

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 its mission to redefine the banker/client relationship.



FALL 2025



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## OVERVIEW

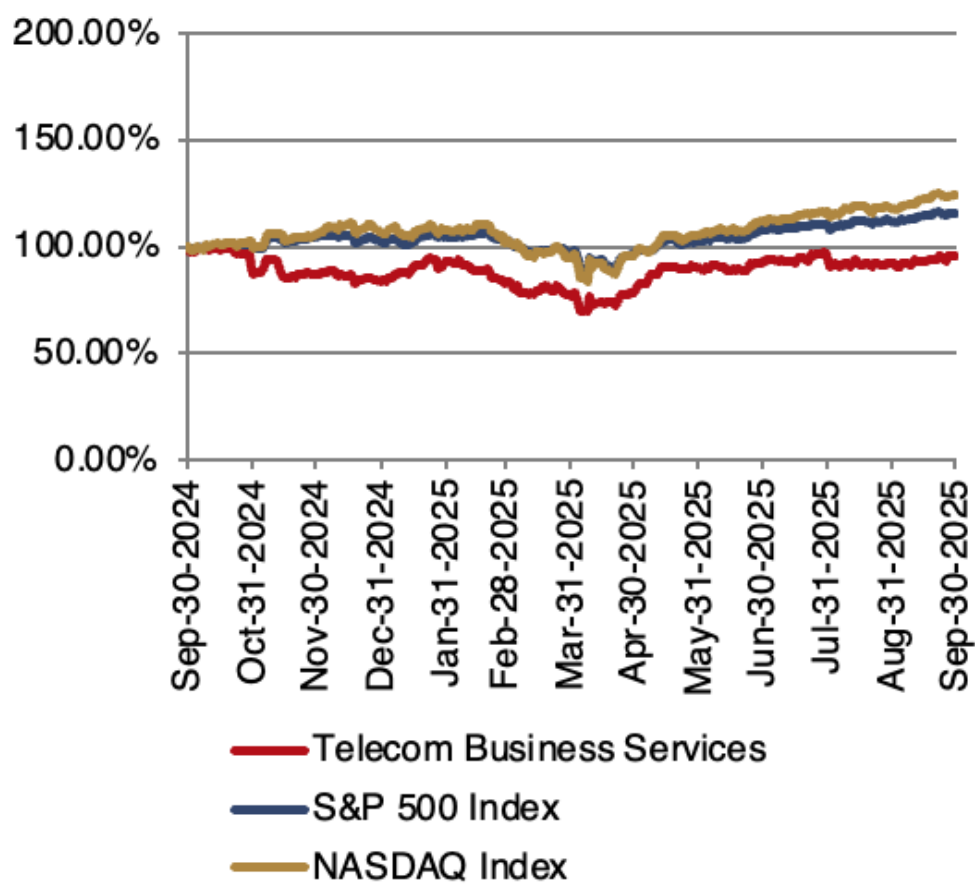
**While its performance was not nearly as strong as its 20%+ return in our summer report, the FOCUS Telecom Business Services Index (TBSI) still managed to stay in the black with a three-month gain of 2.9%.**

This performance put the sub sector well behind the broader indices as the S&P 500 gained 7.8% and the NASDAQ gained 11.2% over the corresponding time period. The TBSI's underperformance is even more pronounced over the full year time frame. While the TBSI is down 4.5% over the past year, the S&P 500 and the NASDAQ gained 16.1% and 24.6%, respectively. Sector multiples are also down slightly compared to this same time last year. The revenue multiple dropped from 1.2x to 1.1x, while the EBITDA multiple fell from 12.3x to 11.2x.

