FOCUS Telecom

Technology and Services Group

U.S. Communications Service Provider Quarterly

Summer 2017 Report

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FOCUS

Investment Banking

Strategic, Personal, Dedicated

Investment Banking and Advisory Services

FOCUS Investment Banking LLC is a leading investment bank with specialized telecom technology and services expertise, concentrating on providing highly tailored services to emerging middle market and larger organizations in this sector:

Mergers & Acquisition Advisory Corporate Development Consulting Strategic Partnering & Alliances Capital Financing, Debt & Equity Corporate Valuations

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U.S. Communications Service Provider Quarterly

By Richard Pierce, FOCUS Managing Director and Telecom Technology and Services Team Leader

FOCUS believes that the need for communications services has never been greater. Large enterprises, small and medium sized businesses, and individuals have all come to rely upon ubiquitous access to voice, video, and data services to run their day-to-day activities. Furthermore, the importance of Communications Service Providers (CSPs) appears poised to increase further as they begin to enable a variety of new services ranging from hosted PBX and videoconferencing platforms to in-home security and energy management solutions.

Access to capital and the benefits of scale will mean that a small number of large companies will continue to dominate certain areas such as mobile wireless and video. However, FOCUS continues to see opportunities for middle market CSPs. While not as large as the industry giants, they continue to thrive by developing innovative business models that share one or more characteristics such as capital efficiency, customer responsiveness, an advanced technology platform and a focus on an underserved industry vertical or geography.

Furthermore, it often is the middle market CSPs that point the direction for the future of the industry. FOCUS is proud of its commitment to the CSP sector and we are excited about the prospects for middle market companies in this space.

The FOCUS Telecom Technology and Services group consists of four professionals with a mix of backgrounds that include both C-level operating expertise and experience at leading middle market investment banks. The FOCUS Telecom team is uniquely qualified to help middle market clients reach their strategic objectives because the group:

Devotes significant senior level resources to executing transactions for lower middle market clients,

- · Has a breadth of knowledge that covers most segments of the telecom industry,
- Has bankers with C-level operating experience in the telecom industry,
- Has a proven transaction methodology for delivering results,
- Is equally comfortable with buy side and sell side M&A,
- Leverages an experienced team of research professionals,
- Has a national presence with coverage of both east and west coasts.

Sub Sector Definitions

Large Cap: Large, diversified communications service providers that control a significant number of former RBOC access lines and/or have a nationwide wireless operation.

Alternative Telecom: Competitive carriers that primarily provide basic voice, data and transport services to businesses and other telecom service providers.

Hosted and Managed Services: Companies that provide hosted VoIP telecom services as well as additional hosted offerings such as audio and video conferencing.

ILEC and Diversified ILEC: Non-RBOC incumbent carriers, many of which have branched out into other sectors of communications services.

Cable and Video: Incumbent cable service providers, satellite video providers, and competitive video providers whose core business is providing video services to residential customers.

Summary Comments

Public Markets

The FOCUS Communications Service Provider Index (CSPI) had its second straight three-month period in negative territory, dropping 4.6% in our summer reporting period. This was despite relatively healthy gains in both the S&P 500 (up 2.6%) and the NASDAQ (up 3.9%). The difference between the CSPI and the broader indices is even more pronounced over the 12-month period. During this time frame, the S&P 500 and NASDAQ both posted double digit increases, while the CSPI actually fell 4.0%. Even with the sector's recent drop, multiples have remained relatively steady. The sector revenue multiple remained unchanged from a year ago at 2.5x, while the sector EBITDA multiple increased slightly from 7.6x a year ago to 7.8x at the end of the current period.

Large Cap

The Large Cap sub sector plummeted 8.6% in the past three months, making it a major drag on the CSPI and the second worst performing sub sector over this time frame. Three of the four companies in the sub sector were in negative territory, with only CenturyLink managing to eke out a small gain of 1.3%. The situation for the full year does not look any better. The sub sector is down 16.1% over this period, with AT&T, CenturyLink, and Verizon all posting double digit declines. On a positive note, Sprint has made a significant come back in the past 12 months and is up more than 80%. Sub sector multiples ended the period at 2.3x revenue and 7.0x EBITDA. Both multiples are lower than they were a year ago.

