

FOCUS

Investment Banking

Telecom Technology and Services Group

Telecom Technology Quarterly



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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Telecom Technology Quarterly

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

FOCUS believes that the Telecom Technology sector is one of the most exciting in Telecom. As communications service providers struggle to keep up with ever increasing demand from their data hungry customers, they are turning to their technology partners to help them satisfy these needs in a cost-effective way. In addition to simply increasing the capacity of both wireline and wireless networks, communications service providers require tools to perform a variety of other critical functions including network planning and optimization, network monitoring, service assurance, network testing and service delivery and monetization. At the same time, enterprises are facing their own challenges as they look to support every increasing needs for bandwidth, the movement of business applications to the cloud, the challenges of supporting a remote workforce and the need to integrate a variety of communications modes into their business processes. While some of the largest technology companies in the world are helping to meet many of these challenges, we believe there is significant innovation among middle market technology providers and ample opportunities for them to create meaningful value for their shareholders. FOCUS is proud of its commitment to the Telecom Technology sector, and we are excited about the prospects for middle market companies in this space.

The FOCUS Telecom Technology and Services group consists of professionals with substantial expertise in both Telecom and investment banking. 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 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 companies with products across a variety of sub sectors.

Broadband Access and Transport: FTTP equipment, DOCSIS access, carrier-grade switching and routing, and WDM-based transport.

Broadband Wireless: High capacity, fixed wireless equipment.

Enterprise Networking: Enterprise-grade switches and routers (wireline and wireless), application and bandwidth management tools such as WAN optimization and application acceleration and network management tools.

OSS/BSS Software: Software systems that manage and bill the customer base and monitor and maintain telecom networks.

Test and Measurement: Equipment used by both service providers and manufacturers to test and monitor networks and equipment.

Unified Communications and Contact Center: PBXs, videoconferencing-related products and software products designed to enhance the efficiency of contact center networks.

Summary Comments

Public Markets

The FOCUS Telecom Technology Index (TTI) continued its pattern of alternating gains and losses. This past three months saw a positive upswing as the sector gained 6.1%. While a solid gain, it still lagged the broader indices as the S&P 500 was up 10.9% and the NASDAQ was up 12.5% over the same time frame. The TTI is also in positive territory for the last twelve months with a gain of 5.8%. However, this compares unfavorably to both the S&P 500 and the NASDAQ, which gained 28.4% and 40.5%, respectively, over the past year. Sector multiple performance was mixed. The revenue multiple increased from 2.3x a year ago to 2.4x currently, while the EBITDA multiple fell from 12.9x to 11.6x over the past year.

Large Cap

The Large Cap sub sector gained 2.4% over the past three months. A big reason for this was Juniper, which shot up 30.2% in the wake of the news that it would be acquired by Hewlett Packard Enterprise. Ericsson and ZTE also enjoyed double digit gains. Over the last twelve months, the sub sector remains in negative territory with a loss of 2.6%. When looked at over this time period, Juniper was the only company in the index to trade higher than it did a year ago. Sub sector multiples also fell over the past year. The revenue multiple dropped from 2.0x to 1.9x and the EBITDA multiple dipped from 9.7x to 8.2x.

Broadband Access and Transport

The Broadband Access and Transport sub sector returned to positive territory in our spring reporting period with a three-month gain of 13.4%. This made it the second best performing sub sector in the TTI this period. Much of these gains were due to transport vendors CIENA and Infinera as these companies gained 24.3% and 29.0%, respectively. Harmonic also performed well with an increase of 18.7%. On the down side, the sub sector lost 3.9% compared to the year-ago period. This included steep losses at ADTRAN (down 67.4%), Casa Systems (down 89.0%) and Dasan Zhone Solutions (down 86.1%). Sub sector multiples ended the period at 1.8x revenue (down from 2.0x a year ago) and 20.3x EBITDA (down from 25.1x a year ago).

Broadband Wireless

After a steep drop in our winter reporting period, the Broadband Wireless sub sector managed to rebound, and actually posted a modest gain of 1.6%. All of the companies in the sub sector were in positive territory over the past three months with the exception of Cambium, which declined 9.0%. The sub sector remains in deeply negative territory for the full year period as it shed more than half its value over this time frame. Cambium Networks performed poorly over this time period as well with a loss of 78.8%. In addition, Airspan Networks and Ubiquiti Networks also traded down significantly. Sub sector multiples closed out the period at 3.1x revenue and 16.6x EBITDA. Both of these compare unfavorably to year-ago multiples of 6.4x revenue and 37.6x EBITDA.

Enterprise Networking

Continuing its momentum from our winter report, the Enterprise Networking sub sector was once again the top performing sub sector in the TTI with a three-month gain of 20.6%. Aerohive Networks, Arista Networks and Radware all enjoyed double digit gains over this time period. The sub sector is also far-and-away the top performing TTI sub sector over the past year with a year-over-year gain of 77.3%. Aerohive Networks and Arista Networks were also strong contributors to the year-over-year gain, as were Accton and F5 Networks. The sub sector revenue multiple is up sharply over the past year, increasing from 4.3x to 6.8x. The sub sector EBITDA multiple also showed a strong increase as it went from 20.8x to 27.4x.

OSS/BSS Software

The OSS/BSS Software sub sector shook off its recent struggles to post a strong gain this period of 11.1%. Gains were broad-based as all but one of the nine companies in the sub sector traded higher over these past three months. This period's gains were also enough to push the sub sector into positive territory for the full year period with an increase of 3.0%. However, gains over this period were narrow and limited to Lumine Group and Subex. Sub sector multiples also enjoyed a nice increase, going from 2.2x revenue and 10.9x EBITDA a year ago up to 2.6x revenue and 14.1x EBITDA currently.

