

M&A INDUSTRY REPORT

Telecom U.S. Communications Service Provider

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

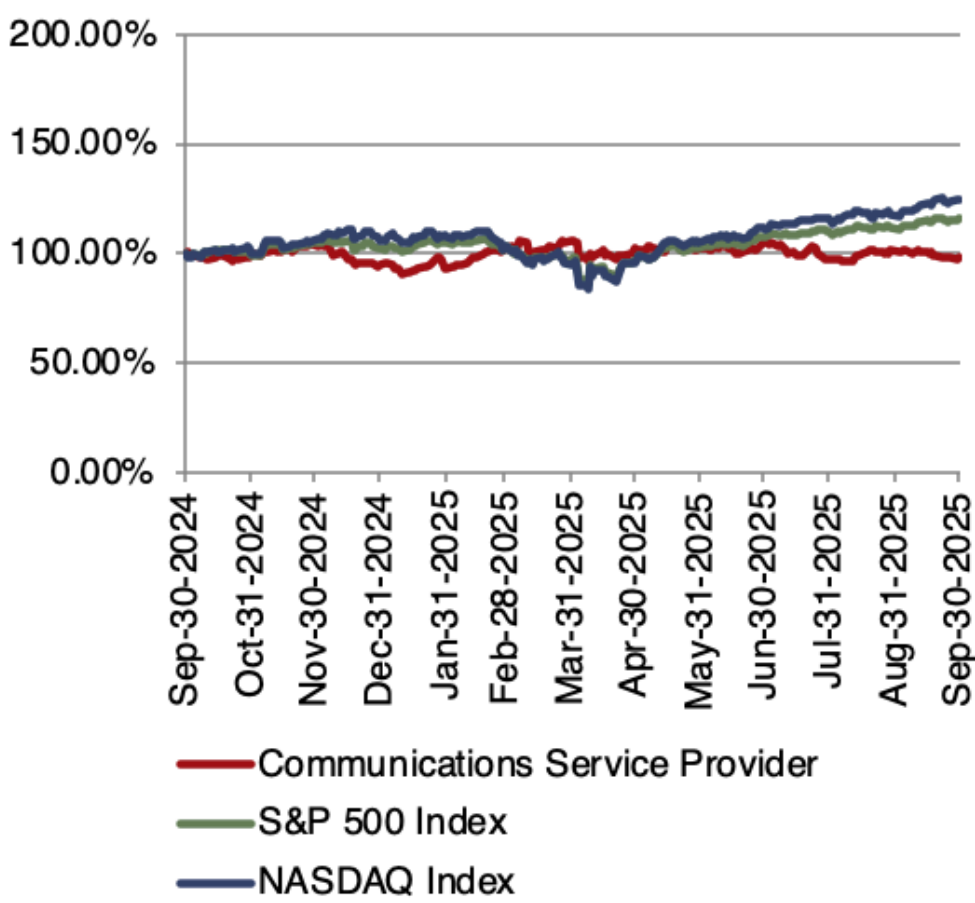
The FOCUS Communications Service Provider Index (CSPI) was in the red for a second straight reporting period as it fell 5.8% in the past three months.

This was despite the fact that the broader indices showed solid gains, with the S&P 500 up 7.8% and the NASDAQ up an even more impressive 11.2%. The picture is also similar for the full year period. While the S&P 500 and the NASDAQ were able to boast gains of 16.1% and 24.6%, respectively, the CSPI dropped 1.5%. Sector multiples closed out the period at 2.4x revenue and 6.3x EBITDA. Both of these are lower than year-ago multiples of 2.5x revenue and 6.7x EBITDA.

