence is indirect: scaled wholesale fibre trades at 8 to 12 times EV/EBITDA with 15 to 20 times reserved for strategic scarcity<sup>62</sup>, and scarcity is what a dense metro duct network is. Public evidence directly linking AI-era demand to UK altnet prices remains thin, so this report treats the argument as a valuation floor under metro and business-focused networks, not a rescue for residential economics. It sharpens the split between a small set of strategically valuable assets and a long tail with only residential value.

## Satellite at the rural edge

NEUTRAL, CUTS BOTH WAYS

Low Earth orbit satellite services now offer a genuine stop-gap where fixed networks fail or never arrive, and public subsidy policy leans on alternatives for the very hardest premises<sup>43</sup>. For households on a failing exclusive network this is protective, and Part Four says so. For rural altnet valuations it is a quiet cap: the scarcity premium on the hardest-to-reach fibre shrinks when a credible substitute can be live within days. Softer downside for customers, softer terminal value for sellers.



The build-to-connect shift is measured in people first. The crews that dug Britain's streets are becoming the teams that connect them. Image: BroadbandSwitch.uk.

**So what.** Four of the five forces push the same direction as the balance sheets, and the fifth is honest about cutting both ways. Nothing adjacent to this market is queuing up to save the long tail.

## The call, the odds, and how to prove us wrong.

Five sections: the method, the three futures with their weights, the resolution criteria the forecast will be marked against in 2028, the strongest case against, and the stress test this edition survived.

### 3.1 The method.

The starting point is not opinion but reference class: how did comparable situations actually resolve? Britain has run this experiment before. Cable television was built by more than 130 franchises in the early 1990s; after heavy debts and two restructurings they collapsed into two operators, then one<sup>51</sup>. Mobile went from many operators to a handful, most recently through the Vodafone and Three merger<sup>31</sup>. The base rate for capital-heavy, debt-funded networks is that they consolidate toward a very small number.

Two adjustments then apply. Pushing toward more consolidation than the base rate: the UK overbuilt harder than the cable era, carries around £9bn of debt, and converts only 18% of homes passed<sup>2,9</sup>. Pushing toward less, or slower: some networks carry little debt, community models cannot easily be bought<sup>66</sup>, and a regulator alert to duopoly risk could block deals.

Three approaches triangulate the result. Structural extrapolation follows the balance sheets: which networks can plausibly service or refinance their borrowing, given the 2026 to 2027 refinancing wall<sup>22</sup>. Reference-class forecasting weighs the international record set out in section 2.7. Scenario weighting then combines both with the structural facts, two active buyers, one gravitational incumbent and a single genuine wildcard in the CMA, into explicit probabilities. The result, held since first analysis and re-tested against everything in Part Two: 68%, 27%, 5%, published 12 June 2026.

#### PLAIN ENGLISH · WHAT IS REFERENCE-CLASS FORECASTING?

Instead of asking "how do we feel about this market?", ask "what happened to all the markets like it?". Insiders are reliably optimistic about their own survival; history is not.

**So what.** The 68% is not a vibe. It is a base rate from comparable markets, adjusted for how this one differs, and every input is on the page where you can argue with it.

# 3.2 The three futures.

EXHIBIT 15

68% · three platforms, plus a niche tail

27% · slower, messier

Probabilities published 12 June 2026 · resolution criteria in 3.3 · scored in 2028

5% · fragmented survival

The verdict, weighted. BroadbandSwitch.uk editorial model, June 2026.

| SCENARIO                        | PROBABILITY | THE WEIGHTING CASE                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Three platforms, plus a tail | 68%         | The sector loses money at scale, sits on £9bn of debt and faces a refinancing wall with banks pulled back <sup>9,21,22</sup> . Two active buyers are arming, the incumbent's gravity starves the weak, and every international precedent points to a few scale survivors <sup>37</sup> . The billion-pound moves of early 2026 are this scenario in motion. |
| B. A slower, messier shake-out  | 27%         | Consolidation drags past 2030. Most plausible trigger: the CMA blocking or heavily conditioning the largest deals at Phase 2, notably nexfibre and Netomnia, leaving more standalone survivors and a longer distressed tail <sup>57</sup> . A sharp fall in rates could also weaken the forcing function.                                                   |
| C. Fragmented survival          | 5%          | Many independents persist as standalone national businesses. Requires a steep rate cut reopening cheap refinancing and a take-up surge well past 18%, a combination with no precedent in any comparable overbuilt market <sup>37</sup> .                                                                                                                    |

The central case runs in three phases: consolidation to 2028 as the largest deals close and the refinancing wall forces exits, platform completion to 2031 as three national wholesale platforms take shape, and maturity to 2035 as take-up climbs and pricing power returns.

Movement between scenarios is specified in advance. The CMA clearing nexfibre and Netomnia at Phase 2 largely unconditionally, verdict due by 15 December 2026<sup>57</sup>, two or more further large deals closing in 2026, take-up staying below 20% and rates staying elevated would push scenario A toward 80%. A block or heavy conditions, a material fall in rates, or take-up accelerating past 30% in maturing footprints would lift scenario B sharply, and any material change to these probabilities will be published at broadbandswitch.uk with reasoning attached.

**So what.** You do not have to accept our weights. You have to accept that we have told you, in advance, exactly which events move them and by roughly how much. Watch mid-December.

## 3.3 Resolution criteria.

The forecast is written to be graded. At the end of 2028:

| VERDICT                                               | IT HAS HAPPENED IF, AND ONLY IF                                                                                                                                                                                                     |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>"Three platforms, plus a tail"</b><br><b>(68%)</b> | Three networks, Openreach plus two of CityFibre, VMO2 and nexfibre, each command national-scale wholesale or retail footprints, and the number of independent altnets above 250,000 premises has fallen to roughly a dozen or fewer |
| <b>"A slower, messier shake-out"</b><br><b>(27%)</b>  | Consolidation is clearly under way but incomplete: more than roughly twenty independent networks of scale survive, or the largest deals were blocked or heavily conditioned, leaving the three-platform structure unformed          |
| <b>"Fragmented survival" (5%)</b>                     | More than roughly forty independent altnets of scale remain standalone, with no dominant three-platform structure                                                                                                                   |

There is a technical name for this discipline: making the forecast Brier-scoreable, after the rule that rewards calibrated probabilities over lucky guesses<sup>72</sup>. Applying it needs no mathematics, only the table above and a count of the surviving networks. A scorecard against these criteria will be published in 2028, whichever way it lands.

