

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.

FALL 2025



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OVERVIEW

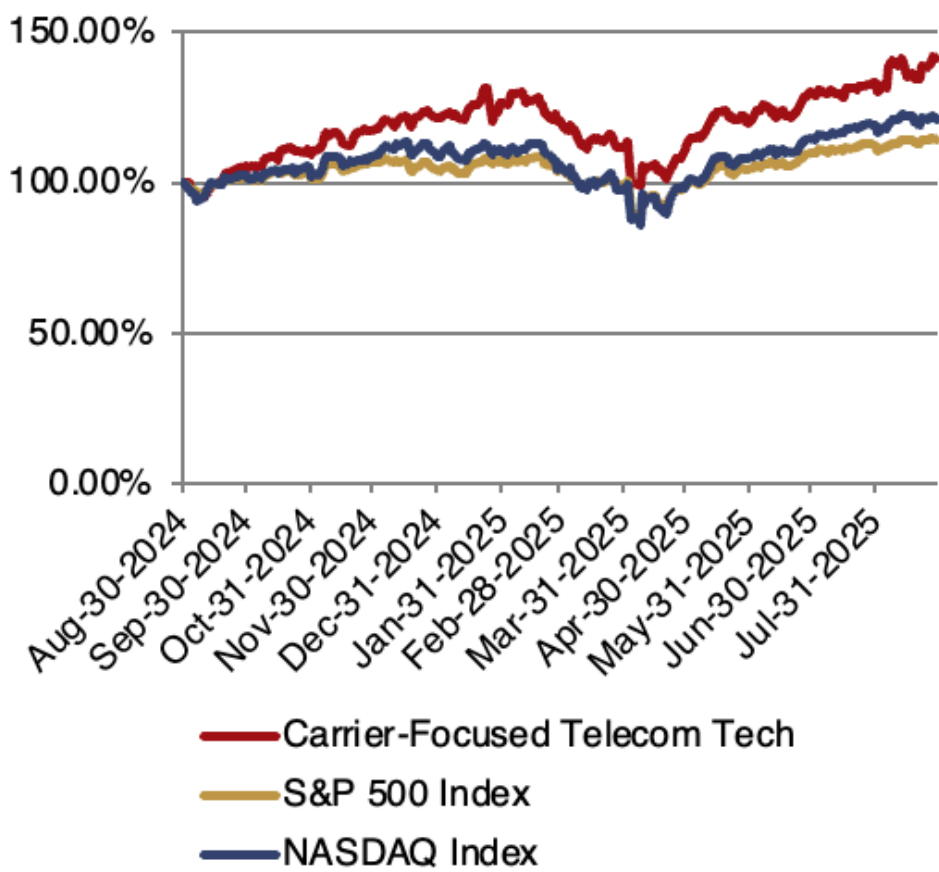
The FOCUS Telecom Technology Index (TTI) enjoyed an extremely strong performance over these past three months.

Not only did the index shoot up 18.1%, but it handily outperformed both the S&P 500 (up 9.3%) and the NASDAQ (up 12.3%). The sector's ability to outpace the market is even more pronounced when viewed over the last year. The TTI is up more than 40% over this time frame, while the S&P 500 and NASDAQ delivered returns of 14.4% and 21.1%, respectively. Sector multiples are also meaningfully higher than they were at this time last year. The sector revenue multiple closed out the period at 3.8x (up from 3.0x a year ago) and the EBITDA multiple ended up at 20.7x (up from 15.2x a year ago).

