

A turning point for Europe's fibre markets:

A change in sentiment to reflect the
market realities

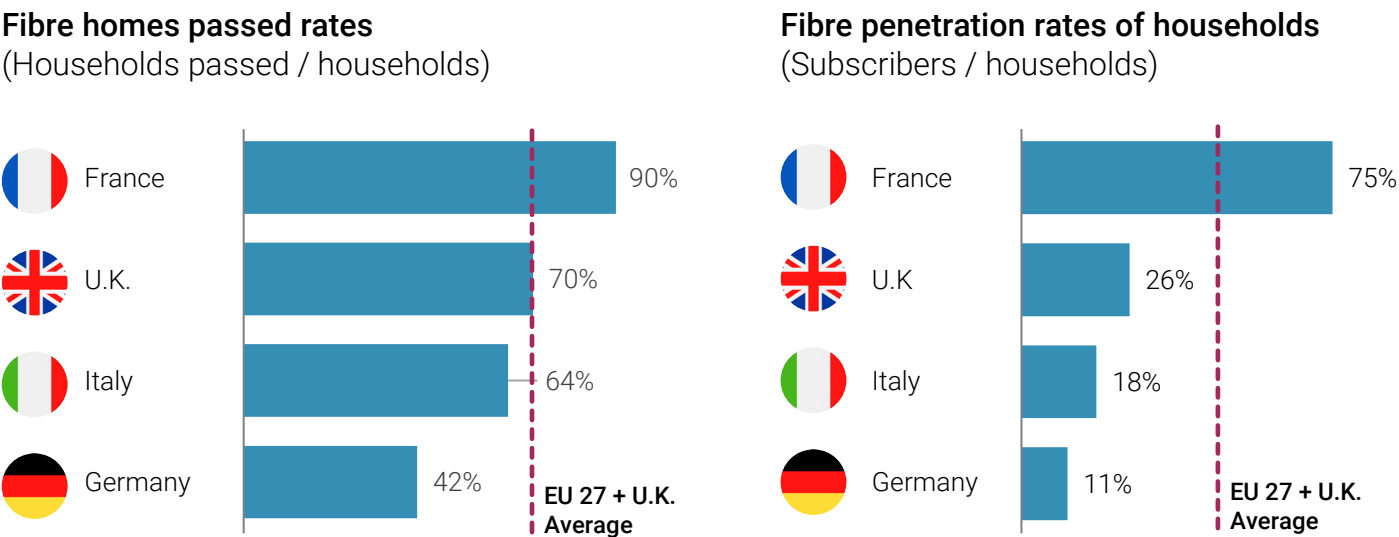
With some of Europe’s fibre markets being radically reshaped in recent years by business plan underperformance, rising competition, and funding constraints, AlixPartners’ 2026 survey reveals how these markets are individually evolving in this context.

On average, around 70% of homes have now been passed by fibre network rollout across the EU 27 and the U.K., but a number of countries sit below this average. Italy lags the average at around 65% and Germany is significantly below at just over 40% homes passed.

But that’s only part of the story. Monetisation of the already rolled out networks in Germany, the U.K., and Italy lags significantly behind the EU-27+U.K. average, despite significant investment in these markets. Effects from delays in rollout, particularly on the activation side, and commercial underperformance over a number of years have accumulated.

In contrast, having followed a different regulatory model, the French market is very mature, with high fibre network penetration and monetisation at economically sustainable levels.