This reporting period was clearly a tale of two very different sub sector performances. The Engineering and Construction sub sector enjoyed a second straight strong performance with a gain of 20.4% over the past three months. U.S. companies Dycom and MasTec were the two strongest performers as Dycom gained 19.4% and MasTec gained 24.9%. After two straight periods with significant gains, the Engineering and Construction sub sector is now up 54.7% year-over-year. Sub sector multiples closed out the period at 1.3x revenue and 10.5x EBITDA. Both of these are significantly higher than year-ago multiples of 1.0x revenue and 8.1x EBITDA. On the other hand, the Distributors and Logistics Services sub sector did not fare nearly as well. The sub sector plummeted 11.0% in our fall reporting period. Every single stock in the sub sector had a negative return over the past three months, including double-digit losses at both CDW and Insight. After this poor performance, the Distributors and Logistics Services sub sector is now down 31.9% compared to this time last year. Sub sector multiples have also dropped sharply in the past 12 months. The sub sector revenue multiple fell from 1.4x to 1.0x, and the EBITDA multiple fell from 16.4x to 11.8x.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

|                                     | 12 Month | 3 Month |
|-------------------------------------|----------|---------|
| Telecom Business Services           | -4.5%    | 2.9%    |
| Distributors and Logistics Services | -31.9%   | -11.0%  |
| Engineering and Construction        | 54.7%    | 20.4%   |
| S&P 500                             | 16.1%    | 7.8%    |
| NASDAQ                              | 24.6%    | 11.2%   |

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue Multiples

|                                     | 9/30/25 | 9/30/24 |
|-------------------------------------|---------|---------|
| Telecom Business Services           | 1.1x    | 1.2x    |
| Distributors and Logistics Services | 1.0x    | 1.4x    |
| Engineering and Construction        | 1.3x    | 1.0x    |

Sector and Sub Sector EBITDA Multiples

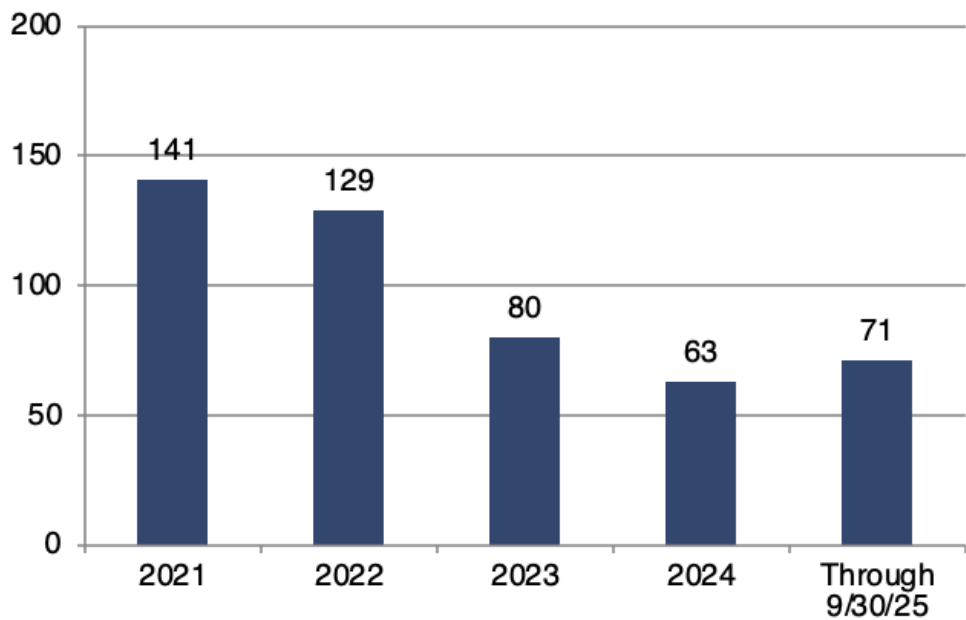
|                                     | 9/30/25 | 9/30/24 |
|-------------------------------------|---------|---------|
| Telecom Business Services           | 11.2x   | 12.3x   |
| Distributors and Logistics Services | 11.8x   | 16.4x   |
| Engineering and Construction        | 10.5x   | 8.1x    |

M&A ACTIVITY

M&A activity in the Telecom Business Services sector was strong with 26 total transactions in our fall reporting period. As has been the case for all of 2025, the total announced transaction dollar value was very low at only \$23.3 million. However, this number is a bit misleading, as there were certainly some large deals that occurred over these past three months that just did not have an announced value. With three quarters of 2025 complete, we count 71 transactions with a total announced transaction dollar value of just more than \$150 million. This puts 2025 to be on track to be much stronger than either of the last two years in terms of the total number of deals, but well behind previous years in terms of the announced dollar value of these deals.

