Sovereignty: Where can telcos play and win?

STL Partners webinar

16th June 2026

In partnership with:



Red Hat

STL PARTNERS

Agenda

1	**Introduction and housekeeping**	15:00 – 15:05
2	**STL presentation**	15:05 – 15:20
3	**Red Hat presentation**	15:20 – 15:30
4	**Panel discussion and Q&A**	15:30 – 15:55
5	**Wrap up**	15:55 – 16:00

Our speakers



MARINA KOYTCHEVA

Research Director

STL Partners



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Consulting Director

STL Partners



CHRISTOF STALLMACH

Head of Centre of Excellence Telecoms, EMEA

Red Hat



ANDY LINHAM

Principal Strategy Manager

Vodafone

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STL Partners has a range of research reports on the topic of digital sovereignty and what it means for telcos



There is no consensus on what 'digital sovereignty' means

Digital sovereignty refers to the level of independence a country desires to have when it comes to the provision of digital technologies



Two key elements of fluidity in the definition

- Desire for sovereignty
- Level of independence



Two different paradigms can embody sovereignty

- Sovereignty through control
- Sovereignty through diversification



What drives the demand for sovereignty?

- At the government level
- At the enterprise level



Business versus technical aspects of digital sovereignty

- How business leaders think
- How technology leaders think

Is there such a thing as an 'off-switch'?

There are three key dimensions of digital sovereignty offered by telcos and other tech companies

1 What is offered as 'sovereign'

Most common flavours, often overlapping

Sovereign data
Residency, processing and security of data

Sovereign cloud
Hosting data and applications

Sovereign AI
Origin of AI models, where they are trained or where inferencing happens

Sovereign voice

Sovereign security

2 Degree of sovereignty

Technological sovereignty
Technology originates or is made in the country/region

Operational sovereignty
Operational control and governance are within the borders of the country/region

Processing sovereignty
Computation happens within the country/region

Storage sovereignty
Data resides within the country/region

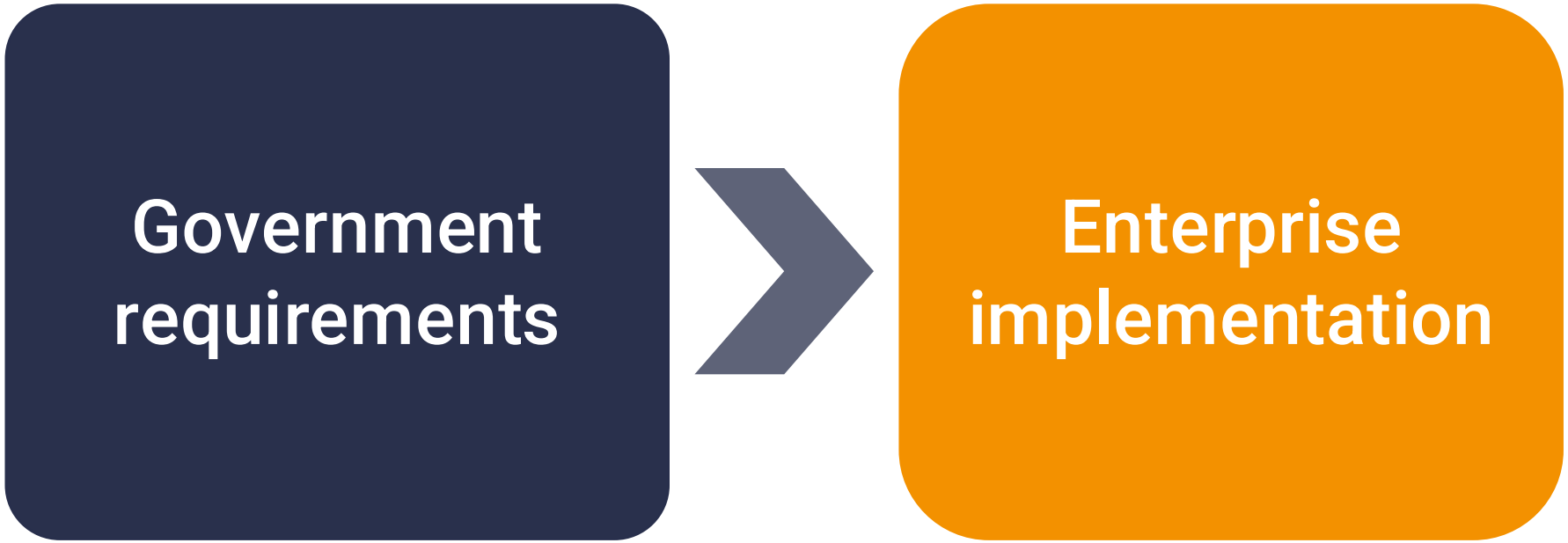
3 What objectives sovereignty meets

Data security
Example: Another government cannot get access to the data

Resilient operations
Example: An enterprise or organisation cannot become a bargaining chip in a geopolitical conflict or war

Cultural closeness
Example: The AI models represent the culture of the country/region

The push for sovereignty comes from the state but enterprises need to implement it

