

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.

SUMMER 2025



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OVERVIEW

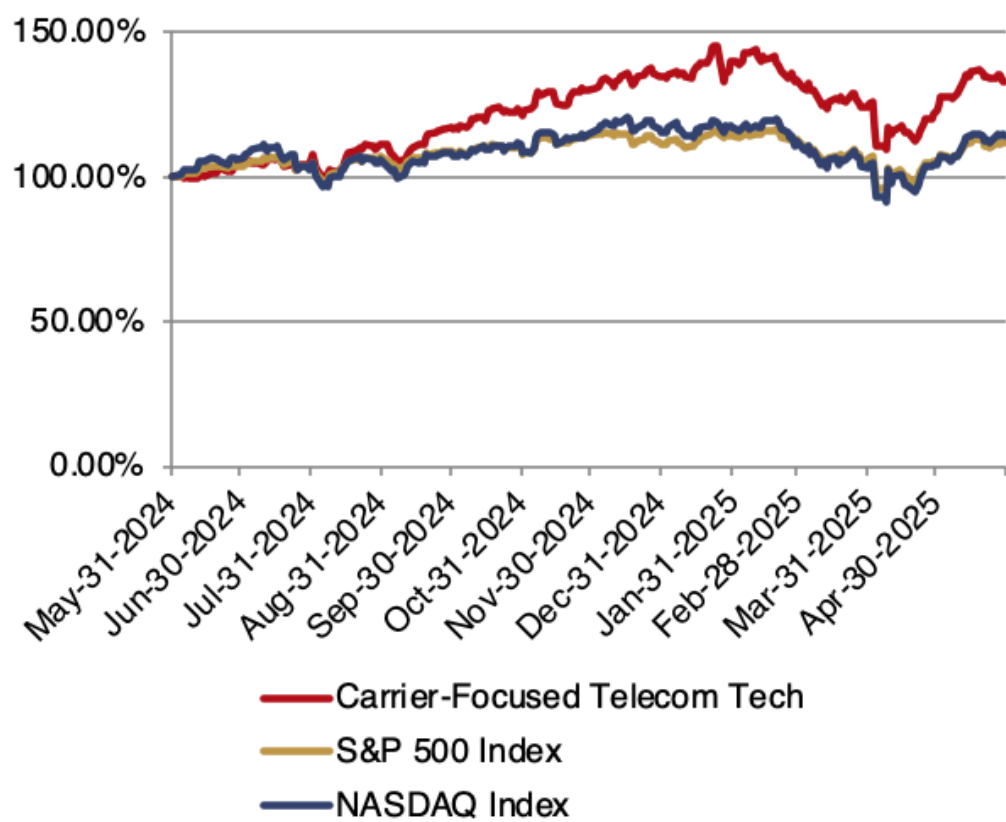
The FOCUS Telecom Technology Index (TTI) suffered a slight decline of 0.8% over the past three months.

This decline was essentially on par with the S&P 500, which dropped 0.7% over the same time frame. However, it lagged the performance of the NASDAQ, which increased by 1.4%. Over the past twelve months, the TTI remains in strongly positive territory with a year-over-year gain of 32.7%. This outperformed both the S&P 500 (up 12.0%) and the NASDAQ (up 14.2%) by a wide margin. Multiples for the sector are also up considerably compared to last year. The sector revenue multiple increased from 2.6x a year ago to 3.4x currently, while the sector EBITDA multiple jumped from 13.5x to 18.4x.