Activity was split evenly between the two sub sectors with 13 transaction apiece. In the Distributors and Logistics Services sub sector, the most noteworthy transaction was the Service Express acquisition of Park Place

Number of Transactions

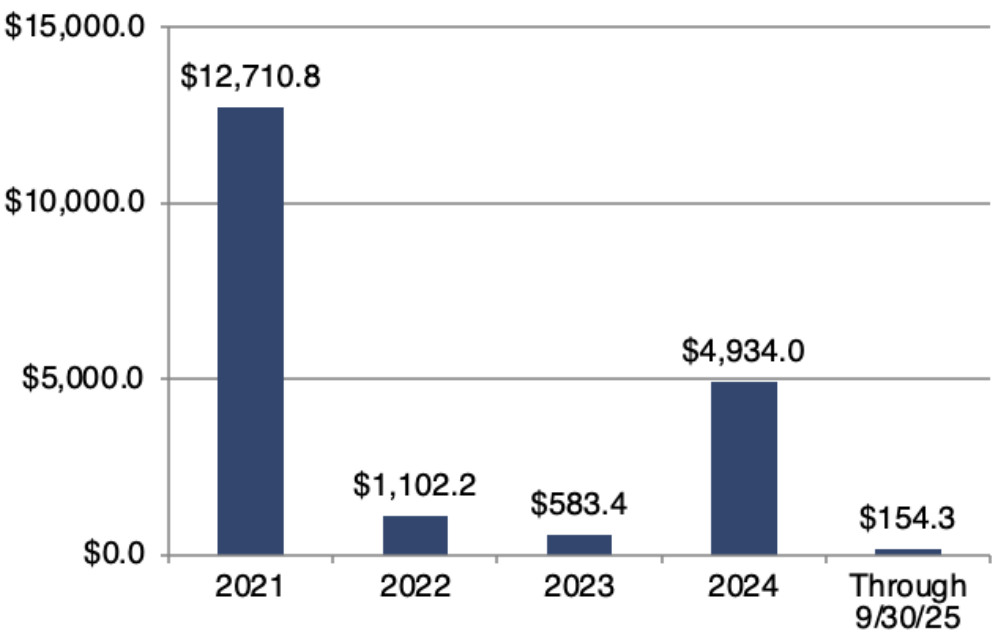


Source: Capital IQ

Technologies. This acquisition combined two of the largest players in the third-party maintenance space. While there was no announced transaction dollar value for this deal, the transaction was certainly of a very considerable size. In another transaction in the Distributors and Logistics Services sub sector, Talley made its first acquisition since it brought on its private equity backer Rexel. This was the acquisition of fellow wireless distributor Connectronics. Moving to the Telecom Engineering and Construction sub sector, we noted that ITG Communications acquired the assets of Tilson Technology Management out of bankruptcy for \$22.0 million. We also saw two acquirers ink multiple acquisitions this period. Circet Groupe acquired fiber engineering firm SourceOne as well as fiber construction company Gemini Communications. Likewise, FBR acquired telecom engineering firm RTS Associates as well as fiber construction company Johnson Communications.

There were no transactions with announced multiples in our fall reporting period.