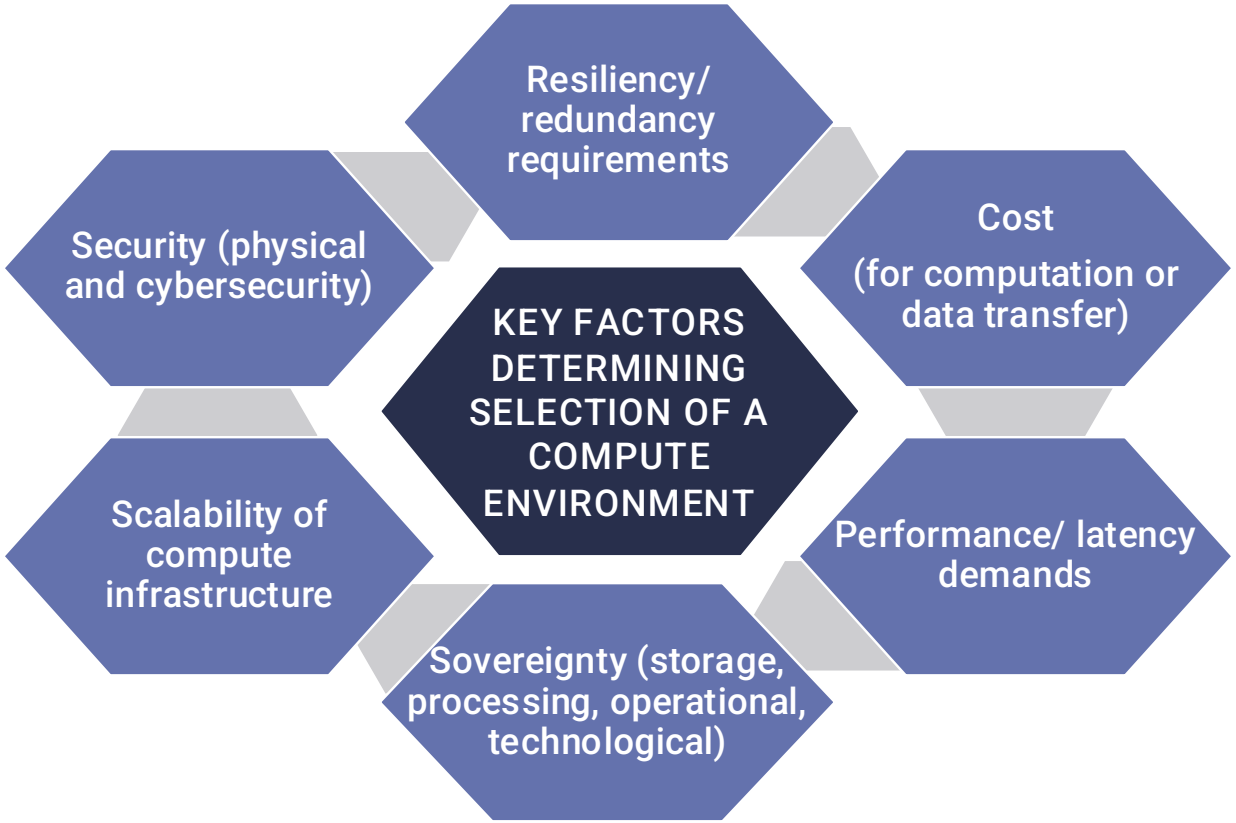


Countries vary in the strength of political drivers they create for sovereignty

1	Rhetorical push	e.g., Chile, New Zealand 
2	Government anchor	e.g., Qatar, Italy, UAE 
3	Financial incentives	e.g., South Korea, Canada, Germany 
4	Regulatory mandate	e.g., France, India, Saudi Arabia 
5	Restrictive controls	e.g., China, Russia 

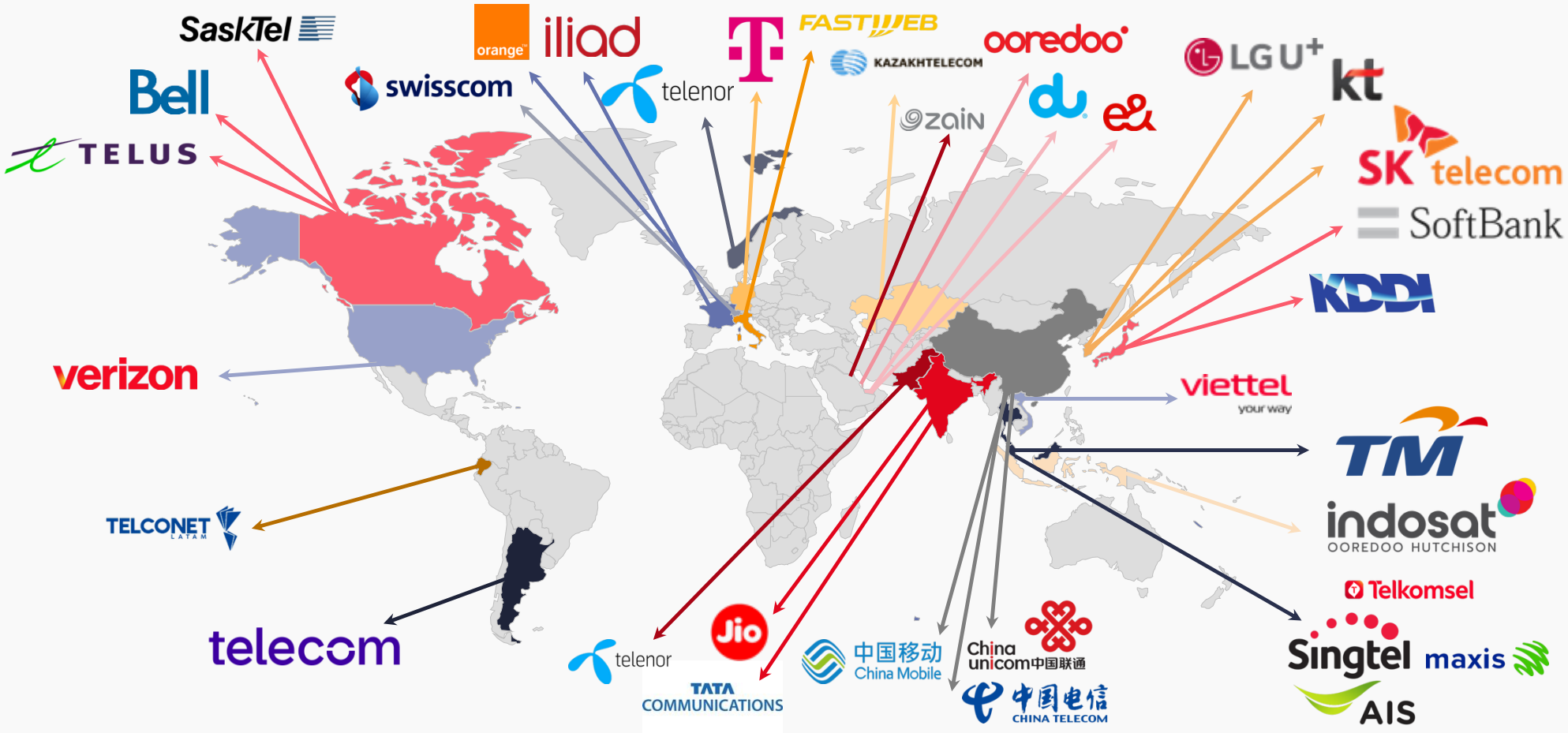
Sovereign services and infrastructure will form only one part of enterprises' demand for digital solutions

Sovereign solutions typically carry an *estimated* **price premium of 10%-15%** over "standard" solutions



Many telcos offer digital infrastructure with some element of sovereignty

Some of the telcos that have launched or announced digital sovereign offerings



European telcos, as national champions and regulated companies, are in a great position to offer sovereign solutions

- Cloud NL from four core data centres in the Netherlands (with VMWare)
- European sovereign cloud with StackIt

