

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.

WINTER 2025



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OVERVIEW

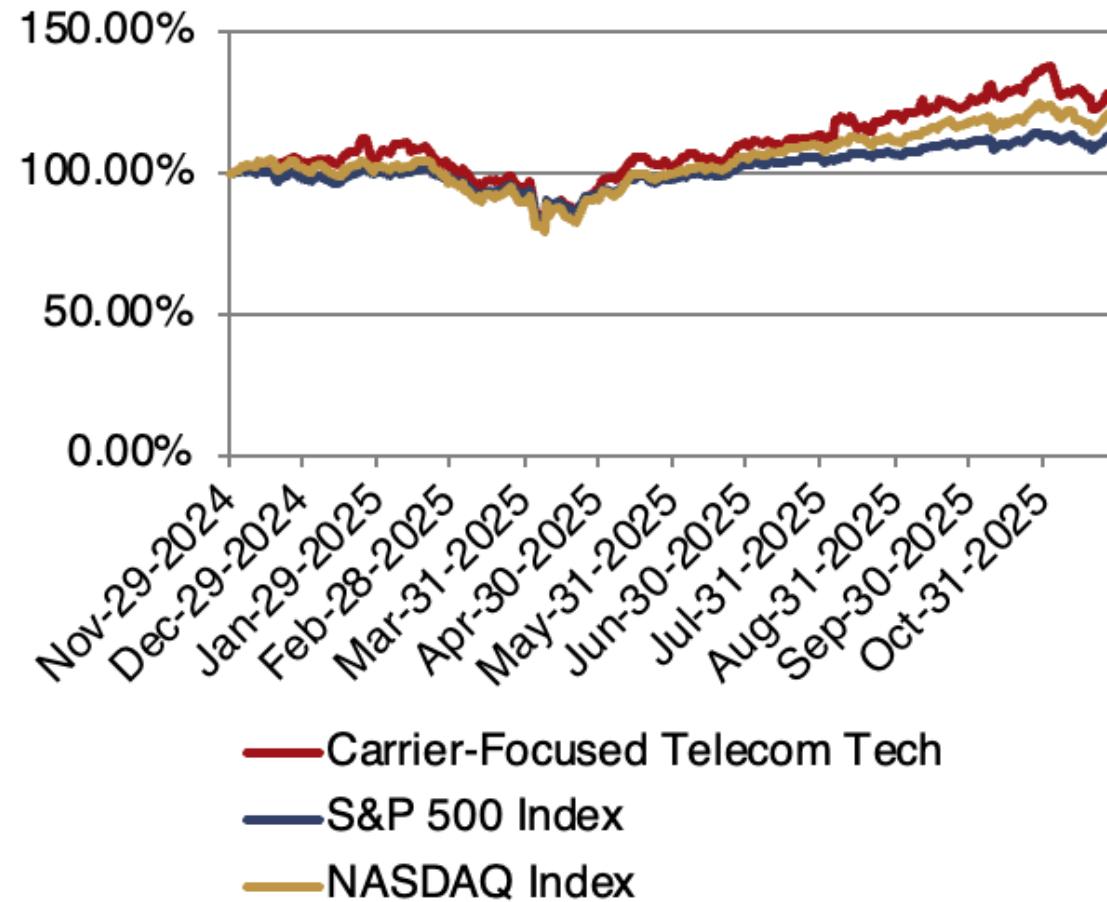
While performance was not as strong as in our fall report, the FOCUS Telecom Technology Index (TTI) still had a solid three-month period with a gain of 7.5%.

This meant the sector's return outperformed the 6.0% gain in the S&P 500 over the corresponding time frame, but it was not as strong as the 8.9% gain in the NASDAQ. The TTI is still well ahead of both of the major indices when looked at over the 12-month period. The TTI gained 29.7% over the past year, which compares favorably to both the 13.5% gain in the S&P 500 and the 21.6% gain in the NASDAQ. Sector multiples are also meaningfully higher than in the year-ago period. The sector revenue multiple increased from 3.4x to 4.0x, while the sector EBITDA multiple jumped from 18.3x to 21.4x.