\$ Value of Transactions in Millions





## ANNOUNCED TRANSACTIONS (7/1/25 – 9/30/25)

| Acquiror                      | Target                                      | Sector                               | Date Announced | Purchase Price | Description                                                                                                                                          |
|-------------------------------|---------------------------------------------|--------------------------------------|----------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Axia Group                    | Webland                                     | Distributors & Logistics Services    | 9/26/25        | \$1.3          | Hardware and software reselling, project management and consulting for businesses in Sweden.                                                         |
| CompassMSP                    | Simplegrid Technology                       | Distributors & Logistics Services    | 9/22/25        | NA             | Security and network infrastructure solutions including network design, network optimization and security.                                           |
| Greenbox Systems              | Erase IT                                    | Distributors & Logistics Services    | 9/22/25        | NA             | IT asset disposition services for businesses in Australia including equipment decommissioning, data destruction and erasure and equipment resale.    |
| Nestit Group                  | Provendo                                    | Distributors & Logistics Services    | 9/22/25        | NA             | Provider of network and digital infrastructure, videoconferencing systems and security solutions for businesses in Norway.                           |
| SDG Corporation               | Hub City Media                              | Distributors & Logistics Services    | 9/15/25        | NA             | Identity and access management solutions specializing in Ping Identity, SailPoint and Okta.                                                          |
| Hudson Glade                  | ComNet                                      | Telecom Engineering and Construction | 9/10/25        | NA             | Design, installation and maintenance of low-voltage security and audio visual systems for data, voice and video communications.                      |
| Service Express               | Park Place Technologies                     | Distributors & Logistics Services    | 9/10/25        | NA             | Data center and networking optimization firm that delivers significant cost savings on maintenance, technical support and hardware procurement.      |
| Assemblin                     | Svagstromsbolaget I Uppsala                 | Telecom Engineering and Construction | 9/2/25         | NA             | Fiber and data network installation services for businesses in the telecommunications sector in Sweden.                                              |
| ITG Communications            | Tilson Technology Management                | Telecom Engineering and Construction | 9/1/25         | \$22.0         | Provides network development and information infrastructure professional services.                                                                   |
| Sundara Partners              | Premier Datacom                             | Telecom Engineering and Construction | 8/22/25        | NA             | Data center construction, data and fiber optic cabling, video surveillance, audio visual and access control solutions.                               |
| Superhero Fire Protection     | Strategic Connections                       | Telecom Engineering and Construction | 8/19/25        | NA             | Structured cabling, audio-visual systems, fire alarm and protection systems, commercial security, telephone systems and distributed antenna systems. |
| Pedalpoint Holdings           | Management Data Systems International       | Distributors & Logistics Services    | 8/18/25        | NA             | Technology acquisition and supply chain solutions including integration services, decommissioning services and supply chain logistics.               |
| Adamantem Capital             | Nexon Asia Pacific                          | Distributors & Logistics Services    | 8/12/25        | NA             | Voice and communications solutions such as PBX, contact center, video conferencing and hosted telephony.                                             |
| The Cook & Boardman Group     | A.J. Labourdette                            | Telecom Engineering and Construction | 8/11/25        | NA             | Telecommunications and security systems integration services for businesses across Louisiana and Mississippi.                                        |
| Unknown                       | Sangoma Technologies (VoIP Supply Division) | Distributors & Logistics Services    | 8/6/25         | NA             | Distributor of VoIP-related hardware products worldwide.                                                                                             |
| CIRCET GROUPE                 | SourceOne                                   | Telecom Engineering and Construction | 8/4/25         | NA             | Outside plant engineering and design services serving the telecommunications, utility and governmental sectors.                                      |
| Talley Communications         | Connectronics                               | Distributors & Logistics Services    | 8/3/25         | NA             | Distributor of wireless networking and connectivity solutions across the commercial, service provider, mining, hospitality and enterprise sectors.   |
| IES                           | Qypsis                                      | Telecom Engineering and Construction | 8/1/25         | NA             | Specializes in fiber-based local area networks and distributed antenna systems that support flexible cellular coverage.                              |
| CIRCET GROUPE                 | Gemini Communications                       | Telecom Engineering and Construction | 7/31/25        | NA             | Outside plant construction, maintenance, repair and event-related restoration services for top-tier U.S. communications operators.                   |
| FBR Solutions                 | Johnson Communications                      | Telecom Engineering and Construction | 7/31/25        | NA             | Design and engineering, construction, installation, maintenance and project management services for fiber networks.                                  |
| Mobile Communications America | Wireless Concepts International             | Telecom Engineering and Construction | 7/29/25        | NA             | Custom in-building and outdoor iDAS, oDAS, First Responder/Public Safety, Wi-Fi and small cell solutions.                                            |
| Previder                      | INISI                                       | Distributors & Logistics Services    | 7/22/25        | NA             | Provides cloud storage solutions, endpoint security, network management tools and data center solutions for businesses in the Netherlands.           |
| Sonepar                       | Ladder Automacao Industrial                 | Distributors & Logistics Services    | 7/22/25        | NA             | Distributes communication and connectivity solutions in Brazil.                                                                                      |
| Nautic Partners               | AccessIT Group                              | Distributors & Logistics Services    | 7/15/25        | NA             | Provider of cybersecurity solutions including design, procurement, implementation and operation.                                                     |
| FBR Solutions                 | RTS Associates                              | Telecom Engineering and Construction | 7/9/25         | NA             | Telecommunications design and engineering services for service providers, municipalities, cable companies and wireless carriers.                     |
| SPIE                          | SD Fiber                                    | Telecom Engineering and Construction | 7/1/25         | NA             | Fiber optic network deployment services for businesses in Switzerland and Germany.                                                                   |

## ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (10/1/24 – 9/30/25)

| 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.                                             |



## 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.

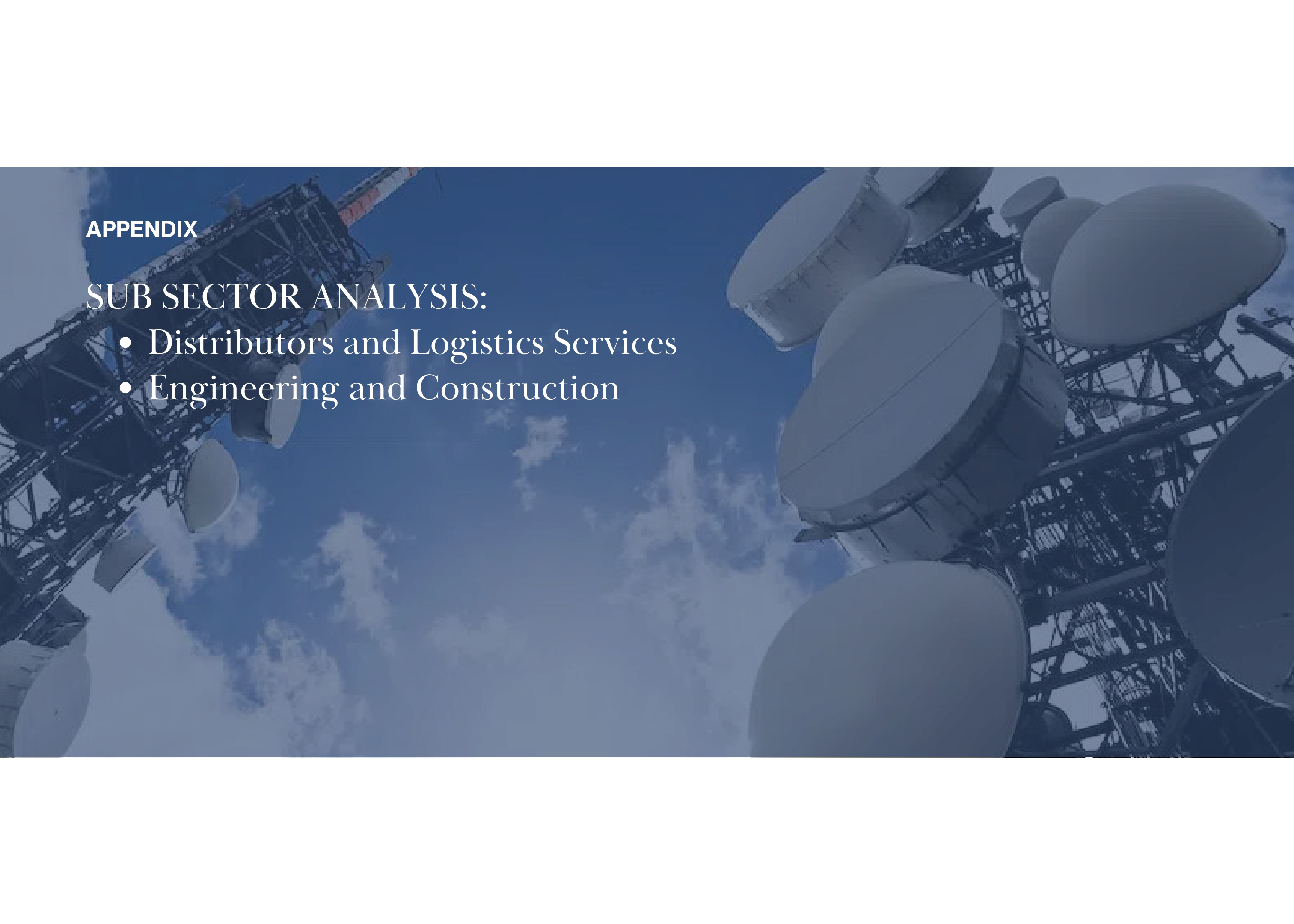


### David Freeland

**Managing Director, San Francisco, California**

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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

