

M&A INDUSTRY REPORT

Telecom Technology

FOCUS is a leading national M&A brand for the lower middle market. With over 40 years of experience, a global footprint, and hundreds of successful deals across myriad industries, FOCUS continues its mission to redefine the banker/client relationship.

SPRING 2025



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OVERVIEW

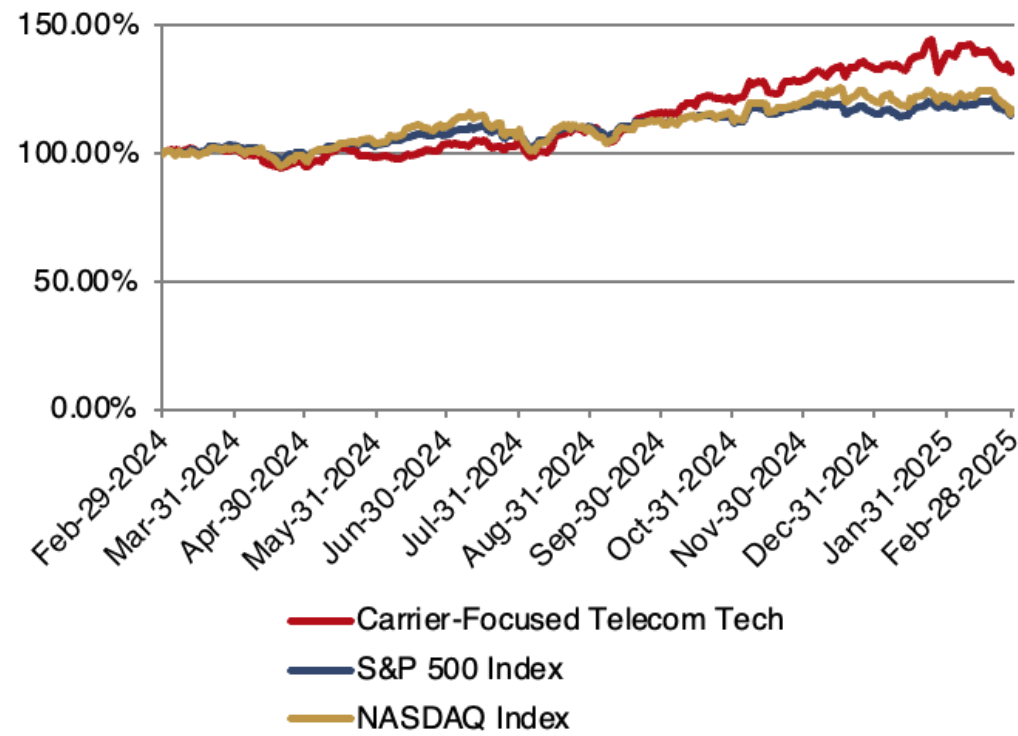
After two straight reporting periods with double digit gains, the FOCUS Telecom Technology Index (TTI) cooled off somewhat this period with a 2.9% gain over the past three months.

Even so, the TTI still handily outperformed both the S&P 500 (down 1.3%) and the NASDAQ (down 1.9%) over the same time frame. When measured over the past year, the TTI is up 32.5% over the past twelve months. Once again, this compares favorably to the broader indices, nearly doubling both the 16.8% gain in the S&P 500 and the 17.1% gain in the NASDAQ. Not surprisingly given these impressive gains, sector multiples are significantly higher than they were a year ago. The sector revenue multiple increased from 2.4x a year ago to 3.6x currently, while the sector EBITDA multiple jumped from 11.6x to 19.2x.

The top two sub sectors in our spring reporting period were Test and Measurement (up 11.7% over the past three months) and Broadband Access and Transport (up 10.4% over the past three months). Gains in the Test and Measurement sub sector were broad-based, with all three companies in the sub sector posting solid gains. Performance in the Broadband Access and Transport sub sector was more mixed. Leading last-mile access companies ADTRAN and Calix were both top performers, as was transport company CIENA. The other sub sector in the TTI that had a strong performance this period was Large Cap, which gained 8.8% in the past three months. All of the other sub sectors in the TTI had a negative three-month return. The OSS/BSS Software sub sector brought up the rear with a loss of 4.3%. This loss was related to double digit declines at Lumine Networks and Subex, as well as a 9.0% decline at Synchronoss. The Unified Communications and the Contact Center sub sector also suffered a relatively steep decline of 4.0%. Losses in this sub sector were broad-based, with seven of the nine companies in the index trading down over the past three months. This included six companies that suffered losses of 10% or more.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Technology	32.5%	2.9%
Large Cap	32.2%	8.8%
Broadband Access and Transport	25.4%	10.4%
Broadband Wireless	167.9%	-1.8%
Enterprise Networking	35.3%	-5.0%
OSS/BSS	-2.8%	-4.3%
Test and Measurement	24.2%	11.7%
Unified Comms and Contact Center	19.6%	-4.0%
S&P 500	16.8%	-1.3%
NASDAQ	17.1%	-1.9%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue Multiples