The Enterprise Networking sub sector assumed the mantle of the TTI's top performing sub sector as it shot up nearly 50% in the last three months. This gain was in no small part the result of gains on the order of 60% at both Aerohive Networks and Arista Networks, while Extreme Networks also gained more than 35%. The Broadband Wireless sub sector continued its meteoric ascent with a three-month gain of 33.0%. This puts the sub sector's year-over-year return in excess of 150%, which easily makes it the best performing sub sector in the TTI over the last 12 months. While the Broadband Access and Transport sub sector did not have nearly as strong a performance as the TTI's two leading sub sectors, it still notched a very respectable three-month gain of 18.6%. Calix was the top performing company in the sub sector with a gain of 28.6%. In addition, ADTRAN and CIENA both delivered gains of 16.8% and 17.4%, respectively. Finally, we noted that the 1.0% decline in the OSS/BSS Software sub sector made it one of only two sub sectors in the TTI to deliver a negative return this period. This was due to a 6.7% drop at Amdocs as well as double digit declines at both Subex and Synchronoss.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Technology	41.3%	18.1%
Large Cap	33.1%	8.2%
Broadband Access and Transport	48.7%	18.6%
Broadband Wireless	162.5%	33.0%
Enterprise Networking	57.0%	48.6%
OSS/BSS	16.5%	-1.0%
Test and Measurement	29.5%	12.1%
Unified Comms and Contact Center	22.5%	-2.5%
S&P 500	14.4%	9.3%
NASDAQ	21.1%	12.3%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue
Multiples

	8/31/25	8/31/24
Telecom Technology	3.8x	3.0x
Large Cap	3.0x	2.4x
Broadband Access and Transport	3.1x	2.2x
Broadband Wireless	9.2x	4.6x
Enterprise Networking	9.9x	8.4x
OSS/BSS	3.0x	2.6x
Test and Measurement	2.3x	1.9x
Unified Comms and Contact Center	2.7x	2.3x

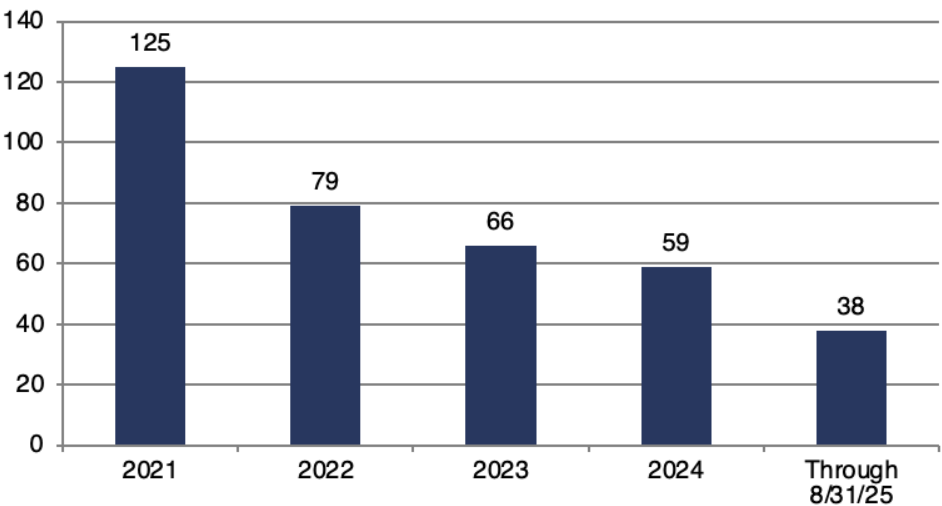
Sector and Sub Sector EBITDA
Multiples

	8/31/25	8/31/24
Telecom Technology	20.7x	15.2x
Large Cap	16.2x	11.3x
Broadband Access and Transport	38.5x	25.8x
Broadband Wireless	37.0x	24.4x
Enterprise Networking	37.7x	32.6x
OSS/BSS	13.3x	13.9x
Test and Measurement	16.4x	16.8x
Unified Comms and Contact Center	20.8x	27.0x

M&A ACTIVITY

After a slow start to the year, the level of M&A activity in the Telecom Technology sector continued to pick up momentum. There were 19 total transactions over the past three months, which is well above the typical level of activity that we have seen in the past few years. Even more impressively, the total announced transaction dollar value of these transactions was \$7.7 billion. Activity in the OSS/BSS Software sub sector was strong. The sub sector accounted for seven total transactions, including the \$5 billion acquisition of Digital Global Systems by Casa del Fuego Family Office and Trust. In addition, we saw private equity firm GTCR add a new platform with their acquisition of Innovative Systems for \$500 million. Innovative Systems provides billing and other software for smaller broadband operators. The Unified Communications and the Contact Center sub sector also saw quite a bit of activity with five total transactions over the past three months. This sub sector was also able to boast of a large transaction, in this case the \$1.9 billion take private acquisition of Verint by Thoma Bravo. Finally, the Enterprise Networking sub sector also saw five total transactions, but all of these were comparatively small.