Figure 1: EMEA fibre network rollout status

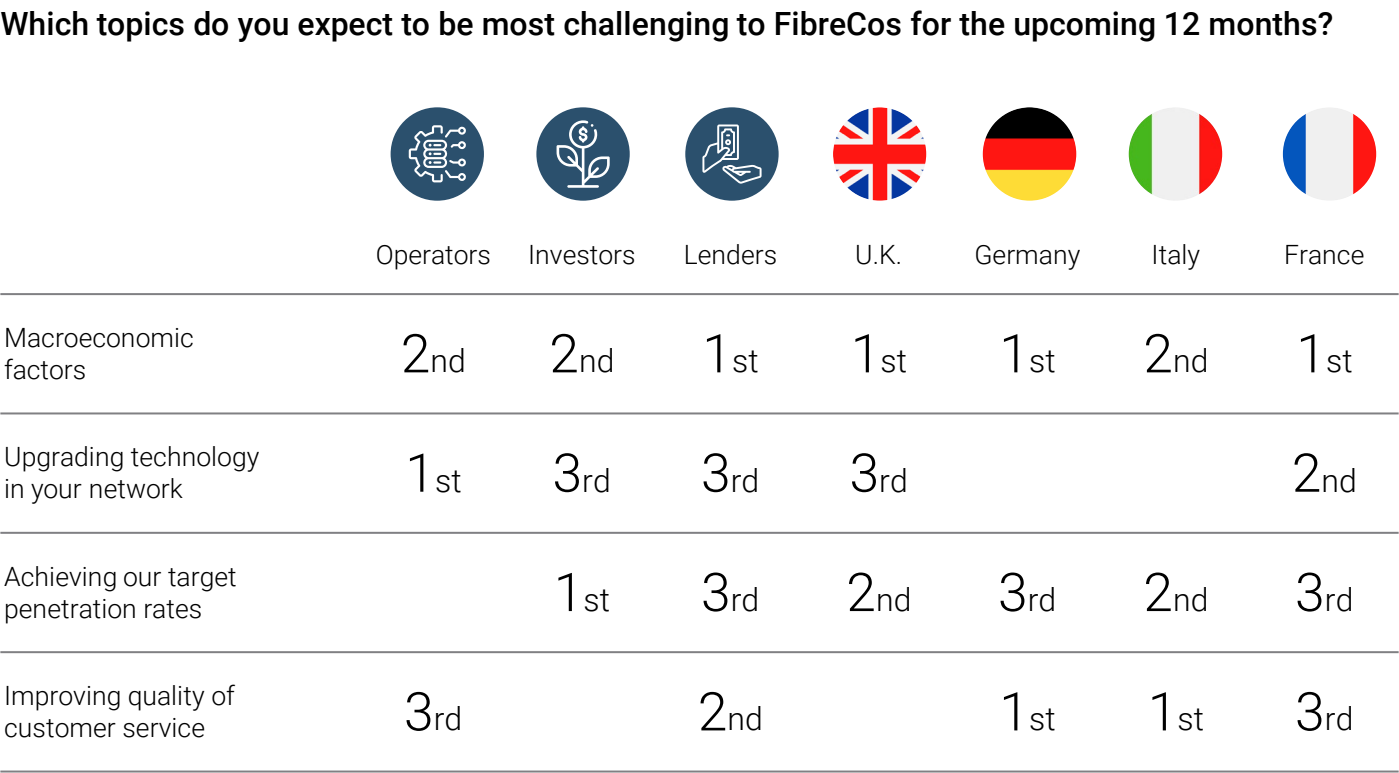


Source: FTTH Council Europe, 2025; AlixPartners

Going into 2026, the top five challenges facing fibre companies (FibreCos) range from macroeconomic factors to upgrading network technology to achieving target penetration rates to realising average revenue per user (ARPU) levels. While some of these pressure issues are external – and largely beyond industry influence – a number of the challenges that could determine the future sustainability and success of FibreCos are in their gift to determine.

As the industry continues its shift away from network growth to improving financial fundamentals and operating performance, lenders are scrutinising company performance on penetration rates and realising ARPUs more than ever. This, in turn, is impacting debt financing – as more companies face refinancing in 2026.

Figure 2: Biggest challenges for FibreCos in 2026 (top 3 ranked)



Note: Represents only those challenges identified by respondents as their single most important issue (rank 1)
Only the top 4 challenges shown.

Source: AlixPartners’ European Fibre Survey 2026

This report takes a closer look at four key countries which reflect the common and differing nature of the challenges facing European FibreCos – the U.K., Germany, Italy and France. We also look back at last year’s survey to see how the operating context, commercial performance, and funding prospects have changed since 2025.

Scope of this survey

For the 2026 AlixPartners European Fibre Survey, we canvassed 195 market experts in the U.K., Germany, France, and Italy on operational, commercial, funding and M&A topics. The respondents were a mix of investors and lenders, as well as the management teams of operators.

Four key trends we explore in this report:

1

Greater cost and efficiency focus – to both manage cash and demonstrate profitability

With prolonged funding processes, operators will need to make significant cost reductions, improve capability and efficiency to preserve cash and maximise existing funding.

2

A strong focus on take-up rate improvement

Lender and investor scrutiny and sentiment, following years of business plan underperformance, are sharpening the focus on boosting take-up and revenue, including through wholesale.

3

An increasing funding need but low availability

65% of FibreCos need refinancing this year or next, while availability has decreased. Lenders and investors are focused on solid profitability and free cash flows, a healthy capital structure, and operational rollout.

4

The drumbeat on consolidation is getting louder

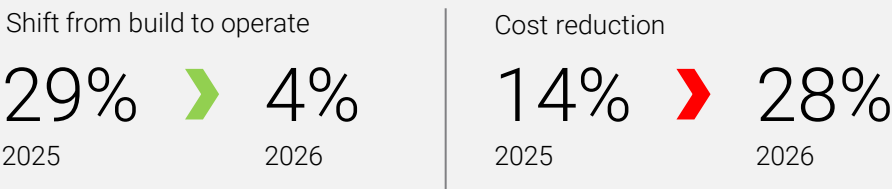
A widespread consolidation focus – that's increased on 2025 levels – puts a greater emphasis on preparing for consolidation across the sector.

From 2025 to 2026: Changing expectations and signs of target improvements

As last year's survey focused primarily on the U.K. and Germany, the 2026 survey reveals key shifts in sentiment across operational, commercial performance, funding, and consolidation questions in these countries.

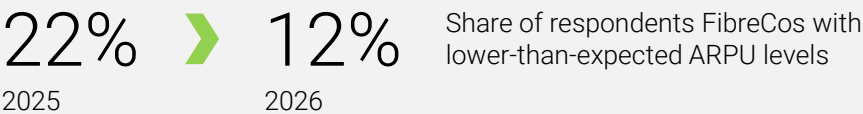
In 2025, the key operational challenge was making the transition from building to operating networks, whereas this year cost reduction is the number one operational focus.

Cost reduction has overtaken shift from build to operate as FibreCos' top operational focus for 2026



Sentiment and performance on ARPU have shifted too. Going into 2025, 62% of respondents in the U.K. and Germany were expecting ARPU to be squeezed. But the number of respondents reporting lower than expected ARPU levels this year is less than the level in 2025: only 12% of respondents said ARPU levels were lower than anticipated, whereas 22% reported lower than expected ARPUs in 2025.