- T Cloud Public: sovereign cloud service, positioned as a European alternative to hyperscalers
- Open Sovereign Cloud: sovereign cloud service built entirely on open-source technologies
- Sovereign Cloud powered by Google Cloud: provides Google Cloud services hosted and operated by T-Systems

- Through Proximus NXT offers a sovereign wrapper of Microsoft Azure cloud services and private cloud through data centres it operates in Belgium

- Three data centres in Europe through its Skygard joint venture
- Leverages AWS services to offer the sovereign cloud solution

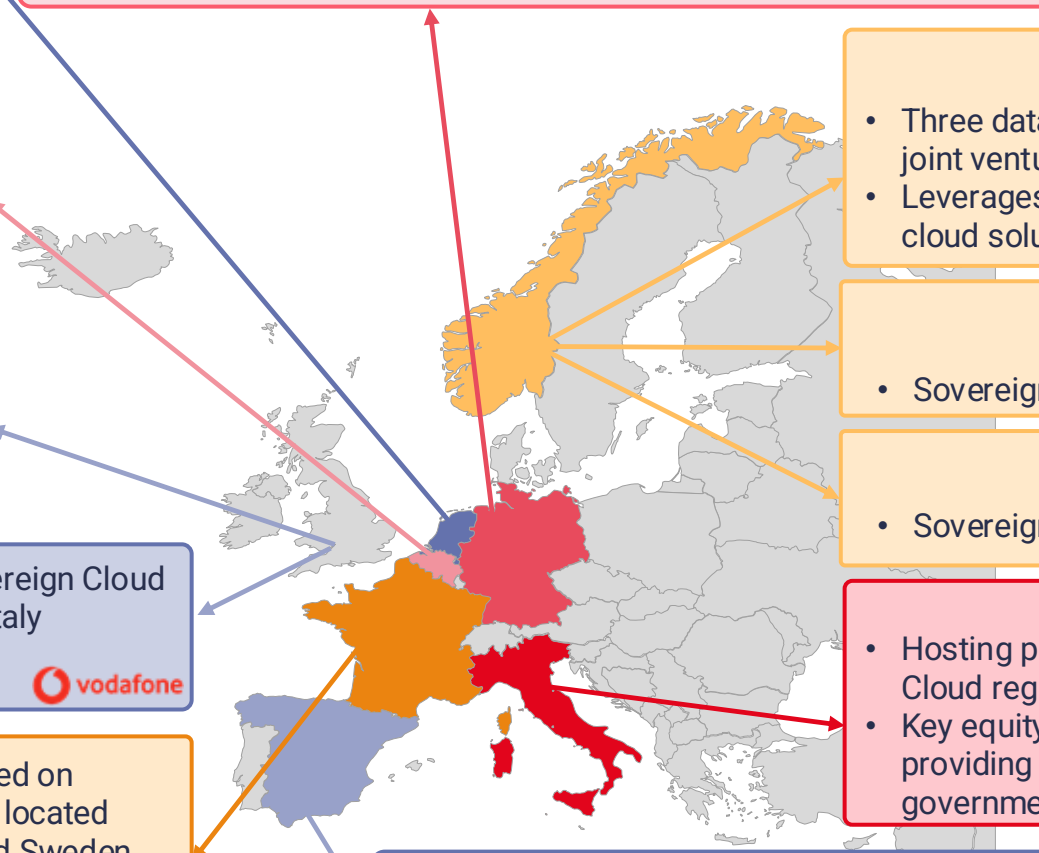
- Range of sovereign services in the UK
- BT International: EU sovereign cloud with StackIt

- Sovereign IoT solution

- Sovereign cloud and AI with Scaleway

- Partnership with AWS European Sovereign Cloud
- Fastweb + Vodafone: FASTCloud in Italy
- Vodafone Business storm in the UK

- Hosting partner for Google Cloud and Oracle Cloud regions located in Italy
- Key equity holder in Polo Strategico Nazionale providing a sovereign cloud for the Italian government



- Cloud Avenue platform for IaaS, based on VMware services, from data centres located across France, Germany, Norway and Sweden
- Key equity partner in Bleu, a joint venture that provides sovereign Microsoft Azure-based services in France

- Offers a Virtual Data Centre solution, providing IaaS built on VMware services, and run from data centres located in Spain
- Host partner for an Oracle Cloud Region in Spain

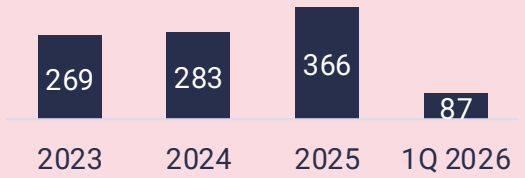
Note: The above illustration is non-exhaustive of European telco sovereign solutions.

Telcos sovereign solutions should be seen as a long-term play rather than an opportunity for a short-term win

Early signs of revenue generation for telcos from AI data centres are emerging – but these numbers include both sovereign and non-sovereign solutions.

SK telecom

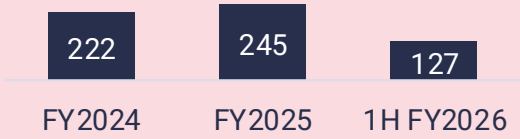
Revenue from AI Data Centres reporting segment, USD million



Source: Company's earnings reports

Singtel

Revenue from data centres, USD million



Singtel's financial year ends on 31 March of the calendar year

Source: Company's earnings reports

indosat OOREDOO HUTCHISON

Revenue of USD28 million was reported in 2025 from its 'AI neocloud' business segment, with contracted revenues of USD170 million secured over the next three years.

Source: Company's earnings report

In 1Q 26 alone, AWS, Microsoft Intelligent Cloud and Google Cloud together booked revenue of $92 billion

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Global Sovereignty with Open Source

Secure your Digital Sovereignty
with Enterprise Open Source

Christof Stallmach
Head of Center of Excellence Telecoms, EMEA

Red Hat

What is covered in this presentation

- Definition & key problem areas
- How can Red Hat help?
- How does this help Telco Digital Sovereignty?

Red Hat

Definition & key problem areas

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Digital Sovereignty refers to the ability to have control over your own digital destiny.

ALL data, hardware and software that you rely on and create.

