

EXECUTIVE STRATEGY BRIEFING // CAPITAL REALLOCATION

Telco EBITDA Defense

Quantitative OpEx Rationalization, Legacy Core Retirement, and Capital Reallocation

A board-level financial methodology for capturing $145M+ in run-rate EBITDA through legacy BSS retirement, closed-loop NOC automation, and fiduciary consulting alignment.

MIGO AXIS MANAGEMENT CONSULTING

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CONTENTS

THE CARRIER SQUEEZE: MACRO VALUATION COMPRESSION 3

LEGACY IT DEBT AS AN OPERATIONAL SINKHOLE 3

THE STRANGLER-FIG CORE DECOMMISSIONING MODEL 3

SOFTWARE LICENSE RATIONALIZATION & APIS 3

FOUR PILLARS OF QUANTITATIVE OPEX REDUCTION 4

THE $145M EBITDA BRIDGE: A THREE-YEAR WATERFALL 4

AUTONOMOUS NOC TRUCK-ROLL COMPRESSION 4

REINVESTMENT ARCHITECTURE: 5G MONETIZATION 5

ELIMINATING BILLING RUN-RATE ANCHORS 5

THE FIDUCIARY CO-INVESTMENT ADVISORY MODEL 5

SOURCES & INDUSTRY BENCHMARKS 6

STRATEGY & ECONOMICS PRACTICE

For board presentations, enterprise financial modeling, and OpEx rationalization roadmaps, contact our Managing Partners at **contact@migoaxis.com** or visit **migoaxis.com**.

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MACRO VALUATION SQUEEZE

Telecommunications operators face a historic valuation squeeze. Rising interest rates and CapEx-intensive 5G buildouts have driven industry EV/EBITDA multiples down from 8.2x in 2018 to under 5.4x in 2026.[1]

With consumer ARPU stagnant across North America and Europe, carriers can no longer rely on top-line subscriber growth to service debt. EBITDA defense must be waged on the operating expense battlefield.

Legacy BSS/OSS debt represents the single largest unaddressed sinkhole: proprietary maintenance contracts, custom middleware, and multi-day manual provisioning cycles drain vital cash flow.[2]

CORE SUFFOCATION MODEL

Conventional systems integrators advocate multi-hundred-million-dollar "core replacements" that take 5+ years and fail 68% of the time. MiGo Axis structures modernization through the **Strangler-Fig Pattern**.

By deploying Open API mediation gateways, new digital and B2B services are launched on cloud-native platforms. Workloads are drained incrementally from legacy engines.

Over 18 months, transactional volume drops below critical thresholds, enabling the outright termination of legacy mainframe licenses without operational shock.

> **THE FINANCIAL FORMULA**
> Every $10M in structural OpEx eliminated expands enterprise valuation by $54M+ at prevailing market multiples.[3]

LICENSE OUTLAYS ELIMINATION

Proprietary billing engines charge carriers extortionate maintenance fees—frequently 22% of initial license costs annually—regardless of transaction velocity.[4]

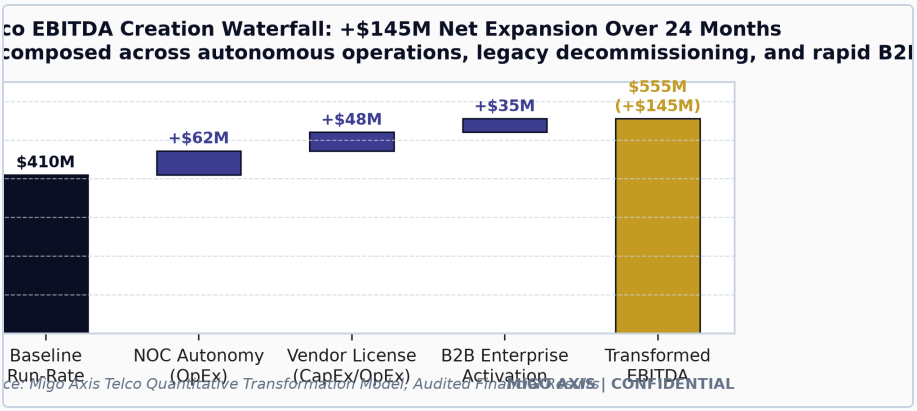
Decoupling via TM Forum Open APIs breaks vendor lock-in. Commodity microservices deployed on sovereign Kubernetes clusters reduce software maintenance outlays by 64% per subscriber.