The star of the CSPI for our fall reporting period was clearly the Residential Providers sub sector. This sub sector jumped 14.1% in the past three months. While every single stock in the sub sector had a double-digit gain, Cable One (up 30.4%) and WOW (up 27.1%) were far and away the top performers. Unfortunately, performance in the CSPI's remaining two sub sectors was not particularly good. The National Providers sub sector fell 5.9% over the past three months. This was primarily the result of steep losses at both Charter and Comcast. Finally, the Business and Wholesale sub sector brought up the rear in terms of performance as the sub sector plummeted 15.7% in our fall reporting period. While Bandwidth was up 4.8% during this time frame, this was not nearly enough to overcome a 20.5% decline at Cogent Communications and a 14.6% drop at Uniti.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Communications Service Provider	-1.5%	-5.8%
National Providers	-1.3%	-5.9%
Business and Wholesale	-41.8%	-15.7%
Residential Providers	12.2%	14.1%
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
Communications Service Provider	2.4x	2.5x
National Providers	2.4x	2.5x
Business and Wholesale	4.4x	4.8x
Residential Providers	2.7x	2.6x

Sector and Sub Sector EBITDA Multiples

	9/30/25	9/30/24
Communications Service Provider	6.3x	6.7x
National Providers	6.2x	6.7x
Business and Wholesale	10.6x	11.7x
Residential Providers	7.8x	6.9x

M&A ACTIVITY

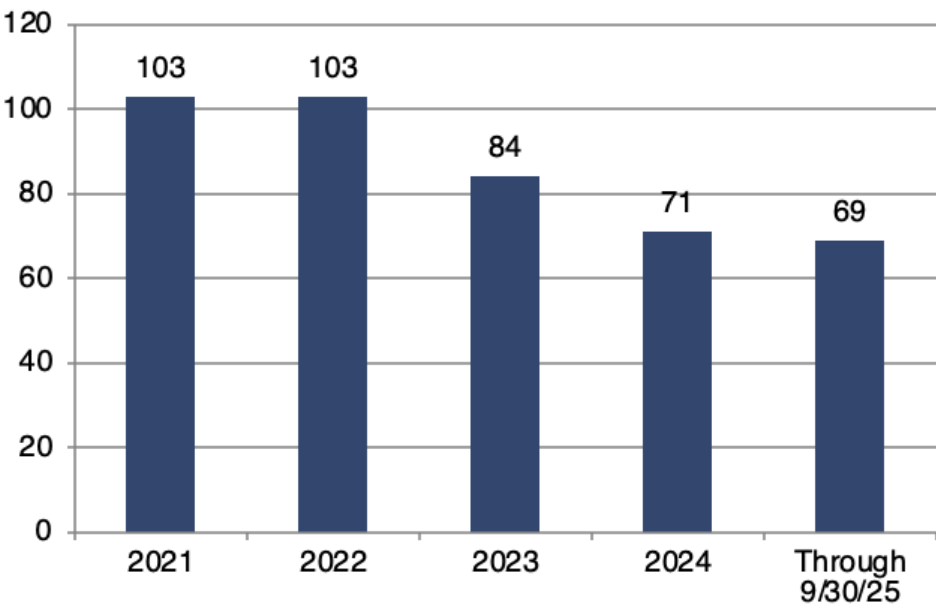
The pace of M&A activity in the Communications Service Provider sector continued to accelerate with a whopping 29 total transactions for the period. This is the highest level of deal volume that we have seen since the M&A boom of 2022.Despite the large number of deals, total announced transaction dollar value was relatively modest at \$1.5 billion.Year-to-date, we count 69 total transactions for a total announced transaction dollar value of more than \$48 billion. This means that 2025 is on pace to be one of the best M&A years for the Communications Service Provider sector in recent memory.

The Residential Providers sub sector accounted for 16 of the period’s 29 transactions. This included the largest transaction in terms of announced dollar value, which was the take private acquisition of WOW by Digital Bridge and Crestview Partners for \$1.5 billion.The Residential Providers sub sector had a number of other notable transactions as well. Missouri-based Socket Telecom combined with Kansas-based IdeaTek to create a significant regional player in the Midwest. In the MDU provider space, Zentro acquired Bel Air Networks, a provider serving the Southern California and Las Vegas markets.Finally, after having a previous transaction fall through, Houston-based Tacchus successfully sold to Ezee Fiber.In the Business and Wholesale sub sector, Blue Owl Capital had a particularly busy three months as it established two new fiber platforms with its acquisitions of Gigabit Fiber in Dallas and South Reach Networks in Florida. Grain Networks-backed Spectrotel acquired SD WAN and SASE specialist Mosaic NetworX. Finally, we noted a relatively high volume of transactions for hosted VoIP and other asset light carriers. These included Clearspan’s acquisition of Broadsoft partner Averistar, the Synpact acquisition of HighComm, the ClearlyIP acquisition of Pulsar360 and the Y2J acquisition of SCS Telecom.