The Broadband Access and Transport sub sector was far and away the TTI's best performing sub sector over the past three months as it delivered a jaw dropping 83.5% gain. This gain was almost entirely due to the performance of CIENA, which more than doubled over the period. The sub sector is also up nearly 150% for the full year period. The Test and Measurement sub sector also enjoyed a very strong performance as it gained 47.3% over the past three months. Performance in this sub sector was far more even, with all of the companies delivering strong returns. At the other end of the spectrum, the 16.8% drop in the OSS/BSS Software sub sector made it the only sub sector in the TTI to deliver a negative return over the past three months. Even though CSG Systems shot up 22.8% in the wake of its M&A announcement, double-digit losses at Amdocs, Lumine Group, Synchronoss and Tecnotree still dragged the sub sector into the red. The sub sector is also down 10.6% for the full year, making it the only TTI sub sector with a negative year-over-year return.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Source: Capital IQ

Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Technology	29.7%	7.5%
Large Cap	30.6%	12.6%
Broadband Access and Transport	148.9%	83.5%
Broadband Wireless	65.8%	10.3%
Enterprise Networking	27.0%	-5.9%
OSS/BSS	-10.6%	-16.8%
Test and Measurement	86.3%	47.3%
Unified Comms and Contact Center	3.2%	8.2%
S&P 500	13.5%	6.0%
NASDAQ	21.6%	8.9%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue Multiples

	11/30/25	11/30/24
Telecom Technology	4.0x	3.4x
Large Cap	3.3x	2.7x
Broadband Access and Transport	5.4x	2.5x
Broadband Wireless	9.6x	7.4x
Enterprise Networking	8.5x	9.5x
OSS/BSS	2.5x	2.8x
Test and Measurement	3.1x	1.7x
Unified Comms and Contact Center	2.9x	3.1x

Sector and Sub Sector EBITDA Multiples

	11/30/25	11/30/24
Telecom Technology	21.4x	18.3x
Large Cap	17.7x	13.7x
Broadband Access and Transport	63.8x	31.2x
Broadband Wireless	36.4x	38.2x
Enterprise Networking	32.7x	36.5x
OSS/BSS	10.9x	14.5x
Test and Measurement	19.9x	15.5x
Unified Comms and Contact Center	20.3x	32.5x

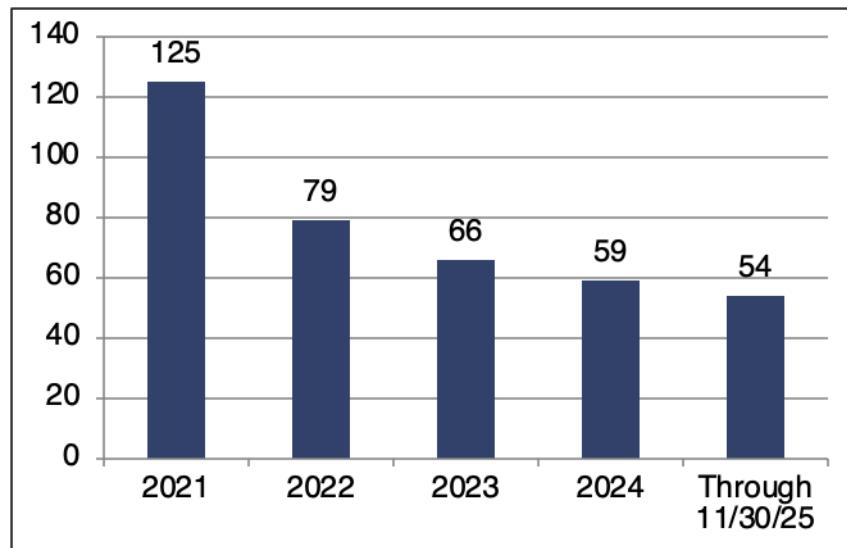
M&A ACTIVITY

We noted that M&A activity in the Telecom Technology sector cooled down somewhat, with only 12 transactions over the past three months. While the total number of deals was relatively low, announced transaction dollar value was still high, coming in just shy of \$6.5 billion. The largest transaction for the period was the \$3.4 billion acquisition of cloud-native observability and monitoring software vendor Chronosphere by Palo Alto Networks. Not far behind in terms of dollar value, NEC Corporation acquired telecom billing specialist CSG Systems for \$2.8 billion. CSG Systems was not the only OSS/BSS Software company to announce that it would be abandoning the public markets, as Optiva also announced that it would be acquired by Qvantel for roughly \$110 million. We also noted that CIENA picked up data center focused interconnect vendor Nubis Communications for \$270 million. In the final transaction that we will specifically highlight, White Label Communications expanded its offerings for the MSP space with its pickup of network monitoring and WAN optimization vendor Intellitrex.