### THE DECISION POINT

Mark the CMA's Phase 2 verdict on nexfibre and Netomnia, due by 15 December 2026<sup>57</sup>, and the 2026 to 2027 refinancing season<sup>22</sup>. If the deal clears and a clutch of weak networks change hands, scenario A is effectively confirmed. If the deal is blocked and refinancings hold, the slower path gains ground. One ruling and one refinancing season will tell you most of the ending.

**So what.** Most market forecasts cannot lose. This one can, by a stated count on a stated date, which is precisely what makes it worth anything.

## 3.4 The case against, answered.

The best evidence-based case that this forecast is wrong runs as follows. Predicted altnet consolidation has been imminent for years and has repeatedly arrived more slowly than forecast, a point industry observers make directly<sup>28</sup>. Infrastructure funds are patient capital and can hold loss-making networks rather than sell at a loss. The CMA, having scrutinised Vodafone and Three closely, may block or heavily condition the largest fibre deals: CityFibre itself argues that nexfibre buying Netomnia would re-establish an ineffective duopoly, citing an 80% overlap between the two networks<sup>49</sup>, and Point Topic puts the overlapping footprint at around 832,000 premises<sup>58</sup>. The deal now sits in a Phase 2 investigation, albeit one the parties themselves asked to be fast-tracked into, with a verdict due by 15 December 2026<sup>57</sup>. And if rates fall materially, the refinancing wall softens<sup>56</sup>. On this view the answer is a long, untidy decade of survival rather than three platforms by 2028.

Each point is real, and the 27% weight on the slower scenario exists because of them; it is a substantial probability rather than a token hedge. None, however, changes the structural facts. Patient capital still needs a return eventually, and financing costs of 121% of revenue do not wait a decade<sup>9</sup>. Even a blocked nexfibre deal likely redirects Netomnia toward CityFibre rather than preserving it standalone, so the platform count still falls<sup>24</sup>. The strongest exhibits in the counter-case, the CMA and the rate cycle, are arguments about speed, not destination.

**80%**

CityFibre's claimed overlap between the nexfibre and Netomnia networks, the slower case's best card<sup>49</sup>

**~832,000**

Point Topic's estimate of the overlapping premises<sup>58</sup>

**4 to 3**

the mobile merger the CMA cleared on remedies: the precedent that cuts our way<sup>31</sup>

**So what.** Take the counter-case seriously and it converts into a timing argument. That is why it owns 27% of the probability, and why it does not own the headline.

## 3.5 The stress test: what a hundred critics would say.

Before this edition, the analysis was challenged from the perspectives of twelve stakeholder groups. Three findings changed the report; the rest sharpened it.

### EXHIBIT 15 · THE STRESS TEST

|                                  |                            |                                |                                 |
|----------------------------------|----------------------------|--------------------------------|---------------------------------|
| 01<br>Altnet chief executives    | 02<br>Incumbent executives | 03<br>Investors and lenders    | 04<br>Regulators and economists |
| 05<br>Government and the nations | 06<br>Consumer groups      | 07<br>Journalists and analysts | 08<br>The workforce             |
| 09<br>Households                 | 10<br>Business customers   | 11<br>Forecasting specialists  | 12<br>Competition lawyers       |

Exhibit 15. The twelve stakeholder rooms the forecast was tested in. Three findings changed the report; nine sharpened it.

**Finding one: the blended take-up critique.** The operators' best punch lands squarely on the 18%: a blended average mixes footprints built last year with networks a decade old, and mature footprints convert far better than the average implies. The critique is fair, and this edition answers it with evidence rather than defence: Exhibit 7 now shows the spectrum by operator, from roughly 6% at the distressed end to the mid-thirties at the scaled survivors, derived from the filed accounts<sup>25</sup>. The refinement matters for diagnosing individual networks. It does not rescue the sector arithmetic, because the refinancing wall prices today's blended cash flows, not the take-up a footprint might earn by 2030<sup>9,22</sup>.

**Finding two: the ageing-figure audit.** Forecasts rot quietly, through figures that were true when written. The audit flagged the 47% refinancing-by-2026 finding as a 2025-vintage assessment, now labelled as such wherever it appears<sup>22</sup>, and drove the re-verification of the fastest-moving inputs for this edition: the Bank Rate hold of 18 June 2026<sup>56</sup>, the CMA Phase 2 fast-track of 1 July 2026<sup>57</sup>, the voucher scheme closure timetable<sup>64</sup> and the copper switch-off status<sup>69</sup>.

**Finding three: forecast accountability.** The forecasting community's standard is not being right, it is being auditable: publish the probabilities, log every revision with reasons, score in public<sup>72</sup>. This report now commits to exactly that. The 12 June 2026 probabilities stand on the record, every material revision will be published at broadbandswitch.uk with reasoning attached, and the 2028 scorecard lands whichever way the count goes.

### The five questions we cannot yet answer

An honest forecast names its blind spots. Five questions the room asked have no adequate public answer, and this report states so rather than estimating: true net debt per operator on a common definition, since filings lag and definitions differ; overbuild at individual address level, since footprints are published as totals; churn rates per operator, which almost no altnet discloses; the full terms behind headline deal values, including earn-outs and debt assumptions; and whether the patience of infrastructure capital outlasts the refinancing wall, which only the 2026 to 2027 season itself will reveal. Where any of these becomes public, the forecast log will absorb it.

**So what.** The forecast survived its hundred critics with refinements, not retreat. The direction held, the evidence got sharper, and the method is now auditable by anyone who wants to mark our homework before 2028 does.

# One market, three chairs: what each reader should do.

Standalone briefings for the regulator and industry, for investors and altnet boards, and for every UK household. Read yours first; each answers its own "now what".

## 4.1 For industry and the regulator.

**The settlement expects consolidation.** On 17 March 2026 Ofcom published the final statement of its Telecoms Access Review for 2026 to 2031<sup>30,54</sup>. Openreach retains significant market power across the markets that matter and must keep offering regulated access to its ducts and poles, with the fair bet principle retained: Openreach keeps the upside on its fibre investment in exchange for having carried the risk<sup>30</sup>. The structure that built a hundred networks is deliberately left standing. What has changed is the assumption underneath it: the review accepts that the market is more fragmented than anyone anticipated and that this is not a stable end state, while the government's draft Statement of Strategic Priorities says outright that the fixed market will consolidate over the review period<sup>30</sup>. When the rule-setter and the policy-setter both write consolidation into their forward plan, it has stopped being a forecast and become an assumption. Ofcom indicated it would welcome a CMA review of the nexfibre and Netomnia deal, and on 1 July 2026 that review was fast-tracked to Phase 2 with Ofcom engaged throughout<sup>57</sup>. The settlement permits the wave; the CMA polices its shape. The competitive geography is explicit: Area 2, where rival build is present or expected, holds around 54% of postcode sectors for leased lines, and Area 3, where competition is limited, around 34%<sup>30</sup>.