Alternative Telecom

The Alternative Telecom sub sector did manage to post a gain this reporting period, albeit a very modest one of 0.7%. The sub sector split evenly between gainers and losers. GTT and Boingo led the way with gains of 30.0% and 15.2%, respectively. Level 3 had a more modest gain of 3.6%. On the downside, Windstream lost nearly 30% while fiber providers Cogent and Zayo were both down about 6%. In the wake of this month's small gain, the sub sector is up year-over-year by a respectable 12.9%. Sub sector multiples also increased over the past year. The sub sector revenue multiple increased from 3.3x to 3.5x, and the sub sector EBITDA multiple increased from 9.9x to 10.5x.

Hosted and Managed Services

The Hosted and Managed Services sub sector continued to build on the momentum from our last report, posting a three-month gain of 4.3%. This was good enough to make it the top performing sub sector in the CSPI this reporting period. Credit for the sub sector's solid performance goes almost entirely to RingCentral, which was up 29.2% for the period. The next best performance was a 3.5% gain at Vonage. We also noted that cloud communications provider 8x8 did not share in the gains of its competitors, falling 4.6% in the period. Year-over-year performance for the Hosted and Managed Services sub sector also remains strong. The sub sector is up more than 17% in the past year. Sub sector multiples increased from 3.3x revenue and 15.0x EBITDA a year ago to 3.4x revenue and 16.3x EBITDA at the end of the current reporting period.

ILEC and Diversified ILEC

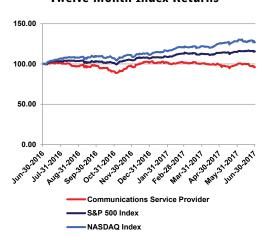
Unfortunately, the ILEC and Diversified ILEC sub sector continued its downward plunge, following up a doubledigit loss in our spring report with a 9.4% decline in the summer period. Also, similar to last period, Frontier once again was the anchor on the sub sector as the company shed nearly half its value. On the plus side, five of the eight companies in the sub sector were actually in positive territory for the period, including double digit gains at Alaska Communications Systems and Cincinnati Bell. The sub sector also has performed poorly for the full-year period, and is down nearly 35% compared to this time last year. As one might expect, sub sector multiples also declined over the past year and ended the period at 2.1x revenue and 6.1x EBITDA.

Cable and Video

The 3.4% gain in the Cable and Video sub sector over the past three months was good enough for a second-place finish among the various sub sectors in the CSPI. General Communication shot up a whopping 76.2% after it announced that it would be acquired by Liberty Global. In addition, the sub sector also had its first IPO in quite some time as WOW! was able to complete its market debut. In addition, the Cable and Video sub sector moved into the top spot as the best performing CSPI sub sector for the full-year period. The sub sector gained just over 20% during this time frame. Sector multiples closed out the period at 3.2x revenue (up from 2.7x a year ago) and 10.0x EBITDA (up from 8.8x a year ago).

U.S. Communications Service Provider Sector: Public Market Summary

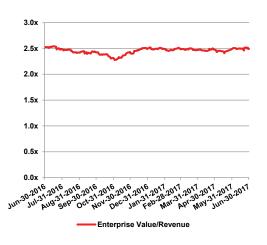
Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Communications Service Provider	-4.0%	-4.6%
Large Cap	-16.1%	-8.6%
Alternative Telecom	12.9%	0.7%
Hosted and Managed Services	17.5%	4.3%
ILEC and Diversified ILEC	-33.9%	-9.4%
Cable and Video	20.1%	3.4%
S&P 500	15.5%	2.6%
NASDAQ	26.8%	3.9%

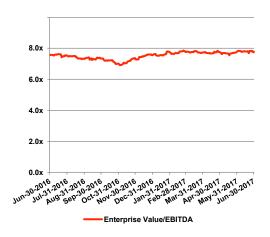
Revenue Multiple Trends



Sector and Sub Sector Revenue Multiples

	6/30/2017	6/30/2016
Communications Service Provider	2.5x	2.5x
Large Cap	2.3x	2.5x
Alternative Telecom	3.5x	3.3x
Hosted and Managed Services	3.4x	3.3x
ILEC and Diversified ILEC	2.1x	2.9x
Cable and Video	3.2x	2.7x