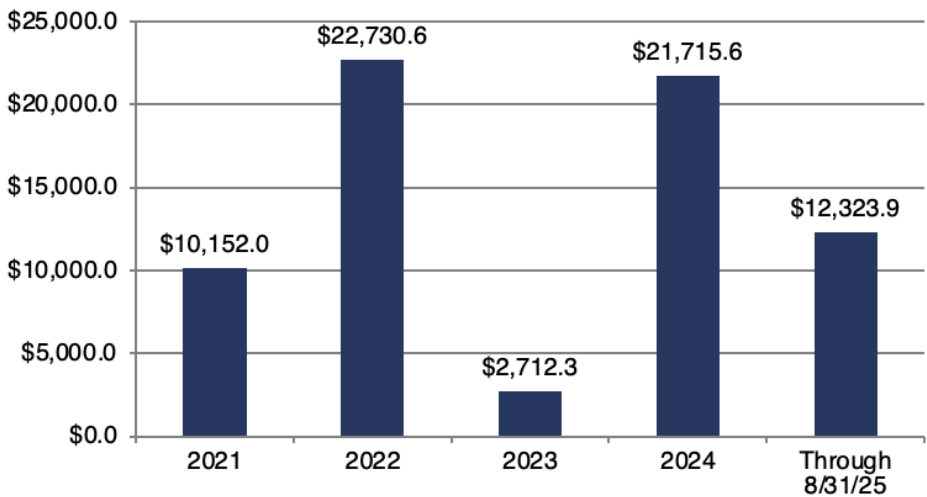
Number of Transactions



With eight months of 2025 in the books, the Telecom Technology sector has seen 38 transactions for a total announced transaction dollar value of \$12.3 billion. Both of these metrics are trending somewhat below 2024 levels. However, the strong level of activity in our fall reporting period definitely helped bring 2025 much more in line with historical levels of M&A activity.

There were two transactions with announced multiples this period. The Thoma Bravo acquisition of contact center software company Verint was done at multiples of 2.2x revenue and 14.9x EBITDA. The other announced multiple was for a transaction involving China-based broadband access company Shenzhen COMNECT Technology. This transaction had a revenue multiple of 0.7x. The EBITDA multiple was not made public.

\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (6/1/25– 8/31/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Description
GTCR	Innovative Systems	8/27/25	OSS/BSS Software	\$500.0	Billing and operations support system software for broadband and utility businesses.
Thoma Bravo	Verint	8/25/25	Unified Communications and Contact Center	\$1,938.8	Contact center and customer engagement software with features for analytics, customer surveying, training and workforce management.
Koch Equity	GCH Technologies	8/22/25	OSS/BSS Software	NA	AI-enabled wireless messaging infrastructure software for businesses in the telecommunications sector.
F5 Networks	Mantis Networks	8/20/25	Enterprise Networking	NA	Network observability and intelligence software with features for network monitoring, software defined networking and network functions virtualization.
SmartComms	Zipline Cloud	8/11/25	Unified Communications and Contact Center	NA	AI-powered customer engagement and omnichannel orchestration software with features for real-time messaging and personalized communication.
Wireless Logic	Zipit Wireless	8/5/25	OSS/BSS Software	NA	Multi-carrier IoT connectivity and subscription billing solutions provider.
Benhauer	Thulium	7/24/25	Unified Communications and Contact Center	NA	Provides AI-powered omnichannel customer service automation including live chat, email, voice, social media integration, ticketing and IVR.
White Label Communications	Grupo NGN	7/22/25	Unified Communications and Contact Center	NA	Provider of opti-channel AI-powered contact center communications solutions.
AT&T	DriveNets	7/16/25	OSS/BSS Software	\$193.7	Software-centric routing infrastructure and an orchestration tool that automates the deployment, scaling, and management of the network cloud.
Kurmi Software	Yamlab	7/10/25	Unified Communications and Contact Center	NA	Unified communications migration automation and testing software for enterprises and service providers.
Shenzhen Sunshine Laser & Electronics Technology	Shenzhen COMNECT Technology	7/9/25	Broadband Access and Transport	\$49.0	Broadband access products including FTTx, xDSL, LTE and 5G CPE.
CAICA DIGITAL	NCXX	7/8/25	Enterprise Networking	\$6.2	Wireless data communications products including a mobile router and data communications terminals.
Yazaki Energy System	Fujitsu (I-Network Systems Business)	7/4/25	Broadband Access and Transport	NA	Provides Internet protocol network equipment such as backbone switches, access switches and access routers.
Arista Networks	Broadcom (VeloCloud SD-WAN Business)	7/1/25	Enterprise Networking	NA	AI-driven and cloud-delivered software-defined wide area networking solutions and edge appliances for businesses.
IDI	Forsk	6/30/25	OSS/BSS Software	NA	Wireless network planning and optimization software for telecommunications operators.
LongFi Solutions	Relay International	6/25/25	Enterprise Networking	NA	Decentralized wireless network management software with features for hotspot deployment, device provisioning and network analytics.
Casa del Fuego Family Office and Trust	Digital Global Systems	6/23/25	OSS/BSS Software	\$5,000.0	Spectrum optimization software that enables real-time RF awareness, dynamic spectrum sharing, RAN automation and interference mitigation.
Undisclosed	ThinkCX Technologies	6/16/25	OSS/BSS Software	NA	Analytics platform for the telecom industry with market share performance, handset activation detection, data visualization and custom analytics.
Netgear	Exium	6/5/25	Enterprise Networking	\$15.0	Secure access service edge and extended detection and response software for managed service providers.

ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (9/1/24 – 8/31/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Thoma Bravo	Verint	8/25/25	Unified Communications and Contact Center	\$1,938.8	2.2 x	14.9 x	Contact center and customer engagement software with features for analytics, customer surveying, training and workforce management.
Shenzhen Sunshine Laser & Electronics Technology	Shenzhen COMNECT Technology	7/9/25	Broadband Access and Transport	\$49.0	0.7 x	NA	Broadband access products including FTTx, xDSL, LTE and 5G CPE.
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.

OUR TEAM

FOCUS Telecom Technology and Services Team



Richard H. Pierce

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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:

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

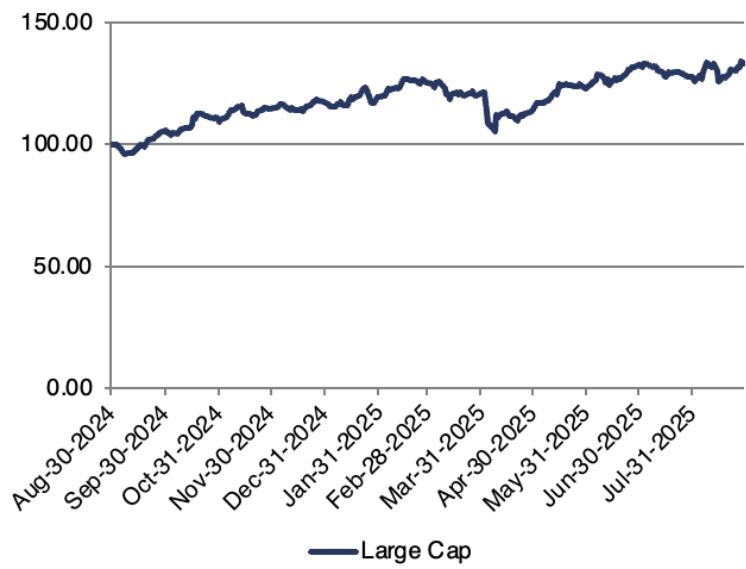


SUB SECTOR DEFINITIONS

- **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	33.1%	8.2%
Cisco	36.7%	9.6%
Ericsson	5.6%	-7.0%
Nokia	-2.2%	-17.1%
ZTE	81.9%	47.6%

