

M&A INDUSTRY REPORT

Telecom Business Services

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 it's mission to redefine the banker/client relationship.

FOCUS
Investment Banking

SUMMER 2025



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OVERVIEW

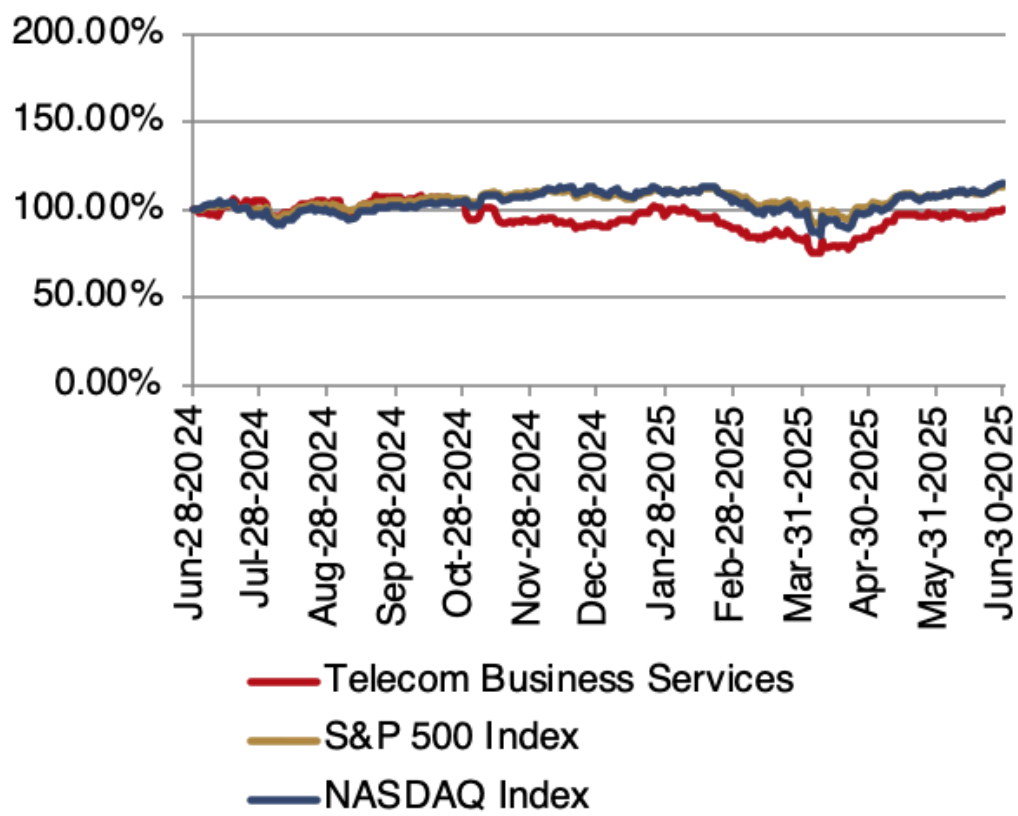
The FOCUS Telecom Business Services Index (TBSI) rebounded from the poor performance in our last report and rocketed up 21.1% in the past three months.

This was nearly double the 10.6% return of the S&P 500 and even well ahead of the 17.8% gain in the NASDAQ over the same time period. When measured over a full twelve-month time frame, this period's gains were strong enough to bring the TBSI back from well underwater in our last report to breakeven. Unfortunately, this still places the sub sector well behind both the S&P 500 (up 13.6% year-over-year) and the NASDAQ (up 14.9% year-over-year). Sector multiples have not changed dramatically from year-ago levels. The sector revenue multiple held steady at 1.1x, while the sector EBITDA multiple dipped from 11.8x to 11.2x.

The TBSI's two sub sectors both showed strong gains this period. The Engineering and Construction sub sector was clearly the strongest performer with a three-month increase of 42.4%. Gains were broad-based, as every single stock in the sub sector showed a positive gain. This included increases of 20% or more at four of the sub sector's five stocks. Dycom and Mastec were the two top performers with gains of 60.4% and 46.0%, respectively. Engineering and Construction sub sector multiples also showed a nice increase with the revenue multiple going from 0.9x to 1.1x and the EBITDA multiple increasing from 7.5x to 9.4x. As for the TBSI's other component, the Distributors and Logistics Services sub sector had a much more modest gain of 8.3%. CDW and ePlus both boasted double-digit increases, while Insight was the only company in the sub sector in negative territory with a loss of 7.9%. Multiples for the Distributors and Logistics Services sub sector closed out the period at 1.1x revenue and 13.1x EBITDA. Both of these compare unfavorably to year-ago multiples of 1.3x revenue and 15.8x EBITDA.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Business Services	0.0%	21.1%
Distributors and Logistics Services	-20.0%	8.3%
Engineering and Construction	48.1%	42.4%
S&P 500	13.6%	10.6%
NASDAQ	14.9%	17.8%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue
Multiples