EBITDA Multiple Trends



Sector and Sub Sector EBITDA Multiples

	6/30/2017	6/30/2016
Communications Service Provider	7.8x	7.6x
Large Cap	7.0x	7.1x
Alternative Telecom	10.5x	9.9x
Hosted and Managed Services	16.3x	15.0x
ILEC and Diversified ILEC	6.1x	8.2x
Cable and Video	10.0x	8.8x

U.S. Communications Service Provider Stocks: M&A Summary

M&A

Our summer reporting period saw a relatively strong performance for M&A in the Communication Service Provider sector. While the 18 total transactions for the period were a solid if not spectacular figure, the fact that we saw \$12.1 billion in announced transaction dollar volume means that we finally are seeing some large deals in 2017. For the first half of the year, we now stand at 35 total transactions with a total announced transaction dollar volume of \$13.9 billion. These are respectable numbers, but they definitely lag the pace of activity that we have seen in the past several years.

Alternative Telecom

After a slow start to the year, the Alternative Telecom sub sector saw its level of M&A activity increase with 13 total transactions for the period. This included two relatively large transactions for fiber optic network providers; the acquisition of Southern Light by Uniti for nearly \$700 million and the acquisition of Wilcon Holdings by Crown Castle for \$600 million. Of the transactions for more "asset light" service providers, the acquisition of Broadview Networks by Windstream for \$202 million and the acquisition of Global Capacity by GTT for \$160 million both stand out. Not simply content with its Global Capacity acquisition, GTT made it a hat trick for the period with the additional acquisitions of Giglinx Global and Perseus. These were GTT's first acquisitions for 2017 and demonstrate that the company once again is aggressively looking for deals.

Hosted and Managed Services

While the Hosted and Managed Services sub sector only had two deals this period, it still was able to boast the sector's single highest value transaction. This was Apollo Global Management's take-private transaction of West Corporation for nearly \$5 billion. The transaction continues West Corporation's history of alternating between the public and private markets. In the sub sector's second (and much smaller) transaction, Digerati Technologies acquired Florida-based cloud communications provider T3 Communications.

ILEC and Diversified ILEC

There were no transactions in the ILEC and Diversified ILEC sub sector this reporting period.

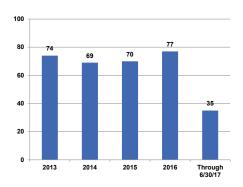
Cable and Video

The Cable and Video sub sector had three transactions this period and earned the title for the sub sector with the highest total announced transaction dollar volume. While Liberty Global's \$3.1 billion acquisition of General Communication and RCN Corporation's \$2.4 billion acquisition of Wave Broadband both were smaller than the West Corporation transaction, in combination they gave the Cable and Video sub sector the edge for this period. In addition, EATEL Corporation announced that it would acquire fellow Louisiana-based company Clear Choice Communications to expand its presence in its home state.

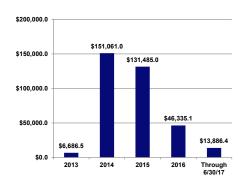
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U.S. Communication Service Provider Sector: M&A Summary

M&A Activity: Number of Transactions



M&A Activity (\$ Value of Transactions in Millions)



Transactions with Announced Multiples

The sector's four transactions with announced multiples this period were all over the map in terms of valuations. Not surprisingly, the highest multiple went to fiber-based provider Southern Light in its acquisition by Uniti. However, the 8.3x revenue and 17.1x EBITDA multiples that Southern Light received are healthy even by the lofty

levels of fiber network operators. At the other end of the spectrum, the non-fiber-based companies in the Alternative Telecom sub sector went for much lower multiples. The GTT acquisition of Global Capacity was done at 0.8x revenue, while the Windstream acquisition of Broadview Networks weighed in at an even lower 0.7x revenue multiple (and only 4.5x EBITDA). The Apollo purchase of Hosted and Managed Services Provider West Corporation fell in the middle of these extremes. Multiples for this transaction were 2.2x revenue and 7.6x EBITDA.