Broadband Wireless was the top performing sub sector this period with a three-month gain of 15.0%. This was largely due to a 15.7% increase at Ubiquiti Networks, which counterbalanced a more than 60% decline at Cambium Networks. Not far behind, the OSS/BSS Software sub sector enjoyed a healthy gain of 13.3%. Lumine Group was up 32.2%, while the only other company in the sub sector with a double-digit gain was Radcom with a 10.6% increase. Three more sub sectors turned in a positive return this period. These were Broadband Access and Transport (up 3.6%), Test and Measurement (up 0.1%) and Unified Communications and Contact Center (up 1.3%). The TTI also had two sub sectors in the red this period. The Large Cap sub sector dropped 1.7% as ZTE plummeted 18.7% and Cisco experienced a more modest decline of 1.7%. The Enterprise Networking sub sector was the hardest hit sub sector in the TTI with a three-month drop of 3.9%. Double digit losses at A10 Networks, Aerohive Networks and Unizyx Holding all contributed to the sub sector's poor performance.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Technology	32.7%	-0.8%
Large Cap	32.8%	-1.7%
Broadband Access and Transport	45.6%	3.6%
Broadband Wireless	160.4%	15.0%
Enterprise Networking	24.6%	-3.9%
OSS/BSS	18.6%	13.3%
Test and Measurement	25.4%	0.1%
Unified Comms and Contact Center	34.2%	1.3%
S&P 500	12.0%	-0.7%
NASDAQ	14.2%	1.4%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue Multiples

	5/31/25	5/31/24
Telecom Technology	3.4x	2.6x
Large Cap	2.8x	2.1x
Broadband Access and Transport	2.7x	1.8x
Broadband Wireless	7.4x	3.6x
Enterprise Networking	7.5x	7.1x
OSS/BSS	3.0x	2.6x
Test and Measurement	2.1x	1.7x
Unified Comms and Contact Center	2.9x	2.2x

Sector and Sub Sector EBITDA Multiples

	5/31/25	5/31/24
Telecom Technology	18.4x	13.5x
Large Cap	15.5x	10.3x
Broadband Access and Transport	34.8x	17.4x
Broadband Wireless	32.2x	18.8x
Enterprise Networking	28.4x	28.0x
OSS/BSS	14.1x	13.6x
Test and Measurement	16.6x	14.9x
Unified Comms and Contact Center	24.3x	29.1x

M&A ACTIVITY

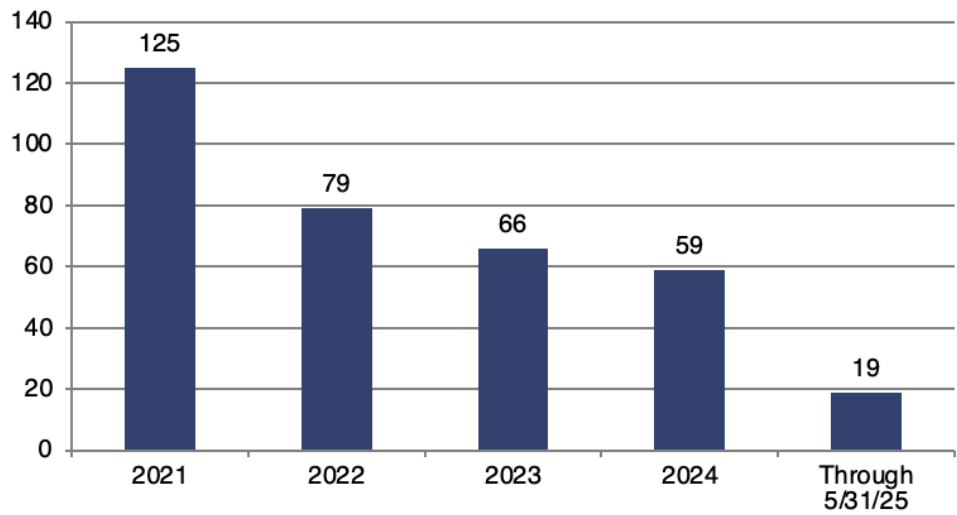
M&A activity in the Telecom Technology sector picked up somewhat in our summer reporting period with a total of 12 announced transactions. Even so, this is still on the lower end of the spectrum based on typical historical levels of transaction activity. The total announced dollar value of transactions for the period was also low at only \$425 million. M&A activity this period was spread out amongst the various sub sectors, with no single sub sector dominating activity. The Test and Measurement sector had the largest announced transaction dollar value with the Keysight divestiture of the High Speed Ethernet business that it acquired from Spirent. This transaction had a value of \$425 million, meaning that it accounted for all of our total announced transaction dollar value for the past three months. We also noted that FTTH and optical transport vendor DZS was acquired out of bankruptcy. In another notable transaction, SolarWinds made its first acquisition since it was taken private by

Turn/River. This was the purchase of alerting and incident management software company Squadcast.