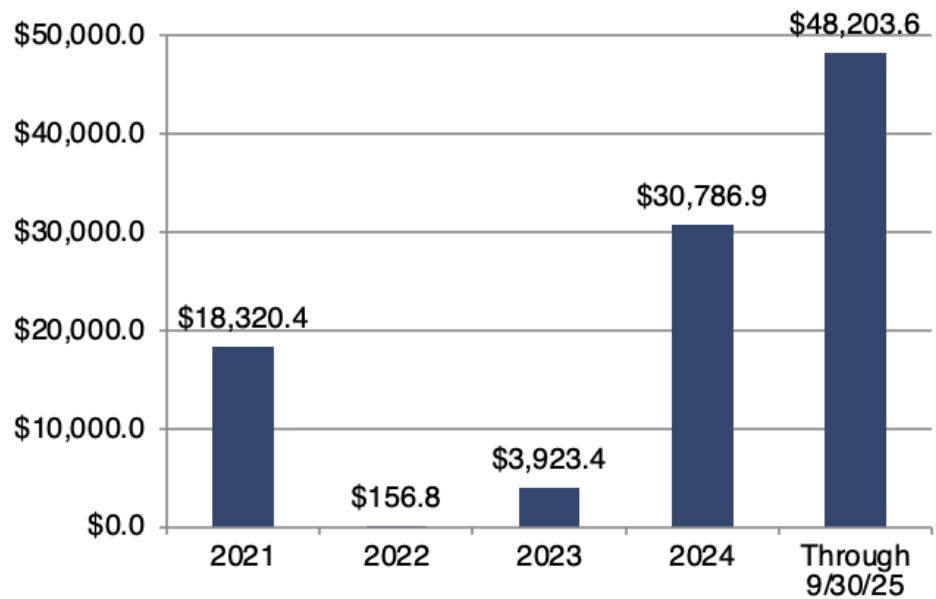
The lone transaction with an announced multiple this period was the acquisition of WOW by a private equity consortium consisting of Digital Bridge and Crestview Partners. This transaction had multiples of 2.5x revenue and 6.5x EBITDA.