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Test and Measurement

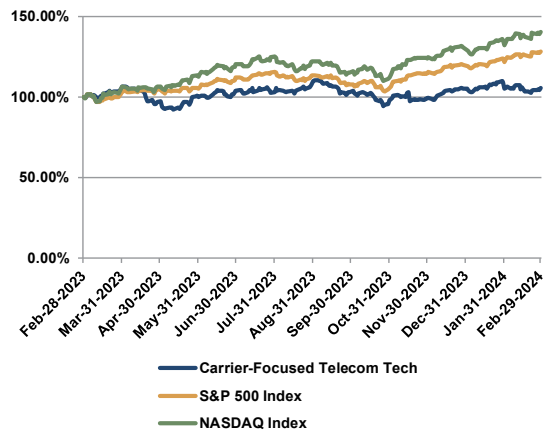
After several periods of decline, the Test and Measurement sub sector finally returned to the black as it ended the period 5.1% higher than where it started. This was entirely due to a nearly 20% increase at Viavi. The other two companies in the sub sector both had negative returns. For the full year period, the sub sector is still down 22.0%. All three companies in the index were down over this time frame, with a 48.8% loss at Spirent making it the sub sector's worst performer. The sub sector revenue multiple declined to 1.7x revenue from 1.9x revenue a year ago. However, the sub sector EBITDA multiple increased from 9.4x a year ago to 11.9x currently.

Unified Communications and Contact Center

The 4.0% loss suffered by the Unified Communications and Contact Center sub sector made it the only TTI sub sector in negative territory for our spring reporting period. Six of the nine companies in the sub sector actually turned in a positive return over the past three months. However, losses at the larger market cap companies 8x8, Five9 and Twilio dragged the sub sector into negative territory. The sub sector is also down 8.2% compared to last year. Year-over-year losses were much broader-based with only two companies in the index (Crexendo and RingCentral) managing a positive return. The sub sector revenue multiple fell from 3.2x a year ago to 2.6x currently. The EBITDA multiple closed out the period at 44.8x compared to "Not Meaningful" at this time last year.

Telecom Technology: Public Market Summary

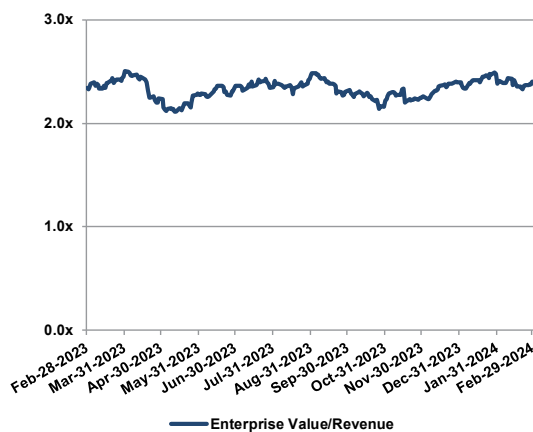
Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Technology	5.8%	6.1%
Large Cap	-2.6%	2.4%
Broadband Access and Transport	-3.9%	13.4%
Broadband Wireless	-54.8%	1.6%
Enterprise Networking	77.3%	20.6%
OSS/BSS	3.0%	11.1%
Test and Measurement	-22.0%	5.1%
Unified Comms and Contact Center	-8.2%	-4.0%
S&P 500	28.4%	10.9%
NASDAQ	40.5%	12.5%

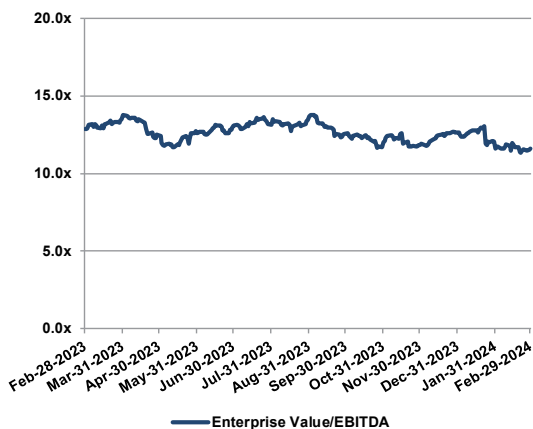
Revenue Multiple Trends



Sector and Sub Sector Revenue Multiples

	2/29/2024	2/28/2023
Telecom Technology	2.4x	2.3x
Large Cap	1.9x	2.0x
Broadband Access and Transport	1.8x	2.0x
Broadband Wireless	3.1x	6.4x
Enterprise Networking	6.8x	4.3x
OSS/BSS	2.6x	2.2x
Test and Measurement	1.7x	1.9x
Unified Comms and Contact Center	2.6x	3.2x

EBITDA Multiple Trends



Sector and Sub Sector EBITDA Multiples

	2/29/2024	2/28/2023
Telecom Technology	11.6x	12.9x
Large Cap	8.2x	9.7x
Broadband Access and Transport	20.3x	25.1x
Broadband Wireless	16.6x	37.6x
Enterprise Networking	27.4x	20.8x
OSS/BSS	14.1x	10.9x
Test and Measurement	11.9x	9.4x
Unified Comms and Contact Center	44.8x	NM

Source: Capital IQ

M&A Summary Comments

M&A

While the total number of M&A transactions in the Telecom Technology sector over these past three months was fairly typical at 15, the total dollar volume of announced transactions was the highest we have seen in quite some time at \$14.5 billion. With 2023 now fully in the books, it is clear that it was one of the worst M&A periods for the sub sector in recent memory. The 66 total transactions and \$2.7 billion in total announced transaction dollar volume were both the lowest that we have seen of any year in the last five. While 2024 started out extremely strong in terms of the announced dollar volume of transactions, it still remained relatively low in terms of the number of deals. So it is not yet clear if the M&A market in the sector has fully bounced back from its 2023 lows.