**The measurement problem.** Almost every argument about altnets is really an argument about definitions. Premises passed measures construction: the sector reached 19.7 million on this measure by the end of 2025<sup>2</sup>. Ready for service is narrower and inconsistently reported. Live connections is the number that pays the bills: 3.5 million, producing the 18% take-up rate at the centre of this report<sup>2</sup>. A network is financed against premises passed and survives on live connections. For a merger review the choice of measure is decisive: counted by premises passed, two overlapping networks look like vigorous rivalry; counted by live connections, the same streets may show one network with customers and one nearly empty.

### What nobody publishes

| THE GAP                          | WEIGHT | WHAT WE DO INSTEAD                                                                                                                                                      |
|----------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operator-level take-up           | High   | Sector take-up is published at 18%, but few altnets disclose their own. Exhibit 7 derives a spectrum from filed accounts, and every estimate is flagged                 |
| True net debt per operator       | High   | Aggregate debt is estimated near £9bn <sup>9</sup> , but per-company figures arrive late through Companies House. We use sector aggregates and disclosed deal values    |
| Ready for service against passed | Medium | Defined and reported differently per operator. We lean on the two consistently reported ends                                                                            |
| Overbuild at address level       | Medium | 13.4 million premises have two or more networks, around 2.5 million three or more <sup>2</sup> , but exact addresses are unknown, so exclusive footprints are estimated |

| THE GAP                  | WEIGHT | WHAT WE DO INSTEAD                                                                                                 |
|--------------------------|--------|--------------------------------------------------------------------------------------------------------------------|
| Deal multiples and terms | Lower  | Headline values are announced; earn-outs and debt assumptions are not. Implied multiples are treated as indicative |

A single disclosure would close most of this register: audited take-up and net debt on a common definition, published even annually. **Tracking the wave honestly** takes five indicators read together: the count of independent networks above roughly 250,000 premises, the take-up trajectory, deal cadence, distress events, and the overbuild ratio, whose peak marks the turning point of the cycle. Premises passed alone flatters the market; distress events alone catastrophise it.

**The wider cast.** Consolidation moves far more parties than the three platforms. The acute exposures are Project Gigabit, where subsidised contracts cover roughly 940,000 hard-to-reach premises and descoped lots have already flowed to the incumbent's £1.2bn framework<sup>43,68</sup>, and the pension and infrastructure funds, including a taxpayer-backed lender at Gigaclear, that carry the write-downs<sup>50</sup>. Wholesale-only retailers can be stranded if their host network changes hands, contractors feel the build-to-connect shift well before the deals make news, and councils face fewer, larger counterparties. The deal is signed by three parties and its consequences are shared by many.



The 2026 to 2031 settlement leaves the structure standing and writes consolidation into its assumptions. Image: BroadbandSwitch.uk.

**So what.** The regulator's job is no longer whether consolidation happens but what shape it takes. The gap register above is the disclosure agenda that would let it referee with the whole scoreboard visible.

## 4.2 For investors and altnet boards.

### The survival audit

| # | THE QUESTION                                                | WHAT A STRONG ANSWER SOUNDS LIKE                                                                                                                                             |
|---|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Is take-up above the sector's 18%, and rising? <sup>2</sup> | Materially above the sector rate and climbing. A network stuck in single digits cannot service its build                                                                     |
| 2 | Can it service debt from operating cash?                    | Cash from customers covers interest and maintenance without fresh equity or debt. If survival depends on the next raise, the next raise sets the terms                       |
| 3 | When does the debt mature, and at what rate?                | Maturities years away, or refinanced on terms set since rates normalised. A wall inside eighteen months with banks pulled back is the forced-seller profile <sup>21,22</sup> |
| 4 | Is the footprint exclusive or overbuilt?                    | Homes only this network reaches are defensible. Streets shared with two rivals split the same customers three ways                                                           |
| 5 | Is the cost base built for connecting rather than building? | The organisation has shifted from civils to sales, service and connection                                                                                                    |
| 6 | Would a larger platform gain more than it pays?             | Clear synergies, adjacent footprint, useful customers, a clean network                                                                                                       |

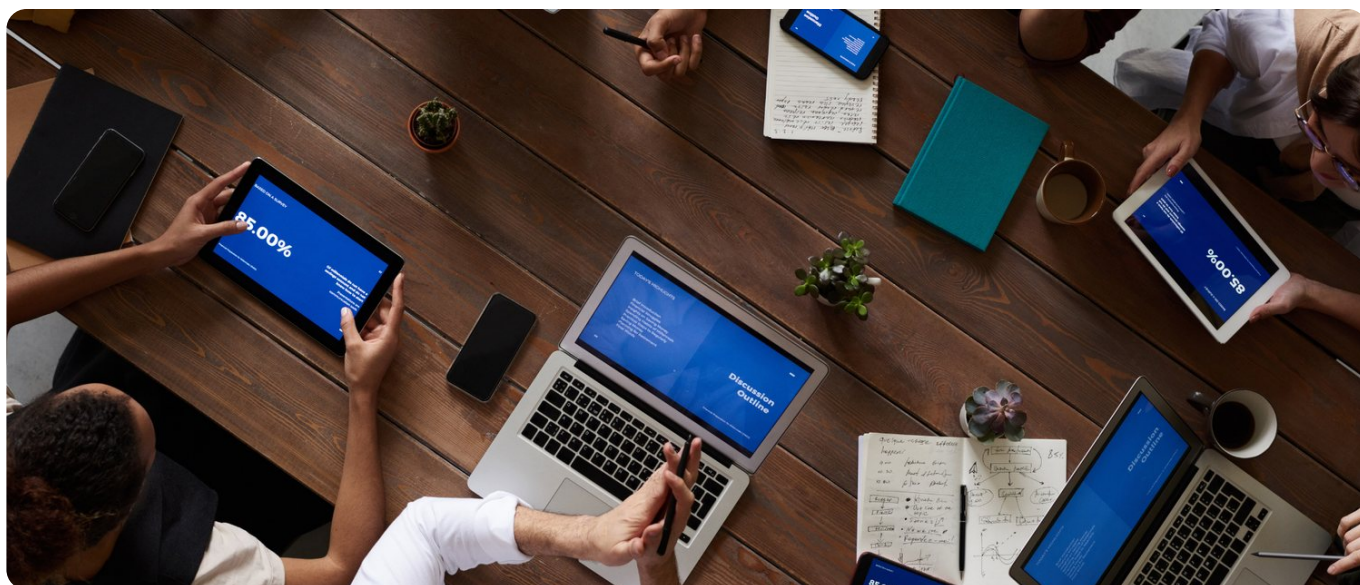
Three or more weak answers place the network on the consolidated side of the line, where the realistic choices are sell, merge or restructure, and the best outcomes go to boards that move early on their own terms. Five or six strong answers describe a consolidator, or a genuine standalone survivor.