	2/28/25	2/29/24
Telecom Technology	3.6x	2.4x
Large Cap	3.0x	1.9x
Broadband Access and Transport	2.7x	2.0x
Broadband Wireless	6.8x	3.2x
Enterprise Networking	8.7x	6.8x
OSS/BSS	2.7x	2.6x
Test and Measurement	2.2x	1.7x
Unified Comms and Contact Center	2.9x	2.6x

Sector and Sub Sector EBITDA Multiples

	2/28/25	2/29/24
Telecom Technology	19.2x	11.6x
Large Cap	15.8x	8.2x
Broadband Access and Transport	34.2x	19.1x
Broadband Wireless	33.4x	15.1x
Enterprise Networking	32.7x	27.5x
OSS/BSS	13.4x	14.1x
Test and Measurement	19.2x	11.9x
Unified Comms and Contact Center	25.9x	44.8x

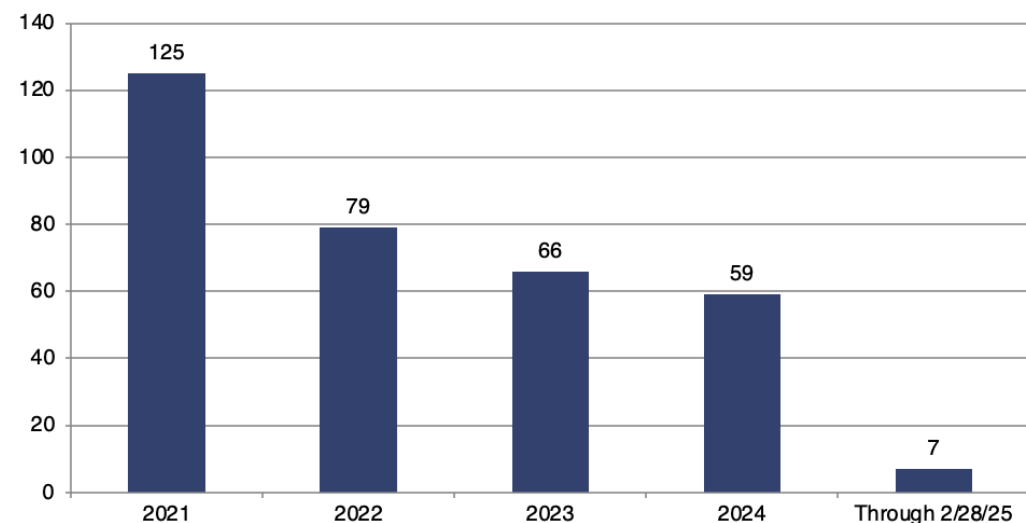
M&A ACTIVITY

The level of M&A activity in the Telecom Technology sector continued to run at a very low level with only nine transactions for the current reporting period. Most of the activity this period was in the Unified Communications and the Contact Center sub sector. This sub sector was very active with a total of five transactions over the past three months. There were also two transactions in the Enterprise Networking sub sector, both of which involved network management software companies. Finally, the Broadband Wireless and Test and Measurement sub sectors each accounted for one transaction apiece. On the plus side, total announced transaction dollar value was extremely high by historical standards at \$4.6 billion. This was driven by the \$4.4 billion acquisition of Solar Winds by Turn/River.