Source:
"What is digital sovereignty and why is Europe so interested in it?" (Sean Fleming, World Economic Forum, March 15, 2021)

The Dimensions of Digital Sovereignty

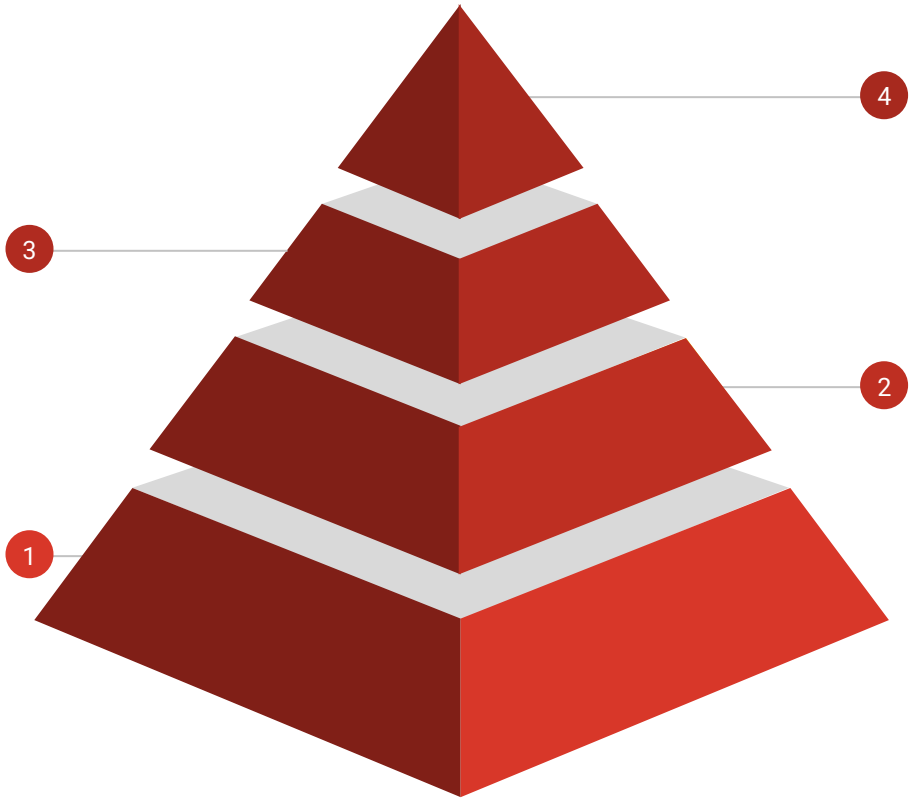
Digital Sovereignty is a continuum, reflecting a range of practices and policies that nations adopt to manage and control their digital assets, data, and technology infrastructure

Operational Sovereignty

Visibility and control over provider operations from provisioning and performance management, to monitoring of physical and digital access, to the infrastructure.

Data Sovereignty

Maintaining control over how data is collected, classified, processed and stored to ensure that data regulations are met



Assurance Sovereignty

Ability to independently verify and assure the integrity, security, and reliability of digital systems and processes including resilience of critical services.

Technical Sovereignty

Running workloads without dependence on a provider's infrastructure or software, and protected from all extra-territorial interference and scrutiny.

Sources:
"Sovereign Clouds and the Digital Sovereignty Imperative: Europe's Quest for Digital Independence" (IDC #EUR149098122, December 2022)
The Evolution of Digital Sovereignty: Moving Beyond Data and Cloud" (Rahiel Nasir, IDC, January 13, 2023)

Red Hat

How can Red Hat help?

Red Hat

The world's leading provider of Open Source enterprise IT solutions

More than
90%
of the
Fortune
500
use
Red Hat
products and solutions[1]

~22,000
employees

105+
offices

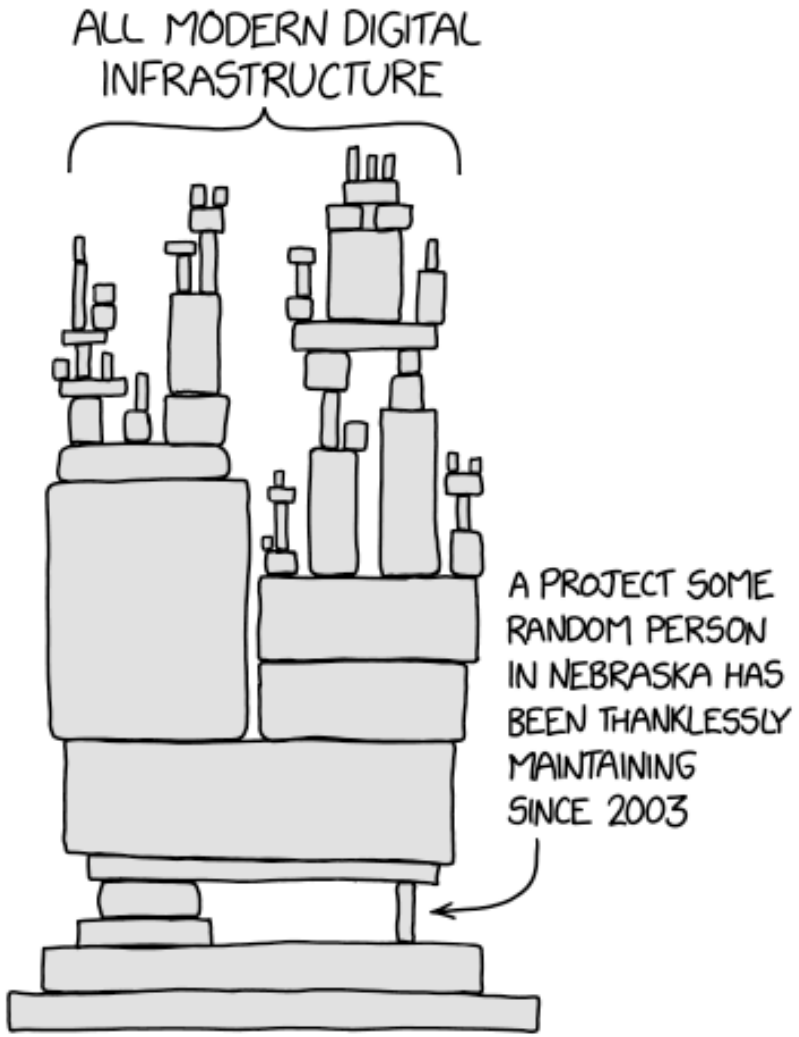
The first
$6
billion
open source company
in the world[2]

Sources: 1-Red Hat client data and Fortune 500 list, September 2024.
2 - Red Hat SEC filings prior to the acquisition by IBM. Note: Currency in U.S. dollars.