Source: Capital IQ

Number of Transactions



\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (7/1/25- 9/30/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Description
Socket Telecom	Elkhart Telephone	9/29/25	Residential Provider	NA	Broadband internet services for consumers and businesses in Kansas.
Clearspan	AveriStar	9/23/25	Business and Wholesale	NA	Cloud-based communications solutions specializing in Cisco's BroadSoft, BroadWorks and advanced VoIP technologies.
Spectrol	Mosaic NetworX	9/18/25	Business and Wholesale	NA	Provider of SASE and SD-WAN solutions using Cato Networks technology.
Blue Owl Capital	Gigabit Fiber	9/15/25	Business and Wholesale	NA	Fiber optic infrastructure provider serving hyperscalers, carriers, enterprises and institutions operating in the Dallas-Fort Worth metroplex.
Starr Holding	SwiftNet WiFi	9/5/25	Residential Provider	NA	High-speed internet designed to meet the demands of RVers, truckers, campers, businesses, and remote workers, as well as those in rural areas.
LICT Corporation	Gunnison Telephone Company	9/2/25	Residential Provider	NA	Telephone, broadband and fixed wireless services to 6,700 residents in 1,576 households in Utah.
MetroNet Fiber	US Internet	9/2/25	Residential Provider	NA	Residential and commercial internet services in the greater Minneapolis area with a fiber network covering more than 140,000 homes and businesses.
Synpact	HighComm	8/28/25	Business and Wholesale	NA	Provider of cloud-based communications services including hosted PBX and call center.
Bluewave Technology Group	Cactus Technology Solutions	8/27/25	Business and Wholesale	NA	Unified communications, connectivity, mobility and cybersecurity solutions for mid-size and enterprise businesses primarily in West and Central Texas.
Waitsfield-Fayston Telephone	Boundless Broadband	8/25/25	Residential Provider	NA	Fiber optic network services to homes and businesses in Vermont.
AdamsComm	Stevens Telecom	8/21/25	Business and Wholesale	NA	Provides telecommunications and IT services to small businesses in Connecticut.
Riata Capital Group	Coeo Solutions	8/20/25	Business and Wholesale	NA	Managed network and cloud communications solutions for mid-size, multi-location enterprises.
ClearlyIP	Pulsar360	8/14/25	Business and Wholesale	NA	VoIP, SIP trunking and cloud-based private branch exchange communication services for businesses in the United States and Canada.
Digital Bridge and Crestview Partners	Wide Open West	8/11/25	Residential Provider	\$1,503.0	Broadband internet services for consumers and businesses including cable TV, home phone, home Wi-Fi and mobile phone.
Y2J	SCS Telcom	8/11/25	Business and Wholesale	NA	Provides business fiber, SIP trunking and managed trunking services.
The Ponderosa Telephone Company	CommunityLTE	8/9/25	Residential Provider	NA	Offers wireless broadband internet services in Arizona.
Metro Communications Company	MTCO Communications	8/6/25	Residential Provider	NA	Fiber optic, high-speed Internet & Wi-Fi services in the central Illinois region.
Race Communications	Atherton Fiber	8/6/25	Residential Provider	NA	Fiber optic internet services to homes, schools and local government in Atherton and North Fair Oaks, California.
Zentro	Bel Air Internet	8/6/25	Residential Provider	NA	Internet access, DIRECTV and voice services to MDUs throughout Southern California and Las Vegas.
Onix	UJET (Professional Services Business)	7/28/25	Business and Wholesale	NA	Cloud-native contact center as a service solutions leveraging the Google Cloud platform.
Vero Broadband	Ting (Fiber Assets in Colorado and New Mexico)	7/25/25	Residential Provider	NA	Fiber infrastructure across Montezuma and La Plata County, Colorado, and San Juan County, New Mexico.
Moose Networks	Capalon Communications	7/23/25	Business and Wholesale	NA	Provides VoIP services and telephone numbers for businesses globally.
Brightspeed	Cincinnati Communications (Fiber Assets)	7/17/25	Business and Wholesale	NA	235 mile fiber network in the Cincinnati, Ohio region.
Blue Owl Capital	South Reach Networks	7/15/25	Business and Wholesale	NA	Long-haul and metro dark and managed fiber optic infrastructure provider in Florida.
Hilliary Communications	Telephone and Data Systems (Oklahoma Operations)	7/15/25	Residential Provider	NA	Provides communications services to approximately 35,000 locations in rural Oklahoma.
RingSquared	MegaWatt Communications	7/10/25	Residential Provider	NA	Fiber optic internet, voice and network installation services for residents and businesses in Middle Tennessee and Northern Alabama.
Greenlight Networks	Loop Internet	7/8/25	Residential Provider	NA	Fiber to the home internet services provider in the Wilkes-Barre and Scranton areas of Pennsylvania.
Socket Telecom	IdeaTek	7/8/25	Residential Provider	NA	Provides fiber broadband services to customers in Kansas.
Ezee Fiber	Tacchus	7/7/25	Residential Provider	NA	Operates a 100% underground fiber network in the Houston metro area serving more than 60,000 residential and business customers.

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

Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Digital Bridge and Crestview Partners	Wide Open West	8/11/25	Residential Provider	\$1,503.0	2.5 x	6.5 x	Broadband internet services for consumers and businesses including cable TV, home phone, home Wi-Fi and mobile phone.
AT&T	Lumen (Fiber to the Home Business)	5/21/25	Residential Provider	\$5,750.0	7.7 x	NA	Fiber to the home business with assets in 11 states.
Charter Communications	Cox Communications	5/16/25	National Provider	\$36,697.6	2.8 x	7.4 x	Provides broadband internet and entertainment services for consumers and businesses throughout the United States.
BCE	Ziply Fiber	11/4/24	Residential Provider	\$5,085.8	7.3 x	16.4 x	Provides fiber internet services to business and residential customers in the Pacific Northwest.

