

SHARE OF CONSUMER WALLET

Smartphones represent **44%** share of \$1.2Tn that consumer spent on TCG in 2018. Asia and Europe account for two thirds of the global TCG sales value. The TCG is expected to grow +1% in 2019.¹

2018: 1.44Bn (~3% year on year) smartphones sold globally, generating sales revenue \$522Bn.¹

4Q18: 375 million (~7% year on year) smartphones sold globally, generating sales revenue \$144Bn.¹

¹ Extrapolated POS data incl North America

Impactful

China representing 27% of global sales value in 4Q18

Fluctuating

-19% y-o-y units decline in 4Q18 compared with +18% y-o-y in 2Q16

Maturing

40% of the Chinese brands' smartphone production in 2018 was purchased outside of China, that is up from 31% in 2016.

DEVELOPING ECONOMIES

PERFORMANCE

Strong increase in inch sizes
Strong increase in memory
Technological convergence between Telecom and adjacent industries: IT, Photo and Audio, for example, continue to be an enabler to deliver rich consumer experiences
Smartwatches

4Q18: Smartphone with ...

... 6-7 inch screens accounted for **43%** of sales value when compared with 36% of smartphones with 5.5-6 inch screens.²

... >16MP front cameras accounted for **21%** of sales value when compared with 53% of smartphones with 5≤8 MP cameras.²

... ≥ 256GB storage accounted for **12%** of sales value when compared with 40% of smartphones with 64-128 GB.²

... processors operating in the 2.5-2.8GHz range accounted for **14%** of unit share when compared with 0.2% of smartphones in 2017.³

² POS Panel market data excluding NA. Based on Sales value share NSP USD

³ POS Panel market data excluding NA. Based on unit share %

2018: Smartwatches with ...

... accounted for lion share of sales value within the Core wearables category. SIM-enabled smartwatches accounted for 17% of the Core wearables sales value, that is up from 8% in 2017.⁴

⁴ POS Panel market data excluding NA.

RICH EXPERIENCES

"I am always looking for novelty and fun, even in everyday products"

40% in 2018 up from 29% in 2015⁵

"I value experiences more than possessions"

45% in 2018 up from 38% in 2014⁵

⁵ GfK Consumer Life Study

It is all getting bigger... but consumers really care about owning fewer, higher-quality items and... more importantly experiences.

2018: 12% of smartphones sold were priced at more than \$800. That continue to be up from 8% in 2016.

PREMIUM

Premium is still fuelling growth despite lack of consumer 'wow' factor.