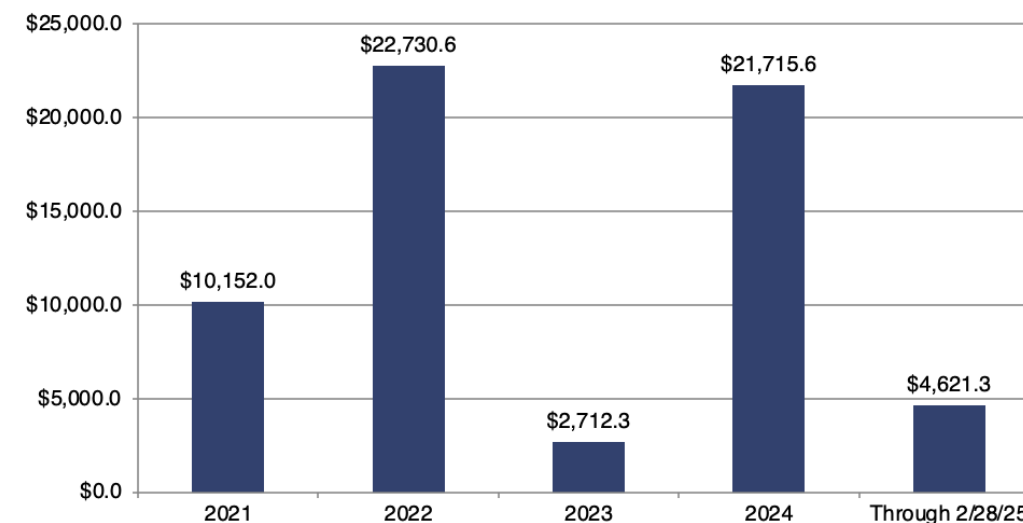
Looking back on 2024, the year continued the sector's overall downward trend in terms of the total number of deals. The 59 total transactions for the year was the lowest of any year in the last five. On the other hand, the total announced transaction dollar value for 2024 came in at \$21.7 billion, which is much higher than we typically see. So despite a shrinking number of transactions, a handful of large deals kept M&A dollar volume high.

We had one transaction with an announced multiple this period. This was the Turn/River acquisition of network management software company Solar Winds. The transaction was done at multiples of 5.5x revenue and 15.3x EBITDA.

Number of Transactions



\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (12/1/24 – 2/28/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Description
Airspan	Coming (Wireless Business)	2/20/25	Broadband Wireless	NA	Distributed antenna systems and small cell radio access network products.
First Focus IT	Tie Networks	2/10/25	Unified Communications	NA	Unified communications software with features including cloud communications, video conferencing and contact center.
Turn/River	Solar Winds	2/7/25	Enterprise Networking	\$4,419.5	Software that provides visibility into network utilization and bandwidth and tools to detect, diagnose and resolve network performance problems.
Gamma Communications	SF Technologies	1/14/25	Unified Communications	\$201.8	Communication and collaboration software platform including IP telephony and cloud PBX capabilities.
Forerunner Technologies	NEC (On-Premise Unified Communications Business in the Americas)	1/10/25	Unified Communications	NA	On-premise unified communications business and related assets in the Americas.
Cuadrilla Capital	Gluware	1/8/25	Enterprise Networking	NA	RPA-enabled and AI-based enterprise network automation and orchestration software that provides multi-vendor and multi-domain network intelligence.
Enghouse Systems	Aculab	12/16/24	Unified Communications	NA	AI-enabled unified CPaaS as well as IP telephony, networking gateways and media processing and signaling hardware and software.
Alianza	Microsoft (Metaswitch Business)	12/10/24	Unified Communications	NA	Cloud-native communication software for businesses with features for web conferencing, communications gateway and voice over internet protocol.
Voxology	Integrated Research (Selected Testing Solutions)	12/9/24	Test and Measurement	NA	Software with features for contact center management and voice over internet protocol.

M&A TRANSACTIONS WITH ANNOUNCED MULTIPLES (3/1/24 - 2/28/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Turn/River	Solar Winds	2/7/25	Enterprise Networking	\$4,419.5	5.5 x	15.3 x	Software that provides visibility into network utilization and bandwidth and tools to detect, diagnose and resolve network performance problems.
Lantronix	DZS (Netcomm Wireless IoT Solutions)	11/7/24	Enterprise Networking	\$6.5	1.0 x	NA	Gateways, routers and modems for industrial wireless communications.
Amphenol	Commscope (Mobile Networks Business)	7/18/24	Broadband Wireless	\$2,100.0	1.8 x	7.0 x	Outdoor wireless networks and distributed antenna systems.
Persistent Systems	Starfish Associates	7/3/24	Unified Communications and Contact Center	\$15.4	1.9 x	NA	Unified communications and contact center software with features for integration, automation, auditing and logging and migration.
Nokia	Infinera	6/27/24	Broadband Access and Transport	\$2,254.7	1.5 x	43.0 x	Optical networking systems for metro optical networks, long-haul networks, submarine networks, 5G mobile transport and datacenter interconnect.
KKR	IQGeo	5/14/24	OSS/BSS Software	\$377.0	6.7 x	98.9 x	Geospatial network management software for planning, design, construction, inspection and monitoring, CAD and fiber network management.
DASAN Zhong Solutions	NetComm Wireless	5/6/24	Broadband Wireless	\$7.0	0.1 x	NA	Broadband networking products in the 5G fixed wireless, home broadband, fiber-extension and IoT technology domains.
Keysight Technologies	Spirent Communications	3/28/24	Test and Measurement	\$1,387.2	2.9 x	24.9 x	Testing solutions for 5G mobile core networks, cellular and Wi-Fi devices, virtualized networks and Ethernet/IP networks.
e2Companies	Minim	3/12/24	Broadband Access and Transport	\$9.6	0.4 x	NM	Modems, routers, gateways, adapters, networking systems, IoT security, Wi-Fi management and network management solutions.