Large Cap

In a rare event, this period saw a transaction in the Large Cap sub sector. This was the \$14.0 billion acquisition of Juniper Networks by Hewlett Packard Enterprise. This was clearly the reason for this period's spike in total announced transaction dollar volume.

Broadband Access and Transport

The Broadband Access and Transport sub sector had two transactions this period. Interestingly, both were corporate divestitures. In the first divestiture, Dasan Zhong Solutions divested its Asia operations to DASAN Networks for \$40.0 million. In the second transaction, Commscope sold its home networks business to Vantiva for \$169.6 million.

Broadband Wireless

The one transaction in the Broadband Wireless sub sector was Nokia's acquisition of portable 4G network vendor Fenix Group to deepen its presence in the U.S. defense market.

Enterprise Networking

Activity picked up somewhat in the Enterprise Networking sub sector with a total of four transactions over the past three months. Network management was a common theme in three of the four transactions. These were Tufin Software's acquisition of AKIPS, the Morgan Stanley Expansion Capital acquisition of cPacket Networks and Legrand's purchase of XPE Systems. In the sub sector's final transaction, service provider Pavlov Media acquired NetExperience and its enterprise-grade wireless controller solution.

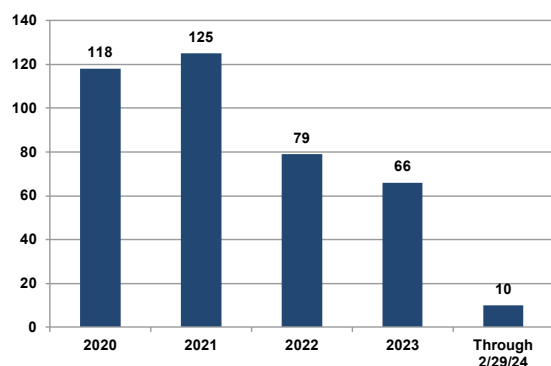
OSS/BSS Software

The OSS/BSS Software sub sector picked up somewhat in terms of the number of transactions with five for the period. The largest of these was Lumine Group's acquisition of Nokia's device management business for \$203 million. In another divestiture transaction, Compax Group acquired the BSS/OSS business unit from Cyan. We also noted that Connectbase, a company that facilitates the buying and selling of connectivity, acquired telecom-focused configure, price and quote provider MasterStream.

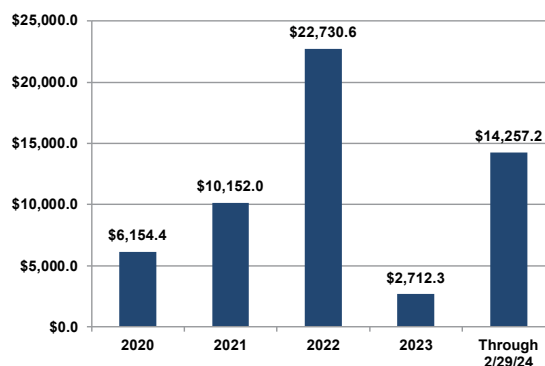
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Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



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



In the subsector's final two transactions, ServiceNow acquired the NetAce network management platform from Atrinet and Strategic Imperatives acquired customer experience software provider X3T Broadband.

Test and Measurement

There were no transactions in the Test and Measurement sub sector this period.

Unified Communications and Contact Center

After a surge of activity in our last report, the Unified Communications and Contact Center sub sector slowed down considerably with only two transactions for the period. Serial consolidator Constellation Software acquired Avencall, a French-based company that provides

open source unified communications solutions. In the sub sector's other transaction, NUSO acquired Italian contact center software company Mida Solutions.

Transactions with Multiples

We had two transactions with announced multiples this period. In the period's marquee transaction, the Hewlett Packard Enterprise acquisition of Juniper Networks was done at the solid, but not spectacular, multiples of 2.5x revenue and 16.1x EBITDA. Vantiva's acquisition of the home networks business of Commscope, the second transaction with an announced multiple this period, was done at a mere 0.1x revenue multiple. The EBITDA multiple for this transaction was not announced.

M&A Announced Transactions (12/1/23 – 2/29/24)

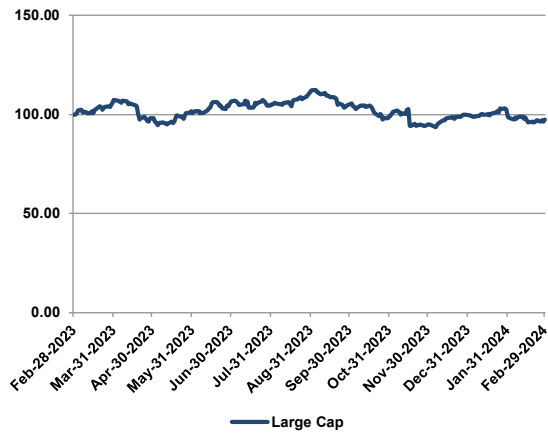
Acquiror	Target	Sector	Date Announced	Purchase Price	Description
ServiceNow	Atrinet (NetAce Network Management Platform)	OSS/BSS Software	2/26/24	NA	Software that provides end-to-end network lifecycle management for telcos including network discovery and activation capabilities.
Tufin Software Technologies	AKIPS	Enterprise Networking	2/21/24	NA	Network and infrastructure monitoring software with features for network visibility, reporting, integration and customization and dashboard.
Morgan Stanley Expansion Capital	cPacket Networks	Enterprise Networking	2/14/24	\$67.0	AI-enabled network performance monitoring software and devices for businesses.
Pavlov Media	NetExperience	Enterprise Networking	1/24/24	NA	Developer of the OpenWiFi Cloud Controller enterprise-grade wireless solution.
Strategic Imperatives	X3T Broadband	OSS/BSS Software	1/23/24	NA	Software for customer experience management and gigabit fiber connectivity for broadband operators in Europe.
Constellation Software	Avencall	Unified Communications and Contact Center	1/19/24	NA	Open-source unified communications and customer interactions software for businesses and public sector authorities in France.
Legrand	ZPE Systems	Enterprise Networking	1/12/24	NA	Datacenter, branch and edge infrastructure management with features for network management, security, band management and power management.
Hewlett Packard Enterprise	Juniper Networks	Large Cap	1/9/24	\$13,980.6	Switches and routers for a broad variety of applications including high bandwidth services, data centers, SDN and Wi-Fi access points.
Vantiva	Commscope (Home Networks Business)	Broadband Access and Transport	1/9/24	\$169.6	Provides devices that supply residential connectivity and video set top box solutions.
DASAN Networks	DZSI (Asia Business)	Broadband Access and Transport	1/5/24	\$40.0	Provider of access, optical and AI-driven cloud software solutions in the Asian market.
Connectbase	MasterStream	OSS/BSS Software	12/27/23	NA	Configure Price Quote (CPQ) software and related APIs for telecom operators in the U.S.
Lumine Group	Nokia (Device Management and Service Management Business)	OSS/BSS Software	12/20/23	\$203.0	Mobile device and customer experience management software.
Compax Group	cyan (BSS/OSS Business Unit)	OSS/BSS Software	12/19/23	NA	BSS/OSS solutions for Mobile Virtual Network Operators (MVNOs).
NUSO	Mida Solutions	Unified Communications and Contact Center	12/13/23	NA	Compliance recording, call analytics, attendant console, unified communications, recording and IVR for contact centers in Italy.
Nokia	Fenix Group	Broadband Wireless	12/12/23	NA	Portable 4G networks, mobile radio, broadband services and RF planning software for the defense market in the United States.