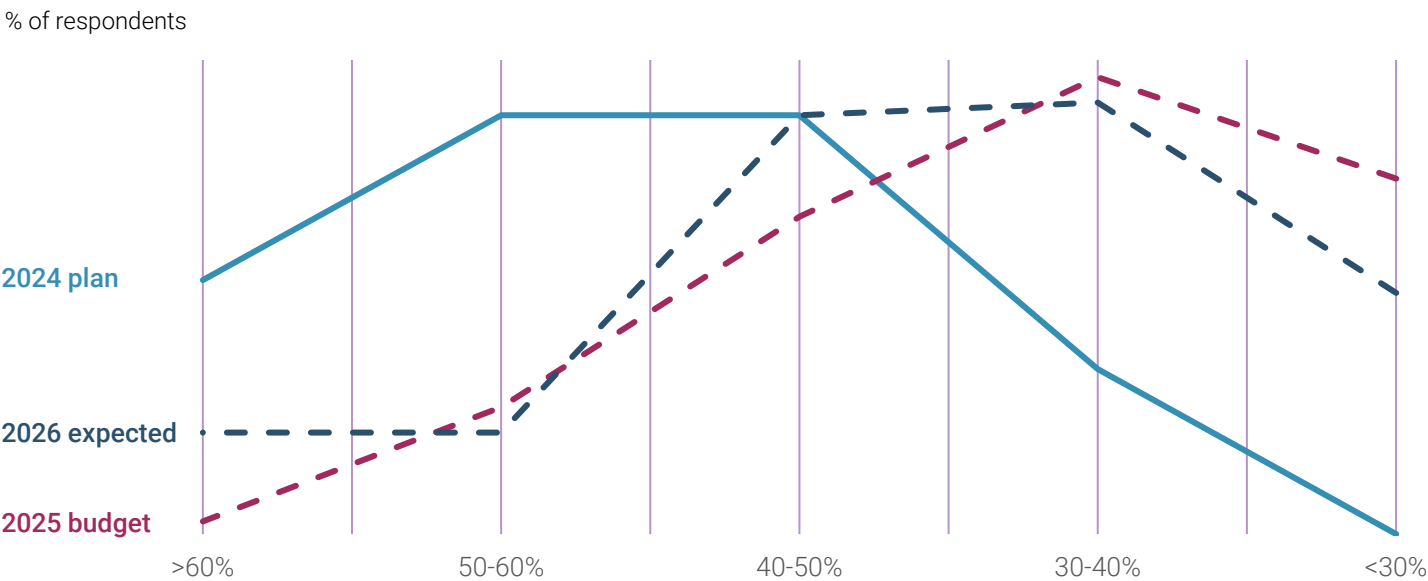
Realising ARPU levels is becoming less of a challenge



Source: AlixPartners' European Fibre Survey 2026

Figure 3: Original vs. revised target penetration rates

Business plan penetration rates are stabilising below original levels



Source: AlixPartners' European Fibre Survey 2026

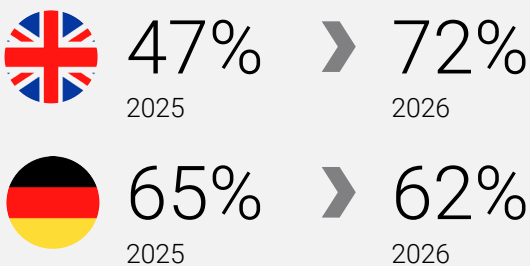
After such a large reset in 2024/2025, and with strong focus on take-up, consolidation, and wholesale channels over the last year, some more optimism is not unexpected.

In 2025's survey, we saw a large disconnect between operators' original plans and their expectations. While expectations in 2026 have improved, they are still significantly below original assumptions, reflecting a stabilisation of overly ambitious plans at more realistic estimates.

On funding availability, equity was the biggest funding concern in 2025. However, this has been joined by availability of debt across the sector, with respondents now most concerned about debt availability.

In fact, whether debt or equity, more fibre companies will require funding this year or next compared with

Share of FibreCos that need re-financing



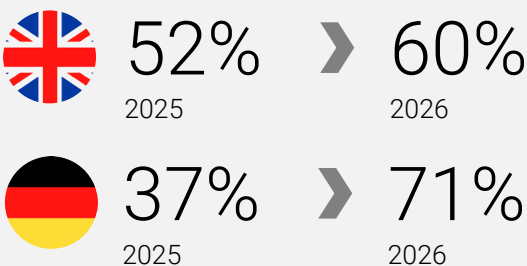
2025. A similar level of German FibreCos are in this position (65% in 2025, 62% in 2026), but significantly more U.K. respondents face an impending funding call, up from 47% to 72%.

Given these financing requirements, it is perhaps no surprise that expectations of consolidation activity in the next 12 months have grown in the U.K. and Germany as we move into 2026.

Synergies are the key driver of consolidation in the U.K. In Germany, however, fire sales due to distress have become the expected number one driver for consolidation, reflecting the ongoing struggle to refinance, even for established players in the market.

Changing M&A expectations

Share of respondents who expect strong or very strong M&A activity levels in the next 12 months



Source: AlixPartners' European Fibre Survey 2026

Regional perspectives and key themes for 2026



In the U.K.: cost reduction is the main operational focus. Driving take-up is another priority, with localised sales and marketing efforts (e.g. door-to-door approaches) considered most effective. FibreCos here are also likely to consider adapting their operating model (given the ongoing focus on driving take-up).

In France, even though target take-up rates are the highest of all four markets due to local franchising leading to limited overbuild, one of the key areas of focus is activating homes. Despite the established nature of the market, broadband satellite operators are also predicted to have some impact here.

In Germany, FibreCos are also focused on improving take-up rates, but prefer digital sales and customer service channels in their own retail efforts. However, focus is increasingly shifting towards wholesale and 70% of respondents welcome the arrival of ServCos (e.g. ISPs, which do not own and instead resell the fibre infrastructure of others) to the market, hoping for positive effects on wholesale sales.

In Italy, where achieving build-out plans is the top challenge, the primary operational concern is the delivery quality and pace of contractors, and supply chain issues.