OUR TEAM

FOCUS Telecom Technology and Services Team



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Rich Pierce has more than 20 years of investment banking experience advising middle market clients on a variety of mergers and acquisitions and capital raising transactions. During 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.



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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.

APPENDIX

SUB SECTOR ANALYSIS:

- Large Cap
- Broadband Access Transport
- Broadband Wireless
- Enterprise Networking
- OSS/BSS Software
- Test and Measurement
- Unified Communications and Contact Center

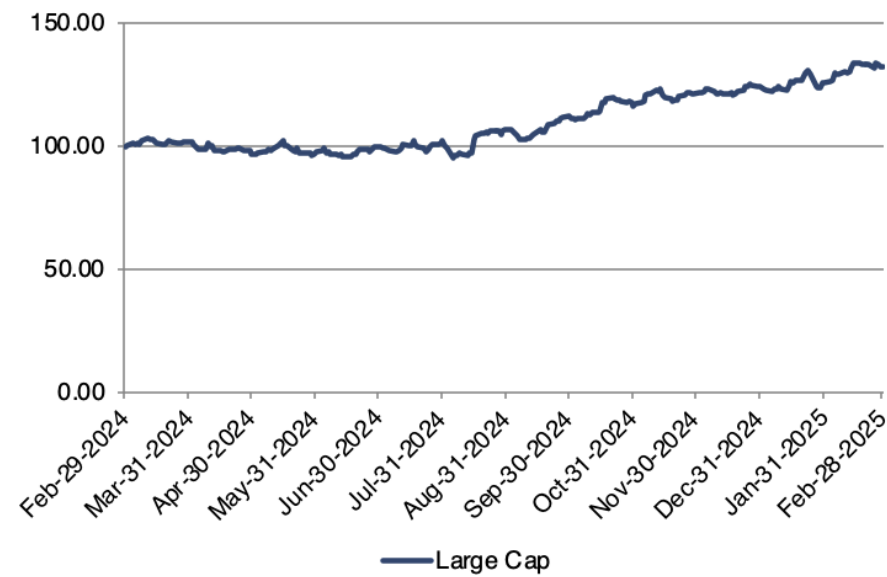


SUB SECTOR DEFINITIONS

- **Large Cap:** Large, diversified companies with products across a variety of sub sectors
- **Broadband Access and Transport:** DSL equipment, PON equipment 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.

SUB SECTOR ANALYSIS: LARGE CAP

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Large Cap Index	32.2%	8.8%
Cisco	32.5%	8.3%
Ericsson	51.5%	1.2%
Juniper	-2.2%	0.8%
Nokia	36.9%	14.8%
ZTE	27.8%	23.4%

Company Revenue Multiples

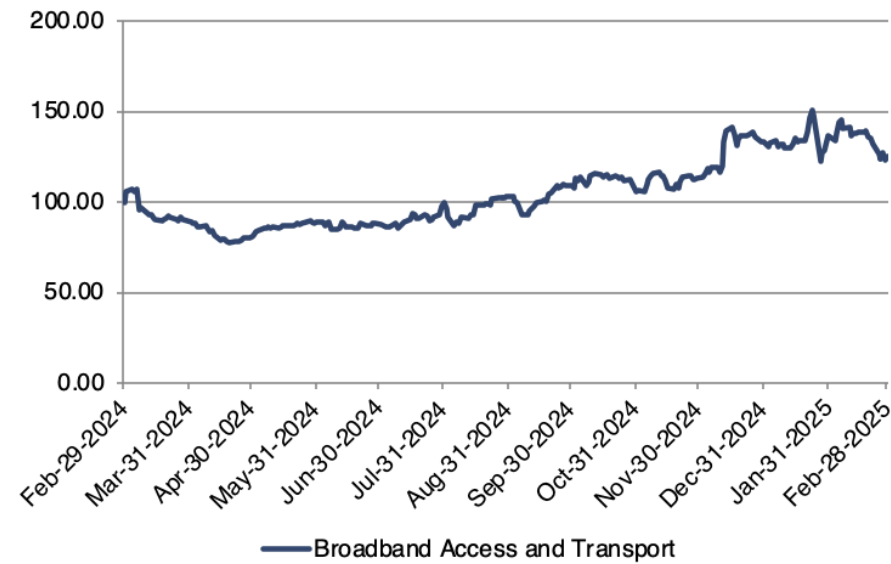
	2/28/24	2/29/24
Large Cap Index	3.0x	1.9x
Cisco	5.0x	3.2x
Ericsson	1.2x	0.7x
Juniper	2.5x	2.3x
Nokia	1.1x	0.7x
ZTE	1.5x	1.0x