M&A Announced Transactions with Revenue Multiples (3/1/23 – 2/29/24)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Hewlett Packard Enterprise	Juniper Networks	Large Cap	1/9/24	\$13,980.6	2.5 x	16.1 x	Switches and routers for a broad variety of applications including high bandwidth services, data centers, SDN and Wi-Fi access points.
Vantiva	Commscope (Home Networks Business)	Broadband Access and Transport	1/9/24	\$169.6	0.1 x	NA	Provides devices that supply residential connectivity and video set top box solutions.
Lumine Group	Synchronoss (Messaging and NetworkX Business)	OSS/BSS Software	11/1/23	\$41.8	0.5 x	NA	White label messaging, order and expense management and management, planning, and design of physical networks.
Ceragon Networks	Siklu Communications	Broadband Wireless	10/24/23	\$27.0	0.5 x	NA	Provides multi-gigabit wireless fiber connectivity systems and SaaS for video security, internet access, network design and backhaul networks.
Ooma	2600Hz	Unified Communications and Contact Center	10/23/23	\$33.0	4.7 x	NA	AI-based and open-source unified communication SaaS and related open APIs for businesses.
Nice Systems	LiveVox	Unified Communications and Contact Center	10/4/23	\$423.8	3.0 x	NM	AI-based contact center SaaS and related APIs with features for workforce management, recording and inbound and outbound voice.
Proximus Opal	Route Mobile	Unified Communications and Contact Center	7/17/23	\$1,243.2	2.9 x	22.4 x	AI-based communications platform-as-a-service (CPaaS) solution.
OMNIQ	tadiran Telecom	Unified Communications and Contact Center	7/10/23	\$15.3	0.6 x	9.0 x	Provides unified communications and collaboration SaaS, PBX systems and related mobile applications for businesses.
Aviat Networks	NEC (Wireless Transport Business)	Broadband Wireless	5/9/23	\$70.0	0.5 x	NA	Radio communication, transmission and wireless transport systems for businesses in the communication sector.

Sub Sector Analysis: Large Cap

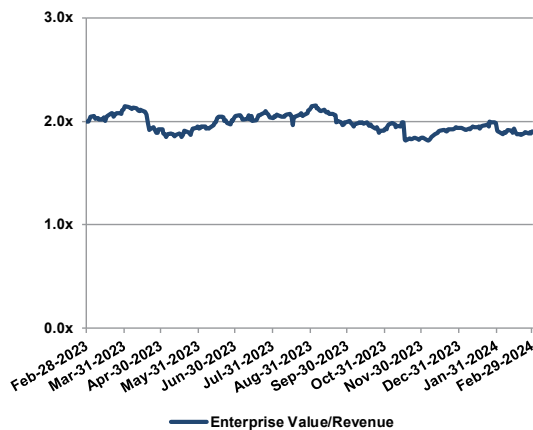
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Large Cap Index	-2.6%	2.4%
Cisco	-0.1%	0.0%
Ericsson	-1.1%	11.2%
Juniper	20.3%	30.2%
Nokia	-24.2%	0.4%
ZTE	-10.7%	15.6%

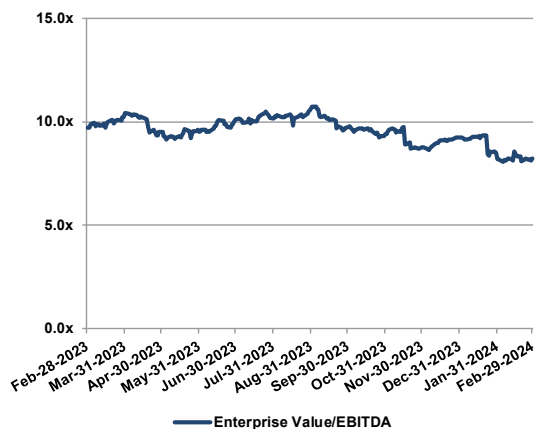
Revenue Multiple Trends



Company Revenue Multiples

	2/29/2024	2/28/2023
Large Cap Index	1.9x	2.0x
Cisco	3.2x	3.5x
Ericsson	0.7x	0.7x
Juniper	2.3x	2.0x
Nokia	0.7x	0.8x
ZTE	1.0x	1.1x