Company Revenue Multiples

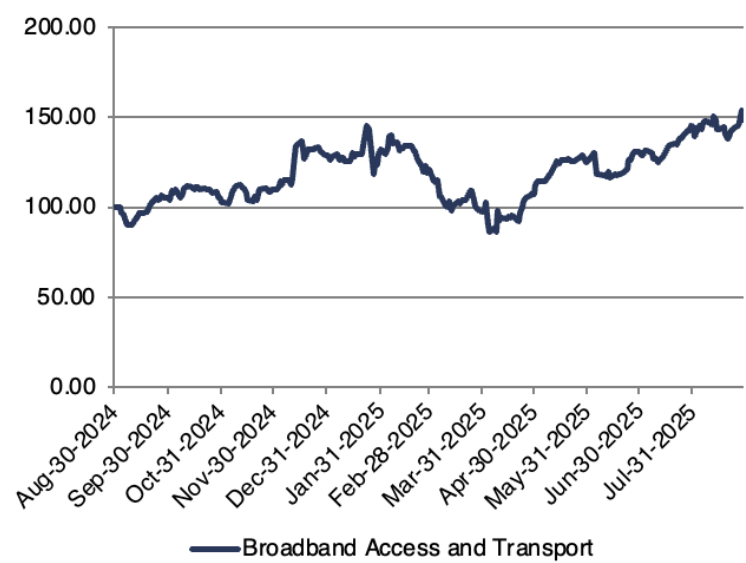
	8/31/25	8/31/24
Large Cap Index	3.0x	2.4x
Cisco	5.0x	4.0x
Ericsson	1.0x	1.1x
Nokia	1.0x	1.0x
ZTE	1.7x	0.8x

Company EBITDA Multiples

	8/31/25	8/31/24
Large Cap Index	16.2x	11.3x
Cisco	18.7x	14.0x
Ericsson	11.7x	11.2x
Nokia	7.8x	6.5x
ZTE	25.3x	6.3x

SUB SECTOR ANALYSIS: BROADBAND ACCESS AND TRANSPORT

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Broadband Access & Transport Index	48.7%	18.6%
ADTRAN	68.1%	16.8%
BATM	-18.3%	-10.3%
Calix	59.6%	28.6%
CIENA	63.0%	17.4%
Harmonic	-33.4%	6.7%
Tejas Networks	-57.9%	-21.2%

Source: Capital IQ

Company Revenue Multiples

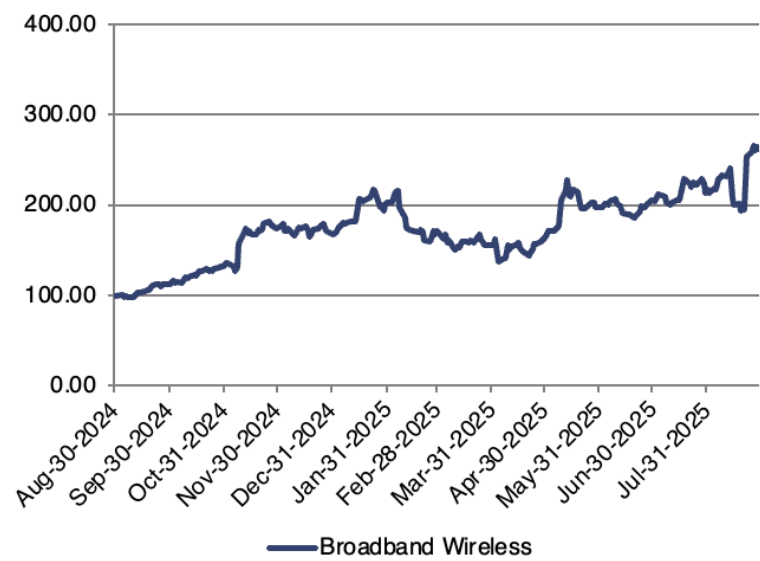
	8/31/25	8/31/24
Broadband Access & Transport Index	3.1x	2.2x
ADTRAN	1.3x	1.0x
BATM	0.6x	0.8x
Calix	4.1x	2.3x
CIENA	3.0x	2.1x
Harmonic	1.6x	3.2x
Tejas Networks	1.7x	6.2x

Company EBITDA Multiples

	8/31/25	8/31/24
Broadband Access & Transport Index	38.5x	25.8x
ADTRAN	31.2x	NM
BATM	NM	16.0x
Calix	NM	240.3x
CIENA	34.6x	23.2x
Harmonic	9.2x	96.6x
Tejas Networks	18.7x	57.5x