M&A Announced Transactions (1/1/17 – 6/30/17)

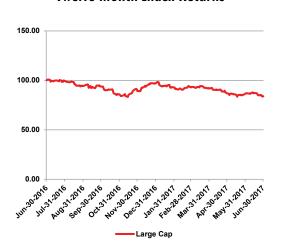
Acquiror	Target	Date Announced	Sector	Purchase Price	Description
GTT	Global Capacity	6/26/17	Alternative Telecom	\$160.0	Provides network integration and network-based managed services to telecommunication carriers and businesses.
GTT	Giglinx Global	6/21/17	Alternative Telecom	\$21.0	Offers tier 1 and tier 2 IP transit, content delivery network and colocation services.
CityNet	StratusWave Communications	6/19/17	Alternative Telecom	NA	Supplies internet and telephone services to business and residences.
GTT	Perseus	6/1/17	Alternative Telecom	\$40.5	Provides high-speed network connectivity services focusing on financial services and eCommerce companies.
LOGIX Communications	Alpheus Communications	5/30/17	Alternative Telecom	NA	Operates a metro-regional fiber network in Texas with 2,800 route miles of long-haul fiber and 1,900 route miles of metro fiber.
ControlScan	EchoSat Communications Group	5/25/17	Alternative Telecom	NA	Secure data communication services for the convenience-store, petroleum, retail, utility and grocery markets in the United States.
RCN Corporation	Wave Broadband	5/23/17	Cable and Video	\$2,365.0	Provides video, Internet and phone services to customers in Washington, Oregon and California.
Apollo Global Management	West Corporation	5/9/17	Hosted & Managed Services	\$4,950.0	Telecommunications and hosted conference call and online messaging services and contact center services for businesses.
Digerati Technologies	T3 Communications	5/9/17	Hosted & Managed Services	NA	Cloud communication and broadband solutions in Southwest Florida.
EATELCORP	Clear Choice Communications	4/24/17	Cable and Video	NA	High speed Internet, digital phone and video services in Plaquemine, Louisiana.
ConvergeOne	Rockefeller Group Technology Solutions	4/18/17	Alternative Telecom	NA	Offers voice, data, cloud computing, cabling, broadband transport, wireless, mobility and unified communications solutions.
Crown Castle	Wilcon Holdings	4/17/17	Alternative Telecom	\$600.0	Owns and operates a network with 1,900 route miles of fiber, primarily in Los Angeles and San Diego.
Windstream	Broadview Networks	4/13/17	Alternative Telecom	\$201.8	Provides communications and information technology solutions to small and medium sized business and enterprise customers.
ScanSource	Kingcom (Channel Business)	4/10/17	Alternative Telecom	NA	Sells communication solutions through the Verizon Partner Program.
Uniti	Southern Light	4/10/17	Alternative Telecom	\$699.1	Designs, builds, operates and maintains fiber optic infrastructure throughout the Gulf Coast region.
Wave Broadband	Cascadelink	4/6/17	Alternative Telecom	NA	Delivers high-speed connectivity to customers in multi-unit residential and office buildings in the Seattle area.
Liberty Global	General Communication	4/4/17	Cable and Video	\$3,061.7	Wireless, data, video, voice and managed services to residential customers, businesses and government entities primarily in Alaska.
BAI Communications	inMOTION Wireless	4/3/17	Alternative Telecom	NA	Designs, builds, owns and operates wireless infrastructure to enable Wi-Fi and telecom services for Boston rail and ferry commuters.
DCI Design Communications	EthoStream	3/30/17	Alternative Telecom	\$12.8	High-speed Internet access network solutions for the hospitality industry.
FirstLight Fiber	Finger Lakes Technologies Group	3/7/17	Alternative Telecom	NA	2,500-mile fiber-optic network that delivers voice, data and Internet solutions to business customers in the Upstate New York region.
The Pritzker Group	Hargray Communications	3/7/17	Diversified ILEC	NA	Communications and entertainment services to residential, business and enterprise customers in South Carolina and Georgia.
Uniti	Hunt Telecom	2/23/17	Alternative Telecom	\$170.0	2,600 fiber route miles in Louisiana that provide data transport to K-12 schools and government agencies.
NetFortris	Fonality	2/21/17	Hosted & Managed Services	NA	Software defined unified communications as a service solutions for small and medium sized business and enterprise customers.