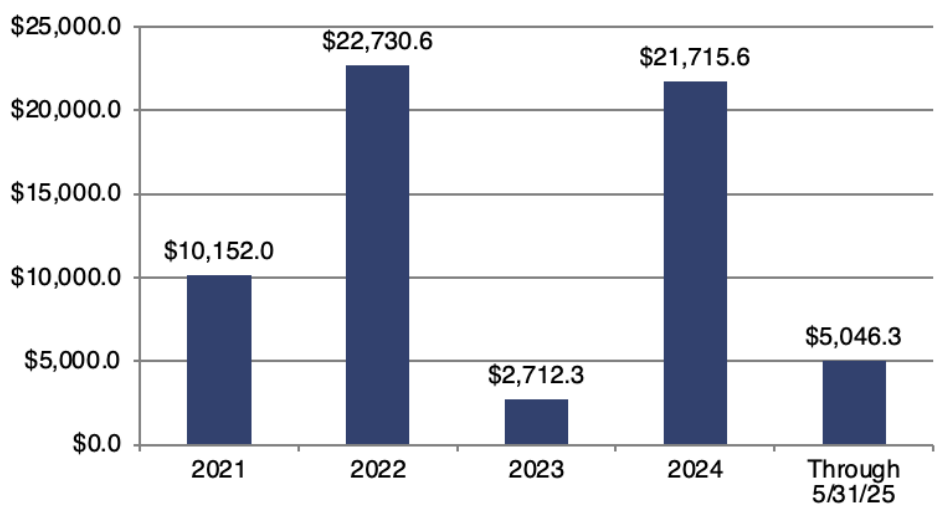
Through the first five months of 2025, we count a total of 19 total transactions in the Telecom Technology space. This means that the level of deal activity is well behind what we have seen in previous years. Total announced transaction dollar value thus far in 2025 is relatively healthy at \$5.0 billion. While this metric lags the higher levels of activity that we saw in 2022 and 2024, it still represents a reasonably normal level of deal flow.

The lone transaction with an announced multiple this period was Viavi's acquisition of the Spirent High Speed Ethernet business from Keysight Technologies. This transaction had a revenue multiple of 2.4x. There was no publicly announced EBITDA multiple for this transaction.

Number of Transactions



\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (3/1/25– 5/31/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Description
Virtana	Zenoss	5/14/25	Enterprise Networking	NA	IT operations monitoring and observability software with features for root-cause analysis, automation, predictive analytics and data streamlining.
Elastic	Keep Alerting	5/7/25	Enterprise Networking	NA	Open-source artificial intelligence for IT operations that manages alerts, prioritizes events and centralizes management.
Zattoo	Green Streams	5/6/25	OSS/BSS Software	NA	Cloud-native TV and entertainment management software for media and telecommunications providers in Europe.
Telappliant	Splicecom	5/1/25	Unified Communications	NA	Enterprise telephony software for businesses in the UK.
Constellation Software	Vantrix	4/11/25	OSS/BSS Software	NA	Video and image content processing and optimization software for the telecommunications industry.
Managed Network Systems	DZS	4/7/25	Broadband Access and Transport	NA	Access and optical networking infrastructure and cloud software solutions.
Nixxy	Aqua Software Technology (CallAI Business)	3/31/25	Unified Communications	NA	AI-based call center automation software with features for voice call automation, intelligent outbound dialing and smart call routing.
GX Group	Ping Communication	3/28/25	Broadband Access and Transport	NA	Broadband and FTTH infrastructure systems including VoIP adapters, fiber and high-performance remote monitoring and management systems.
ICS Holding	MICRAN	3/20/25	Broadband Wireless	NA	Point-to-point microwave systems, solid-state elements and components, multifunctional modules and other microwave communications solutions.
Airspan	Jabil (Open RAN Business)	3/5/25	Broadband Wireless	NA	Open RAN radio portfolio that provides single, dual and triple band macro radios for global operators across multiple spectrum bands.
SolarWinds	Squadcast	3/3/25	Enterprise Networking	NA	On-call alerting and incident management software with features that include schedules and escalation, live call routing and incident management.
Viavi Solutions	Keysight Technologies (Spirent High Speed Ethernet Business)	3/3/25	Test and Measurement	\$425.0	Ethernet and network security testing systems for businesses.