Red Hat

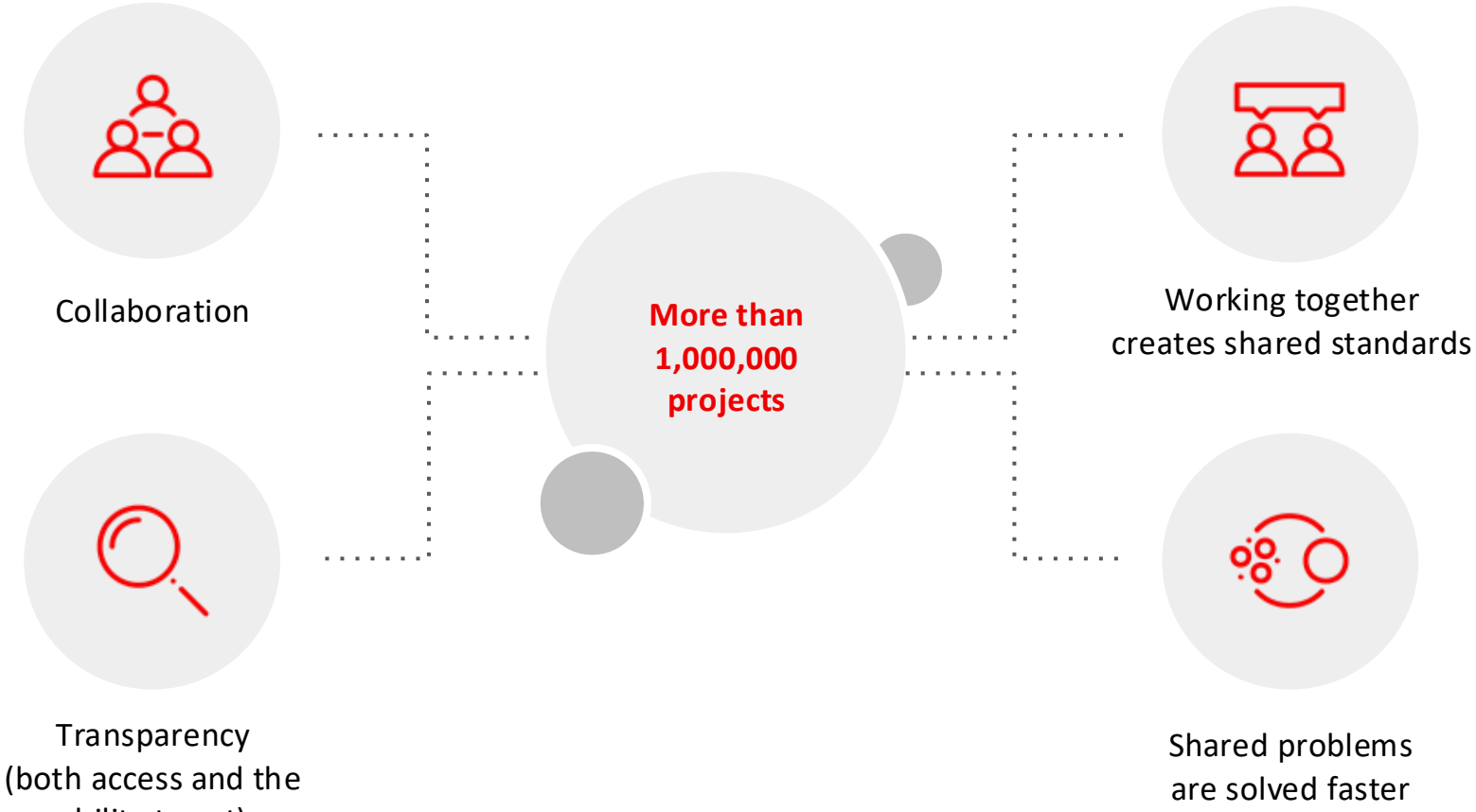
Enterprise Open Source

Why is this important for critical infrastructure?