$M\&A\ Announced\ Transactions\ (1/1/17-6/30/17)\ continued$

Acquiror	Target	Date Announced	Sector	Purchase Price	Description
EQT Infrastructure	Lumos Networks	2/20/17	Alternative Telecom	\$869.5	Provides fiber-based bandwidth infrastructure and services in the Mid-Atlantic region.
Bregal Sagemount	Single Digits	2/14/17	Hosted & Managed Services	NA	High speed Internet access services to the hospitality, healthcare, education, transportation, retail and office verticals.
Epsilon	Metcom Networks Services	2/2/17	Alternative Telecom	NA	Provides connectivity and colocation services across the greater New York metro market.
Premium Choice Broadband	Moosehead Enterprises	1/29/17	Cable and Video	NA	Offers cable and other subscription services in Maine.
Digital West	Norcast Telecom	1/24/17	Alternative Telecom	NA	Provides voice and data services to businesses throughout California's central coast.
Wave Broadband	Cascade	1/20/17	Alternative Telecom	NA	Data connectivity provider focused on serving businesses in the northwest United States with over 350 route miles of fiber.
Mediacom Communications	TV Cable Company of Andalusia	1/19/17	Cable and Video	NA	Provides cable services in Andalusia, Alabama.
Cable One	NewWave Communications	1/18/17	Cable and Video	\$735.0	Broadband/cable company that offers high-speed Internet, television and telephone services to residential and business customers.
Conterra	Broadplex	1/18/17	Alternative Telecom	NA	Builds and operates facilities-based lit and dark fiber networks in the state of Louisiana.
Conterra	Detel	1/18/17	Alternative Telecom	NA	Builds and operates facilities-based lit and dark fiber networks in the state of North Carolina.
PGi	ReadyTalk	1/13/17	Hosted & Managed Services	NA	Provider of cloud communications services including audio, web and video conferencing and self-service and managed webinar solutions.
IDT	LiveNinja	1/4/17	Hosted & Managed Services	NA	Customer-facing messaging and live chat management service.