M&A TRANSACTIONS WITH ANNOUNCED MULTIPLES (6/1/24 – 5/31/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Viavi Solutions	Keysight Technologies (Spirent High Speed Ethernet Business)	3/3/25	Test and Measurement	\$425.0	2.4 x	NA	Ethernet and network security testing systems for businesses.
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.



David Freeland

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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

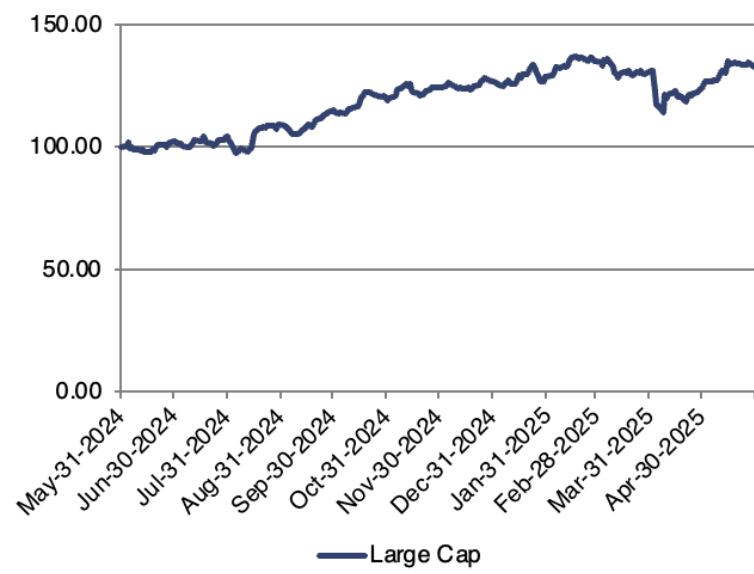


SUB SECTOR DEFINITIONS

- **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

	5/31/25	5/31/24
Large Cap Index	2.8x	2.1x
Cisco	4.7x	3.6x
Ericsson	1.1x	0.9x
Juniper	2.4x	2.3x
Nokia	1.3x	0.8x
ZTE	1.2x	0.7x

Company Revenue Multiples

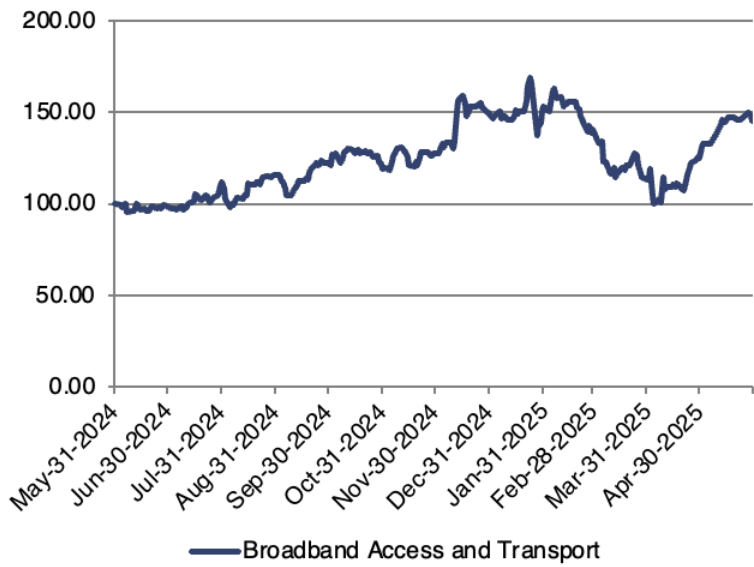
	12 Month	3 Month
Large Cap Index	32.8%	-1.7%
Cisco	35.6%	-1.7%
Ericsson	37.8%	2.7%
Juniper	0.7%	-0.7%
Nokia	33.3%	7.7%
ZTE	16.0%	-18.7%