EBITDA Multiple Trends



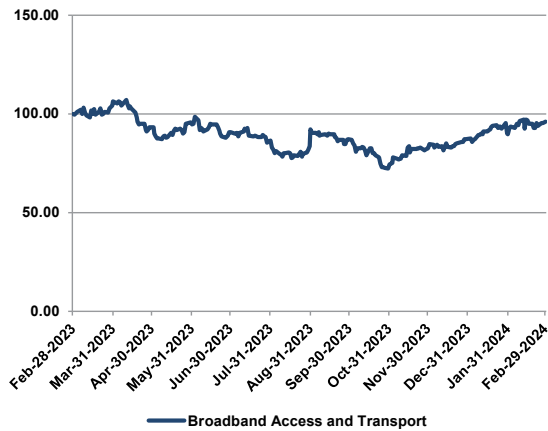
Company EBITDA Multiples

	2/29/2024	2/28/2023
Large Cap Index	8.2x	9.7x
Cisco	10.3x	11.8x
Ericsson	3.2x	5.3x
Juniper	16.5x	14.2x
Nokia	5.2x	5.7x
ZTE	12.6x	13.4x

Source: Capital IQ

Sub Sector Analysis: Broadband Access and Transport

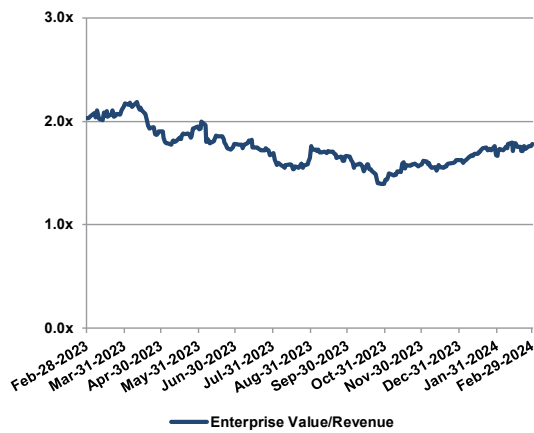
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Broadband Access & Transport Index	-3.9%	13.4%
ADTRAN	-67.4%	8.8%
BATM	-8.8%	0.9%
Calix	-31.8%	-9.6%
Casa Systems	-89.0%	-28.5%
CIENA	18.2%	24.3%
Dasan Zhone Solutions	-86.1%	-8.7%
Harmonic	-0.5%	18.7%
Infinera	-29.0%	29.0%
Tejas Networks	32.8%	-6.0%

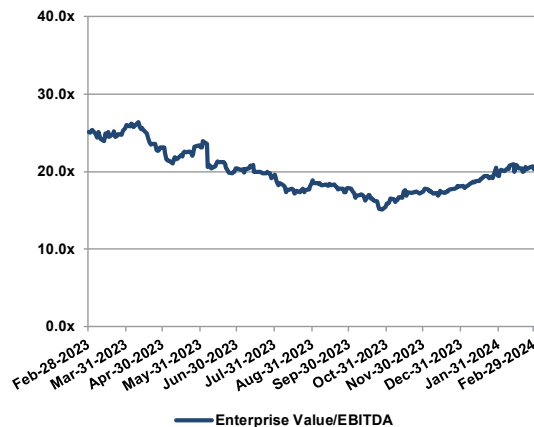
Revenue Multiple Trends



Company Revenue Multiples

	2/29/2024	2/28/2023
Broadband Access & Transport Index	1.8x	2.0x
ADTRAN	0.9x	1.7x
BATM	0.7x	0.8x
Calix	2.0x	3.6x
Casa Systems	0.7x	1.5x
CIENA	2.0x	1.9x
DASAN Zhone Solutions	0.2x	0.9x
Harmonic	2.5x	2.5x
Infinera	1.1x	1.3x
Tejas Networks	8.2x	11.0x

EBITDA Multiple Trends



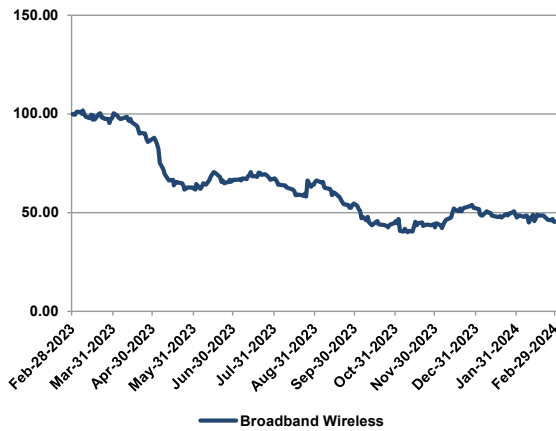
Company EBITDA Multiples

	2/29/2024	2/28/2023
Broadband Access & Transport Index	20.3x	25.1x
ADTRAN	15.8x	213.1x
BATM	38.5x	32.0x
Calix	49.1x	47.1x
Casa Systems	NM	NM
CIENA	16.5x	17.0x
DASAN Zhone Solutions	NM	NM
Harmonic	42.9x	24.9x
Infinera	20.3x	66.6x
Tejas Networks	NM	NM

Source: Capital IQ

Sub Sector Analysis: Broadband Wireless

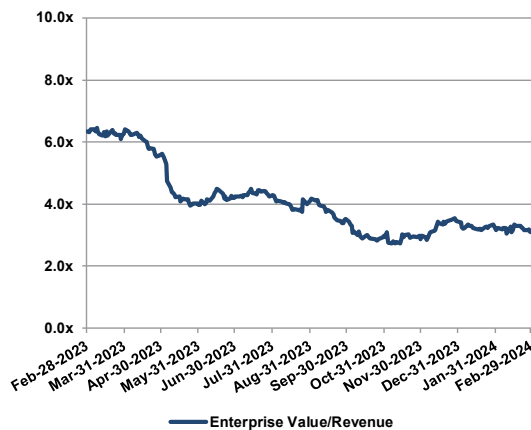
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Broadband Wireless Index	-54.8%	1.6%
Airspan Networks	-88.9%	12.3%
Aviat Networks	-0.1%	17.1%
Cambium Networks	-78.8%	-9.0%
Ceragon Networks	64.9%	61.4%
Ubiquiti Networks	-56.3%	4.4%