$M\&A\ Announced\ Transactions\ with\ Revenue\ Multiples\ (7/1/16-6/30/17)$

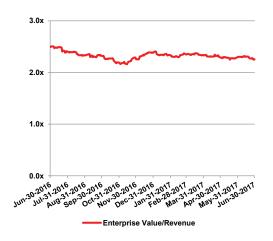
Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
GTT	Global Capacity	6/26/17	Alternative Telecom	\$160.0	0.8 x	NA	Provides network integration and network-based managed services to telecommunication carriers and businesses.
Apollo Global Management	West Corporation	5/9/17	Hosted & Managed Services	\$4,950.0	2.2 x	7.6 x	Telecommunications and hosted conference call and online messaging services and contact center services for businesses.
Windstream	Broadview Networks	4/13/17	Alternative Telecom	\$201.8	0.7 x	4.5 x	Provides communications and information technology solutions to small and medium sized business and enterprise customers.
Uniti	Southern Light	4/10/17	Alternative Telecom	\$699.1	8.3 x	17.1 x	Designs, builds, operates and maintains fiber optic infrastructure throughout the Gulf Coast region.
Liberty Global	General Communication	4/4/17	Cable and Video	\$3,061.7	3.3 x	11.2 x	Wireless, data, video, voice and managed services to residential customers, businesses and government entities primarily in Alaska.
Uniti	Hunt Telecom	2/23/17	Alternative Telecom	\$170.0	4.9 x	11.3 x	2,600 fiber route miles in Louisiana that provide data transport to K-12 schools and government agencies.
EQT Infrastructure	Lumos Networks	2/20/17	Alternative Telecom	\$869.5	4.2 x	10.3 x	Provides fiber-based bandwidth infrastructure and services in the Mid-Atlantic region.
Consolidated Communications	Fairpoint Communications	12/5/16	Diversified ILEC	\$1,467.6	1.8 x	3.2 x	Communications services to business, wholesale and residential customers in 17 states.
GTT	Reliance Globalcom (Ethernet Business Division)	11/18/16	Alternative Telecom	\$28.0	0.7 x	NA	Provides Ethernet connectivity services.
Fusion Telecommunications	Apptix	11/15/16	Hosted & Managed Services	\$28.0	1.1 x	NA	Provider of hosted business communication, collaboration and IT solutions to businesses of all sizes.
Windstream	EarthLink	11/7/16	Alternative Telecom	\$1,019.1	1.0 x	5.1 x	Managed network, security and cloud services to business and residential customers.
Onvoy	Inteliquent	11/2/16	Alternative Telecom	\$671.8	2.1 x	9.8 x	Provides voice telecommunications services on a wholesale basis including local transit, long distance, switched access and toll-free.
CenturyLink	Level 3 Communications	10/31/16	Alternative Telecom	\$34,725.8	4.2 x	13.1 x	Facilities-based provider of communications services including Internet services, virtual private network and Ethernet.
Midcontinent Communications	WOW (Lawrence, KS Operations)	10/21/16	Cable and Video	\$215.0	4.7 x	9.2 x	Offers high-speed Internet, cable television, phone, business data, voice and cloud services to residential and business customers.
ScanSource	Intelisys	8/8/16	Alternative Telecom	\$83.6	0.7 x	NA	Distributor of business telecommunications services including voice, data, access, cable, collaboration, wireless and cloud.
wow	NuLink	8/2/16	Cable and Video	\$53.0	NA	6.3 x	High-speed Internet, digital cable TV and phone services to residential and business customers in Newnan, Georgia.
LogMeIn	Citrix (GoToMeeting Business)	7/26/16	Hosted & Managed Services	\$1,802.6	2.7 x	NA	Cloud-based tools for meetings, Webinars, audio conferencing and telephony.



Company Returns

	12 Month	3 Month
Large Cap Index	-16.1%	-8.6%
AT&T	-12.7%	-9.2%
CenturyLink	-17.7%	1.3%
Sprint	81.2%	-5.4%
Verizon	-20.0%	-8.4%

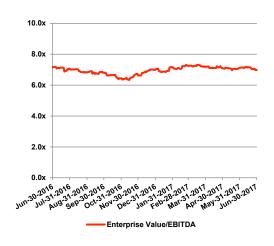
Revenue Multiple Trends



Company Revenue Multiples

	6/30/2017	6/30/2016
Large Cap Index	2.3x	2.5x
AT&T	2.2x	2.4x
CenturyLink	1.9x	2.0x
Sprint	2.0x	1.5x
Verizon	2.4x	2.6x

EBITDA Multiple Trends

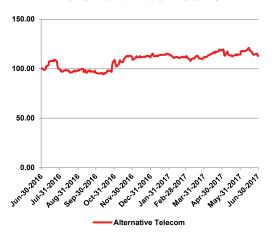


Company EBITDA Multiples

	6/30/2017	6/30/2016
Large Cap Index	7.0x	7.1x
AT&T	7.3x	7.2x
CenturyLink	5.1x	5.2x
Sprint	6.3x	5.5x
Verizon	6.9x	7.2x

Sub Sector Analysis: Alternative Telecom

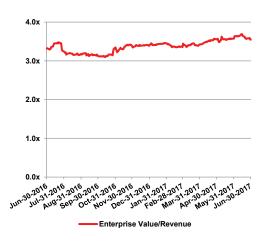
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Alternative Telecom Index	12.9%	0.7%
Boingo	67.7%	15.2%
Cogent Communications	0.1%	-6.9%
GTT	71.3%	30.0%
Level 3	15.2%	3.6%
Windstream	-58.1%	-28.8%
Zayo Group	10.6%	-6.1%