Company EBITDA Multiples

	5/31/25	5/31/24
Large Cap Index	15.5x	10.3x
Cisco	17.9x	11.9x
Ericsson	14.8x	9.6x
Juniper	20.5x	18.4x
Nokia	9.7x	5.5x
ZTE	14.4x	6.3x

SUB SECTOR ANALYSIS: BROADBAND ACCESS AND TRANSPORT

Twelve Month Index Return



Company Returns

	5/31/25	5/31/24
Broadband Access & Transport Index	2.7x	1.8x
ADTRAN	1.2x	0.9x
BATM	0.7x	0.5x
Calix	3.3x	2.1x
CIENA	2.9x	1.7x
Harmonic	1.5x	2.6x
Tejas Networks	1.7x	8.2x

Source: Capital IQ

Company Revenue Multiples

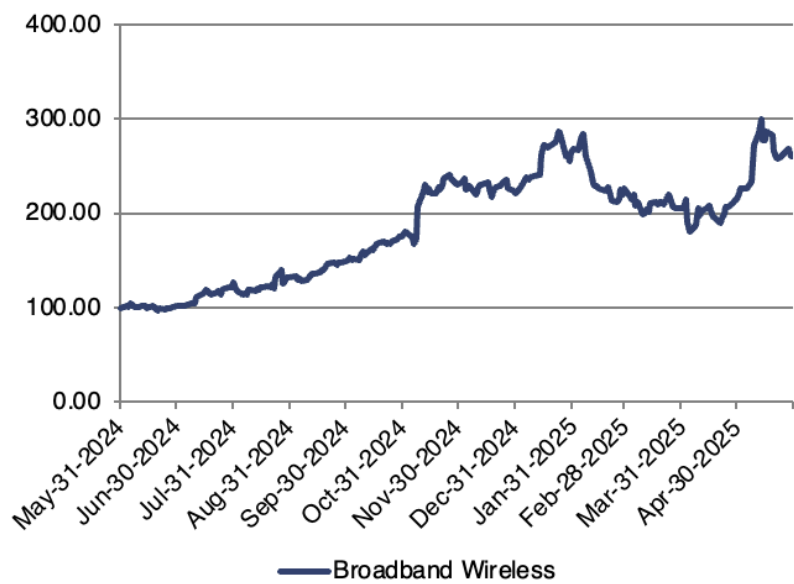
	12 Month	3 Month
Broadband Access & Transport Index	45.6%	3.6%
ADTRAN	44.7%	-24.0%
BATM	6.5%	11.1%
Calix	29.5%	24.9%
CIENA	66.2%	0.6%
Harmonic	-26.2%	-12.5%
Tejas Networks	-36.8%	3.2%

Company EBITDA Multiples

	5/31/25	5/31/24
Broadband Access & Transport Index	34.8x	17.4x
ADTRAN	36.7x	NM
BATM	42.9x	18.4x
Calix	NM	67.2x
CIENA	36.6x	16.8x
Harmonic	8.4x	63.8x
Tejas Networks	11.9x	127.2x

SUB SECTOR ANALYSIS: BROADBAND WIRELESS

Twelve Month Index Return



Company Returns

	5/31/25	5/31/24
Broadband Wireless Index	7.4x	3.6x
Aviat Networks	0.7x	1.0x
Cambium Networks	0.2x	0.7x
Ceragon Networks	0.5x	0.7x
Ubiquiti Networks	10.4x	5.0x