	6/30/25	6/30/24
Telecom Business Services	1.1x	1.1x
Distributors and Logistics Services	1.1x	1.3x
Engineering and Construction	1.1x	0.9x

Sector and Sub Sector EBITDA
Multiples

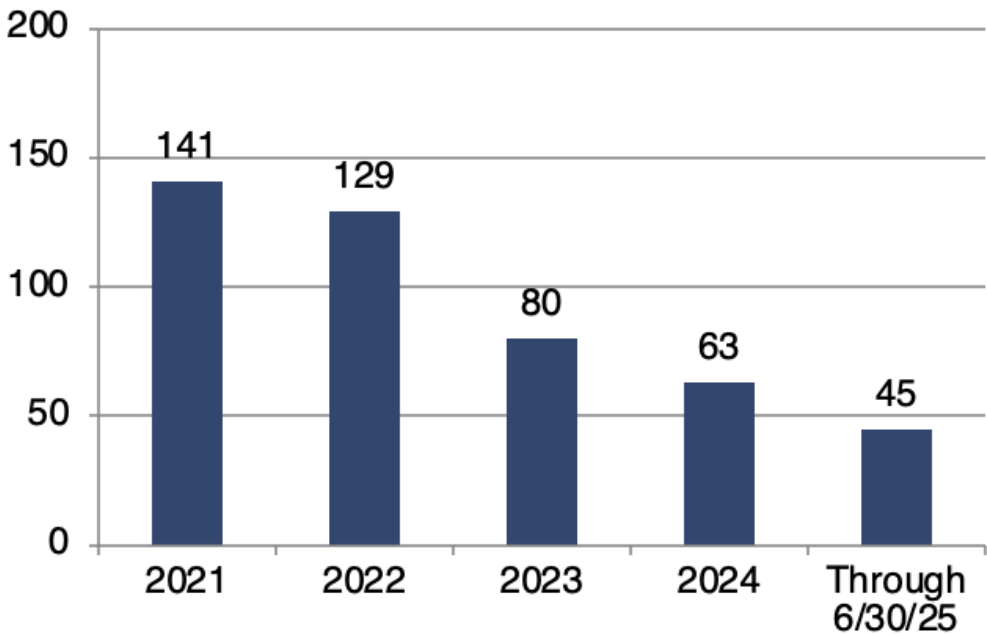
	6/30/25	6/30/24
Telecom Business Services	11.2x	11.8x
Distributors and Logistics Services	13.1x	15.8x
Engineering and Construction	9.4x	7.5x

M&A ACTIVITY

Deal volume in the Telecom Business Services sector continued its upward trend with 24 announced transactions in the past three months. However, the total announced dollar value of transactions was low for the second straight reporting period at slightly more than \$120 million. For the first half of 2025, the 45 total transactions year-to-date put the year on pace to be the highest since 2022 in terms of the number of transactions. The total announced dollar volume of transactions thus far this year remains anemic at only \$131 million.

Activity was very strong in the Telecom Engineering and Construction sub sector with 13 deals for the period. Significantly, we saw several deals in the wireless space in the U.S. as CCI Systems acquired Total Site Services, TW Group acquired Techisco and KCI Technologies purchased Advanced Telecommunications Solutions of Virginia. Wireless transactions in the U.S. market have been few and far between over the last two years, so it was