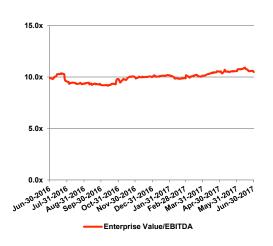
Revenue Multiple Trends



Company Revenue Multiples

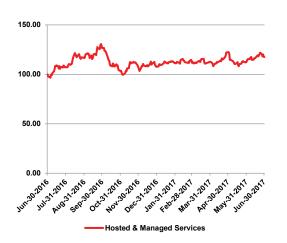
	6/30/2017	6/30/2016
Alternative Telecom Index	3.5x	3.3x
Boingo	3.5x	2.3x
Cogent Communications	5.0x	5.1x
GTT	3.9x	2.3x
Level 3	3.7x	3.5x
Windstream	2.1x	2.0x
Zayo Group	6.3x	6.2x

EBITDA Multiple Trends



Company EBITDA Multiples

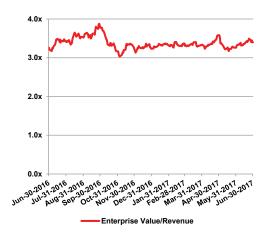
	6/30/2017	6/30/2016
Alternative Telecom Index	10.5x	9.9x
Boingo	17.0x	15.8x
Cogent Communications	16.1x	17.1x
GTT	17.4x	11.3x
Level 3	11.4x	11.0x
Windstream	6.3x	5.8x
Zayo Group	13.9x	13.7x



Company Returns

	12 Month	3 Month
Hosted & Managed Services Index	17.5%	4.3%
8x8	-0.4%	-4.6%
Glowpoint	-4.4%	-4.1%
j2 Global	34.7%	1.4%
RingCentral	85.3%	29.2%
Twilio	-20.2%	0.8%
Vonage	7.2%	3.5%
West Corporation	18.6%	-4.5%

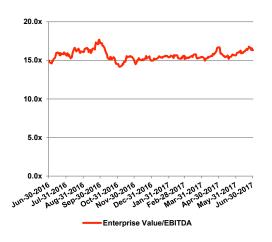
Revenue Multiple Trends



Company Revenue Multiples

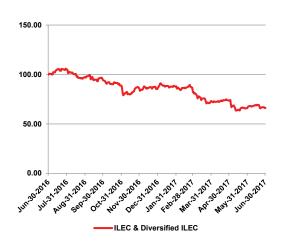
	6/30/2017	6/30/2016
Hosted & Managed Services Index	3.4x	3.3x
8x8	4.6x	5.2x
Glowpoint	1.1x	0.9x
j2 Global	5.1x	4.2x
RingCentral	6.4x	3.9x
Twilio	7.7x	14.3x
Vonage	1.8x	1.7x
West Corporation	2.2x	2.1x

EBITDA Multiple Trends



Company EBITDA Multiples

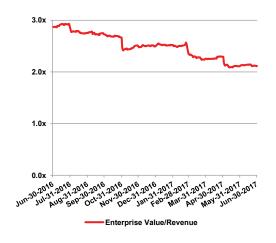
	6/30/2017	6/30/2016
Hosted & Managed Services Index	16.3x	15.0x
8x8	364.5x	383.0x
Glowpoint	110.3x	45.8x
j2 Global	12.6x	10.2x
RingCentral	NM	NM
Twilio	NM	NM
Vonage	17.5x	15.7x
West Corporation	7.6x	7.3x



Company Returns

	12 Month	3 Month
ILEC & Diversified ILEC Index	-33.9%	-9.4%
Alaska Communications Systems	29.4%	18.9%
Consolidated Communications	-21.2%	-8.3%
Cincinnati Bell	-14.4%	10.5%
Frontier	-76.5%	-45.8%
Lumos Networks	47.7%	1.0%
Otelco	78.6%	6.1%
Telephone & Data Systems	-6.4%	4.7%
Uniti Group	-13.0%	-2.7%

Revenue Multiple Trends



Company Revenue Multiples

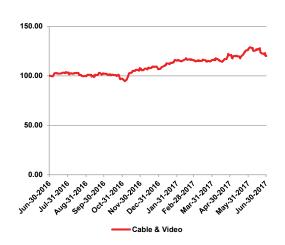
	6/30/2017	6/30/2016
ILEC & Diversified ILEC Index	2.1x	2.9x
Alaska Communications Systems	1.6x	1.1x
Consolidated Communications	3.4x	3.6x
Cincinnati Bell	1.7x	2.0x
Frontier	1.9x	3.1x
Lumos Networks	4.1x	3.2x
Otelco	1.5x	1.4x
Telephone & Data Systems	1.0x	1.0x
Uniti Group	10.5x	8.3x