Company Revenue Multiples

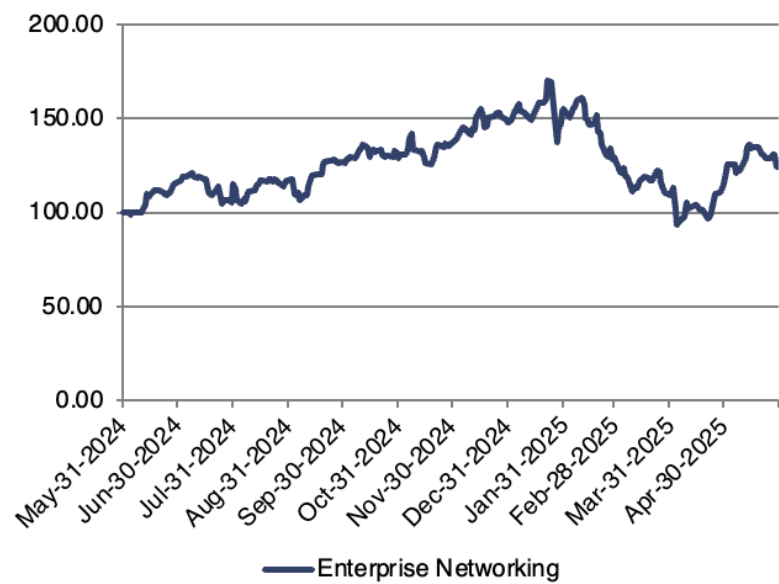
	12 Month	3 Month
Broadband Wireless Index	160.4%	15.0%
Aviat Networks	-30.6%	2.5%
Cambium Networks	-90.1%	-61.1%
Ceragon Networks	-13.7%	-18.6%
Ubiquiti Networks	176.1%	15.7%

Company EBITDA Multiples

	5/31/25	5/31/24
Broadband Wireless Index	32.2x	18.8x
Aviat Networks	11.6x	14.6x
Cambium Networks	NM	NM
Ceragon Networks	4.1x	7.0x
Ubiquiti Networks	32.8x	18.1x

SUB SECTOR ANALYSIS: ENTERPRISE NETWORKING

Twelve Month Index Return



Company Returns

	5/31/25	5/31/24
Enterprise Networking Index	7.5x	7.1x
A10 Networks	4.2x	3.8x
Accton	3.2x	3.0x
Aerohive Networks	2.2x	2.3x
Arista Networks	13.5x	14.5x
D-Link	0.7x	0.6x
Extreme Networks	2.0x	1.3x
F5 Networks	5.2x	3.3x
NetGear	0.7x	0.2x
Radware	2.6x	2.0x
Unizyx Holding (Zyxel)	0.6x	0.5x

Source: Capital IQ

Company Revenue Multiples

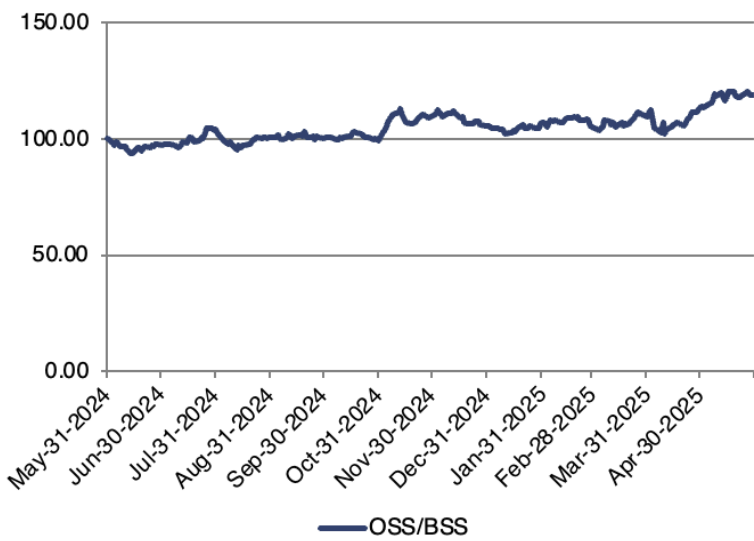
	12 Month	3 Month
Enterprise Networking Index	24.6%	-3.9%
A10 Networks	13.9%	-17.0%
Accton	61.1%	22.0%
Aerohive Networks	-28.8%	-15.0%
Arista Networks	16.4%	-6.9%
D-Link	11.1%	-4.2%
Extreme Networks	40.5%	1.4%
F5 Networks	68.9%	-2.4%
NetGear	112.4%	11.5%
Radware	14.9%	7.8%
Unizyx Holding (Zyxel)	-23.8%	-21.0%