Looking at the expectations of investors, lenders and operators for the year ahead, four key themes emerged from the survey:



1

Greater cost and efficiency focus – to both manage cash and demonstrate profitability



2

An increasing funding need but low availability



3

A strong focus on take-up rate improvement



4

The drumbeat on consolidation is getting louder

1

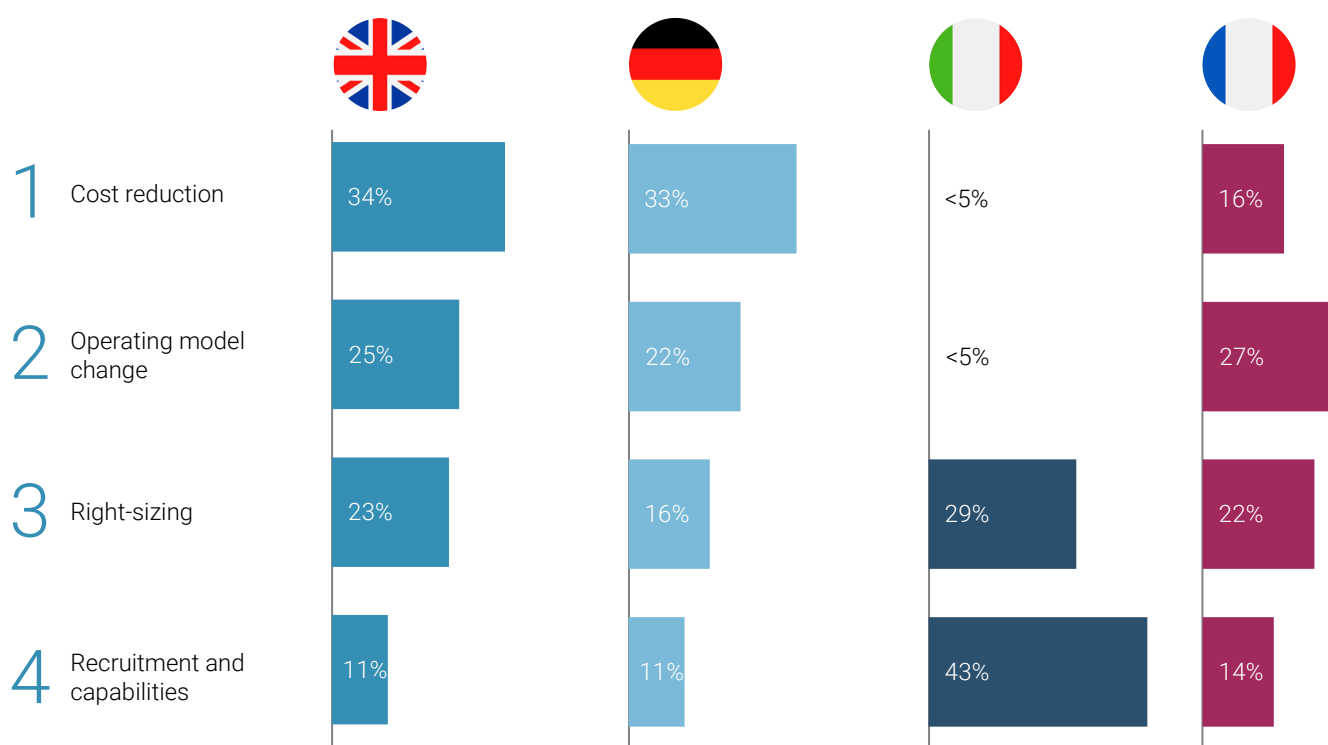
Greater cost and efficiency focus – to both manage cash and demonstrate profitability

While respondents were most concerned with the shift from network build-out to operation before, they are now focused on rapidly reducing costs and becoming more effective at network construction. This also calls for operating models to be adapted.

Cost becomes central

Figure 4: Biggest operational challenges for operators by country

Which operational issues are most critical for your business over the coming 12 months?



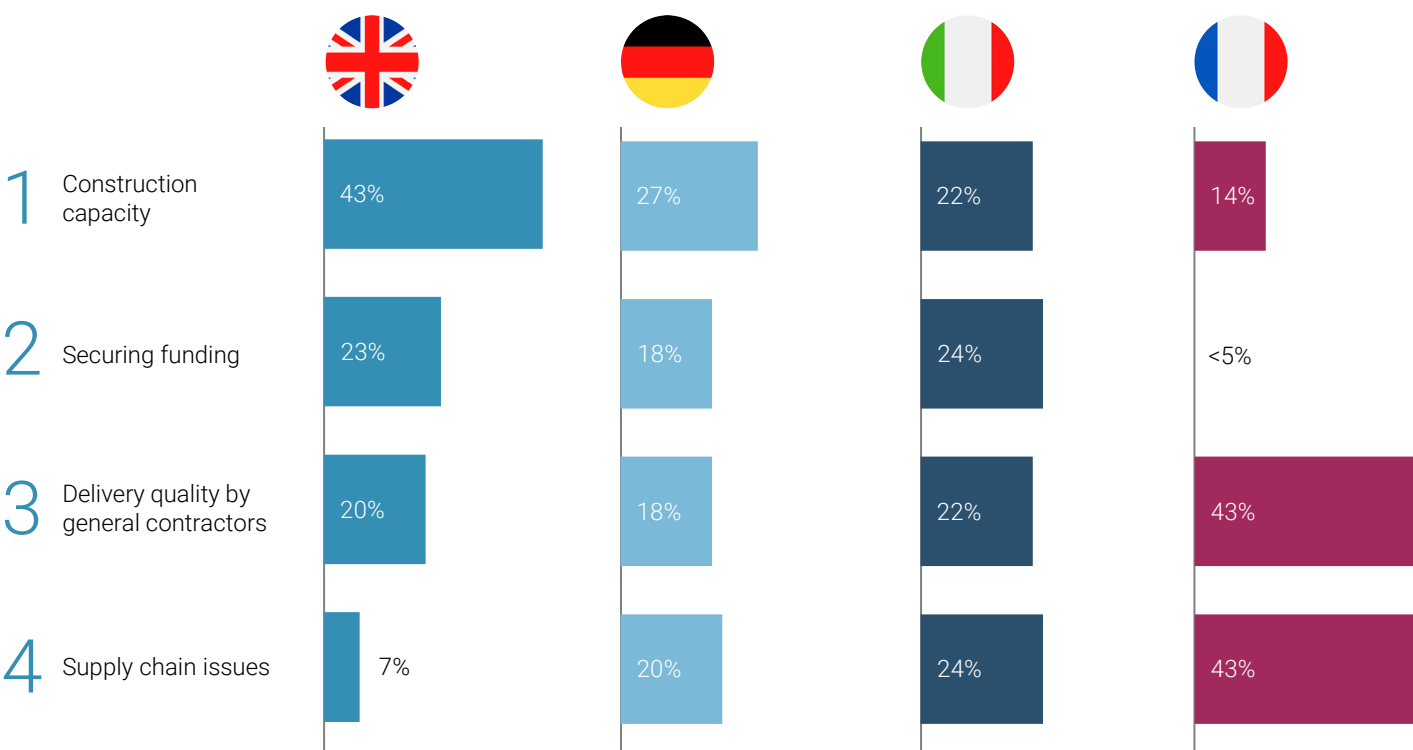
Note: Represents only those challenges identified by respondents as their single most important issue (rank 1)