SUB SECTOR ANALYSIS: BROADBAND WIRELESS

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Broadband Wireless Index	162.5%	33.0%
Aviat Networks	-16.4%	7.0%
Cambium Networks	-56.1%	138.3%
Ceragon Networks	-31.9%	-10.6%
Ubiquiti Networks	172.9%	33.6%

Source: Capital IQ

Company Revenue Multiples

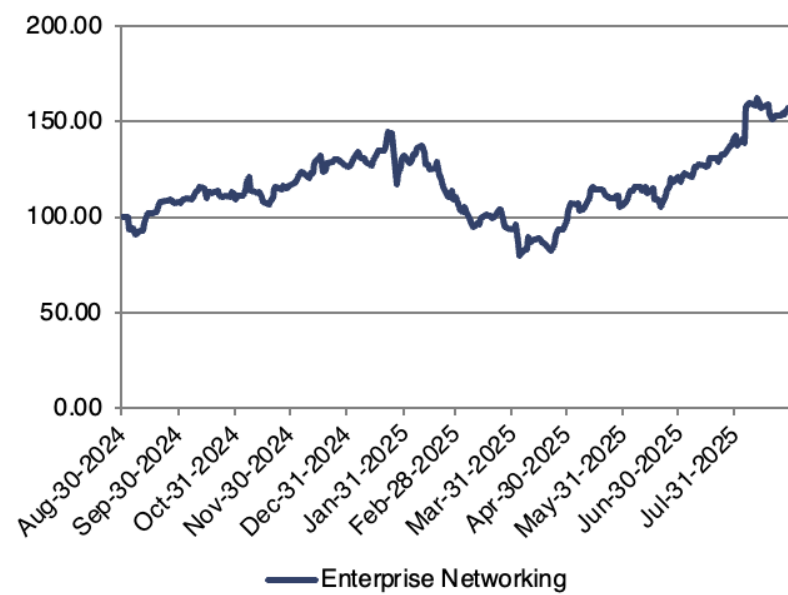
	8/31/25	8/31/24
Broadband Wireless Index	9.2x	4.6x
Aviat Networks	0.7x	0.8x
Cambium Networks	0.3x	0.5x
Ceragon Networks	0.5x	0.8x
Ubiquiti Networks	12.5x	6.4x

Company EBITDA Multiples

	8/31/25	8/31/24
Broadband Wireless Index	37.0x	24.4x
Aviat Networks	12.4x	9.3x
Cambium Networks	NM	NM
Ceragon Networks	4.3x	6.9x
Ubiquiti Networks	37.4x	23.8x

SUB SECTOR ANALYSIS: ENTERPRISE NETWORKING

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Enterprise Networking Index	57.0%	48.6%
A10 Networks	28.6%	2.6%
Accton	109.0%	32.9%
Aerohive Networks	-6.4%	63.8%
Arista Networks	54.6%	57.6%
D-Link	0.5%	-3.3%
Extreme Networks	35.7%	36.4%
F5 Networks	54.1%	9.7%
NetGear	67.4%	-7.4%
Radware	15.8%	8.2%
Unizyx Holding (Zyxel)	-6.3%	14.4%