The year-to-date tally for M&A activity in the Telecom Technology sector now stands at 54 transactions with a total announced transaction dollar value of \$19.8 billion. This means that the sector is on a very similar trajectory with respect to M&A as we saw last year, with fewer total transactions but enough larger deals to keep announced transaction dollar value strong.

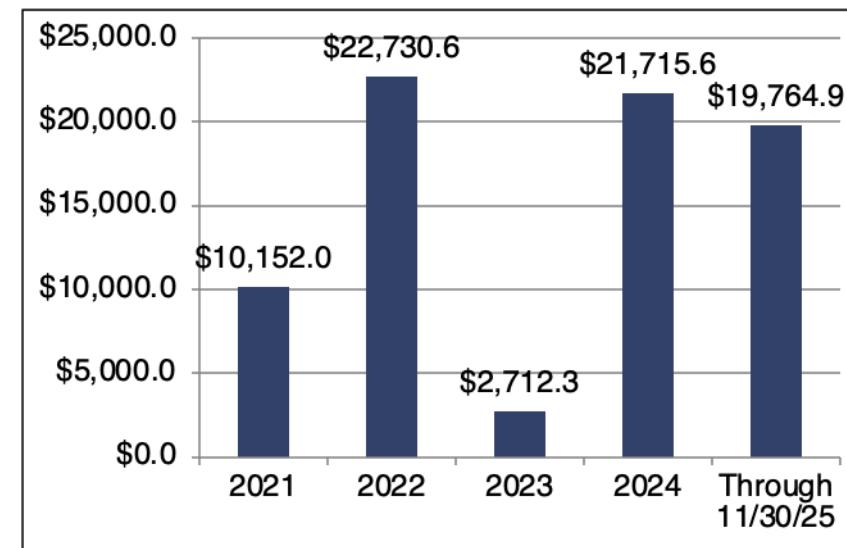
We were fortunate to have four transactions with announced multiples this period. The clear outlier was the Palo Alto Networks acquisition of Chronosphere, which was done at an eye-popping multiple of 20.9x revenue. The other three deals had much more down-to-earth multiples. Two of these three transactions were in the OSS BSS Software sub sector. The NEC Corporation acquisition of CSG Systems weighed in at 2.3x revenue and 13.5x EBITDA. The Qvantel purchase of Optiva actually had a slightly higher revenue multiple of 2.4x, despite the fact that Optiva was generating negative EBITDA. In the period's final transaction with an announced multiple, HMS Networks acquired the Industrial Communications business of Molex at a multiple of 0.7x revenue.

Number of Transactions



Source: Capital IQ

\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (9/1/25– 11/30/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Description
Palo Alto Networks	Chronosphere	11/19/25	Enterprise Networking	\$3,350.0	Cloud-native and open-source observability and monitoring software for service level management and infrastructure monitoring.
HMS Networks	Molex (Industrial Communications Business)	11/17/25	Enterprise Networking	\$7.0	Industrial network interface cards, I/O modules and Ethernet switches.
Valsoft	Variphy	11/17/25	Unified Communications and Contact Center	NA	Unified communication analytics and reporting software that tracks call queue performance, dial plan and change management.
Odigo	Akio	11/11/25	Unified Communications and Contact Center	NA	Call and contact center software solutions that deliver omnichannel customer service capabilities across voice, email, chat, SMS and social networks.
Enghouse Systems	Sixbell (Telco Division)	11/7/25	OSS/BSS Software	NA	Comprehensive suite of software platforms for telco operators that provide charging, routing, signaling management and voice interaction solutions.
Teleo Capital	EXFO (Adaptive Service Assurance Division)	11/3/25	OSS/BSS Software	NA	AI-powered network intelligence, AIOps, and advanced analytics for communications service providers and enterprises.
NEC Corporation	CSG Systems	10/29/25	OSS/BSS Software	\$2,752.5	Revenue management and digital monetization, customer experience and payment solutions primarily for the communications industry.
Assurant	OptoFidelity (Mobile Device Testing Technology)	10/9/25	Test and Measurement	NA	Advanced mobile device testing systems known for precision, repeatability and traceability.
Qvantel	Optiva	9/26/25	OSS/BSS Software	\$109.6	Provider of mission-critical, cloud-native agentic AI-powered revenue management software for the telecommunications industry.
CIENA	Nubis Communications	9/22/25	Broadband Access and Transport	\$270.0	High-performance, ultra-compact low-power optical and electrical interconnects tailored to support AI workloads.
bXceptional	NobelBiz	9/2/25	Unified Communications and Contact Center	NA	Contact center and voice carrier software with features for inbound and outbound voice, reporting and analytics, routing and provisioning.
White Label Communications	Intellitrex	9/1/25	Enterprise Networking	NA	Network monitoring and WAN optimization software for MSPs and enterprises.

ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (12/1/24 – 11/30/25)

Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Palo Alto Networks	Chronosphere	11/19/25	Enterprise Networking	\$3,350.0	20.9 x	NA	Cloud-native and open-source observability and monitoring software for service level management and infrastructure monitoring.
HMS Networks	Molex (Industrial Communications Business)	11/17/25	Enterprise Networking	\$7.0	0.7 x	NA	Industrial network interface cards, I/O modules and Ethernet switches.
NEC Corporation	CSG Systems	10/29/25	OSS/BSS Software	\$2,752.5	2.3 x	13.5 x	Revenue management and digital monetization, customer experience and payment solutions primarily for the communications industry.
Qvantel	Optiva	9/26/25	OSS/BSS Software	\$109.6	2.4 x	NM	Provider of mission-critical, cloud-native agentic AI-powered revenue management software for the telecommunications industry.
Calabrio	Verint	8/25/25	Unified Communications and Contact Center	\$2,058.4	2.3 x	17.0 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.

OUR 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:

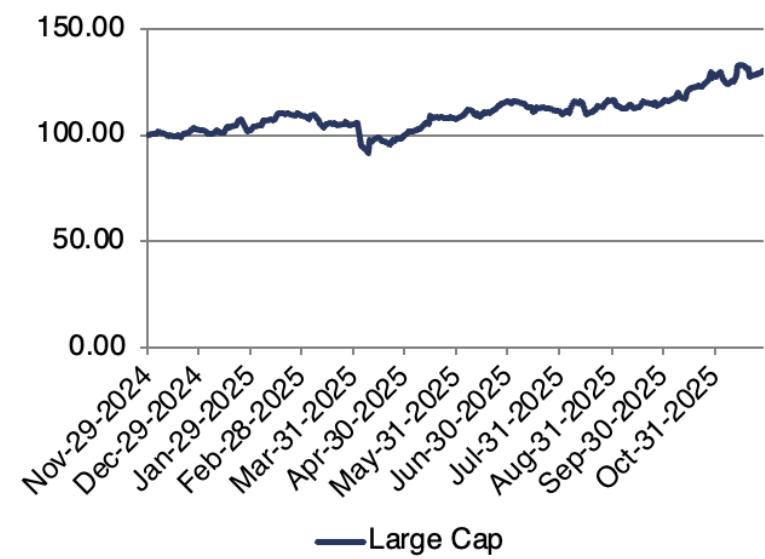
- Large Cap
- Broadband Access Transport
- Broadband Wireless
- Enterprise Networking
- OSS/BSS Software
- Test and Measurement
- Unified Communications and Contact Center

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 Revenue Multiples

	11/30/25	11/30/24
Large Cap Index	3.3x	2.7x
Cisco	5.5x	4.7x
Ericsson	1.2x	1.1x
Nokia	1.4x	0.9x
ZTE	1.6x	1.1x