Number of Transactions

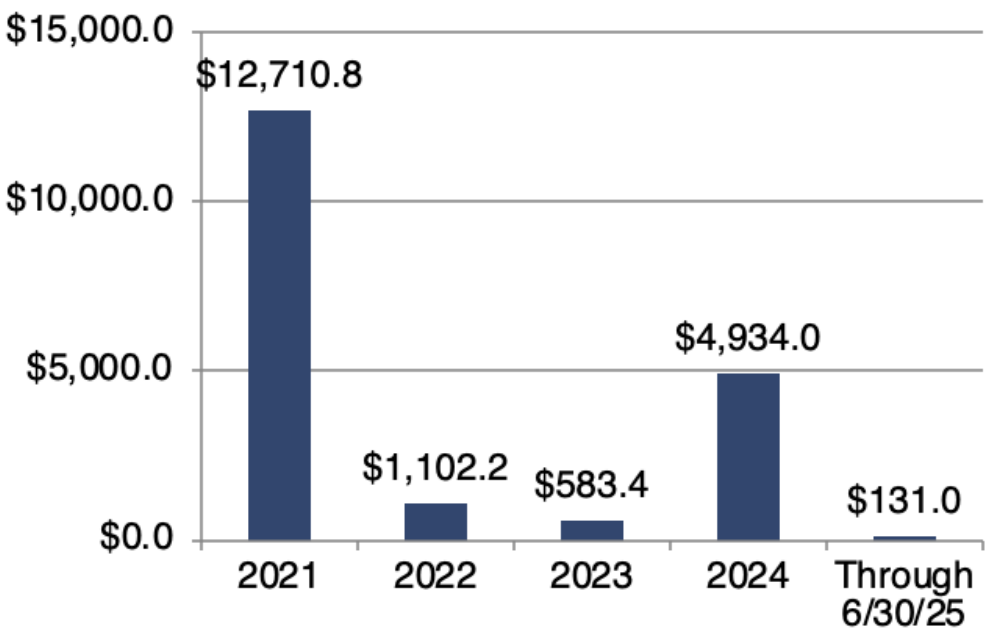


Source: Capital IQ

good to see a pickup in the level of activity. In addition, we also noted a number of transactions involving structured cabling and electrical contractors. When we look at activity in the Distributors and Logistics services sub sector, we highlight the TXO acquisition of secondary market telecom equipment supplier AirWay Group. The IT Asset Disposition space was also active with transactions involving CloudBlue Technologies and the Telecom division of Firefly IT Asset Recovery. Finally, we noted that ITOCHU entered the market for refurbished cellular phones with its acquisition of We Sell Cellular for \$60 million.

There were two transactions with announced multiples this period. The aforementioned acquisition of We Sell Cellular by ITOCHU had a multiple of 0.8x revenue. The period’s other transaction with an announced multiple was the Infosys acquisition of network hardware and maintenance services provider The Missing Link Network Integration. This transaction had a much higher multiple of 2.3x revenue.