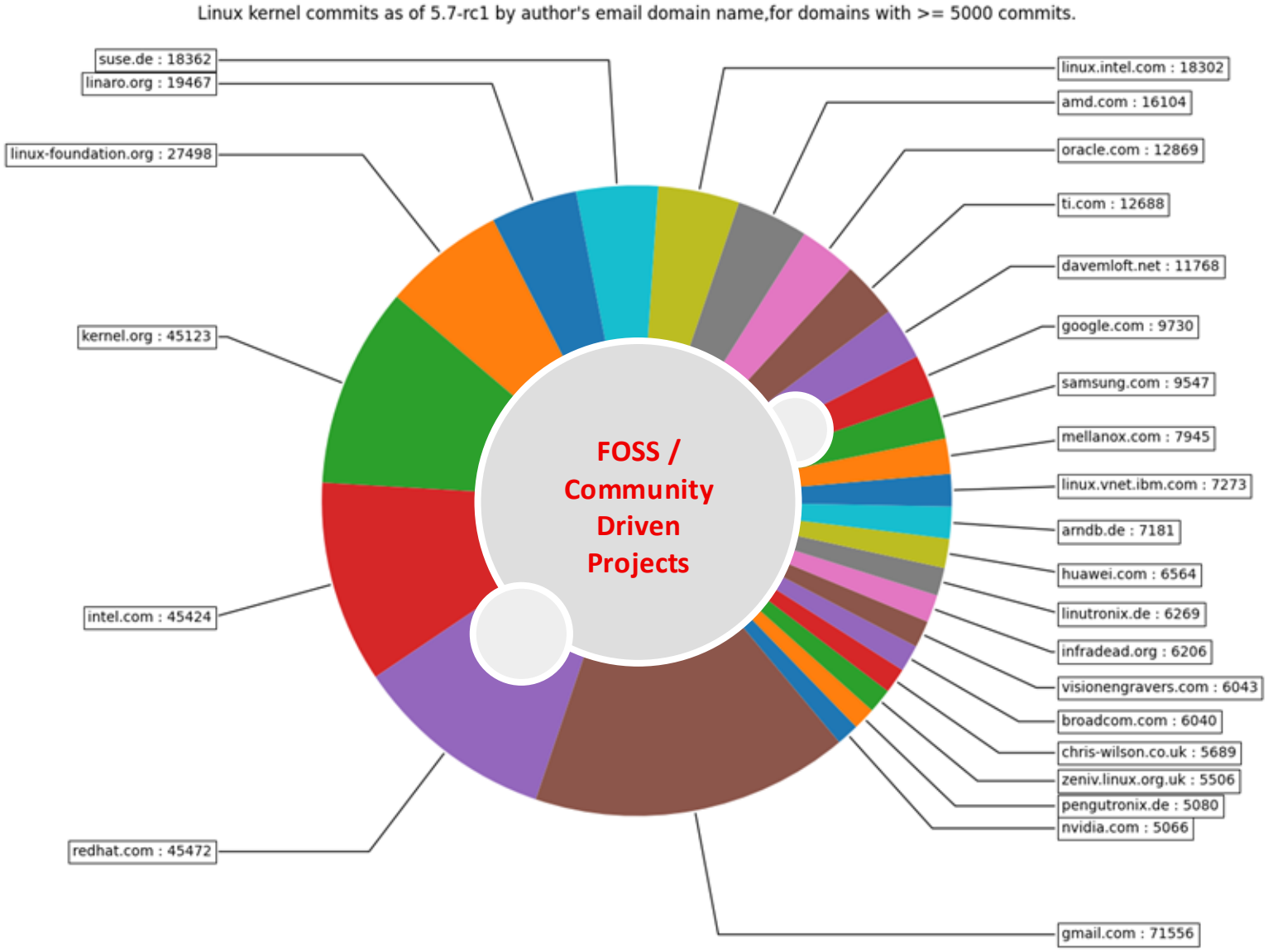


Red Hat

The culture of Open Source is the culture of Red Hat



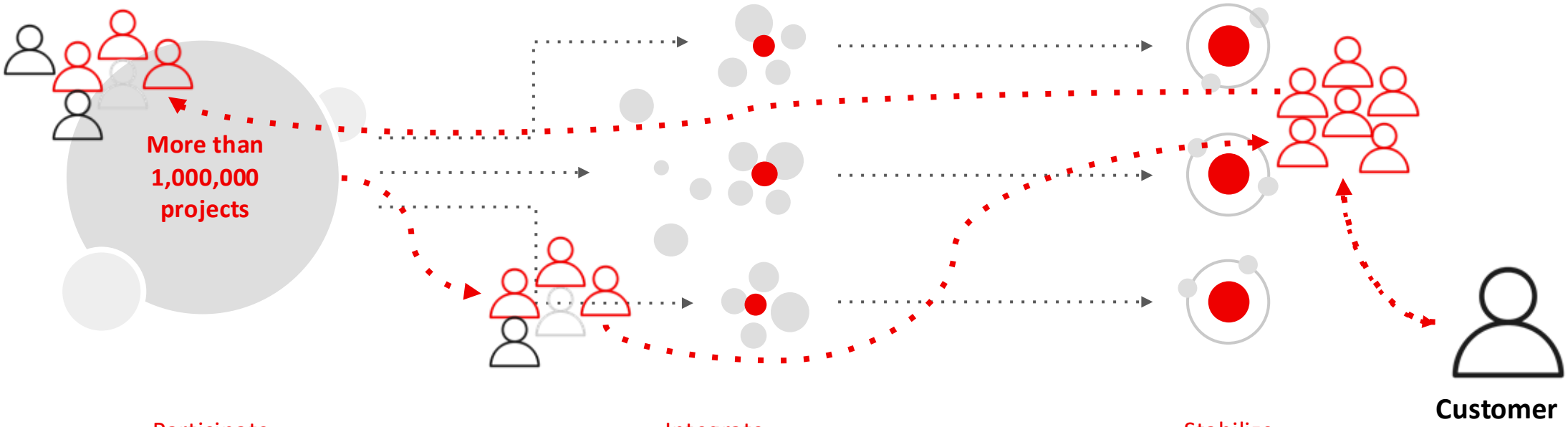
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Open Source communities operate on a global scale and are not tied to any specific country or region

Red Hat

How do community projects become enterprise products?



Participate

We participate in and create community-powered **Upstream** projects.

Integrate

We integrate upstream projects, fostering open community platforms. This is what we call **Midstream**.

Stabilize

Downstream, we commercialize these platforms together with a rich ecosystem of services and certifications.

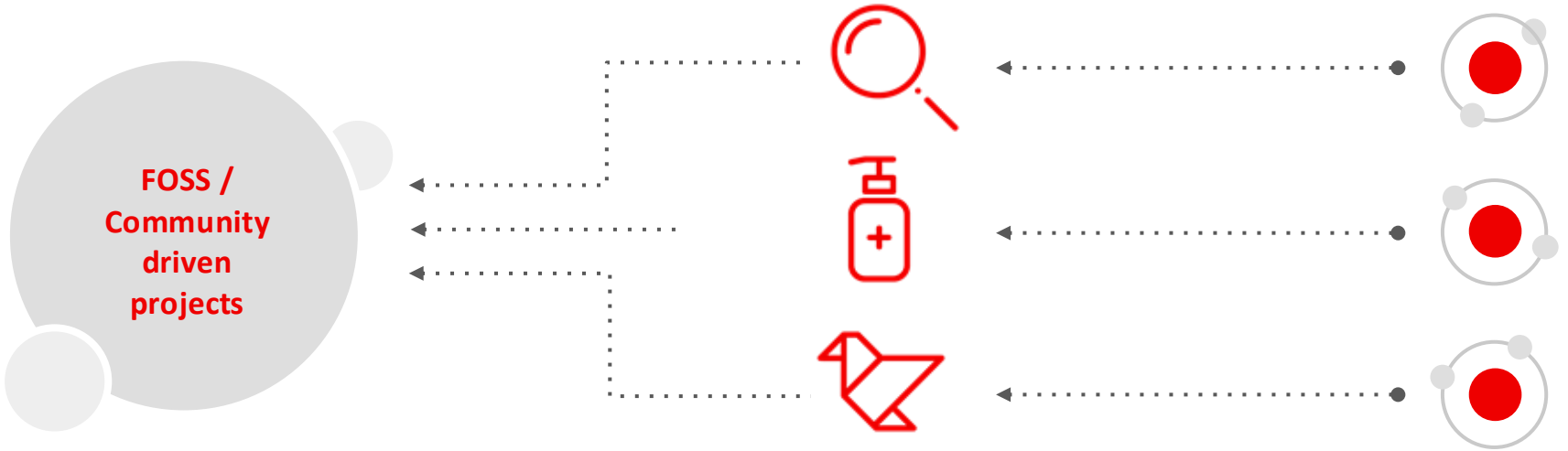
Red Hat

It is not Open?

We Open Source it!

Red Hat

Our commitment to Open Source is bidirectional



Participate

Create a community for every company and individual to contribute and use the code

Open it up

Check code for legal and other discrepancies, sanitize and set free

Acquisition

Red Hat acquires a company that produces proprietary software

Red Hat

We've done this!