OUR TEAM

FOCUS Telecom Technology and Services Team



Richard H. Pierce

**Managing Director and Telecom Technology
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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:

- National Providers
- Business and Wholesale
- Residential Providers

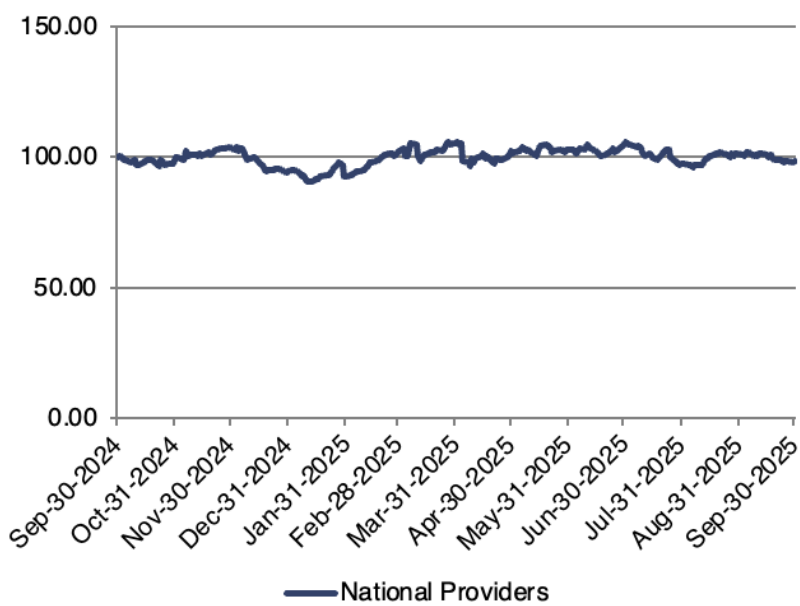


SUB SECTOR DEFINITIONS

- **National Providers:** Large, nationwide telecommunications and cable operators that offer a diverse array of services throughout much of the U.S.
- **Business and Wholesale:** Companies that focus on providing connectivity, voice and transport services to businesses and other telecom service providers.
- **Residential Providers:** Regional providers that have a large component of their business that serves residential and small business customers.

SUB SECTOR ANALYSIS: NATIONAL PROVIDERS

Twelve Month Index Return



Company Returns

	12 Month	3 Month
National Providers Index	-1.3%	-5.9%
AT&T	28.4%	-2.4%
Charter	-15.1%	-32.7%
Comcast	-24.8%	-12.0%
Lumen	-13.8%	39.7%
Verizon	-2.1%	1.6%

Source: Capital IQ

Company Revenue Multiples

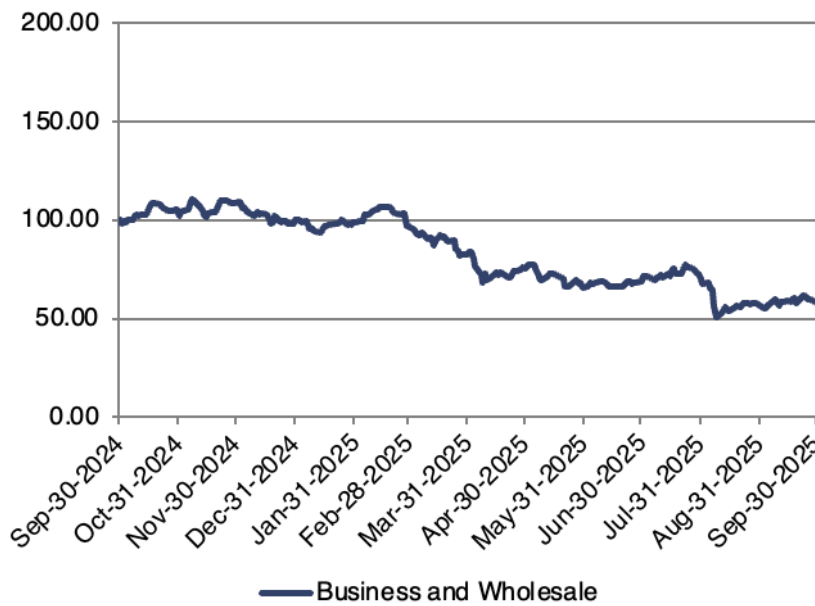
	9/30/25	9/30/24
National Providers Index	2.4x	2.5x
AT&T	2.9x	2.6x
Charter	2.5x	2.7x
Comcast	1.7x	2.1x
Lumen	1.8x	1.9x
Verizon	2.6x	2.7x