Company EBITDA Multiples

	2/28/24	2/29/24
Large Cap Index	15.8x	8.2x
Cisco	18.5x	10.3x
Ericsson	19.6x	7.5x
Juniper	24.1x	16.5x
Nokia	6.7x	5.2x
ZTE	14.6x	8.1x

SUB SECTOR ANALYSIS: BROADBAND ACCESS AND TRANSPORT

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Broadband Access & Transport Index	25.4%	10.4%
ADTRAN	85.8%	24.4%
BATM	-18.4%	4.5%
Calix	6.2%	13.8%
CIENA	39.6%	14.1%
Dasan Zhone Solutions	-55.7%	-13.2%
Harmonic	-21.5%	-19.6%
Tejas Networks	-9.5%	-47.8%

Company Revenue Multiples

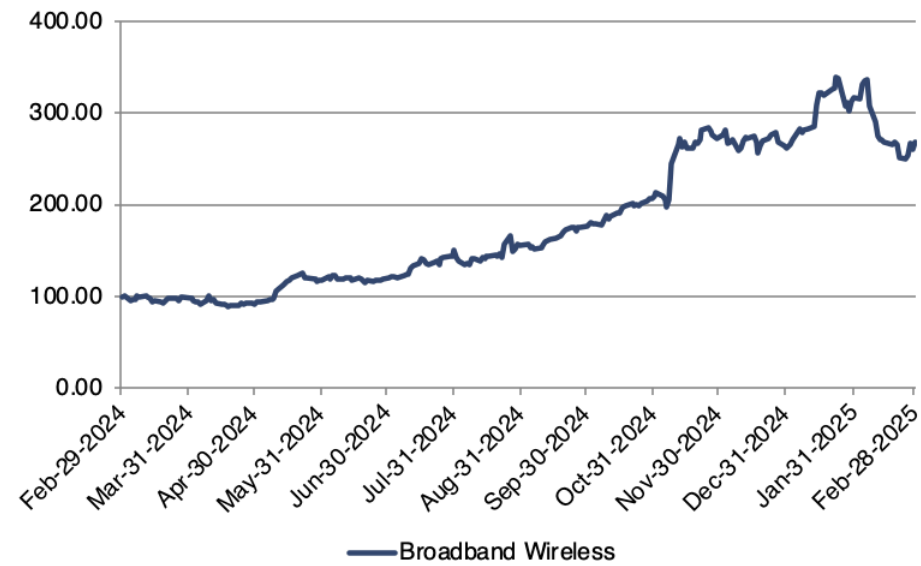
	2/28/25	2/29/24
Broadband Access & Transport Index	2.7x	2.0x
ADTRAN	1.5x	0.9x
BATM	0.6x	0.7x
Calix	2.6x	2.0x
CIENA	2.9x	2.0x
DASAN Zhone Solutions	0.2x	0.3x
Harmonic	1.8x	2.5x
Tejas Networks	1.7x	8.2x

Company EBITDA Multiples

	2/28/25	2/29/24
Broadband Access & Transport Index	34.2x	19.1x
ADTRAN	276.4x	NM
BATM	17.2x	27.8x
Calix	NM	49.1x
CIENA	35.9x	16.5x
DASAN Zhone Solutions	NM	NM
Harmonic	11.9x	37.5x
Tejas Networks	11.8x	NM

SUB SECTOR ANALYSIS: BROADBAND WIRELESS

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Broadband Wireless Index	167.9%	-1.8%
Aviat Networks	-41.0%	32.2%
Cambium Networks	-80.7%	-34.9%
Ceragon Networks	-8.5%	-38.5%
Ubiquiti Networks	191.6%	-1.4%