EBITDA Multiple Trends



Company EBITDA Multiples

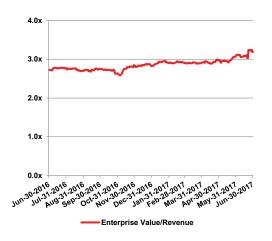
	6/30/2017	6/30/2016
ILEC & Diversified ILEC Index	6.1x	8.2x
Alaska Communications Systems	6.8x	4.8x
Consolidated Communications	9.6x	10.2x
Cincinnati Bell	7.2x	8.2x
Frontier	4.9x	7.8x
Lumos Networks	10.3x	8.1x
Otelco	3.9x	3.6x
Telephone & Data Systems	5.5x	5.2x
Uniti Group	12.5x	9.6x



Company Returns

	12 Month	3 Month
Cable & Video Index	20.1%	3.4%
Altice	NA	-0.5%
Charter Communications	47.3%	1.3%
Comcast	19.4%	3.5%
Dish Network	19.8%	-1.1%
General Communication	131.9%	76.2%
WOW	NA	NA

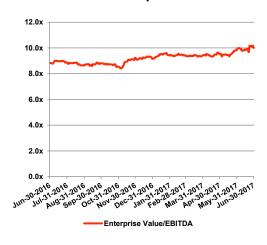
Revenue Multiple Trends



Company Revenue Multiples

	6/30/2017	6/30/2016
Cable & Video Index	3.2x	2.7x
Altice	6.2x	NA
Charter Communications	4.4x	7.2x
Comcast	3.0x	2.8x
Dish Network	2.7x	2.4x
General Communication	3.0x	2.1x
wow	3.4x	NA

EBITDA Multiple Trends



Company EBITDA Multiples

	6/30/2017	6/30/2016
Cable & Video Index	10.0x	8.8x
Altice	15.5x	NA
Charter Communications	11.9x	21.0x
Comcast	9.1x	8.3x
Dish Network	12.6x	11.5x
General Communication	10.2x	6.9x
wow	9.4x	NA

FOCUS Telecom Technology and Services Team

Richard H. Pierce



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Rich Pierce has more than ten years of investment banking experience advising middle market clients on a variety of mergers and acquisitions and capital raising transactions. Dur-

ing that time, Mr. Pierce's primary emphasis has been on serving clients in the telecommunications industry including providers of network related hardware and software products, wireless, and wireline telecommunications service providers and network engineering and construction companies.

John T. Bradshaw



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John Bradshaw has over 30 years experience in sales, marketing, manufacturing, finance, and systems engineering with corporations specializing in technology-driven business products and services. Mr. Bradshaw has been a successful

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David Freeland, a FOCUS Principal, has more than fifteen years of experience providing investment banking and management consulting services to a variety of corporate clients, ranging from the Fortune 500 to start-up businesses. He has been an

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Eric M. Oganesoff



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Eric Oganesoff has conducted over forty M&A, debt, and capital raise transactions with an aggregate value of over \$300 million and has served as the CEO or President of several companies. Mr. Oganesoff has over twenty years of senior executive level

experience in leading businesses ranging from wireless solutions, software, and RFID services to manufacturing, industrial products, energy, and environmental products and government contracting.

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FOCUS Investment Banking LLC provides a range of middle market investment banking services with an emphasis on mergers, acquisitions, divestitures and corporate finance. FOCUS is a national firm serving clients from offices in major cities across the United States. FOCUS specializes in business units with transactions or revenues in the \$5-300 million range, serving entrepreneurs, corporate owners and various types of investors across a broad range of industries, throughout the U.S. and worldwide. FOCUS bankers are seasoned operating and financial executives with extensive transaction experience. Securities transactions conducted by FOCUS Securities LLC, an affiliated company, registered Broker/Dealer and member FINRA/SIPC. For more information on FOCUS, visit www.focusbankers.com.

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