Source: Capital IQ

Company Revenue Multiples

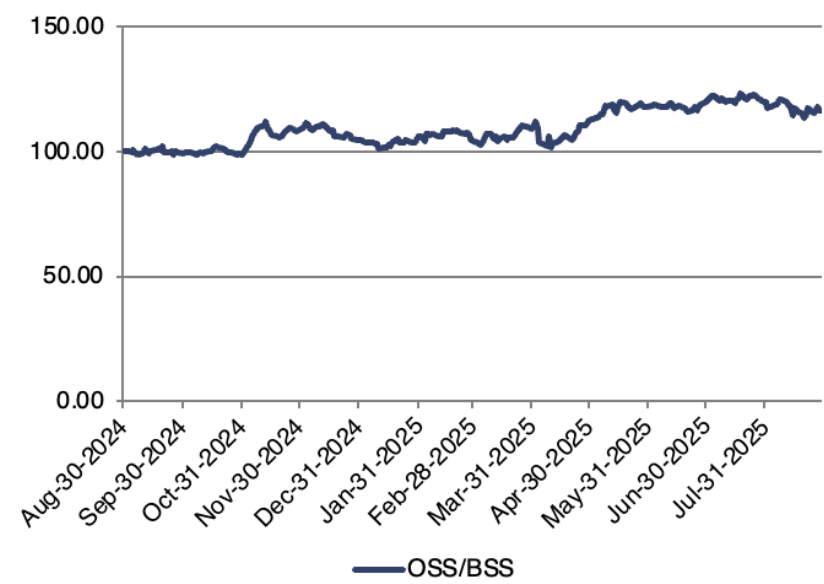
	8/31/25	8/31/24
Enterprise Networking Index	9.9x	8.4x
A10 Networks	4.1x	3.4x
Accton	3.0x	3.0x
Aerohive Networks	5.1x	2.9x
Arista Networks	20.5x	16.6x
D-Link	0.7x	0.7x
Extreme Networks	2.5x	1.9x
F5 Networks	5.6x	4.0x
NetGear	0.6x	0.3x
Radware	2.8x	2.3x
Unizyx Holding (Zyxel)	0.5x	0.5x

Company EBITDA Multiples

	8/31/25	8/31/24
Enterprise Networking Index	37.7x	32.6x
A10 Networks	18.8x	18.8x
Accton	21.8x	22.4x
Aerohive Networks	9.2x	4.6x
Arista Networks	46.9x	39.3x
D-Link	209.1x	674.0x
Extreme Networks	74.8x	NM
F5 Networks	19.7x	14.7x
NetGear	NM	NM
Radware	49.1x	NM
Unizyx Holding (Zyxel)	12.1x	15.0x

SUB SECTOR ANALYSIS: OSS/BSS SOFTWARE

Twelve Month Index Return



Company Returns

	12 Month	3 Month
OSS/BSS Index	16.5%	-1.0%
Amdocs	-1.6%	-6.7%
CSG Systems	32.2%	-2.9%
Lumine Group	46.2%	4.3%
NetScout	15.9%	9.0%
Radcom	32.7%	-1.3%
Subex	-60.5%	-15.9%
Synchronoss	-59.4%	-12.0%
Tecnotree	25.9%	46.3%

Source: Capital IQ

Company Revenue Multiples

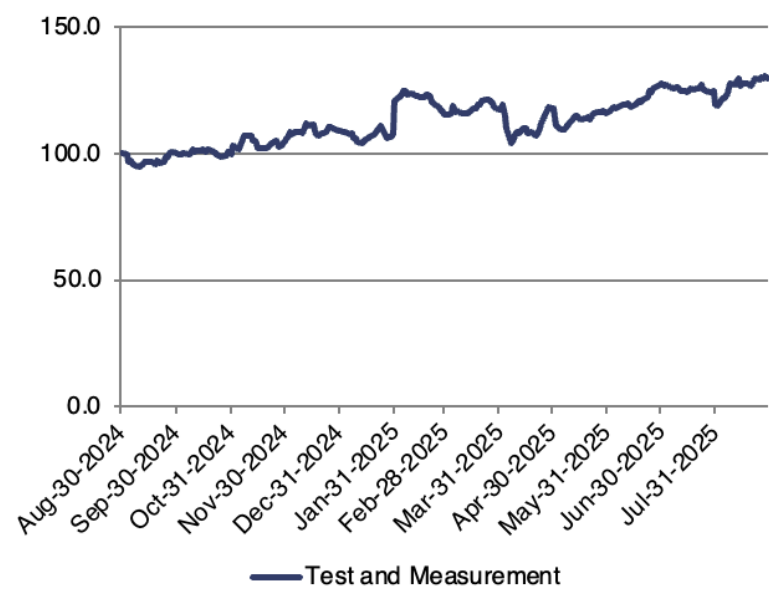
	8/31/25	8/31/24
OSS/BSS Index	3.0x	2.6x
Amdocs	2.1x	2.1x
CSG Systems	1.8x	1.6x
Lumine Group	12.4x	10.9x
NetScout Systems	1.5x	1.6x
Radcom	1.7x	1.3x
Subex	2.1x	5.1x
Synchronoss	1.4x	2.1x
Tecnotree	1.3x	1.0x