Company Revenue Multiples

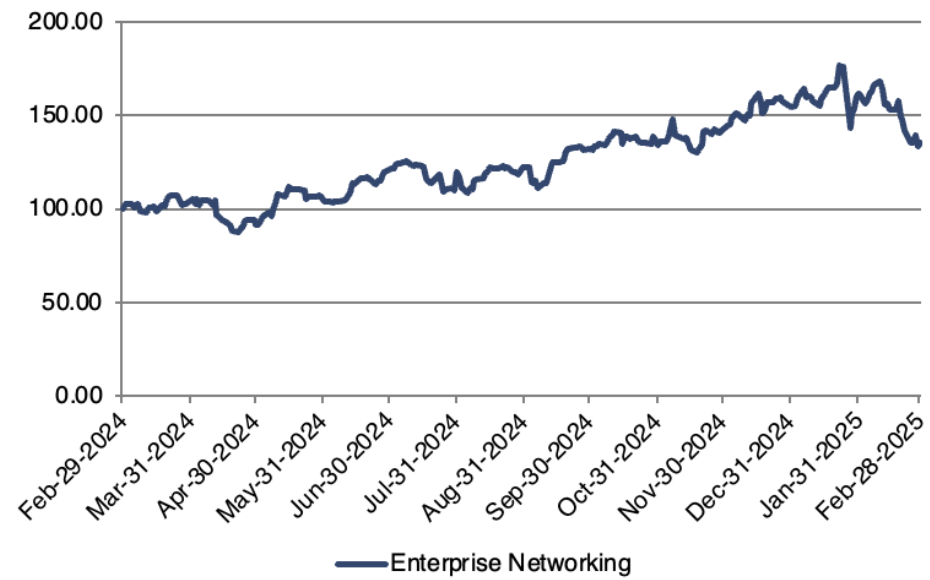
	2/28/25	2/29/24
Broadband Wireless Index	6.8x	3.2x
Aviat Networks	0.7x	1.3x
Cambium Networks	0.3x	0.6x
Ceragon Networks	0.6x	0.8x
Ubiquiti Networks	9.8x	4.3x

Company EBITDA Multiples

	2/28/25	2/29/24
Broadband Wireless Index	33.4x	15.1x
Aviat Networks	13.9x	15.7x
Cambium Networks	NM	NM
Ceragon Networks	4.6x	8.5x
Ubiquiti Networks	34.0x	14.7x

SUB SECTOR ANALYSIS: ENTERPRISE NETWORKING

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Enterprise Networking Index	35.3%	-5.0%
A10 Networks	56.2%	21.9%
Accton	24.8%	1.2%
Aerohive Networks	-44.4%	-48.9%
Arista Networks	34.1%	-8.3%
D-Link	4.7%	-4.4%
Extreme Networks	22.2%	-6.9%
F5 Networks	56.2%	16.8%
NetGear	75.5%	6.9%
Radware	21.8%	-8.9%
Unizyx Holding (Zyxel)	-13.6%	0.7%

Company Revenue Multiples

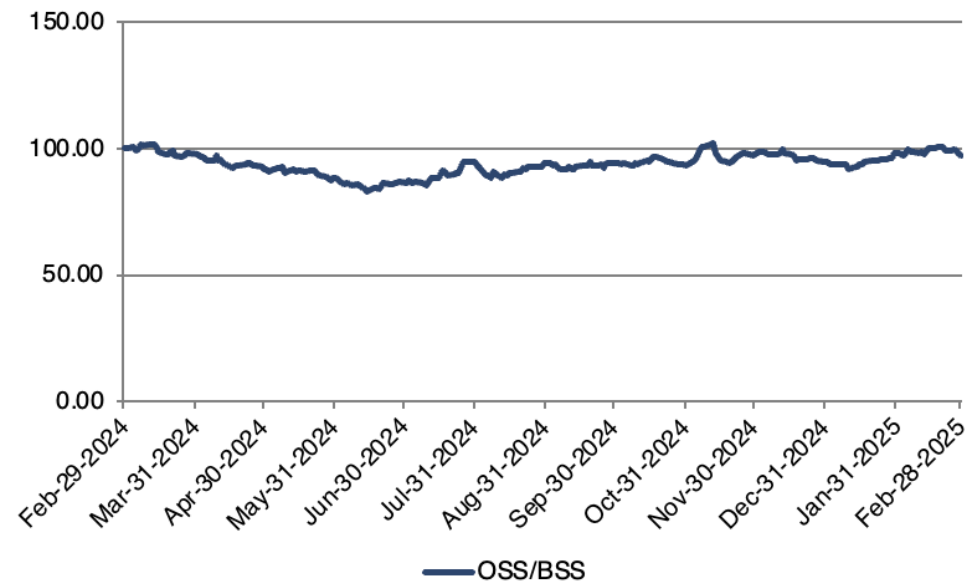
	2/28/25	2/29/24
Enterprise Networking Index	8.7x	6.8x
A10 Networks	5.2x	3.4x
Accton	3.7x	3.2x
Aerohive Networks	2.6x	4.1x
Arista Networks	15.6x	14.0x
D-Link	0.7x	0.6x
Extreme Networks	2.1x	1.2x
F5 Networks	5.5x	3.7x
NetGear	0.6x	0.3x
Radware	2.4x	1.7x
Unizyx Holding (Zyxel)	0.6x	0.5x