Company EBITDA Multiples

	5/31/25	5/31/24
Enterprise Networking Index	28.4x	28.0x
A10 Networks	19.5x	19.5x
Accton	23.7x	22.1x
Aerohive Networks	29.4x	12.3x
Arista Networks	31.6x	35.1x
D-Link	4236.0x	93.4x
Extreme Networks	1511.8x	20.5x
F5 Networks	18.7x	12.2x
NetGear	NM	NM
Radware	57.9x	NM
Unizyx Holding (Zyxel)	20.3x	12.2x

SUB SECTOR ANALYSIS: OSS/BSS SOFTWARE

Twelve Month Index Return



Company Returns

	5/31/25	5/31/24
OSS/BSS Index	3.0x	2.6x
Amdocs	2.3x	1.9x
CSG Systems	1.9x	1.5x
Lumine Group	12.3x	13.2x
NetScout Systems	1.4x	1.4x
Optiva	2.3x	2.5x
Radcom	1.9x	1.2x
Subex	2.5x	4.7x
Synchronoss	1.5x	1.9x
Tecnotree	1.0x	1.2x

Source: Capital IQ

Company Revenue Multiples

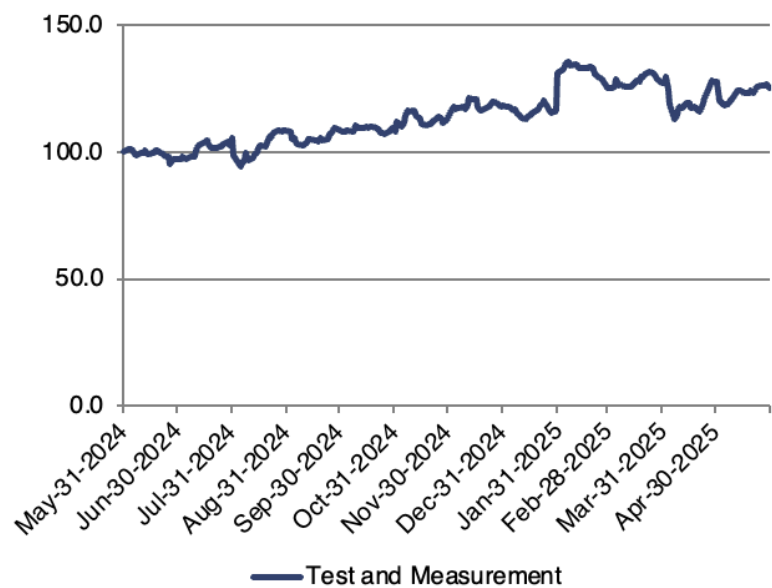
	12 Month	3 Month
OSS/BSS Index	18.6%	13.3%
Amdocs	16.2%	5.2%
CSG Systems	53.1%	2.7%
Lumine Group	20.3%	32.2%
NetScout	11.2%	1.6%
Optiva	-89.9%	-83.4%
Radcom	41.9%	10.6%
Subex	-49.7%	8.2%
Synchronoss	-24.6%	-23.9%
Tecnotree	-30.8%	10.6%

Company EBITDA Multiples

	5/31/25	5/31/24
OSS/BSS Index	14.1x	13.6x
Amdocs	11.0x	10.2x
CSG Systems	12.1x	10.4x
Lumine Group	40.7x	42.3x
NetScout Systems	8.2x	8.9x
Optiva	NM	NM
Radcom	21.5x	536.8x
Subex	NM	NM
Synchronoss	9.1x	NM
Tecnotree	2.7x	3.4x