Source: AlixPartners' European Fibre Survey 2026

Figure 5: Biggest build-out challenges for operators, by country

In considering your build-out in the next year, what is the most important challenge?

Most important challenge in build out (overall ranking)



Note: Represents only those challenges identified by respondents as their single most important issue (rank 1)

Source: AlixPartners’ European Fibre Survey 2026

In Germany and the U.K., survey responses suggest that construction capacity is a challenge for operators, but AlixPartners’ recent experience alongside the survey responses indicates that operators are struggling to find construction capacity that allows them to build out networks at cost levels in line with their (original) business plans. The challenge in these markets is finding construction capacity at the right cost, rather than having sufficient capacity, given that many build-out plans have been reduced for 2026.

In Germany, respondents also report contractor capability and a focus on homes passed – rather than activating customers – as major operational pain points. Poor build quality and weak construction partner management by operators are adding to execution challenges in network rollout.

Italian FibreCos are struggling with ineffective construction, but respondents there are more concerned with delivery quality, the pace of contractors, and supply chain issues.

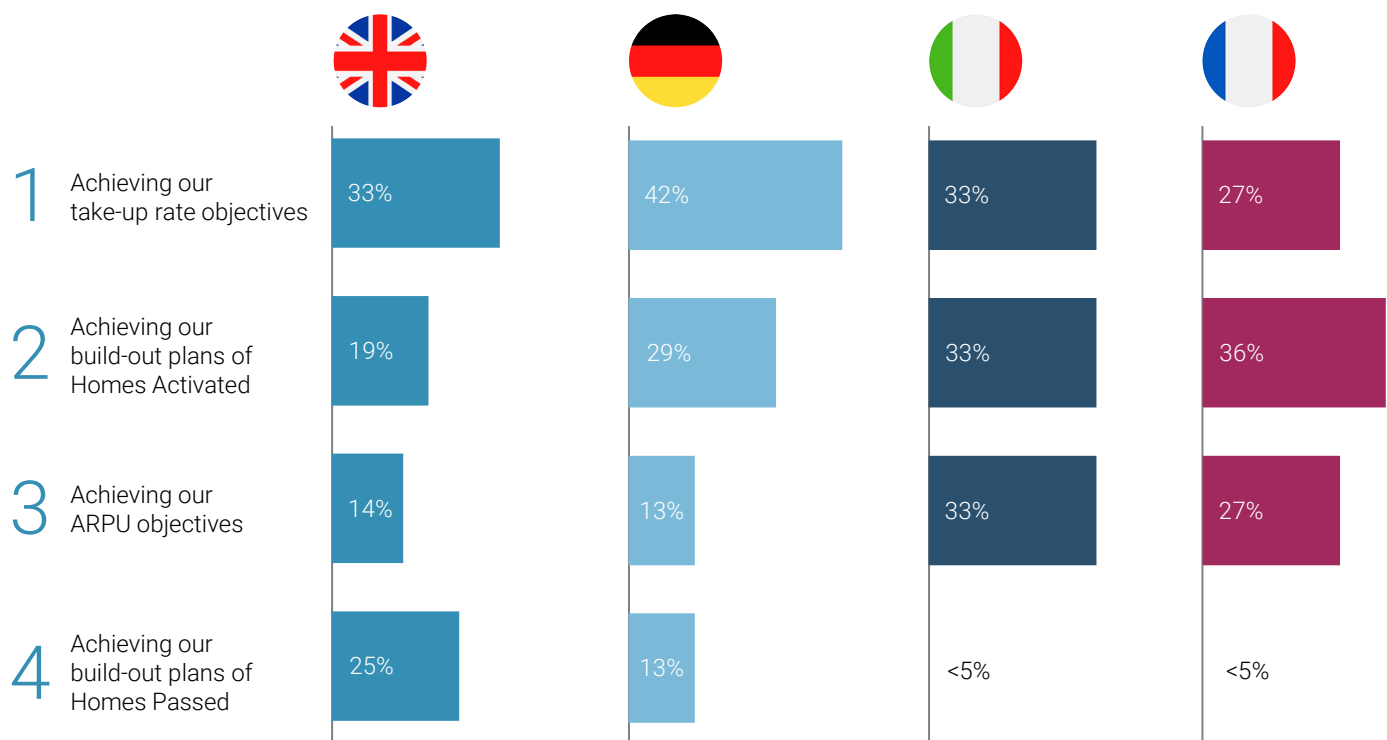
2

A strong focus on take-up rate improvement

FibreCos are increasingly focused on achieving take-up rate objectives and meeting targets for the number of homes passed that are also activated, despite contractor and contract incentives inhibiting these commercial objectives.