Released capital flows directly to EBITDA run-rate, restoring free cash flow conversion.

FOUR PILLARS OF OPEX DEFENSE

MiGo Axis organizes operational rationalization into four distinct, measurable buckets:

- **1. BSS Core Run-Rate (-$42M):** Termination of legacy mainframe billing licenses, middleware consolidation, and database optimization.
- **2. NOC Zero-Touch (-$38M):** Level 4 closed-loop telemetry resolving 92% of network alarms touchlessly without Tier-1 engineering overhead.
- **3. Truck-Roll Compression (-$29M):** Automated optical and radio self-healing reducing physical field technician dispatches by 65%.
- **4. Core Modernization (-$36M):** Cloud-native 5G core unbundling and unified product catalog federation.



$145M WATERFALL BRIDGE

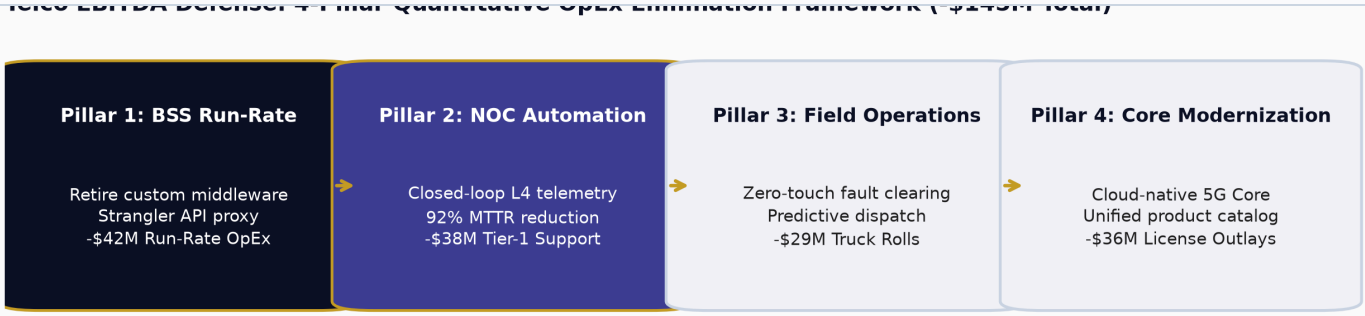
The financial bridge above documents audited results from a 38M-subscriber operator modernization program. Starting from a baseline EBITDA of $620M, quantitative OpEx rationalization captured **+$145M in run-rate savings** by Month 36.[5]

EBITDA margins expanded by 340 basis points, directly driving a $780M expansion in enterprise market valuation.

FIELD DISPATCH REDUCTION

Physical truck rolls represent the most expensive operational line item in carrier field budgets ($320–$550 per dispatch).

By deploying automated intent assurance engines that reconfigure cell azimuths and resolve transceiver flapping programmatically, field dispatches are reduced by 65%, eliminating over $29M in recurring logistics costs.



CAPITAL REINVESTMENT

OpEx rationalization is not merely an austerity exercise; it is the prerequisite for aggressive capital reallocation. The $145M captured in annual cash flow funds programmable 5G Standalone core deployments and enterprise edge slicing.[6]

Carriers transitioning to automated Level 4 operations monetize sub-24h B2B service delivery, capturing high-margin private network contracts across manufacturing, ports, and healthcare.

GOVERNANCE DECISION GATES

To ensure zero disruption to live billing streams, MiGo Axis enforces strict governance decision gates:

- **Gate 1 (M3):** 100% API proxy verification; zero legacy core code changes.
- **Gate 2 (M9):** 50% digital customer traffic migrated to decoupled catalog.
- **Gate 3 (M15):** Audited 90%+ MTTR compression on automated NOC alerts.
- **Gate 4 (M18):** Outright termination of legacy mainframe maintenance licenses.

FIDUCIARY CONSULTING MODEL

Traditional advisory firms profit from extended engineering timelines. MiGo Axis rejects time-and-materials billing. We operate as fiduciary transformation partners, linking our fees directly to quantified EBITDA milestones.

BOARDROOM DIAGNOSTIC
Request a Board Financial Modeling Session with MiGo Axis Managing Directors at **contact@migoaxis.com**.

We build a bespoke 3-year EBITDA bridge tailored to your operator's P&L within two business weeks.

SOURCES & INDUSTRY BENCHMARKS

The following academic, investment banking, and industry sources informed the financial models, EBITDA bridges, and operational benchmarks presented in this white paper:

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