\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (4/1/25 – 6/30/25)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
CCI Systems	Total Site Services	Telecom Engineering and Construction	6/30/25	NA	Construction management, in-house architectural/engineering design and site acquisition/real estate services for telecom and other markets.
TW Group	Techisco	Telecom Engineering and Construction	6/27/25	NA	Wireless construction and fiber deployment services including small cell, electrical, fiber installation, construction management and civil construction.
26North Partners	AVI-SPL	Distributors & Logistics Services	6/25/25	NA	Integrator of audio-visual and collaboration solutions for organizations worldwide.
Magnesium Capital	Automated Building & Energy Controls	Telecom Engineering and Construction	6/9/25	NA	Systems integration services for data centers and other infrastructures including refurbishments, maintenance, energy management and monitoring.
HostPapa	CloudBlue Technologies	Distributors & Logistics Services	6/4/25	NA	IT asset disposition, onsite data destruction and e-waste recycling services for enterprises.
SPIE	Rovitech Projects	Telecom Engineering and Construction	6/2/25	NA	Telecom and electrical installation services for businesses in the Netherlands.
Aker Business	Elarasys Worldwide	Distributors & Logistics Services	5/23/25	NA	Provider of refurbished and new communications and IT equipment.
Aker Business	IT Hardware Plus	Distributors & Logistics Services	5/23/25	NA	Technology infrastructure solutions for mid-sized and large businesses including servers, storage and networking equipment.
LINX	Building Infrastructure Group	Telecom Engineering and Construction	5/20/25	NA	Structured cabling, audio-visual, wireless and security solutions for government agencies, defense contractors, enterprises and data centers.
Convergent Technologies	Fiber Solutions	Telecom Engineering and Construction	5/12/25	NA	Design, installation, certification and maintenance of structured cabling, electronic security, audio and video networks and data centers.
Ricoh Company	Go2neXt	Distributors & Logistics Services	5/8/25	NA	Network infrastructure, data center infrastructure, cybersecurity and monitoring services for businesses in Latin America.
MGT Impact Solutions	Ednetics	Distributors & Logistics Services	5/6/25	NA	Technology solutions such as network infrastructure, collaboration, physical security and data centers to schools, libraries and government institutions.
Colliers Engineering & Design	Terra Consulting Group	Telecom Engineering and Construction	5/5/25	NA	Telecommunications engineering, land development, site acquisition and structural design services throughout the Midwest region.
KCI Technologies	Advanced Telecommunications Solutions of Virginia	Telecom Engineering and Construction	5/2/25	NA	Equipment installation services for the wireless telecommunications industry in the Mid-Atlantic region of the U.S.
ELOVADE Beteiligungs	Brigantia Partners	Distributors & Logistics Services	4/30/25	NA	Distributes cybersecurity and products and services in the areas of connectivity, applications and hardware in the UK.
The Cook & Boardman Group	CSI	Telecom Engineering and Construction	4/28/25	NA	Low-voltage telecom integration services for businesses in Texas and New Mexico including fiber optics, data cabling and security systems.
Infosys	The Missing Link Network Integration	Distributors & Logistics Services	4/17/25	\$62.5	Network equipment and management and maintenance services for businesses in Australia.
M Group Services	Telent	Telecom Engineering and Construction	4/16/25	NA	Design, build, installation, testing, commissioning support, and maintenance of digital infrastructure including 5G networks and data centers.
NetSpark	Firefly IT Asset Recovery (Telecom Division)	Distributors & Logistics Services	4/15/25	NA	IT asset recovery and recycling services for businesses in the telecommunications industry in the U.S.
Pearce Services	JoeMax Telecom	Telecom Engineering and Construction	4/15/25	NA	Site acquisition, fiber route design, program management, inspection and network maintenance services in New York, New Jersey and Connecticut.
ProSat Networks	Pro Starlink Installers	Telecom Engineering and Construction	4/15/25	NA	Provides Starlink installation services for businesses, residential homes, boats and mobile vehicles in the U.S.
ITOCHU Techno-Solutions	We Sell Cellular	Distributors & Logistics Services	4/10/25	\$60.0	Distributes cellular handsets and accessories and offers logistics services such as packaging and kitting, fulfillment, product sourcing and warehousing.
TXO Systems	AirWay Group	Distributors & Logistics Services	4/10/25	NA	Supplier of new and repurposed network equipment, certified recycling and asset recovery services for telecom and broadband operators worldwide.
Loenbro	Stewart Electric	Telecom Engineering and Construction	4/9/25	NA	Electrical contractor primarily serving the data center market and providing services such as the installation of security and cable bus systems.

ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (7/1/24 – 6/30/25)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Infosys	The Missing Link Network Integration	Distributors & Logistics Services	4/17/25	\$62.5	2.3 x	NA	Network equipment and management and maintenance services for businesses in Australia.
ITOCHU Techno-Solutions	We Sell Cellular	Distributors & Logistics Services	4/10/25	\$60.0	0.8 x	NM	Distributes cellular handsets and accessories and offers logistics services such as packaging and kitting, fulfillment, product sourcing and warehousing.
Ceragon Networks	End 2 End Technologies	Distributors & Logistics Services	1/14/25	\$8.5	0.6 x	NA	Systems integration company that serves private network operators primarily in the energy and utilities markets.
Planetel	Suardi	Distributors & Logistics Services	11/25/24	\$3.7	1.0 x	NA	Provides civil and industrial voice and data communications and security systems integration services for businesses in Italy.
NSK	Js Telecom Systems	Telecom Engineering and Construction	10/18/24	\$2.5	0.4 x	NA	Network infrastructure, voice system and information security construction and maintenance services in Japan.
Dycom	Black & Veatch (Public Carrier Wireless Business)	Telecom Engineering and Construction	8/21/24	\$150.0	0.6 x	NA	Wireless construction services primarily in the states of New York, New Jersey, Missouri, Kansas, Colorado, Utah, Wyoming, Idaho and Montana.
Clayton, Dubilier & Rice	Exclusive Networks	Distributors & Logistics Services	7/24/24	\$2,669.1	1.7 x	13.1 x	Global cybersecurity specialist that provides partners and end-customers with a wide range of services and product portfolios.
Quanta Services	Cupertino Electric	Telecom Engineering and Construction	7/18/24	\$1,705.0	0.9 x	10.9 x	Provides datacenter, commercial and energy projects engineering and infrastructures construction services.