Figure 6: Biggest challenges in growing revenues, by country (overall ranking)

What is the greatest challenge in growing revenue from your fibre operations?

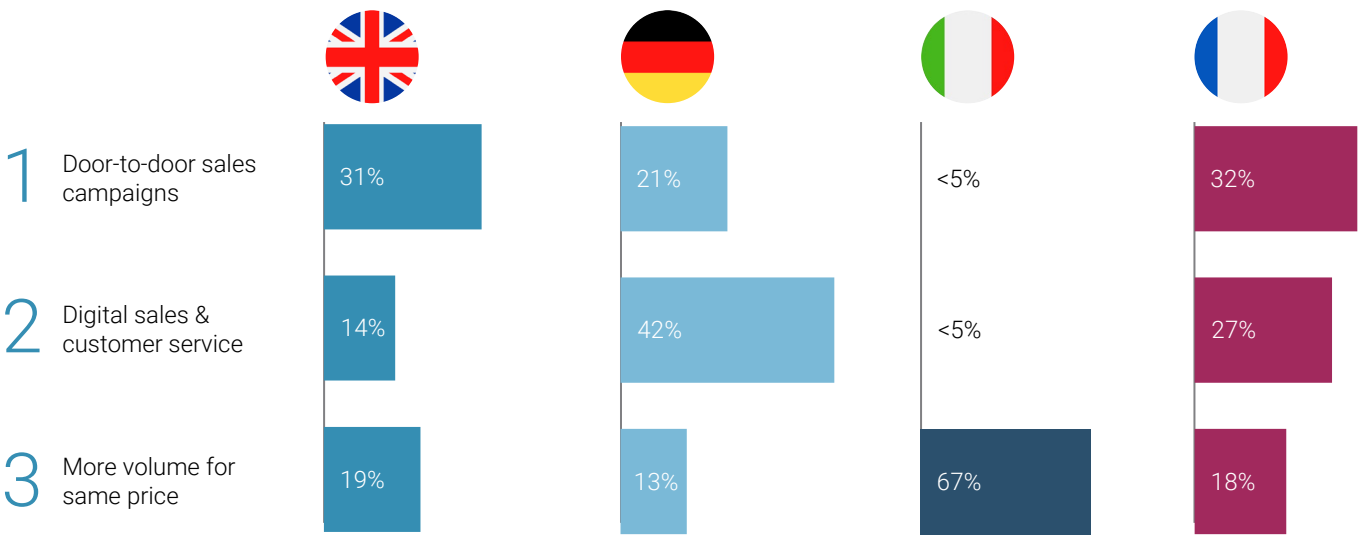


Note: Represents only those challenges identified by respondents as their single most important issue (rank 1)

Source: AlixPartners' European Fibre Survey 2026

Figure 7: Door-to-door and digital sales are prominent strategies to improve take-up (overall ranking)

Rank the levers you are considering using to improve take-up rates



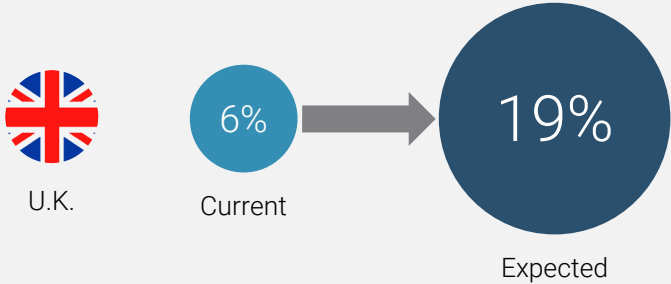
Source: AlixPartners’ European Fibre Survey 2026

Opinions differ on the levers FibreCos can use to deliver their take-up rate aims. Where FibreCos are pursuing a retail strategy, door-to-door sales come out on top in the U.K. and France, whereas Germany is focused on digital sales and customer service, and Italy is looking at delivering more volume for the same price. However, wholesale rather than retail revenues appear to be the bigger challenge for operators in some markets.

Figure 8: Wholesale revenue targets not yet reached in Germany and the U.K.

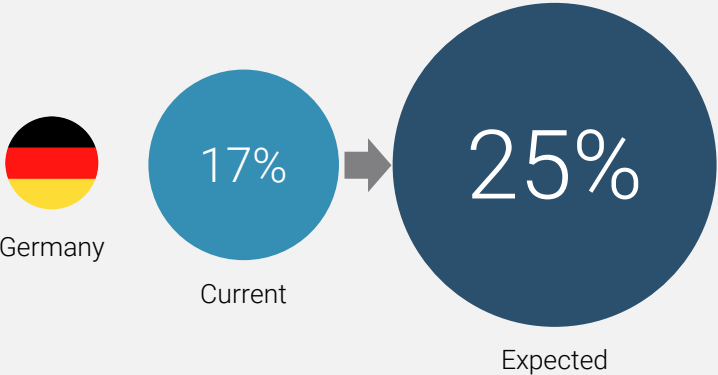
Share of respondents with wholesale revenue >40%: current vs. expected

(19% of UK respondents are targeting >40% revenues from wholesale)



Wholesale ambitions vary by country but, overall,

22% of FibreCos are targeting wholesale revenues at 40% or more



Source: AlixPartners’ European Fibre Survey 2026

Making progress towards wholesale targets during 2026 should arguably be a greater focus for operators to boost revenues and achieve top-line ambitions. However, the situation differs by country, as markets vary in maturity and market structure.



