



VALENTIAM
GROUP | TRANSFER PRICING
VALUATION

CABLE SYSTEM VALUATION

"HOW FIBER DEEP IS IMPACTING VALUES"

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14th Annual TFI Technology Conference
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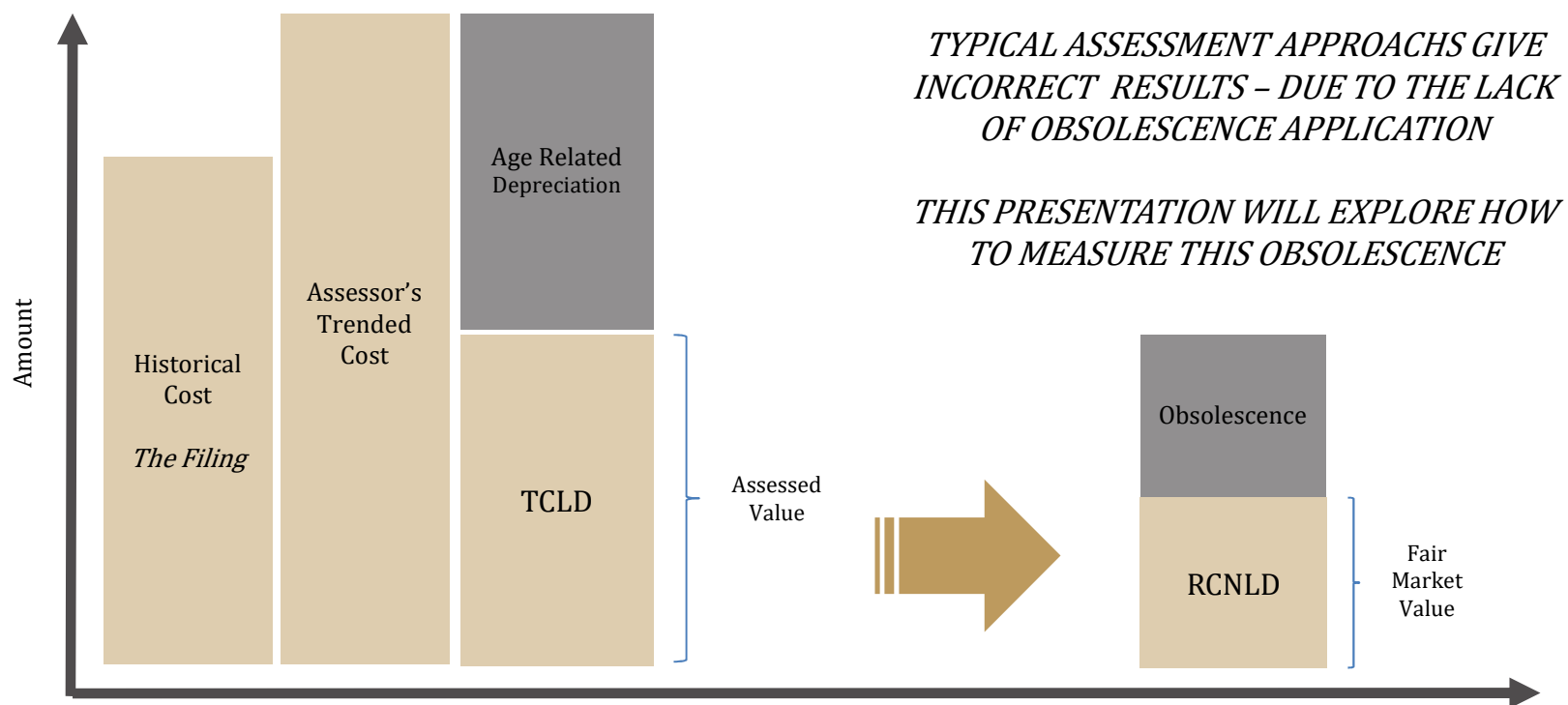
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STEPS TO VALUING A CABLE SYSTEM