Company Returns

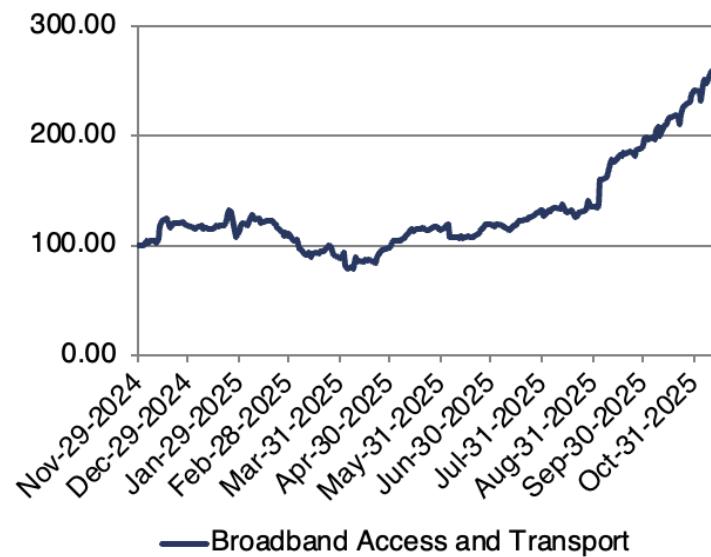
	12 Month	3 Month
Large Cap Index	30.6%	12.6%
Cisco	29.9%	11.4%
Ericsson	17.9%	22.0%
Nokia	44.8%	41.2%
ZTE	38.3%	-6.6%

Company EBITDA Multiples

	11/30/25	11/30/24
Large Cap Index	17.7x	13.7x
Cisco	20.3x	17.5x
Ericsson	13.4x	10.2x
Nokia	10.9x	6.0x
ZTE	34.7x	8.5x

SUB SECTOR ANALYSIS: BROADBAND ACCESS AND TRANSPORT

Twelve Month Index Return



Company Revenue Multiples

	11/30/25	11/30/24
Broadband Access & Transport Index	5.4x	2.5x
ADTRAN	1.1x	1.3x
BATM	0.8x	0.6x
Calix	3.6x	2.1x
CIENA	6.4x	2.6x
Harmonic	1.7x	2.5x
Tejas Networks	2.5x	4.0x

Company Returns

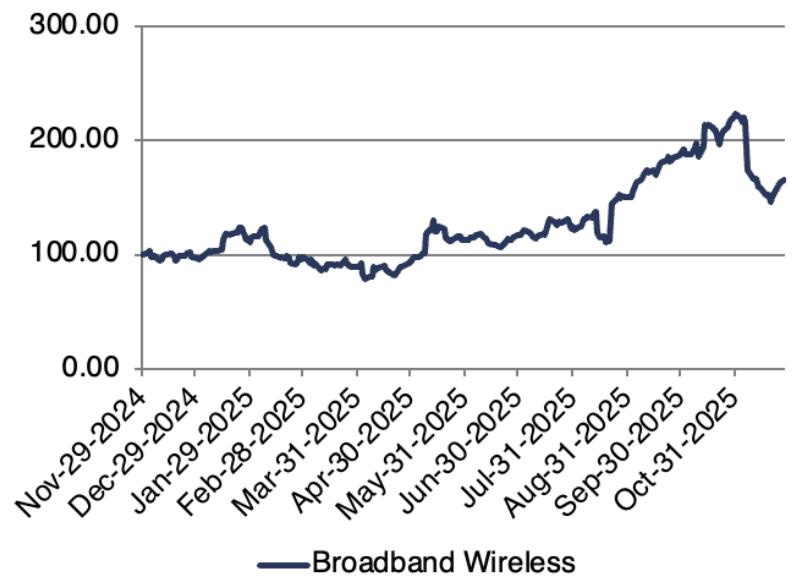
	12 Month	3 Month
Broadband Access & Transport Index	148.9%	83.5%
ADTRAN	-6.7%	-15.5%
BATM	21.5%	16.7%
Calix	69.9%	-7.0%
CIENA	192.9%	117.3%
Harmonic	-25.4%	-0.6%
Tejas Networks	-64.6%	-16.4%

Company EBITDA Multiples

	11/30/25	11/30/24
Broadband Access & Transport Index	63.8x	31.2x
ADTRAN	20.2x	NM
BATM	NM	11.8x
Calix	302.6x	NM
CIENA	74.2x	32.2x
Harmonic	11.6x	24.4x
Tejas Networks	NM	26.4x

SUB SECTOR ANALYSIS: BROADBAND WIRELESS

Twelve Month Index Return



Company Revenue Multiples

	11/30/25	11/30/24
Broadband Wireless Index	9.6x	7.4x
Aviat Networks	0.7x	0.6x
Cambium Networks	0.5x	0.4x
Ceragon Networks	0.5x	1.1x
Ubiquiti Networks	12.8x	10.6x