1993	Founded
1999	IPO
2002	First release of enterprise Linux
2006	JBoss acquired
2009	Red Hat Virtualization released
2011	OpenShift released
2012	Red Hat Storage released
	ManageIQ acquired
	OpenShift Enterprise released
2013	Red Hat OpenStack Platform released
2014	CentOS joins Red Hat
	Inktank (Ceph), eNovance (OpenStack), & FeedHenry (Mobile) acquired
	Red Hat open sources ManageIQ as CloudForms
2015	Ansible acquired
2016	3scale acquired
2017	Codenvy & Permabit acquired
	Red Hat open sources APICast after 3scale acquisition
	Red Hat open sources Ansible Tower
2018	CoreOS & NooBaa acquired
2019	Red Hat acquired by IBM
	Red Hat completes open sourcing 3scale
2020	**Red Hat releases Advanced Cluster Management**
	Open Cluster Management launched as OSS community
2021	StackRox acquired
2022	**StackRox open sourced in March**
2025	Neural Magic acquired

Red Hat

How does this help Telco Digital Sovereignty?

Red Hat

Telco Sovereign Cloud

2 Key Sovereign Cloud areas of Telco Industry

Secure Your Own Foundation

Internal **National Critical Infrastructure**: Maintain the highest levels of protection and stability for your core operations.

- **Operational Resilience:** Deploy on a consistent, secure platform that ensures high availability for critical telco services.
- **Full Jurisdictional Control:** Keep your data and operations within national borders, protected from extra-territorial interference and scrutiny.
- **Infrastructure Autonomy:** Run workloads on your own bare metal, VMs, or containers without dependence on foreign provider software.

Monetize Your Sovereign Expertise

The **Sovereign B2B Cloud Opportunity**: Leverage your regulated environment experience to offer multi-tenant Sovereign-Cloud-as-a-Service.

- **Ready-to-Market Infrastructure:** Use Red Hat's opinionated reference architecture to quickly launch IaaS, PaaS, and AIaaS.
- **Sovereign AI Factories:** Provide the foundation for local AI innovation, ensuring model integrity and data residency.
- **Certified Security:** Meet strict local mandates like NIS2, GDPR, DORA, PDPL (EMEA) FISA, LGPD, PIPEDA (Americas), PIPL, DSL, DPDPA, APPI (APAC) and more, backed by automated compliance.

Red Hat Enterprise Open Source:

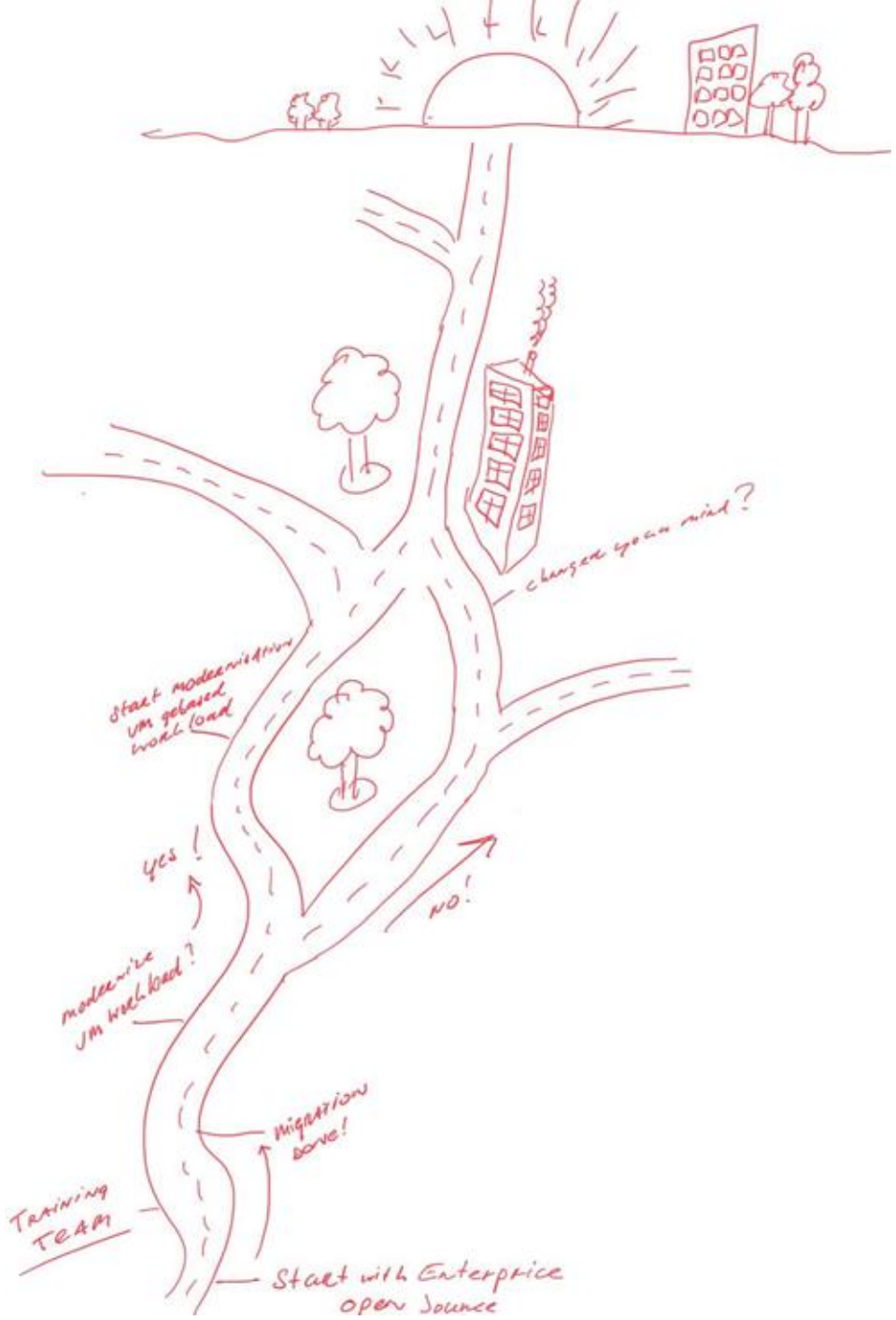
The Foundation for Digital Sovereignty

POWER OF CHOICE

YOU control YOUR destiny….