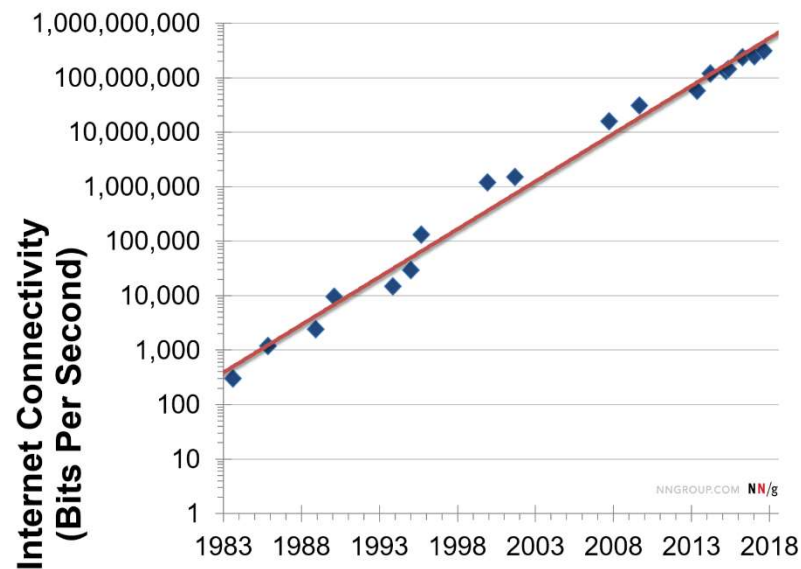


WHAT IS DRIVING THE OBSOLESCENCE



- Customer Demand for Broadband speeds
- Technological Advancements
 - Computer Hardware
 - Software
 - Methods & Standards

NIELSEN'S LAW OF INTERNET BANDWIDTH

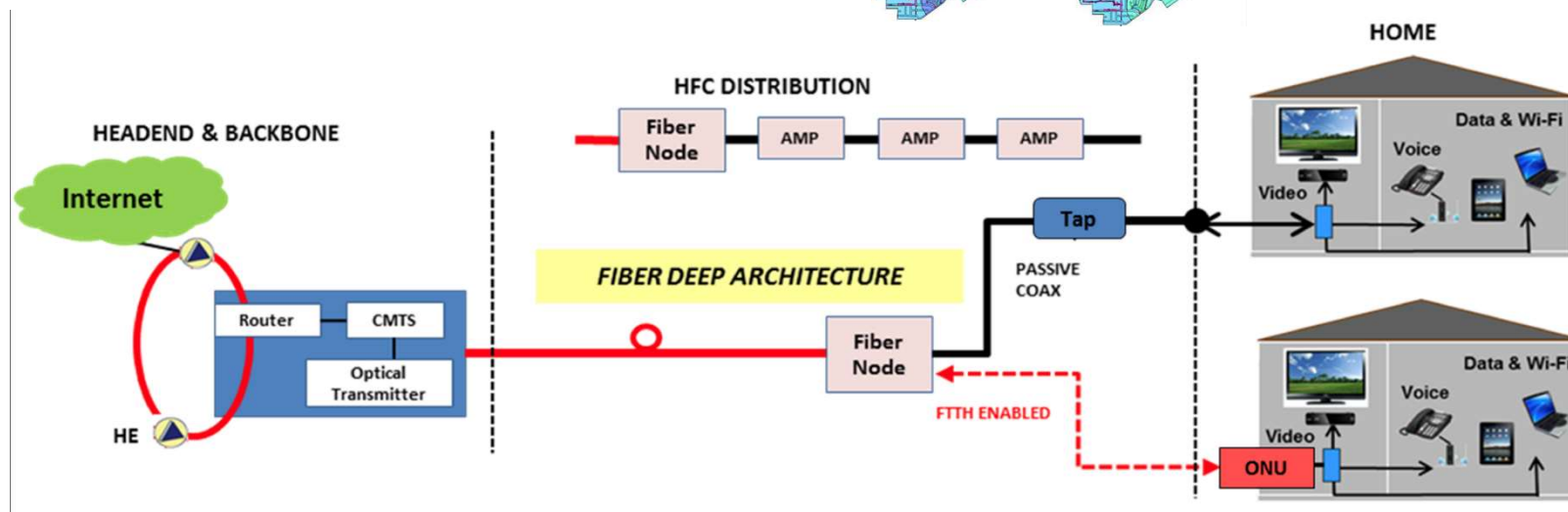
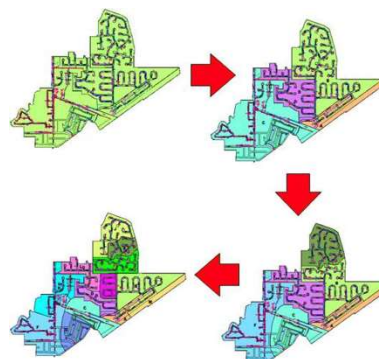