**The line itself.** The consolidators are well-funded, lower-leverage platforms with the equity and the appetite to buy: CityFibre after its £2.3bn refinancing<sup>13</sup>, nexfibre after its move on Netomnia<sup>14</sup>. The consolidated passed homes faster than they connected them and borrowed to do it; G.Network's administration and Gigaclear's lender takeover are this side of the line in its harder forms<sup>17,50</sup>. A third destination exists narrowly: rural-exclusive or community-owned networks with low leverage and loyal, high-take-up customers, which survive precisely because they never played the overbuild game<sup>66</sup>. The deciding variable is debt-repayment capacity. Strip away the branding and the question is arithmetic: can take-up multiplied by revenue per customer service what was borrowed to build? Where it can, the network has options. Where it cannot, the network has a timetable set by whoever holds the debt.

**The refinancing wall.** Around 47% of UK fibre companies faced refinancing a material part of their debt or equity by 2026, on the 2025 assessment, with financing costs across the sector near 121% of revenue and the traditional lenders pulled back<sup>9,21,22</sup>. Debt raised at low rates must be replaced at higher ones at the precise moment take-up has yet to catch up with the build, and every month of delay raises the price of the eventual fix.

**Wholesale pivot or retail contest.** Faced with the take-up problem, networks have taken two roads. The wholesale pivot sells capacity to established retail brands: CityFibre is the purest case, wholesale-only and carrying Sky, Vodafone and TalkTalk<sup>10,13</sup>, with aggregation platforms now bundling several altnets into a single shop front. A wholesale network's value is its reach and the quality of its fibre, assets that survive a change of owner and combine cleanly with a buyer's footprint. The retail contest pits a sub-scale altnet against BT, Sky and VMO2 for every customer, with payback on acquisition costs already running past five years<sup>22</sup>. A retail base can melt away when a brand disappears, which is why retail customers are often the least durable thing a distressed altnet owns. For value, a clean wholesale network with reach tends to command a better outcome than a retail book of uncertain loyalty.

**The distress playbook.** A managed exit runs in four stages. The squeeze: take-up lags, interest rises, the next round arrives late or on punitive terms, covenants tighten. The search: a sale or merger sought from relative strength, where the best outcomes live. The lender reset: at Gigaclear, eleven lenders including a taxpayer-backed fund took the keys, accepting a haircut of up to roughly 40% on near £1bn of debt, with the equity wiped<sup>18,50</sup>. Administration and rebirth: G.Network filed in January 2026 and emerged weeks later debt-free under new ownership, with the network and customers carried through<sup>17</sup>. Both 2026 cases teach the same timing lesson. The expensive mistake is waiting until the lender, rather than the board, decides the timetable.



The survival audit in practice: six questions that settle most boardroom debates before the bankers arrive. Image: BroadbandSwitch.uk.

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## The wall does not predict consolidation. It schedules it.

**So what.** Run the six questions this quarter, not next year. The 2026 to 2027 refinancing season rewards boards that chose their buyer before their lender chose for them.

## 4.3 For every UK household.

**If your provider is bought.** The connection is the asset the buyer paid for, so the overwhelming likelihood is that your broadband keeps working, often with no interruption at all. What can change is the brand on the bill, the account system and, over time, the price: the most common real-world effect of consolidation arrives at your next renewal, when an introductory rate can step up. What can improve is service: a larger, better-funded owner can bring stronger support and faster fault repair than a stretched start-up. Before any transfer completes, record your current price, speed and contract end date; your existing terms should be honoured, and if a new owner changes them to your material disadvantage mid-contract you typically gain the right to leave without penalty.

**If your provider fails.** Even in administration or a lender takeover, the fibre is the most valuable thing the company owns, and administrators and new owners keep it running because a dark network is worth far less than a lit one. G.Network's customers were carried through its 2026 administration; Gigaclear's lender takeover was a balance-sheet event its customers mostly never noticed<sup>17,50</sup>. The genuine risk case is a small, exclusive network with no Openreach or Virgin alternative that is wound down rather than rescued. It is uncommon, because exclusive rural networks are often the most attractive to a rescuer, but it is the case worth knowing your position on in advance, and it is where a satellite service can serve as a genuine stop-gap.

**The gap households should know about.** Unlike energy and water, broadband has no statutory safety net if a network operator fails. When the energy supplier Bulb collapsed in 2021, the law let the government step in, at an eventual cost of £6.5bn<sup>59</sup>. No equivalent law exists for broadband: households are protected by the value of the fibre and by ordinary insolvency rules, not by a guarantee. For an essential service, that is a policy gap for government to close rather than a reason for alarm, and this report's regulatory briefing places it on the record.

**The choice window.** In the millions of homes passed by two or three networks, competition is keeping prices keen and switching generous<sup>2,3</sup>, and that pressure eases as the number of rivals on a street falls. Industry rules make moving straightforward, and in most cases the new provider manages the switch. Sometimes the right move is none at all: a strong connection at a fair price is not worth abandoning because the owner changed.

### THE SCAMS THAT FOLLOW CONSOLIDATION

Periods of change are gifts to fraudsters. Expect calls, texts and emails claiming your provider has changed and demanding you confirm bank details or click a link to keep your service. A genuine provider does not work this way. Verify any notice through the number on your own bill, never one supplied in the message.



For most households the shake-out arrives as a renewal letter, not a disconnection: the fibre stays live and the connection keeps working through any change of owner. Image: BroadbandSwitch.uk.

The full household guide, including the five steps to take if your provider changes hands and how to check every network that reaches your address, is published free at [broadbandswitch.uk](https://broadbandswitch.uk).

**So what.** For almost every household the practical risk is a price step at renewal, not a dead connection. Note your price, note your end date, and use the choice window while your street still has rivals on it.