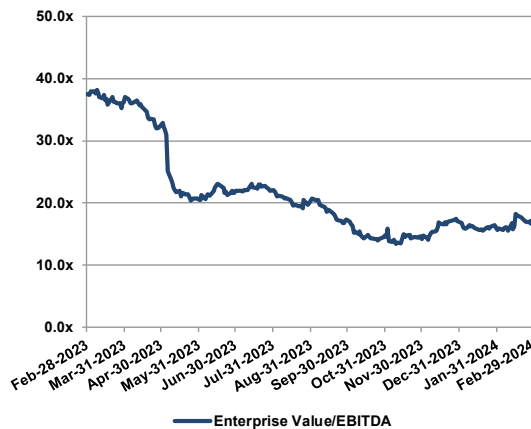
Revenue Multiple Trends



Company Revenue Multiples

	2/29/2024	2/28/2023
Broadband Wireless Index	3.1x	6.4x
Airspan Networks	1.2x	1.2x
Aviat Networks	1.3x	1.2x
Cambium Networks	0.6x	1.8x
Ceragon Networks	0.8x	0.6x
Ubiquiti Networks	4.3x	9.5x

EBITDA Multiple Trends



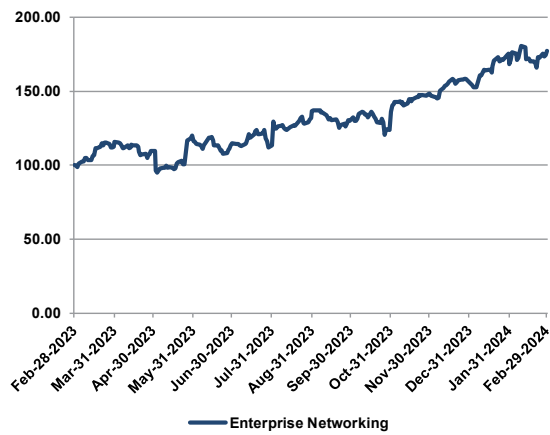
Company EBITDA Multiples

	2/29/2024	2/28/2023
Broadband Wireless Index	16.6x	37.6x
Airspan Networks	NM	NM
Aviat Networks	13.8x	11.4x
Cambium Networks	NM	20.7x
Ceragon Networks	8.4x	48.8x
Ubiquiti Networks	14.7x	37.2x

Source: Capital IQ

Sub Sector Analysis: Enterprise Networking

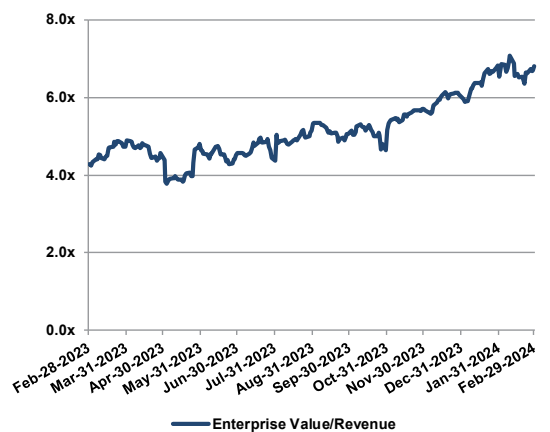
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Enterprise Networking Index	77.3%	20.6%
A10 Networks	-12.5%	6.6%
Accton	77.6%	-3.6%
Aerohive Networks	33.3%	23.7%
Arista Networks	100.1%	26.3%
D-Link	8.9%	-6.1%
Extreme Networks	-32.5%	-21.7%
F5 Networks	30.9%	9.4%
NetGear	-17.2%	9.9%
Radware	-14.7%	16.5%
Unizyx Holding (Zyxel)	11.3%	-20.4%

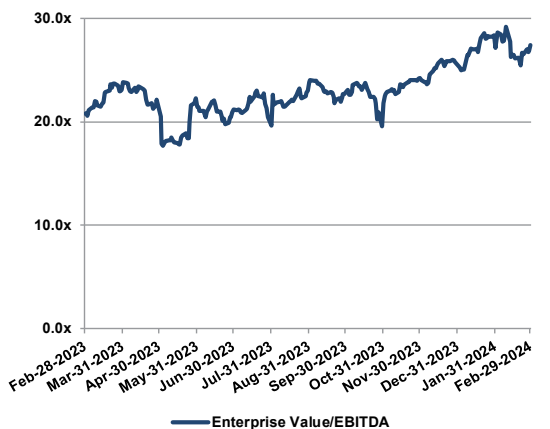
Revenue Multiple Trends



Company Revenue Multiples

	2/29/2024	2/28/2023
Enterprise Networking Index	6.8x	4.3x
A10 Networks	3.4x	3.6x
Accton	3.3x	1.9x
Aerohive Networks	4.2x	1.9x
Arista Networks	14.0x	9.0x
D-Link	0.6x	0.5x
Extreme Networks	1.2x	2.1x
F5 Networks	3.7x	3.0x
NetGear	0.3x	0.4x
Radware	1.7x	2.1x
Unizyx Holding (Zyxel)	0.5x	0.5x