- Nielsen's law is similar to the more established Moore's law. Growth rate is 50% per year. This has held true for over 36 years.
- Moore's law (as adjusted by David House) says that computers double in capabilities every 18 months, which corresponds to about 60% annual growth.
- Bandwidth will remain the gating factor in the experienced quality of using the internet medium.

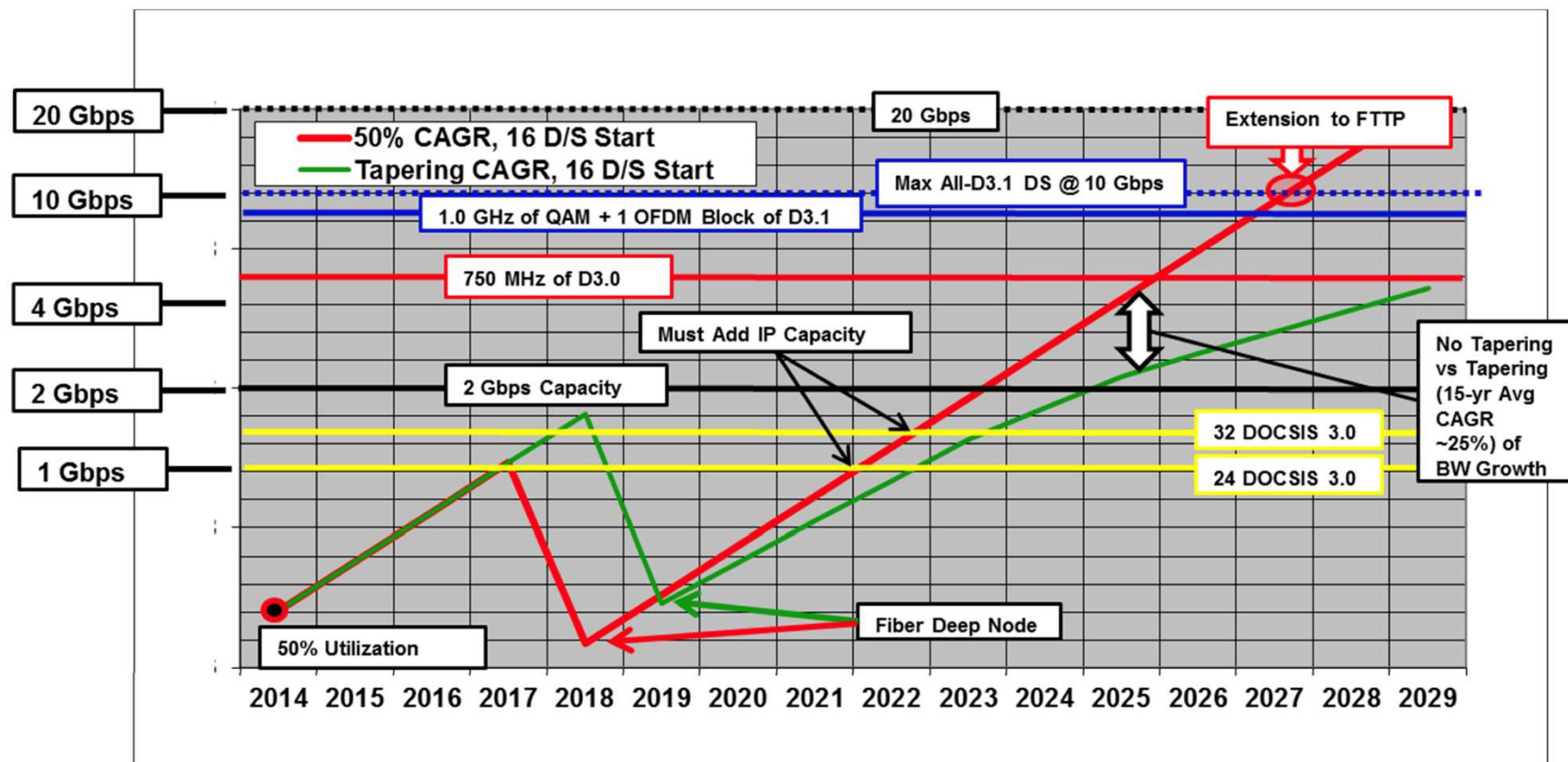
CABLE INFRASTRUCTURE

An Evolving Network

- Node Splitting
- DOCSIS 3.0 to DOCSIS 3.1 (10gD/2gU)
- Fiber Deep (NODE +0)
- Fiber to the Home

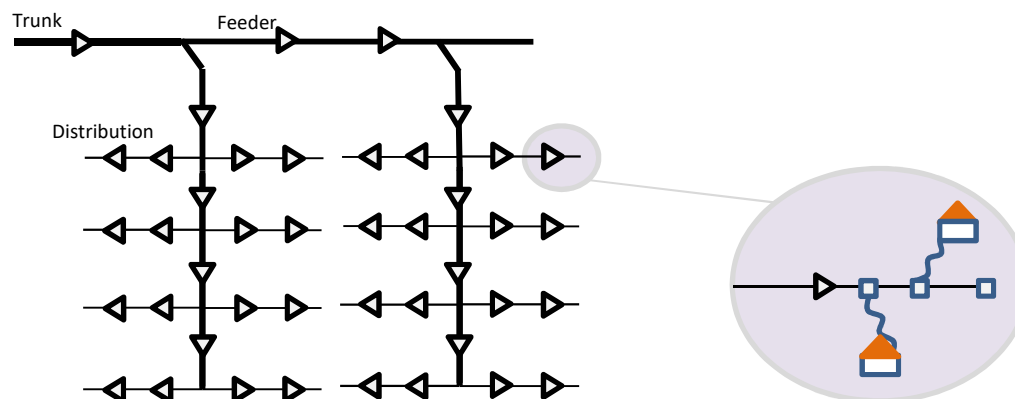
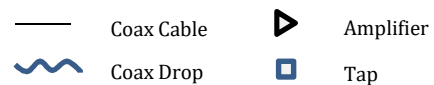


CABLE NETWORK FUTURE

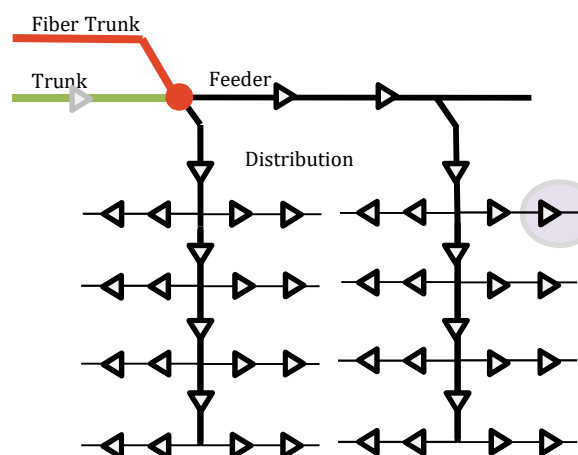


In the beginning...