## The valuation, the owners, and the filed accounts.

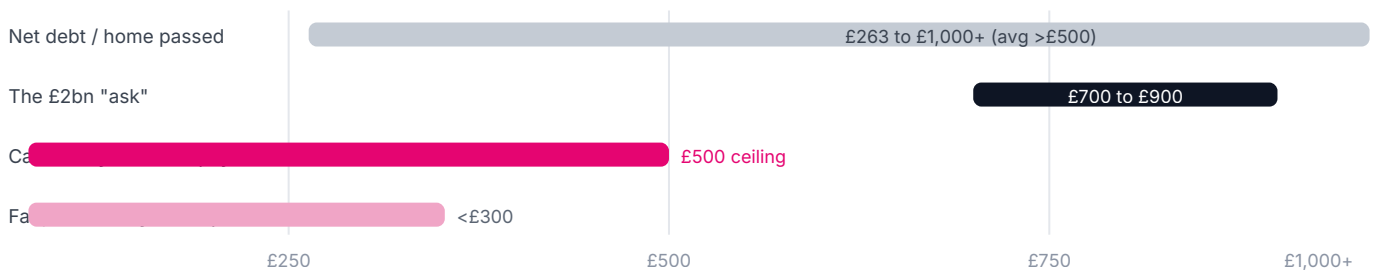
What the market is worth per home passed, whose money is concentrated where, what the Companies House record actually says, the distress signals, and the Crown Dependencies.

### 5.1 Market and network value.

Investment totals depend on scope, so this report shows them separately rather than combining them. Assembly Research, commissioned by nexfibre, reports £21.4bn invested across the whole sector from 2020 to 2025; Intelligens Consulting tracked top-10 altnet secured investment across 2022 to 2024; and on the wider private-equity-backed definition covering 2018 to 2023, more than £40bn entered UK fibre<sup>7,14,47</sup>. The money coming in has collapsed either way: new debt financing fell from £1.2bn in 2023 to £600m in 2024 and about £170m by early 2025, across a handful of deals<sup>22</sup>.

Fibre is valued per home passed, and the nexfibre and Netomnia deal shows why headline prices and cash reality diverge. The average altnet carries £263 to more than £1,000 of net debt per home passed<sup>22</sup>. The £2bn ask equated to roughly £700 to £900 per home. Enders' Karen Egan set the cash ceiling near £500, because new fibre can be built for about that and a cable overlay added for £100 more, and put a fair overlap-adjusted price below £300 a home given that Netomnia and Virgin Media O2 overlap heavily<sup>9</sup>. Wider context: scaled wholesale fibre trades at 8 to 12 times EV/EBITDA, with 15 to 20 times reserved for strategic scarcity<sup>62</sup>, and build costs run from £303 per premises in urban footprints to £1,803 in deep rural<sup>61</sup>.

#### EXHIBIT 16



The per-home-passed ladder for the nexfibre and Netomnia deal<sup>9,22</sup>.

#### THE £500 YARDSTICK

Treat £500 per home passed as the cash benchmark for a UK fibre network, treat overlap as a discount toward £300, and treat the £2bn Netomnia price as a strategic outlier rather than a comparable.

**So what.** Anchor every deal headline to the ladder. A price above £500 a home is buying strategy, not fibre, and the gap between ask and cash is where the next year's negotiations live.

# 5.2 Funding concentration and ownership.

The funding markets consolidated before the operators did. Analysys Mason found that since 2021 about 70% of capital raised by challenger fibre operators went to three firms: CityFibre around 60%, roughly £6bn, Netomnia around 7% and Gigaclear around 4%, with the remaining 29% spread across every other altnet. Over the same window the number of mergers and acquisitions matched the entire previous decade and their combined value surpassed it by around three and a half times<sup>60</sup>. Investors stopped backing the field and backed a shortlist.

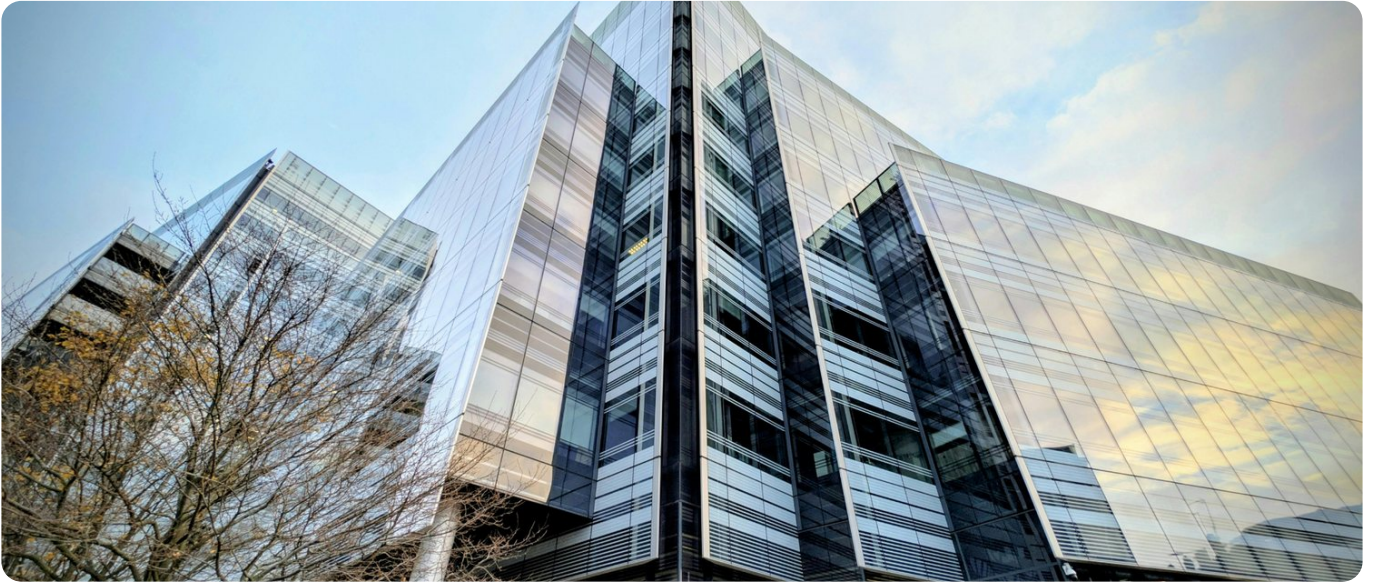
Behind the brands sit a small number of infrastructure funds, several holding more than one altnet, and those investors are the real consolidation vectors. DigitalBridge backs both Netomnia and Freedom Fibre. The National Wealth Fund, the taxpayer's vehicle, now sits among Gigaclear's owners and CityFibre's lenders<sup>50</sup>. When one investor holds several altnets, merging them is the natural next step, which is what Fern Trading did with its four networks. The clearest read on appetite came in June 2026, when the Financial Times reported KKR and Warburg Pincus exploring exits from Hyperoptic and Community Fibre<sup>15</sup>: appetite for retail-facing altnet risk is cooling while appetite for scaled wholesale platforms holds, so the next wave of deals will be investor-led.