EBITDA Multiple Trends



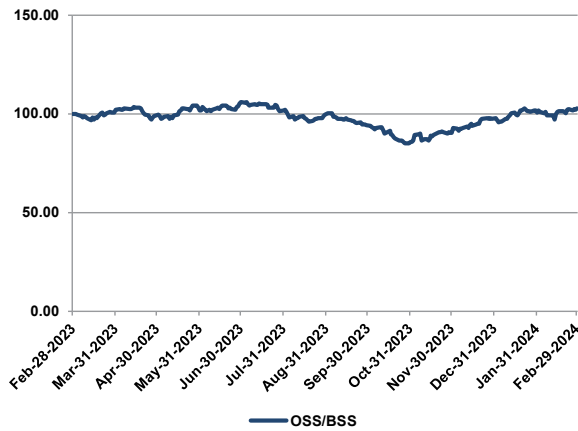
Company EBITDA Multiples

	2/29/2024	2/28/2023
Enterprise Networking Index	27.4x	20.8x
A10 Networks	17.8x	16.5x
Accton	23.5x	14.7x
Aerohive Networks	12.5x	NM
Arista Networks	35.1x	24.9x
D-Link	32.9x	13.1x
Extreme Networks	10.5x	22.7x
F5 Networks	14.4x	16.4x
NetGear	NM	NM
Radware	NM	158.4x
Unizyx Holding (Zyxel)	8.7x	NM

Source: Capital IQ

Sub Sector Analysis: OSS/BSS Software

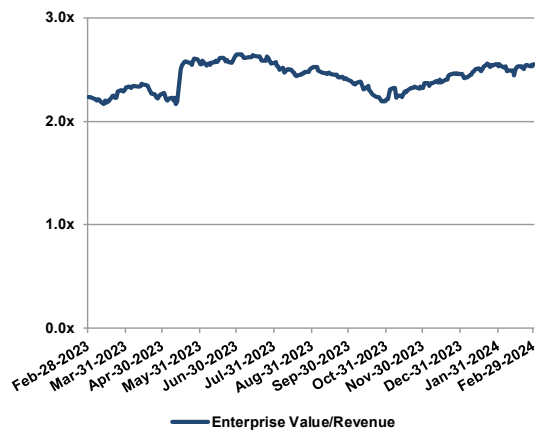
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
OSS/BSS Index	3.0%	11.1%
Amdocs	-0.4%	8.9%
CSG Systems	-2.9%	10.9%
Lumine Group	NA	61.4%
NetScout	-23.9%	7.8%
Optiva	-71.0%	37.5%
Radcom	-3.0%	28.2%
Subex	26.6%	15.7%
Synchronoss	-3.1%	92.0%
Tecnotree	-38.7%	-0.4%

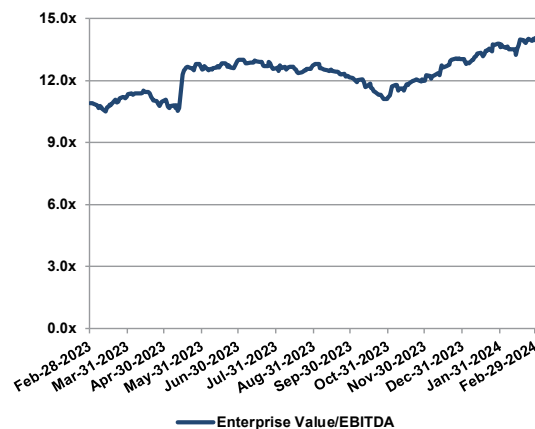
Revenue Multiple Trends



Company Revenue Multiples

	2/29/2024	2/28/2023
OSS/BSS Index	2.6x	2.2x
Amdocs	2.2x	2.4x
CSG Systems	1.7x	1.9x
Lumine Group	10.0x	NA
NetScout Systems	1.6x	2.1x
Optiva	2.2x	2.5x
Radcom	1.4x	1.6x
Subex	7.1x	4.8x
Synchronoss	1.4x	1.3x
Tecnotree	1.3x	2.0x

EBITDA Multiple Trends



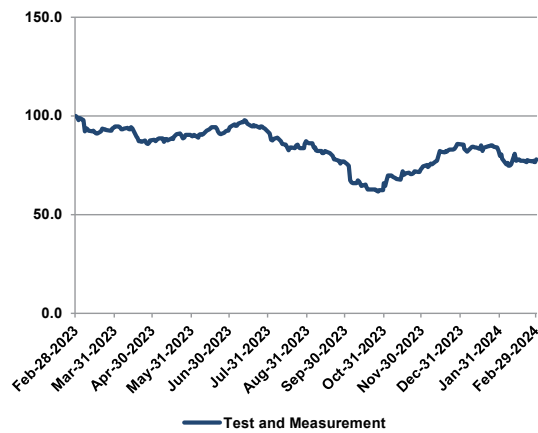
Company EBITDA Multiples

	2/29/2024	2/28/2023
OSS/BSS Index	14.1x	10.9x
Amdocs	11.9x	12.2x
CSG Systems	11.2x	12.3x
Lumine Group	34.1x	NA
NetScout Systems	10.4x	11.7x
Optiva	NM	NM
Radcom	NM	NM
Subex	NM	369.3x
Synchronoss	NM	19.1x
Tecnotree	3.9x	7.8x

Source: Capital IQ

Sub Sector Analysis: Test and Measurement

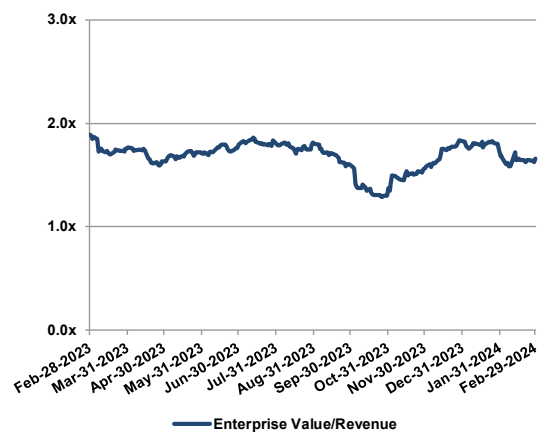
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Test and Measurement Index	-22.0%	5.1%
Anritsu	-6.0%	-1.1%
Spirent	-48.8%	-8.6%
Viavi	-12.7%	18.2%