Coaxial System

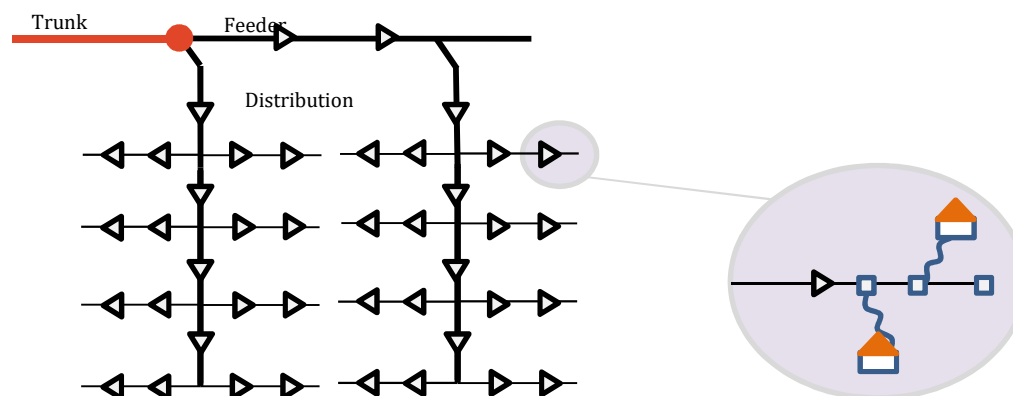


Early HFC System Overlay



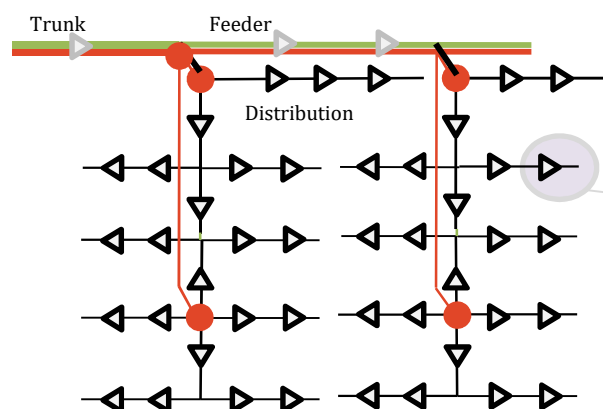
*Early obsolescence:
Trunk cable with
amplifiers, power supplies*

Early HFC System Greenfield

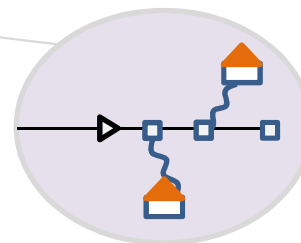


Today in transition...