Company EBITDA Multiples

	8/31/25	8/31/24
OSS/BSS Index	13.3x	13.9x
Amdocs	10.0x	10.9x
CSG Systems	11.6x	11.2x
Lumine Group	40.0x	36.8x
NetScout Systems	8.2x	10.7x
Radcom	17.7x	49.4x
Subex	NM	NM
Synchronoss	7.6x	56.4x
Tecnotree	3.3x	3.1x

SUB SECTOR ANALYSIS: TEST AND MEASUREMENT

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Test and Measurement Index	29.5%	12.1%
Anritsu	61.7%	3.9%
Spirent	13.1%	4.0%
Viavi	50.0%	23.8%

Company Revenue Multiples

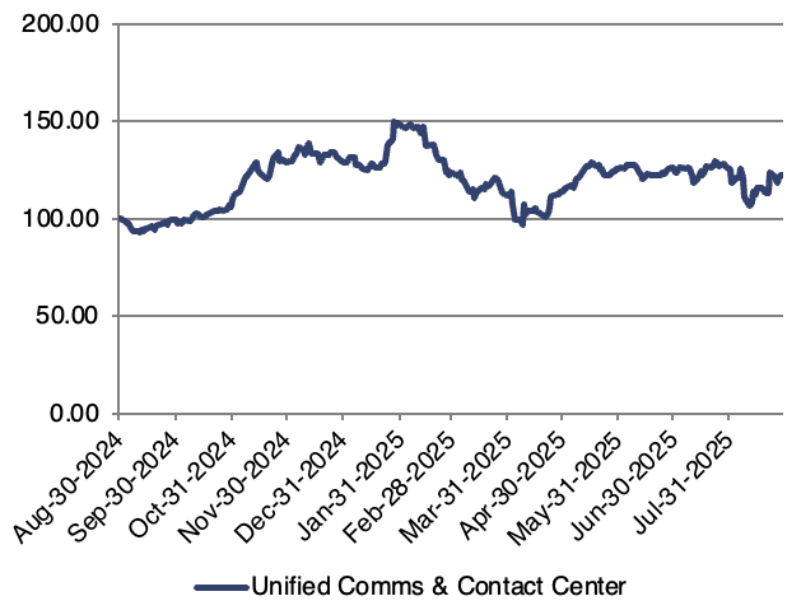
	8/31/25	8/31/24
Test and Measurement Index	2.3x	1.9x
Anritsu	1.6x	1.1x
Spirent	3.0x	2.7x
Viavi	2.6x	2.1x

Company EBITDA Multiples

	8/31/25	8/31/24
Test and Measurement Index	16.4x	16.8x
Anritsu	9.4x	7.7x
Spirent	33.5x	30.2x
Viavi	20.0x	20.7x

SUB SECTOR ANALYSIS: UNIFIED COMMUNICATIONS AND CONTACT CENTER

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	22.5%	-2.5%
8x8	5.3%	20.7%
Crexendo	22.5%	17.5%
Enghouse Systems	-23.6%	-13.2%
Five9	-16.5%	1.5%
RingCentral	-8.5%	17.7%
Sangoma Technologies	14.3%	12.0%
Twilio	68.3%	-10.3%
Verint	-35.4%	16.2%
Zoom	17.9%	0.2%

Company Revenue Multiples

	8/31/25	8/31/24
Unified Comms & Contact Center Index	2.7x	2.3x
8x8	0.8x	0.8x
Crexendo	2.6x	2.2x
Enghouse Systems	2.0x	2.8x
Five9	2.0x	2.6x
RingCentral	1.7x	2.0x
Sangoma Technologies	1.1x	1.1x
Twilio	3.1x	1.9x
Verint	2.2x	2.8x
Zoom	3.5x	3.0x

Company EBITDA Multiples

	8/31/25	8/31/24
Unified Comms & Contact Center Index	20.8x	27.0x
8x8	13.9x	49.2x
Crexendo	30.6x	30.9x
Enghouse Systems	10.1x	10.6x
Five9	31.8x	NM
RingCentral	13.6x	35.0x
Sangoma Technologies	57.3x	13.7x
Twilio	52.3x	282.2x
Verint	17.5x	18.2x
Zoom	15.0x	15.2x



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.