Company EBITDA Multiples

	2/28/25	2/29/24
Enterprise Networking Index	32.7x	27.5x
A10 Networks	24.7x	17.8x
Accton	28.0x	22.0x
Aerohive Networks	35.0x	11.4x
Arista Networks	36.5x	35.2x
D-Link	NM	32.9x
Extreme Networks	NM	10.5x
F5 Networks	19.7x	14.4x
NetGear	NM	NM
Radware	76.6x	NM
Unizyx Holding (Zyxel)	17.8x	9.3x

SUB SECTOR ANALYSIS: OSS/BSS SOFTWARE

Twelve Month Index Return



Company Returns

	12 Month	3 Month
OSS/BSS Index	-2.8%	-4.3%
Amdocs	-4.3%	0.6%
CSG Systems	17.9%	17.3%
Lumine Group	-7.8%	-15.8%
NetScout	3.9%	2.8%
Optiva	-29.8%	12.6%
Radcom	20.2%	1.5%
Subex	-64.1%	-45.5%
Synchronoss	-3.6%	-9.0%
Tecnotree	-44.6%	29.0%

Company Revenue Multiples

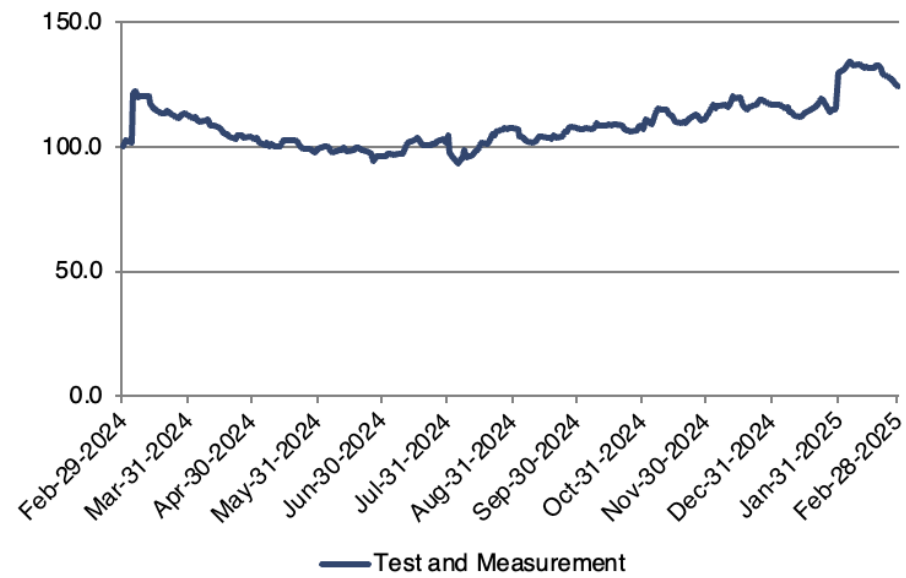
	2/28/25	2/29/24
OSS/BSS Index	2.7x	2.6x
Amdocs	2.1x	2.2x
CSG Systems	1.8x	1.7x
Lumine Group	10.0x	10.0x
NetScout Systems	1.6x	1.6x
Optiva	2.2x	2.2x
Radcom	1.7x	1.4x
Subex	2.3x	7.1x
Synchronoss	1.7x	2.0x
Tecnotree	0.9x	1.3x

Company EBITDA Multiples

	2/28/25	2/29/24
OSS/BSS Index	13.4x	14.1x
Amdocs	10.5x	11.9x
CSG Systems	11.9x	11.2x
Lumine Group	30.4x	NM
NetScout Systems	9.7x	10.4x
Optiva	NM	NM
Radcom	27.3x	4463.2x
Subex	NM	NM
Synchronoss	21.0x	NM
Tecnotree	2.1x	3.9x