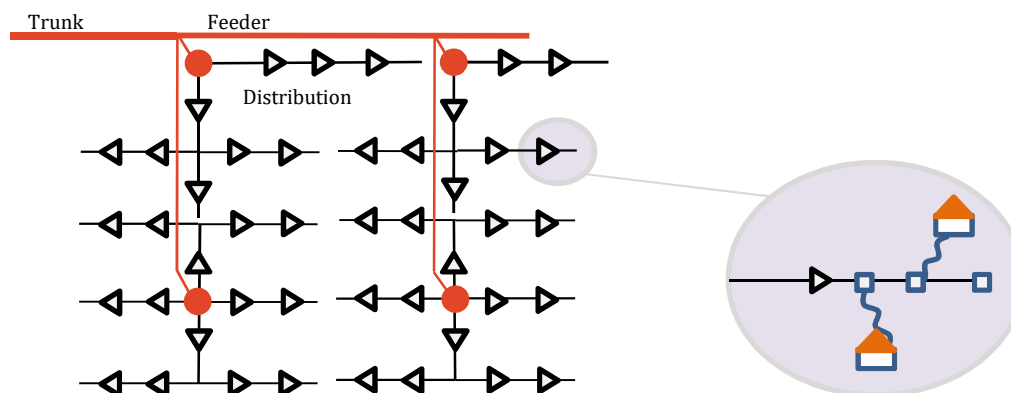
HFC System N+x *Overlay*



*Early obsolescence:
Feeder cable from last tap
in new cluster, with
amplifiers, power supplies.*

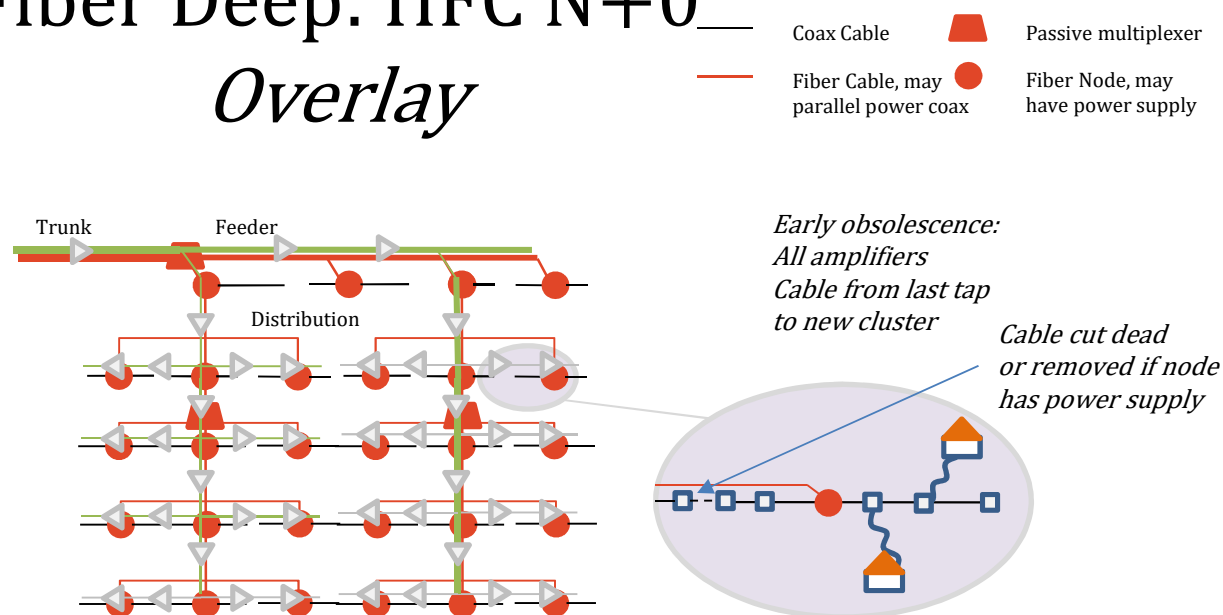


HFC System $N+x$ *Greenfield*



Near term...