Company Returns

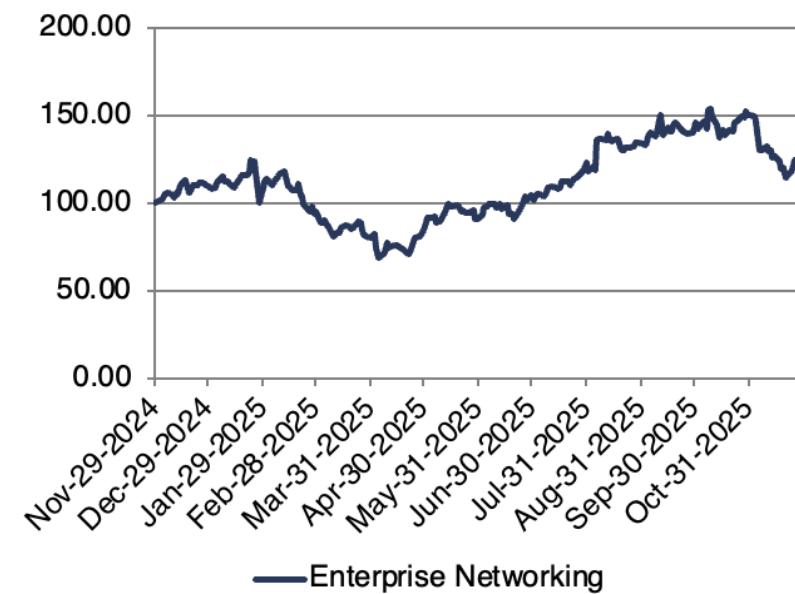
	12 Month	3 Month
Broadband Wireless Index	65.8%	10.3%
Aviat Networks	39.7%	-3.7%
Cambium Networks	58.7%	163.3%
Ceragon Networks	-55.1%	0.5%
Ubiquiti Networks	68.3%	10.4%

Company EBITDA Multiples

	11/30/25	11/30/24
Broadband Wireless Index	36.4x	38.2x
Aviat Networks	7.8x	15.0x
Cambium Networks	NM	NM
Ceragon Networks	5.6x	8.2x
Ubiquiti Networks	37.1x	38.2x

SUB SECTOR ANALYSIS: ENTERPRISE NETWORKING

Twelve Month Index Return



Company Revenue Multiples

	11/30/25	11/30/24
Enterprise Networking Index	8.5x	9.5x
A10 Networks	3.8x	4.2x
Accton	2.4x	3.6x
Aerohive Networks	4.0x	4.4x
Arista Networks	18.3x	18.2x
D-Link	0.6x	0.8x
Extreme Networks	2.0x	2.2x
F5 Networks	4.1x	4.9x
NetGear	0.7x	0.5x
Radware	2.5x	2.6x
Unizyx Holding (Zyxel)	0.6x	0.6x

Company Returns

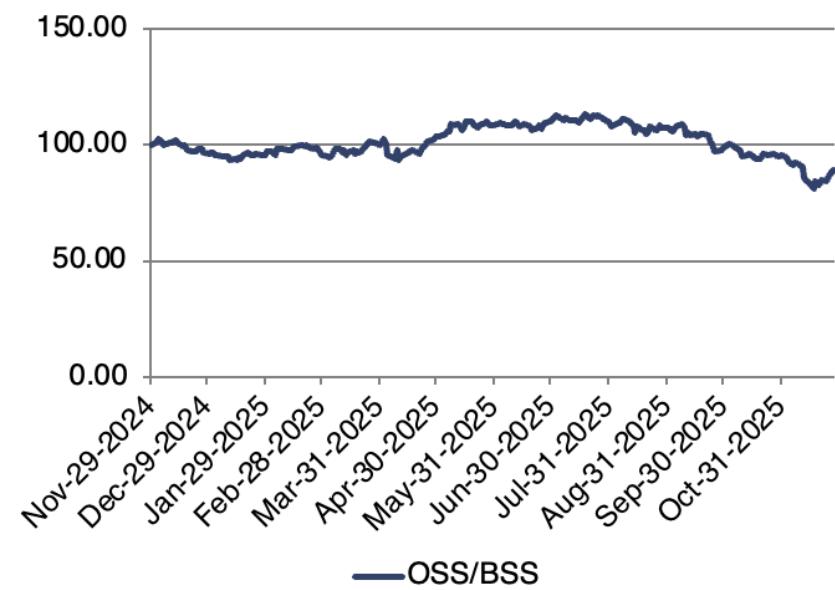
	12 Month	3 Month
Enterprise Networking Index	27.0%	-5.9%
A10 Networks	1.0%	-2.8%
Accton	61.5%	-1.6%
Aerohive Networks	-18.6%	14.6%
Arista Networks	28.8%	-4.3%
D-Link	-24.3%	-14.6%
Extreme Networks	5.4%	-18.1%
F5 Networks	-4.5%	-23.6%
NetGear	7.5%	-2.6%
Radware	-3.5%	-9.1%
Unizyx Holding (Zyxel)	-5.2%	4.2%