SUB SECTOR ANALYSIS: TEST AND MEASUREMENT

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Test and Measurement Index	24.2%	11.7%
Anritsu	2.5%	15.4%
Spirent	76.8%	7.3%
Viavi	17.1%	12.5%

Company Revenue Multiples

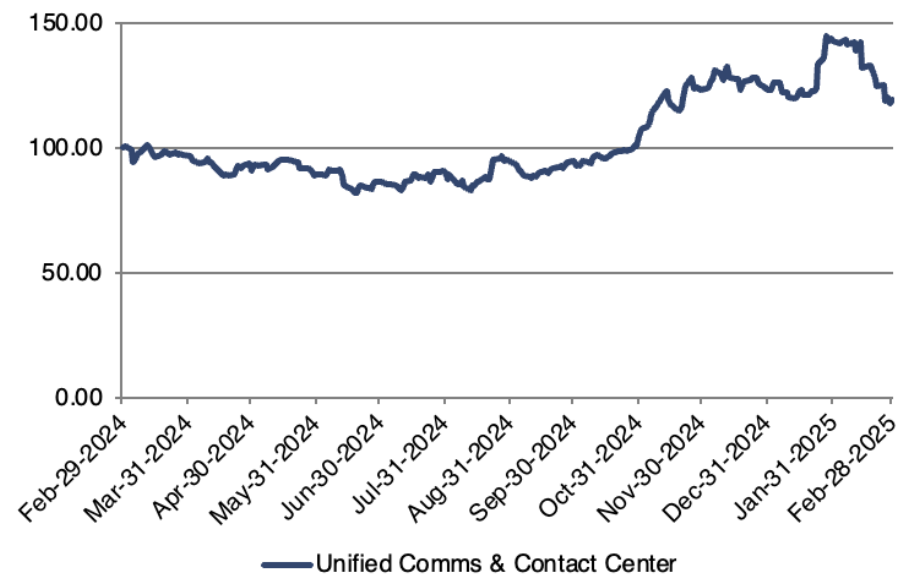
	2/28/25	2/29/24
Test and Measurement Index	2.2x	1.7x
Anritsu	1.1x	1.2x
Spirent	2.7x	1.3x
Viavi	2.6x	2.3x

Company EBITDA Multiples

	2/28/25	2/29/24
Test and Measurement Index	19.2x	11.9x
Anritsu	7.8x	8.6x
Spirent	27.1x	12.8x
Viavi	33.2x	22.4x

SUB SECTOR ANALYSIS: UNIFIED COMMUNICATIONS AND CONTACT CENTER

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	19.6%	-4.0%
8x8	-11.7%	-19.4%
Crexendo	11.7%	15.2%
Enghouse Systems	-32.6%	-15.4%
Five9	-40.7%	-12.3%
RingCentral	-14.9%	-24.4%
Sangoma Technologies	44.9%	-8.4%
Twilio	101.3%	14.7%
Verint	-28.6%	-10.4%
Zoom	4.2%	-10.9%

Company Revenue Multiples

	2/28/25	2/29/24
Unified Comms & Contact Center Index	2.9x	2.6x
8x8	0.9x	1.0x
Crexendo	2.5x	2.6x
Enghouse Systems	2.3x	3.7x
Five9	2.9x	5.0x
RingCentral	1.7x	2.1x
Sangoma Technologies	1.0x	0.9x
Twilio	3.8x	1.9x
Verint	2.3x	2.9x
Zoom	3.2x	3.2x

Company EBITDA Multiples

	2/28/25	2/29/24
Unified Comms & Contact Center Index	25.9x	44.8x
8x8	22.6x	23.8x
Crexendo	35.7x	136.0x
Enghouse Systems	10.1x	16.4x
Five9	126.4x	NM
RingCentral	17.4x	85.3x
Sangoma Technologies	24.4x	12.0x
Twilio	102.9x	NM
Verint	15.0x	21.1x
Zoom	15.8x	19.4x

ABOUT FOCUS INVESTMENT BANKING

FOCUS is a trusted middle market bank with a rich history, deep resources and proven results. We embrace a client-first philosophy centered on personalized service, deep industry expertise, and delivering results-driven solutions. Our integrated operations with FOCUS Capital Partners empower us to skillfully navigate the complexities of cross-border transactions, offering clients strategic advantages in an ever-evolving global marketplace.