Share of capital raised by challenger FTTP operators since 2021 · Netomnia dark, Gigaclear grey

The money picked its winners before the deals did<sup>60</sup>.

| OPERATOR                    | PRINCIPAL BACKERS                                     | STATUS, JUNE 2026                                                    |
|-----------------------------|-------------------------------------------------------|----------------------------------------------------------------------|
| CityFibre                   | Antin, Goldman Sachs Alternatives, Mubadala, Interogo | Designated consolidator <sup>13</sup>                                |
| Netomnia / Substantial      | Advencap, DigitalBridge, Soho Square                  | Being acquired by nexfibre <sup>14</sup>                             |
| nexfibre                    | InfraVia, Liberty Global, Telefonica                  | Acquiring platform <sup>14</sup>                                     |
| Hyperoptic                  | KKR                                                   | Exploring sale <sup>15</sup>                                         |
| Community Fibre             | Warburg Pincus, DTCP                                  | Exploring sale <sup>15</sup>                                         |
| Gigaclear                   | Lenders including the National Wealth Fund            | Lender-controlled, equity wiped <sup>50</sup>                        |
| G.Network                   | FitzWalter Capital                                    | Out of administration, for sale <sup>17</sup>                        |
| Zzoomm / FullFibre          | Oaktree, Basalt Infrastructure                        | Merged, integrating <sup>19</sup>                                    |
| Freedom Fibre and Truespeed | DigitalBridge, Equitix, Aviva                         | Merging under TCGL <sup>15</sup>                                     |
| Voneus                      | Macquarie, Tiger Infrastructure                       | Refinanced to 2030; absorbed Broadway Partners in 2023 <sup>67</sup> |



Behind the brands sit a handful of infrastructure funds, and the funding map already looks like the end-state market. Image: BroadbandSwitch.uk.

**So what.** Watch the investors, and the exits they choose, because the funding map already looks like the end-state market. Three names took seven pounds in every ten; the deals are catching up with the money.

## 5.3 The filed accounts reckoning.

What the operators told Companies House, read from the accounts. A handful have crossed into adjusted-EBITDA profit; many more carry negative equity or rely on a parent's promise of funding. The health signal reflects the balance sheet, not service quality.

| OPERATOR           | YEAR | REVENUE | ADJ.<br>EBITDA  | LOSS / NET<br>LIABILITIES      | PREMISES /<br>CONNECTIONS | HEALTH SIGNAL             |
|--------------------|------|---------|-----------------|--------------------------------|---------------------------|---------------------------|
| CityFibre (CFIH)   | FY24 | £133.9m | +£5.7m (first)  | Operating loss £176.6m         | 4.4m passed / 518k        | Scaled survivor           |
| Netomnia group     | FY25 | £104m   | +£5m (first)    | Net debt £905m                 | 3m+ RFS / 445k            | Being acquired            |
| Community Fibre    | FY25 | £113m   | +£49.8m         | Loss before tax £118.5m (FY24) | ~1.3m passed / ~450k      | Scaled survivor           |
| Hyperoptic         | FY24 | £114m   | +£2.7m (first)  | Pre-tax loss £144m             | 1.9m passed / 374k        | Going-concern note        |
| Gigaclear          | FY23 | £33.8m  | Positive (2026) | Pre-tax loss £138.3m           | ~600k / ~170k             | Lenders took control      |
| Fibrus (Ox Holdco) | FY25 | £29.5m  | +£1.5m (first)  | Net liabilities £62m           | ~400k / 150k              | Negative equity           |
| MS3 Networks       | FY25 | £5.38m  | Positive (2026) | Net assets +£143.4m            | 239k / 22k                | Equity-funded             |
| WightFibre         | FY25 | £9.16m  | +£0.95m (first) | Net liabilities £76.0m         | ~90% of island / 36%      | Negative equity           |
| Ogi (Spectrum)     | FY24 | £7.8m   | Negative        | Net liabilities £88.2m         | ~110k RFS / 20k           | Negative equity           |
| Voneus             | FY25 | £6.33m  | Negative        | Loss before tax £38m           | ~100k / 26k               | Refinanced to 2030        |
| Truespeed          | FY24 | £9.27m  | Negative        | Net liabilities £109.9m        | 109k RFS / 24k            | Merging with Freedom      |
| Quickline          | FY24 | £3.86m  | Negative        | Net assets +£58.7m             | Yorkshire / Lincolnshire  | Equity-funded             |
| Airband            | FY24 | £6.67m  | Negative        | Net liabilities ~£45m          | ~91k FTTP RFS             | Going-concern note        |
| 4th Utility        | FY25 | £4.74m  | ~negative £5m   | Equity turned negative (£1.6m) | Doubled subscribers       | Into negative equity      |
| Grain Connect      | FY24 | n/d     | Positive (2025) | Loss £19.3m                    | 250k / 43k                | Low debt per home (~£147) |

Exhibit 18. Sources: Companies House filed accounts, 2023 to 2026, read directly or via ISPreview, thinkbroadband, Fibre Provider, Light Reading and Telecompaper; Enders Analysis<sup>8,9,25</sup>. "First" denotes a maiden positive adjusted EBITDA. Some December year-end FY2025 accounts were unfilled at the time of writing; operational-update figures may be revised on audit. Revenue and loss figures are at the legal entity stated; connection bases (passed against ready for service) differ as shown and feed Exhibit 7.

**So what.** The register does not lie and it does not flatter. Read down the health column and the consolidation splits into three lists: the buyers, the bought, and the handful whose balance sheets bought them time.

## 5.4 Distress signals and the register check.

The same headline, "altnet in trouble", hides three realities. **The going-concern note:** an auditor flags material uncertainty, as Airband's 2024 accounts do in stating that funding required from 1 September 2025 "has not been identified and secured", and as Hyperoptic's 2022 and 2023 accounts did before its KKR backing and Openreach wholesale pivot<sup>8</sup>; the outcome is rescue or pivot if a backer steps in.

**Negative equity:** liabilities exceed assets, confirmed at Ogi, WightFibre, Truespeed and Fibrus among others; these operators are not yet failing, but they cannot raise equity at a sensible price, so they become acquisition targets, often to a same-investor sibling. **The lender takeover:** debt cannot be serviced, so lenders act, as at Gigaclear and, through administration, G.Network<sup>17,50</sup>.

The leading indicators are public. When a sponsor declines to fund a committed tranche, or an auditor adds a material-uncertainty paragraph, history suggests roughly two to four quarters to a restructuring. On that test, the operators in deepest negative equity with the largest lender impairments are the names to watch through 2026 and 2027.