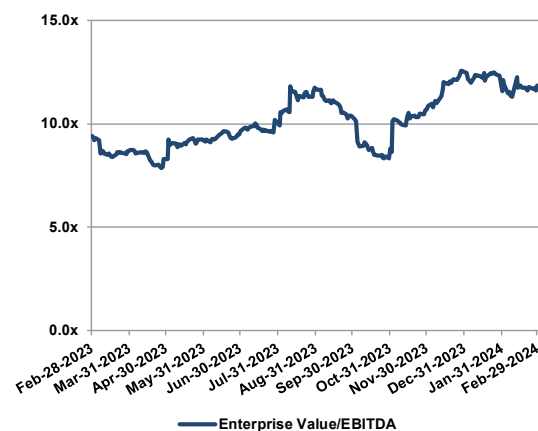
Revenue Multiple Trends



Company Revenue Multiples

	2/29/2024	2/28/2023
Test and Measurement Index	1.7x	1.9x
Anritsu	1.2x	1.2x
Spirent	1.3x	2.3x
Viavi	2.3x	2.2x

EBITDA Multiple Trends



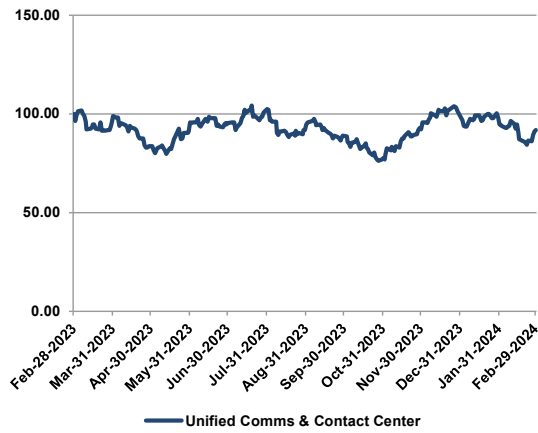
Company EBITDA Multiples

	2/29/2024	2/28/2023
Test and Measurement Index	11.9x	9.4x
Anritsu	8.6x	6.5x
Spirent	12.8x	10.5x
Viavi	22.4x	11.6x

Source: Capital IQ

Sub Sector Analysis: Unified Communications and Contact Center

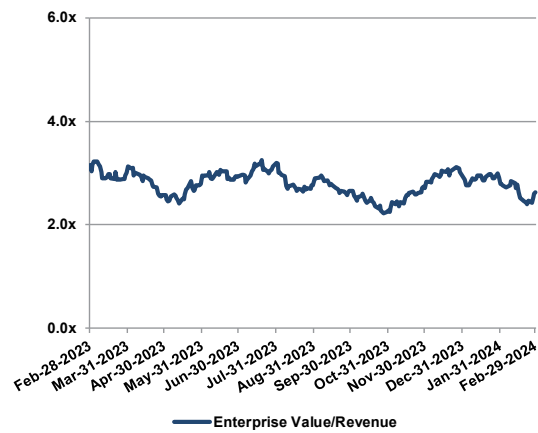
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	-8.2%	-4.0%
8x8	-46.8%	-8.4%
Crexendo	177.5%	88.8%
Enghouse Systems	-17.3%	4.1%
Five9	-7.6%	-20.0%
RingCentral	1.2%	17.4%
Sangoma Technologies	-13.9%	27.6%
Twilio	-11.3%	-7.9%
Verint	-15.4%	28.7%
Zoom	-5.2%	4.3%

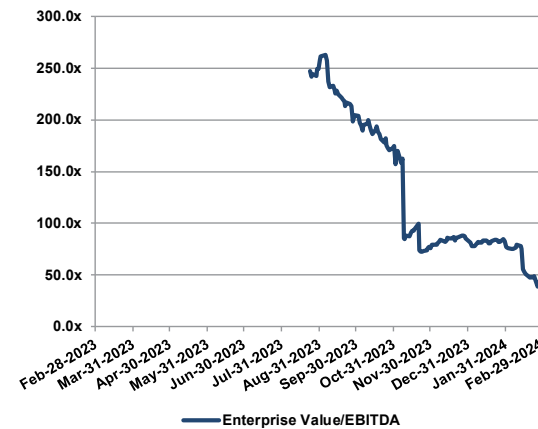
Revenue Multiple Trends



Company Revenue Multiples

	2/29/2024	2/28/2023
Unified Comms & Contact Center Index	2.6x	3.2x
8x8	1.0x	1.4x
Crexendo	2.6x	1.3x
Enghouse Systems	3.9x	5.0x
Five9	5.0x	6.3x
RingCentral	2.1x	2.4x
Sangoma Technologies	0.9x	0.9x
Twilio	1.9x	2.5x
Verint	3.0x	3.4x
Zoom	3.2x	3.7x

EBITDA Multiple Trends



Company EBITDA Multiples

	2/29/2024	2/28/2023
Unified Comms & Contact Center Index	44.8x	NM
8x8	30.1x	NM
Crexendo	73.9x	NM
Enghouse Systems	17.4x	20.2x
Five9	NM	NM
RingCentral	85.3x	NM
Sangoma Technologies	23.4x	13.4x
Twilio	NM	NM
Verint	19.4x	25.8x
Zoom	20.8x	50.2x

Source: Capital IQ

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David Freeland, a FOCUS Managing Director, 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 investment banker since 2003, advising clients on mergers and acquisitions and capital raising transactions. Mr. Freeland has broad experience in the telecom and technology industry and has significant experience with data center companies.

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