Midstream
Upstream

Build the alternative 2x per year



Red Hat Enterprise Open Source:

The Foundation for Digital Sovereignty

ABILITY TO ACT

Set yourself up for sovereignty

Organisation

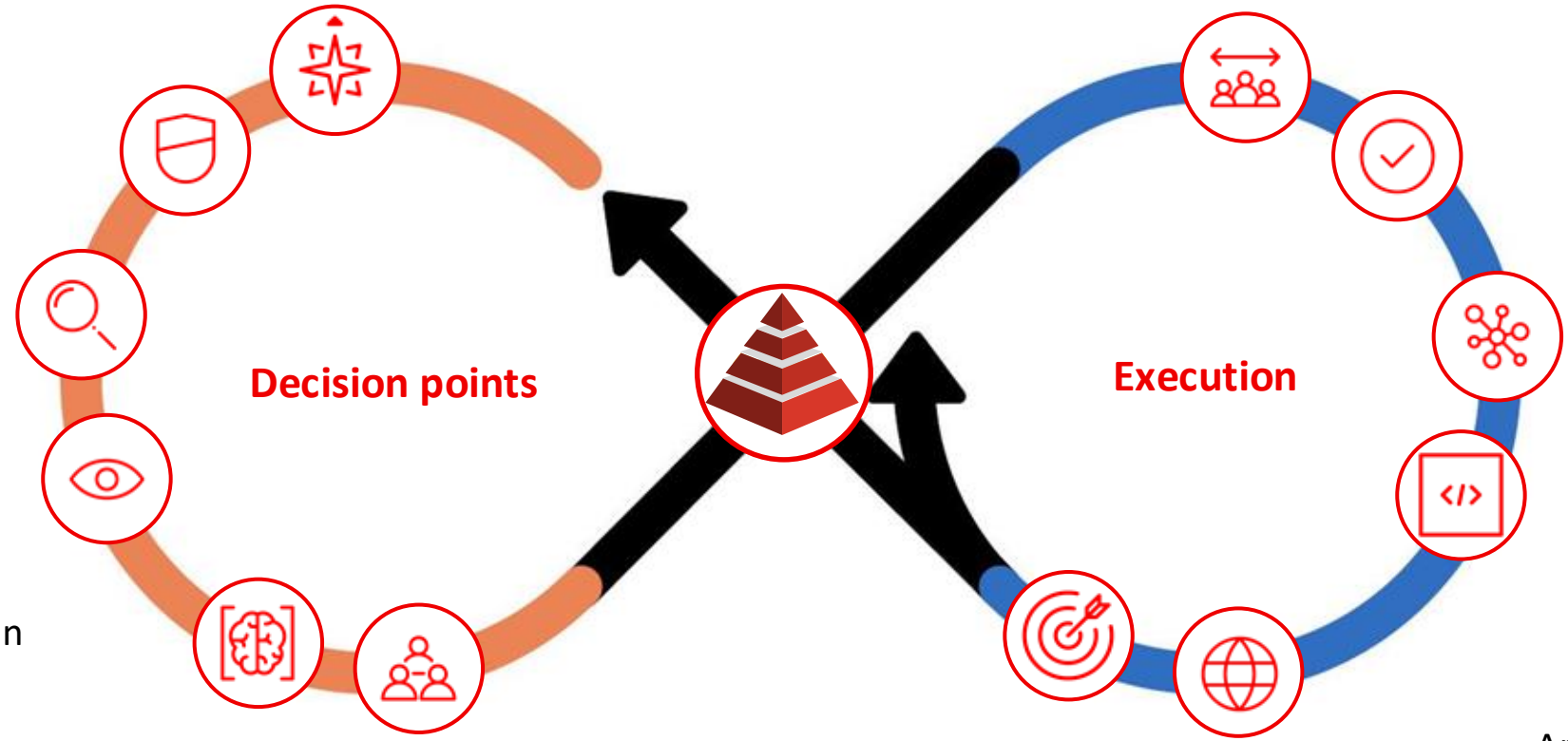
Goals
Playing field
Regulations

Technical

Capabilities
Classification
Risk management
Exit strategy
Check and check again

Team

Knowledge
Availability



Operation

Independance
Governed
Agility

Integration

Specific
Loosely coupled
Open Standards
As code

Assurance

Are we still in control?

Thank you

Red Hat is the world's leading provider of enterprise open source software solutions. Award-winning support, training, and consulting services make Red Hat a trusted adviser to the Fortune 500.



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Our panel discussion

Moderator



PHILIP LAIDLER

Consulting Director

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Panellists



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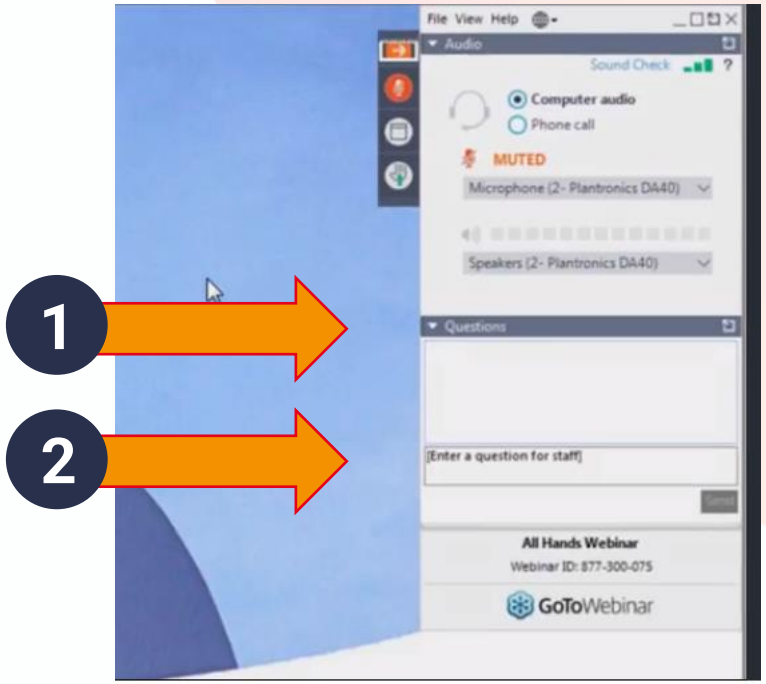
CHRISTOF STALLMACH

Head of Centre of Excellence Telecoms, EMEA

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For our Q&A...

Please submit any questions using the GoToWebinar control panel



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Thank you for joining!

All registrants will be receiving the link to the recording and slides shortly to watch back or to share with colleagues, plus a Q&A write-up in due course.

For any other questions, please contact:

- Marina Koytcheva, marina.koytcheva@stlpartners.com
- Philip Laidler, philip.laidler@stlpartners.com