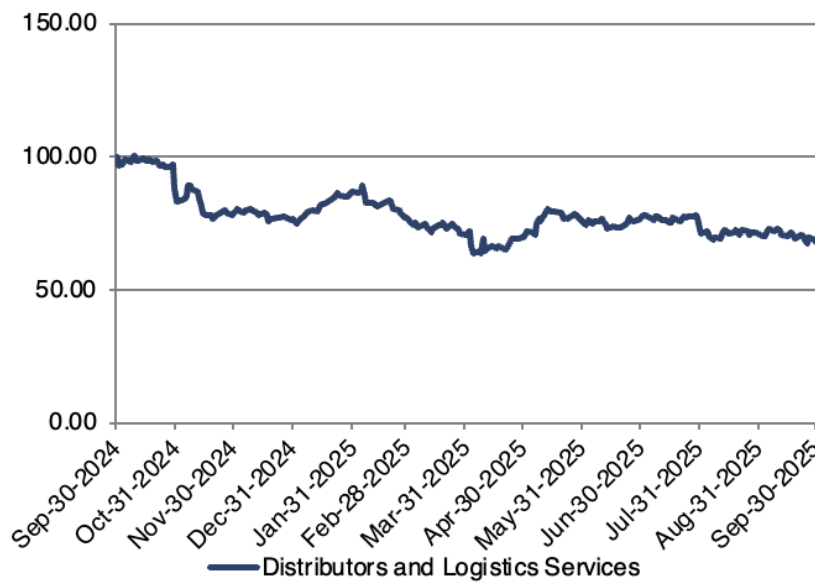


## SUB SECTOR DEFINITIONS

- **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 | -31.9%   | -11.0%  |
| CDW                              | -29.6%   | -10.8%  |
| ePlus                            | -27.8%   | -1.5%   |
| Insight                          | -47.3%   | -17.9%  |
| PC Connection                    | -17.8%   | -5.8%   |