Every consolidation principal named in this report was checked against the public register, and any reader can repeat the check at Companies House. The majors: CityFibre Holdings Limited 07488363, Nexfibre Networks Limited 12175177, Netomnia Limited 12008248, Substantial Group Limited 12315611, Gigaclear Limited 07476617, G.Network Communications Limited 10057745, Hyperoptic Ltd 07222543, Community Fibre Limited 07413288. The full validation table, with incorporation dates, registered offices and persons of significant control, carries over from the first edition as an appendix.

**So what.** Distress announces itself in filings months before it makes headlines. Two public signals, a declined tranche or a material-uncertainty note, buy you two to four quarters of warning if you are watching.

## 5.5 The Crown Dependencies.

Jersey, Guernsey and the Isle of Man sit outside this report's main forecast but inside its logic. Where the mainland built a hundred rival networks, the islands never fragmented: each is served by a single dominant operator, with retail competition layered over one wholesale network. Jersey's States-owned JT completed 100% fibre to the premises years ago, one of the first jurisdictions in the world to do so<sup>39</sup>. Guernsey's Sure is delivering a £37.5m States-backed rollout, near-complete by the end of 2026, with JT reselling over its wholesale network<sup>40</sup>. On the Isle of Man, Manx Telecom is the incumbent and designated fibre provider, including a £10m contract covering nine hard-to-reach intervention zones under the National Broadband Plan<sup>41</sup>; island data is largely operator-sourced and graded accordingly.

Consolidation arrived on the islands in 2026 by a different route. JT Group and the infrastructure investor CVC DIF agreed to acquire Manx Telecom, approved in April 2026 under the National Security and Investment Act 2021 subject to conditions on continuity of services to UK government and the establishment of a cyber-security group, creating the largest full-service telecoms provider across the Crown Dependencies<sup>42</sup>. The logic is the mainland's, scale through combination, reached from a starting point of monopoly rather than overbuild.

**100%**

Jersey full-fibre coverage, completed by States-owned JT years ago<sup>39</sup>

**£37.5m**

Sure's States-backed Guernsey rollout, near-complete by end 2026<sup>40</sup>

**April 2026**

UK approval of the JT and Manx Telecom combination under the NSI Act 2021<sup>42</sup>

**So what.** The islands show the destination without the detour: one network per island, competition at the retail layer, and consolidation arriving through ownership rather than overbuild. The mainland is taking the expensive route to a similar shape.

## CLOSING

### The desk view, the watchlist, and how we grade ourselves.

Where the analysis nets out, the eight signals that will confirm or break it, the evidence grades behind every figure, and how to cite the work.

## The desk view, the watchlist and the evidence grades.

The facts in this report are not seriously in dispute: a hundred-plus networks, an 18% take-up rate, losses of £1.5bn in a single year, and a refinancing wall arriving with the banks already stepped back<sup>2,9,21,22</sup>. The two billion-pound moves of early 2026 are the consolidation in motion<sup>13,14</sup>. The judgement, the 68% central call, is that this ends in three national platforms and a niche tail; the 27% weight on the slower path exists because the CMA and the rate cycle are real.

*This panel is reserved for a named, attributable comment from an independent industry figure in the published edition.*

### The watchlist: eight signals to 2030

| # | THE SIGNAL                                                                              | WHAT IT WOULD TELL YOU                                                                                                                |
|---|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The CMA Phase 2 verdict on nexfibre and Netomnia, due by 15 December 2026 <sup>57</sup> | The single biggest swing factor. A clean approval confirms the fast path; a block or heavy conditions strengthens the slower scenario |
| 2 | CityFibre's next acquisition <sup>13</sup>                                              | With an £800m facility earmarked for buying, the next target it names marks the wave running                                          |
| 3 | The 2026 to 2027 refinancing season <sup>22</sup>                                       | Which networks refinance cleanly, and which are forced to sell or restructure when the wall arrives                                   |
| 4 | Sector take-up <sup>2</sup>                                                             | A climb toward the mid-twenties signals healthy consolidation; a stall near 18% signals continued distress                            |
| 5 | Further administrations or lender takeovers                                             | After G.Network and Gigaclear, each new distress event confirms the shake-out is balance-sheet driven                                 |
| 6 | The Bank Rate path <sup>56</sup>                                                        | A material fall softens the refinancing wall; rates staying high do the opposite. Held at 3.75%, 18 June 2026                         |
| 7 | Private equity exits <sup>15</sup>                                                      | Sales by the funds behind Community Fibre, Hyperoptic and others would confirm the wave reaching the larger names                     |
| 8 | The overbuild ratio <sup>5</sup>                                                        | Networks per home ceasing to rise, then falling, marks the turning point of the whole cycle                                           |

Tracking only two of the eight, make them the CMA verdict and the refinancing season. Between them they resolve most of the uncertainty in this forecast.

# Weighing the evidence.

Not every figure deserves equal trust, so each claim in this report is graded.

| GRADE         | WHAT IT MEANS                                                                                  | EXAMPLES IN THIS REPORT                                                                                                                                |
|---------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Confirmed     | Stated by the primary source itself: a regulator, a company announcement or an official filing | The Access Review settlement; the announced deal values and dates; the CMA Phase 2 referral of 1 July 2026; the voucher scheme value and closure dates |
| Corroborated  | Reported consistently by two or more independent, credible sources                             | The 19.7 million premises and 18% take-up figures; the PSTN switch-off timetable; the rising overbuild counts                                          |
| Single-source | From one authoritative source, reliable but flagged                                            | The Enders loss and debt estimates; the AlixPartners refinancing and survey figures; the vouchers' delivery-share decline                              |
| Derived       | Calculated or inferred by us from sourced inputs, or an illustrative projection                | The operator take-up spectrum in Exhibit 7; the crystallised-losses estimate in Exhibit 9; the scenario weights and survivor-count thresholds          |

No statistic appears without a value, a date, a scope and a named source, and every claim now carries a superscript number resolving to the reference list. Where sources disagree, the report states whether it is a difference of definition or a genuine contradiction. Where the report judges rather than knows, it is labelled a forecast.

### THE ECONOMY AT STAKE

#### The gain already banked

The overbuild race was wasteful of capital, but it was not wasteful for consumers. Competition helped push average broadband prices down around 6% in real terms in a recent year, lifted full fibre to around 85% of UK premises by July 2026, years ahead of any single-network timetable, and handed millions a faster line at the same price or less<sup>3,74</sup>. That consumer surplus is real, and much of it is already in people's pockets.

#### The cost that could return

The risk sits on the far side of consolidation. Fewer networks on a street means less of the downward pressure that delivered those gains, and the cross-country record on mobile four-to-three mergers links concentration to higher prices even where it lifts investment per operator<sup>53</sup>. The policy task is to keep the competition that lowered bills without the fragmentation that could never pay for itself.