OUR TEAM

FOCUS Telecom Technology and Services Team



Richard H. Pierce

**Managing Director and Telecom Technology
and Services Team Leader, Washington, DC**

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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:

- Distributors and Logistics Services
- Engineering and Construction

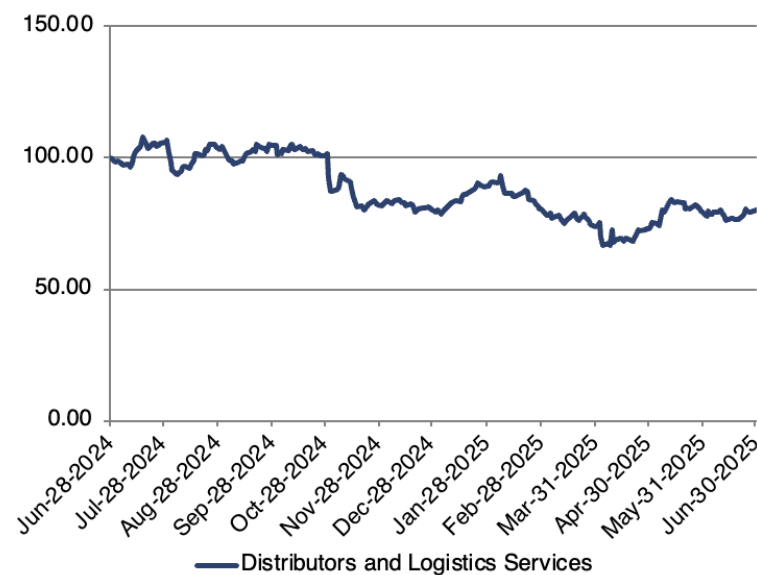


SUB SECTOR DEFINITIONS

- **Distributors and Logistics Services:** This sub sector includes companies that distribute communications-related products or that provide repair, refurbish and other supply chain management solutions. Companies in this segment may serve either telecom service providers, businesses or both.
- **Engineering and Construction:** Engineering and Construction companies provide a variety of services including network planning and design, systems integration, installation and construction. Customers are primarily service providers but may also include large enterprises and governments.

SUB SECTOR ANALYSIS: DISTRIBUTORS AND LOGISTICS SERVICES

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Distributors and Logistics Index	-20.0%	8.3%
CDW	-20.2%	11.4%
ePlus	-2.1%	18.1%
Insight	-30.4%	-7.9%
PC Connection	2.5%	5.4%

Company Revenue Multiples

	6/30/25	6/30/24
Distributors and Logistics Index	1.1x	1.3x
CDW	1.4x	1.7x
ePlus	0.8x	0.8x
Insight	0.6x	0.8x
PC Connection	0.5x	0.5x

Company EBITDA Multiples

	6/30/25	6/30/24
Distributors and Logistics Index	13.1x	15.8x
CDW	14.7x	18.0x
ePlus	9.6x	10.1x
Insight	10.6x	13.6x
PC Connection	11.7x	11.9x

SUB SECTOR ANALYSIS: ENGINEERING AND CONSTRUCTION

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Engineering and Construction Index	48.1%	42.4%
Baran Group	78.3%	30.7%
COMSYS Holdings	20.4%	9.1%
Dycom	44.8%	60.4%
Mastec	59.3%	46.0%
MIRAIT Holdings	35.2%	20.9%

Source: Capital IQ

Company Revenue Multiples

	6/30/25	6/30/24
Engineering and Construction Index	1.1x	0.9x
Baran Group	0.9x	0.5x
COMSYS Holdings	0.6x	0.5x
Dycom	1.7x	1.4x
Mastec	1.3x	0.9x
MIRAIT Holdings	0.6x	0.5x

Company EBITDA Multiples

	6/30/25	6/30/24
Engineering and Construction Index	9.4x	7.5x
Baran Group	12.2x	5.7x
COMSYS Holdings	6.6x	6.0x
Dycom	14.6x	11.5x
Mastec	16.5x	13.8x
MIRAIT Holdings	7.7x	8.9x



ABOUT FOCUS INVESTMENT BANKING

With more than four decades of experience, FOCUS Investment Banking is a trusted name in M&A advisory services worldwide. FOCUS works to understand each client's strategic and financial objectives, craft the best plan to achieve these goals, and deliver success. Whether helping to sell, buy, or raise capital, FOCUS strives to maximize the value of every transaction to the benefit of its clients. 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 member FINRA/SIPC. For more information on FOCUS, please visit www.focusbankers.com.