Company Revenue Multiples

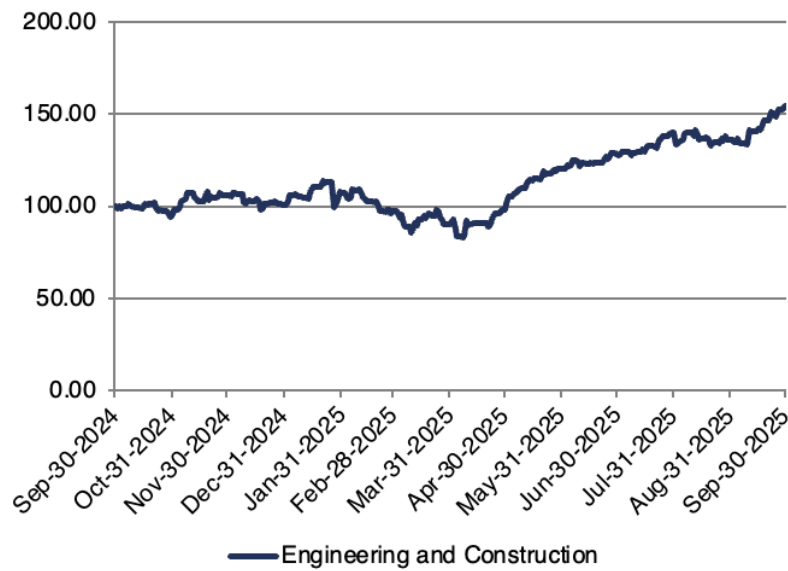
|                                  | 9/30/25 | 9/30/24 |
|----------------------------------|---------|---------|
| Distributors and Logistics Index | 1.0x    | 1.4x    |
| CDW                              | 1.2x    | 1.7x    |
| ePlus                            | 0.7x    | 1.1x    |
| Insight                          | 0.6x    | 0.9x    |
| PC Connection                    | 0.4x    | 0.6x    |

Company EBITDA Multiples

|                                  | 9/30/25 | 9/30/24 |
|----------------------------------|---------|---------|
| Distributors and Logistics Index | 11.8x   | 16.4x   |
| CDW                              | 13.3x   | 18.0x   |
| ePlus                            | 8.4x    | 14.1x   |
| Insight                          | 9.8x    | 14.8x   |
| PC Connection                    | 10.8x   | 13.8x   |

SUB SECTOR ANALYSIS: ENGINEERING AND CONSTRUCTION

Twelve Month Index Return



Company Returns

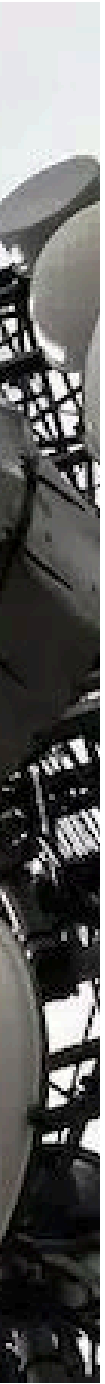
|                                    | 12 Month | 3 Month |
|------------------------------------|----------|---------|
| Engineering and Construction Index | 54.7%    | 20.4%   |
| Baran Group                        | 60.3%    | 5.0%    |
| COMSYS Holdings                    | 14.3%    | 7.8%    |
| Dycom                              | 48.0%    | 19.4%   |
| Mastec                             | 72.9%    | 24.9%   |
| MIRAIT Holdings                    | 31.5%    | 10.8%   |

Company Revenue Multiples

|                                    | 9/30/25 | 9/30/24 |
|------------------------------------|---------|---------|
| Engineering and Construction Index | 1.3x    | 1.0x    |
| Baran Group                        | 0.9x    | 0.5x    |
| COMSYS Holdings                    | 0.6x    | 0.5x    |
| Dycom                              | 1.9x    | 1.5x    |
| Mastec                             | 1.5x    | 1.0x    |
| MIRAIT Holdings                    | 0.5x    | 0.4x    |

Company EBITDA Multiples

|                                    | 9/30/25 | 9/30/24 |
|------------------------------------|---------|---------|
| Engineering and Construction Index | 10.5x   | 8.1x    |
| Baran Group                        | 10.4x   | 5.9x    |
| COMSYS Holdings                    | 6.2x    | 5.6x    |
| Dycom                              | 15.6x   | 12.7x   |
| Mastec                             | 20.0x   | 13.8x   |
| MIRAIT Holdings                    | 6.8x    | 7.0x    |



## 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](http://www.focusbankers.com).