## About, and how to cite.

**The author.** Dr Alex J. Martin-Smith CMgr MBA LLM DBA is the founder and director of the company behind BroadbandSwitch.uk and writes its authority reports, of which this is the twenty-seventh, applying a consistent house method: answer first, grade every figure, and never use a statistic without a value, a date, a scope and a named source.

**The reviewer.** This report was reviewed by Adrian James, who challenges the analysis, the sourcing and the forecast before publication. The review does not soften the conclusions; it tests whether they survive scrutiny. Any errors that remain are the author's own.

**About BroadbandSwitch.uk.** BroadbandSwitch.uk helps UK households and businesses understand the broadband market and switch with confidence. Alongside its comparison tools, it publishes evidence-graded authority reports on the forces reshaping UK connectivity, from the analogue phone switch-off in the previous report to the fibre market consolidation forecast in this one, designed to be read by households, boards and regulators alike, and to be checkable by all three.

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**Dr Alex J. Martin-Smith**

Author · Founder, BroadbandSwitch.uk

A stylized, handwritten signature of Dr Alex J. Martin-Smith in black ink.



**Adrian James**

Reviewer · Sales Director  
and Broadband Editor

A stylized, handwritten signature of Adrian James in black ink.

**The forecast log opens at [broadbandswitch.uk](https://broadbandswitch.uk).**

# The **acronym** decoder.

Every abbreviation in this report, translated once and properly. Telecoms loves its alphabet; the reader should not have to.

|                  |                                                                                                                                         |                        |                                                                                                            |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------------------------------------------------------------------------------------------|
| <b>Altnet</b>    | <b>Alternative network.</b> A company building its own full fibre in competition with Openreach                                         | <b>nexfibre</b>        | <b>The Virgin Media O2 fibre build vehicle.</b> A joint venture of Liberty Global, Telefonica and InfraVia |
| <b>ARPU</b>      | <b>Average revenue per user.</b> The monthly revenue a network earns per connected customer                                             | <b>NWF</b>             | <b>National Wealth Fund.</b> The taxpayer-backed investor and lender, now among Gigaclear's owners         |
| <b>BDUK</b>      | <b>Building Digital UK.</b> The government body running broadband subsidy, including Project Gigabit                                    | <b>Ofcom</b>           | <b>Office of Communications.</b> The UK communications regulator: sets the wholesale rules, not the deals  |
| <b>brsk</b>      | <b>A UK altnet retail brand.</b> Part of the Substantial Group, sold to Virgin Media O2 in the Netomnia deal                            | <b>Openreach</b>       | <b>The BT Group access division.</b> Runs the largest wholesale network; made a separate company in 2017   |
| <b>CMA</b>       | <b>Competition and Markets Authority.</b> The UK competition regulator reviewing the nexfibre and Netomnia deal                         | <b>Overbuild</b>       | <b>A second or third fibre network.</b> Built past a home an existing network already reaches              |
| <b>DSIT</b>      | <b>Department for Science, Innovation and Technology.</b> The department behind the gigabit programme                                   | <b>PIA</b>             | <b>Physical Infrastructure Access.</b> Renting Openreach's ducts and poles to lay your own fibre           |
| <b>EBITDA</b>    | <b>Earnings before interest, tax, depreciation and amortisation.</b> A profit measure that excludes the biggest costs of building fibre | <b>Premises passed</b> | <b>Homes a network can reach.</b> A construction measure, wider than premises actually connected           |
| <b>Equinox</b>   | <b>Openreach's discounted full-fibre pricing offer.</b> A lever that pulls retail demand toward the incumbent                           | <b>PSTN</b>            | <b>Public Switched Telephone Network.</b> The old analogue phone system, retiring 31 January 2027          |
| <b>EV/EBITDA</b> | <b>Enterprise value to EBITDA.</b> The multiple used to value a network against its earnings                                            | <b>RFS</b>             | <b>Ready for service.</b> Premises ready to order now, narrower than premises passed                       |
| <b>FTTC</b>      | <b>Fibre to the cabinet.</b> Fibre to the street cabinet, copper for the last stretch                                                   | <b>SMP</b>             | <b>Significant market power.</b> The regulatory designation Openreach holds in wholesale access            |
| <b>FTTP</b>      | <b>Fibre to the premises.</b> Full fibre, all the way into the building                                                                 | <b>TAR</b>             | <b>Telecoms Access Review.</b> Ofcom's 2026 to 2031 wholesale settlement, effective 1 April 2026           |
| <b>GBVS</b>      | <b>Gigabit Broadband Voucher Scheme.</b> Public vouchers funding hard-to-reach connections, closing March 2028                          | <b>Take-up</b>         | <b>The share of premises passed that are connected.</b> The number on which altnet economics turn          |
| <b>INCA</b>      | <b>Independent Networks Co-operative Association.</b> The altnet trade body and author of State of the Altnets                          | <b>VMO2</b>            | <b>Virgin Media O2.</b> The cable-and-mobile operator behind the nexfibre build                            |
| <b>MPF</b>       | <b>Metallic Path Facility.</b> A fully unbundled line run on a rival's own exchange kit                                                 | <b>WLR</b>             | <b>Wholesale Line Rental.</b> Renting BT's copper line to sell on; the product being withdrawn             |

## MISSING A TERM?

The full living glossary, kept current beyond this report's print date, is at [broadbandswitch.uk](https://broadbandswitch.uk).

# Every figure, sourced.

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#### A NOTE ON SOURCES AND DATES

Some analyst figures, notably the Enders loss and debt estimates, the AlixPartners survey findings and the vouchers' delivery-share decline, are authoritative but single-source, and are graded accordingly. All web sources were verified to 12 June 2026; the Bank Rate, the CMA process status, the reported sale processes, the voucher scheme timetable and the copper switch-off figures were re-verified on 5 to 6 July 2026. Crown Dependencies data is largely operator-sourced and graded down for that reason. Trustpilot scores were captured mid June 2026 and fluctuate daily. The acronym decoder and the full Companies House validation appendix carry over from the first edition.

# Count the platforms in 2028.

We will be keeping score in public.

The Great Consolidation is the twenty-seventh BroadbandSwitch.uk authority report: an evidence-graded forecast of the UK fibre market, written to be read by households, boards and regulators alike, and to be checkable by all three. Seventy-five referenced sources. Resolution criteria published in advance. Probabilities on the record since 12 June 2026, with every material revision logged at [broadbandswitch.uk](https://broadbandswitch.uk).

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