SUB SECTOR ANALYSIS: TEST AND MEASUREMENT

Twelve Month Index Return



Company Returns

	5/31/25	5/31/24
Test and Measurement Index	2.1x	1.7x
Anritsu	1.5x	1.0x
Spirent	2.9x	2.7x
Viavi	2.2x	1.9x

Company Revenue Multiples

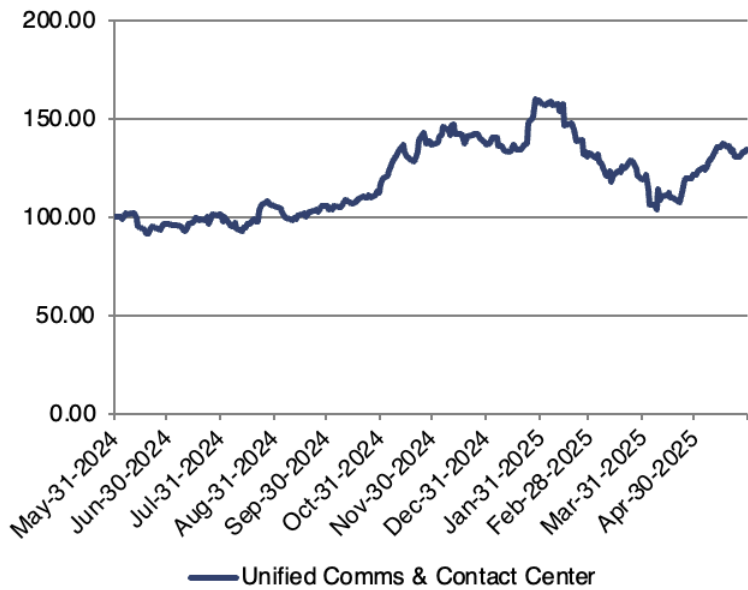
	12 Month	3 Month
Test and Measurement Index	25.4%	0.1%
Anritsu	55.5%	29.7%
Spirent	8.8%	8.9%
Viavi	21.1%	-18.5%

Company EBITDA Multiples

	5/31/25	5/31/24
Test and Measurement Index	16.6x	14.9x
Anritsu	9.6x	6.9x
Spirent	29.5x	27.9x
Viavi	22.2x	17.7x

SUB SECTOR ANALYSIS: UNIFIED COMMUNICATIONS AND CONTACT CENTER

Twelve Month Index Return



Company Returns

	5/31/25	5/31/24
Unified Comms & Contact Center Index	2.9x	2.2x
8x8	0.8x	1.0x
Crexendo	2.2x	1.4x
Enghouse Systems	2.5x	2.7x
Five9	2.1x	3.8x
RingCentral	1.6x	2.1x
Sangoma Technologies	1.0x	1.1x
Twilio	3.6x	1.7x
Verint	1.9x	2.7x
Zoom	3.6x	2.6x

Company Revenue Multiples

	12 Month	3 Month
Unified Comms & Contact Center Index	34.2%	1.3%
8x8	-39.9%	-34.4%
Crexendo	65.5%	-13.2%
Enghouse Systems	-4.3%	8.9%
Five9	-43.3%	-26.8%
RingCentral	-24.2%	-8.9%
Sangoma Technologies	-3.7%	-0.8%
Twilio	105.1%	-1.9%
Verint	-40.9%	-22.3%
Zoom	32.5%	10.2%

Company EBITDA Multiples

	5/31/25	5/31/24
Unified Comms & Contact Center Index	24.3x	29.1x
8x8	13.0x	57.9x
Crexendo	27.6x	25.6x
Enghouse Systems	11.0x	11.3x
Five9	53.9x	NM
RingCentral	14.6x	48.8x
Sangoma Technologies	52.3x	15.8x
Twilio	72.8x	NM
Verint	12.0x	18.3x
Zoom	17.1x	14.1x



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.