Company EBITDA Multiples

	9/30/25	9/30/24
National Providers Index	6.2x	6.7x
AT&T	8.1x	7.5x
Charter	6.2x	6.8x
Comcast	5.5x	6.8x
Lumen	7.1x	7.4x
Verizon	7.2x	7.6x

SUB SECTOR ANALYSIS: BUSINESS AND WHOLESALE

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Business and Wholesale Index	-41.8%	-15.7%
Bandwidth	-4.8%	4.8%
Cogent Communications	-49.5%	-20.5%
Uniti	-34.6%	-14.6%

Company Revenue Multiples

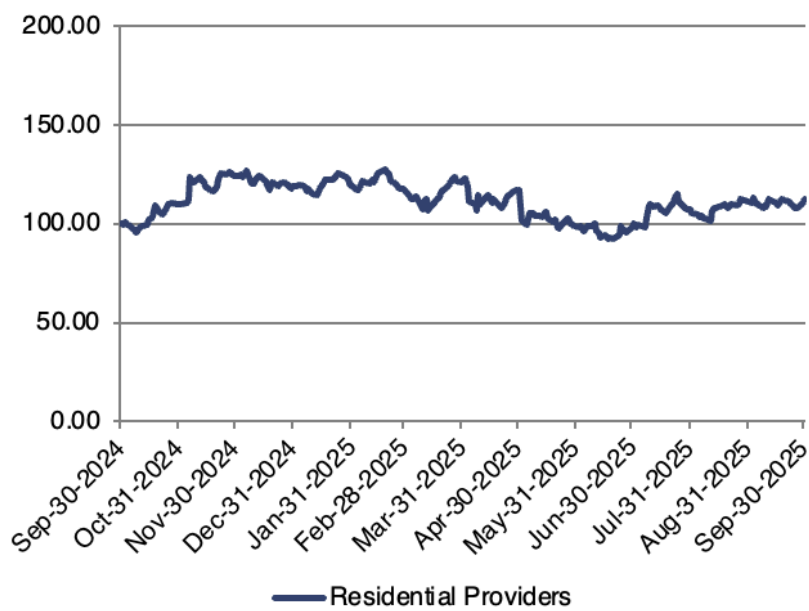
	9/30/25	9/30/24
Business and Wholesale Index	4.4x	4.8x
Bandwidth	1.2x	1.3x
Cogent Communications	4.7x	5.6x
Uniti	6.3x	6.1x

Company EBITDA Multiples

	9/30/25	9/30/24
Business and Wholesale Index	10.6x	11.7x
Bandwidth	27.7x	52.2x
Cogent Communications	30.3x	54.4x
Uniti	8.3x	8.1x

SUB SECTOR ANALYSIS: RESIDENTIAL PROVIDERS

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Residential Providers Index	12.2%	14.1%
Altice	-2.0%	12.6%
Cable One	-49.4%	30.4%
Telephone and Data Systems	68.8%	10.3%
WOW	-1.7%	27.1%

Source: Capital IQ

Company Revenue Multiples

	9/30/25	9/30/24
Residential Providers Index	2.7x	2.6x
Altice	3.0x	3.0x
Cable One	2.8x	3.3x
Telephone and Data Systems	2.3x	1.9x
WOW	2.5x	2.2x

Company EBITDA Multiples

	9/30/25	9/30/24
Residential Providers Index	7.8x	6.9x
Altice	8.2x	7.8x
Cable One	5.7x	6.4x
Telephone and Data Systems	10.4x	8.2x
WOW	6.9x	6.1x

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. For more information on FOCUS, please visit www.focusbankers.com.