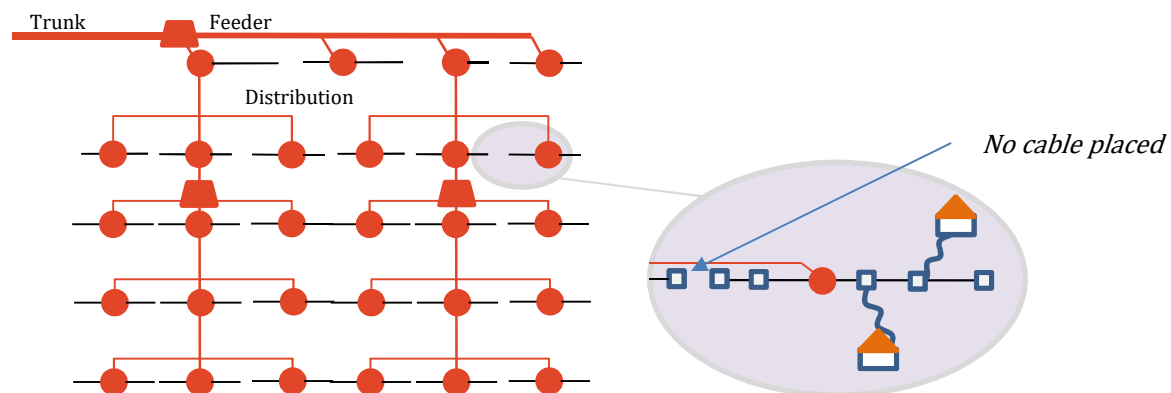
Fiber Deep: HFC N+0 *Overlay*



Fiber Deep: HFC N+0

Greenfield

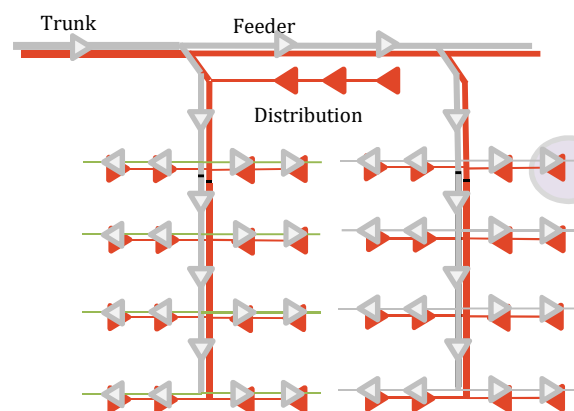
Coax Cable  Passive multiplexer
Fiber Cable, may parallel power coax  Fiber Node, may have power supply



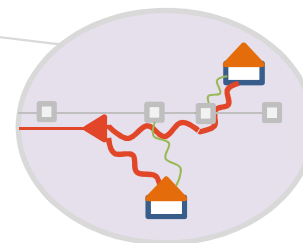
Long-term...

FTTP System *Overlay*

- Fiber Cable
- ~ Fiber Drop
- Passive multiplexer
- Fiber NAP

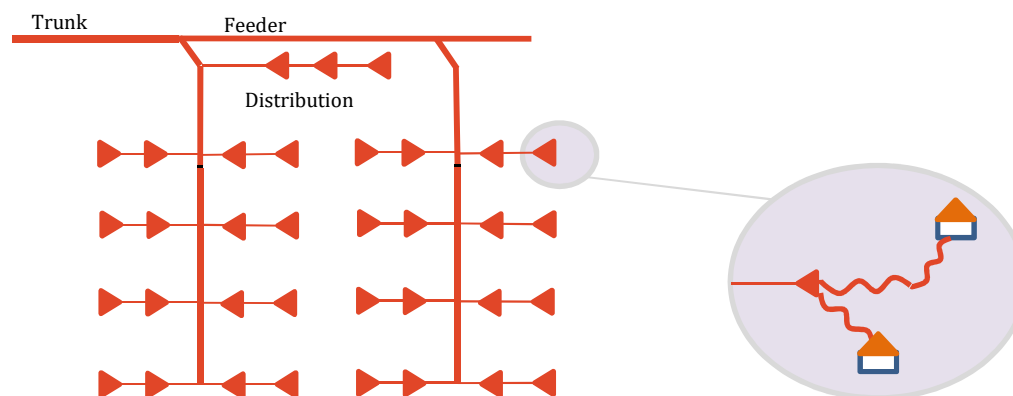


*Early obsolescence:
All amplifiers and power supplies
All coax cable and drops*



FTTP System *Greenfield*

- Fiber Cable
- ~ Fiber Drop
- Passive multiplexer
- Fiber NAP



STEPS TO VALUING A CABLE SYSTEM