U.K.

The U.K. market is well developed, with the long-established wholesale incumbent, Openreach – as well as the largest alternative network provider, CityFibre – pursuing a wholesale-only model.



Italy

Wholesale has been the dominant business model in Italy from the start. Fibre infrastructure is dominated by Openfiber and Fibercop, which operate a wholesale-only business. Take-up rates are negatively impacted by well-performing existing copper networks and aggressive FWA (fixed wireless access) and mobile broadband price points.



Germany

The German wholesale market is the least developed of all surveyed countries. While multiple companies have built their own separate networks, the landscape of relevant wholesale buyers (in terms of volume) is highly concentrated, mostly consisting of established Telco operators. In recent years, many wholesale deals have been struck between FibreCos and Telco operators (FibreCo-with-FibreCo, as well as FibreCo-with-Telco), but very little actual volume has been brought onto networks from these deals.



France

The French market is well developed. Wholesale is the only available model outside very dense areas for residential customers, with Orange, XpFibre, Altitude, Axione as the main players. Take-up rate is already very high, with FibreCos targeting more than 80-85% penetration in the near future.

Across all markets, lenders, investors, and operators view the arrival of ServCos as a positive for the sector, as ServCos offer significant wholesale revenue opportunities. In Germany in particular, they could be a wholesale buyer alternative to large Telco incumbents who are less incentivised to pass on volume, as they are protecting their copper and hybrid fibre-coaxial (HFC) businesses. At the same time, there are few ServCo entrants on the horizon.

New competition

The emergence of satellite connection providers, such as Starlink, is predicted to have different impacts across the four countries surveyed and may present greater competition to FibreCos in 2026. In the U.K., Germany, and Italy, the majority of respondents expect satellite operators to have a moderate impact, but in France, 55% expect a significant impact.

This is likely due to the focus some fibre operators have on addressing deep rural areas as remaining areas for network coverage. In these environments, the cost to connect individual customers is very high, making satellite a credible and more affordable alternative in some cases.

3

An increasing funding need but low availability





In 2025, difficulty securing additional equity funding and greater lender scrutiny reduced operators' cash runway.

This has led to a period of operational hibernation focused on:

- CAPEX reduction to decrease (re-)financing volumes
- Operational restructuring to reduce cash burn rate
- Headcount reduction and new operating models

Going into 2026, the majority of operators desperately need funding, but availability has deteriorated significantly over the past 12 months. The availability of debt in particular has significantly worsened during this period and is now considered a greater concern than the availability of equity funding.

Figure 9: Primary funding concerns for operators in 2026, by country

What are your main funding concerns?				
FibreCos requiring financing in next 12-24 months	70%	62%	43%	68%
Availability of debt	29%	20%	<5%	22%
Availability of equity	20%	13%	14%	24%
Covenant breaches for existing debt financing	18%	33%	57%	32%

Note: Represents only those challenges identified by respondents as their single most important issue (rank 1)

Source: AlixPartners' European Fibre Survey 2026

More than

65%

of FibreCos will need to find debt or equity funding over the next 12-24 months

Approximately

40%

of these companies need to refinance 10-25% of debt or equity, and

27%

will seek funding to cover 25-50% of debt or equity, with France home to the highest proportion of FibreCos looking to fund more than 25% of their debt and equity within the next two years.

This growing refinancing need comes as the availability of debt and equity worsens.

Source: AlixPartners' European Fibre Survey 2026

Reports of unsuccessful equity financing rounds in the German market suggest that (re-)financing of FibreCos has become increasingly difficult. And banks have reportedly become more restrictive and cautious in funding fibre assets in Germany and the U.K.

Banks have already tightened covenant structures, thereby strengthening the dependency on equity funding. For example, a debt-to-equity ratio level of 70%/30% is shifting towards 50%/50% and an average net debt to EBITDA of approximately 6x is now closer to 4-5x, according to some respondents.

Equity investors have a clear focus on solid profitability and free cash flows, a healthy capital structure, and operational rollout performance when making investment decisions.

This will lead to financing finding the best bets in the sector, and equity and debt failing to materialise for weaker operators, which may force some to consolidate.

“Equity investors have a clear focus on solid profitability and free cash flows, a healthy capital structure, and operational rollout performance when making investment decisions.”

4








The drumbeat on consolidation is getting louder

Across all of the markets surveyed, M&A expectations are high, with significant increases from last year's expectations in the U.K. and Germany.

In all regions surveyed, around 60% of respondents expect very strong or strong M&A activity in their market. In Germany, fire sales of non-performing assets are widely expected, but the lack of consolidation activity to date remains due to inflated valuations and a reluctance among equity investors to deploy additional capital into the sector. While sentiment is stronger, market barriers have prevented stronger levels of action.

Figure 10: Operators' M&A expectations for 2026

What is your expectation regarding M&A activity in the coming 12 months?

	 Operators	 Investors	 Lenders	 U.K.	 Germany	 Italy	 France
Very strong	16%	17%	25%	17%	11%	7%	29%
Strong	46%	62%	43%	43%	60%	60%	46%
Moderate and low	37%	21%	32%	40%	29%	33%	25%

Source: AlixPartners' European Fibre Survey 2026

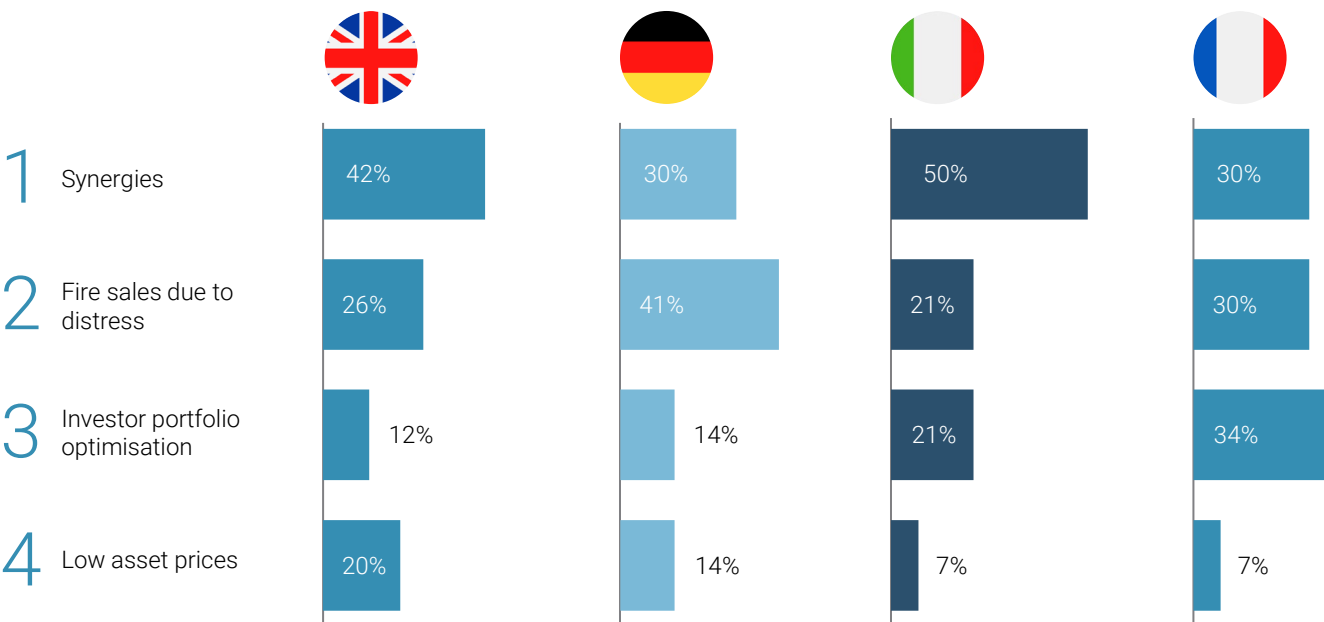
Consolidation perspectives

There is a growing consensus on M&A expectations among operators, lenders, and investors. Compared to last year, investors still have the strongest expectations for consolidation across their market in 2026, while 69% of lenders and 63% of operators have strong or very strong expectations for M&A activity.

But, opinions differ on what will drive consolidation.

Figure 11: Anticipated drivers of consolidation in the fibre market (overall ranking)

What do you expect to be the main drivers of consolidation in the fibre market?



Note: Represents only those drivers identified by respondents as their single most important issue (rank 1)

Source: AlixPartners’ European Fibre Survey 2026

Finding synergies is the highest-ranked driver across geographies for all respondents, followed closely by fire sales due to distressed situations.

Investors believe fire sales due to distress will be the main driver of consolidation in every country. That perspective is shared by operators in Italy and Germany: 67% of Italian operators see fire sales as the primary driver alongside 54% in Germany. However, in the U.K., only 19% of operators ranked fire sales as the main driver, which rises slightly in France at 27%.

In Germany, an increasing number of fibre assets from utility companies are expected to come to market for sale. Volatile energy markets and high construction costs are making fibre assets potentially valuable assets that can be sold to ease financial strain.

Looking ahead to 2027

The tentative level of consolidation seen to date is likely to pick up in 2026 and could lead to 25% fewer FibreCos by 2027, with more ServCos also entering the market.

Looking ahead, a smaller group of more competitively-placed FibreCos will be pursuing revised business plans, focused on post-connection of retail and wholesale customers, including increasing migration volumes. FibreCos will be at or moving to EBITDA-positive positions with proven business models and platforms that can more successfully secure continued financing.

How AlixPartners can help

In recent years, we have worked with fibre operators, investors, and lenders at the most critical moments for their businesses, when it really matters.

On operational challenges, commercial imperatives, and funding shortfalls, our teams have addressed these most urgent issues and delivered the highest impact. In 2026, focusing on what really matters will help the European fibre sector drive value for lenders and sponsors and enable operators to emerge stronger.



Operations

Operators need to realise meaningful cost reduction, deploy right-sizing, and adapt their operating models. For some companies, that will preserve cash during longer-than-anticipated funding processes so they can stay solvent. Strong operational performance in network rollout, including post-connections, will need to be maintained in parallel to stay on a continued growth trajectory.



Commercial

Hitting commercial targets and monetising networks relies on identifying and building out critical retail capabilities, and redirecting management attention towards strategic wholesale initiatives. This has the potential to generate a step-change in take-up rates and unlock full revenue potential.



Funding

Using foresight to manage cash – in anticipation of prolonged funding cycles – will be crucial and, where required, FibreCos will need to design restructuring solutions that avoid sponsors handing over the keys or having to divest via a fire sale, while minimising the lender exposure and risk of write-offs.



Consolidation

With the growing consolidation consensus, there's greater urgency now to effectively implement value-accretive consolidation actions. The rapid changes seen in the sector in recent years call for careful due diligence at acquisition, and thorough planning and subsequent execution of post-merger integration to deliver on the expected synergies.

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These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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