Company EBITDA Multiples

	11/30/25	11/30/24
Enterprise Networking Index	32.7x	36.5x
A10 Networks	17.0x	20.2x
Accton	17.7x	27.7x
Aerohive Networks	7.3x	6.5x
Arista Networks	42.1x	42.3x
D-Link	NM	139.1x
Extreme Networks	45.1x	NM
F5 Networks	14.5x	17.9x
NetGear	NM	NM
Radware	38.7x	NM
Unizyx Holding (Zyxel)	9.3x	25.5x

SUB SECTOR ANALYSIS: OSS/BSS SOFTWARE

Twelve Month Index Return



Company Returns

	12 Month	3 Month
OSS/BSS Index	-10.6%	-16.8%
Amdocs	-11.8%	-10.6%
CSG Systems	43.7%	22.8%
Lumine Group	-26.1%	-36.4%
NetScout	22.9%	8.0%
Radcom	9.6%	-1.0%
Subex	-53.0%	-5.2%
Synchronoss	-50.9%	-19.4%
Tecnotree	83.9%	-11.9%

Source: Capital IQ

Company Revenue Multiples

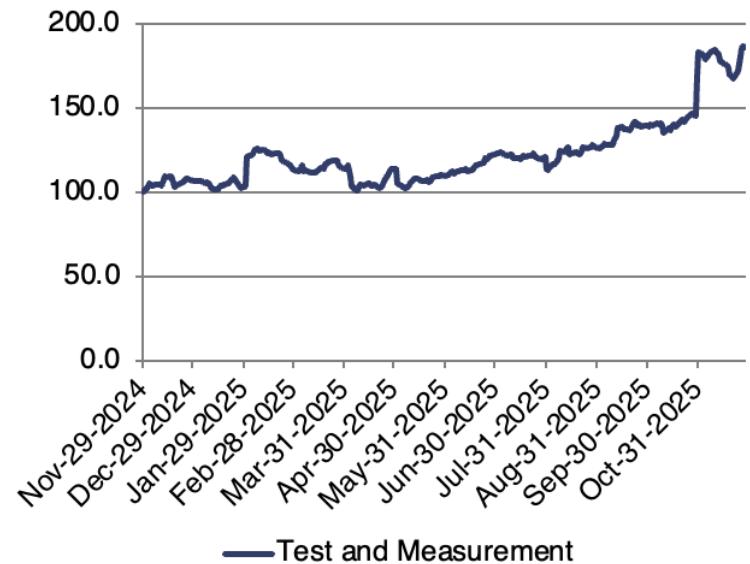
	11/30/25	11/30/24
OSS/BSS Index	2.5x	2.8x
Amdocs	2.0x	2.0x
CSG Systems	2.1x	1.7x
Lumine Group	7.7x	12.6x
NetScout Systems	1.7x	1.6x
Radcom	1.6x	1.7x
Subex	2.0x	4.1x
Synchronoss	1.2x	1.8x
Tecnotree	1.1x	0.6x

Company EBITDA Multiples

	11/30/25	11/30/24
OSS/BSS Index	10.9x	14.5x
Amdocs	9.0x	10.7x
CSG Systems	12.6x	11.9x
Lumine Group	26.4x	41.9x
NetScout Systems	8.5x	12.0x
Radcom	14.6x	24.9x
Subex	NM	NM
Synchronoss	6.1x	24.2x
Tecnotree	3.3x	1.9x

SUB SECTOR ANALYSIS: TEST AND MEASUREMENT

Twelve Month Index Return



Company Revenue Multiples

	11/30/25	11/30/24
Test and Measurement Index	3.1x	1.7x
Anritsu	2.2x	0.9x
Viavi	3.8x	2.4x

Company Returns

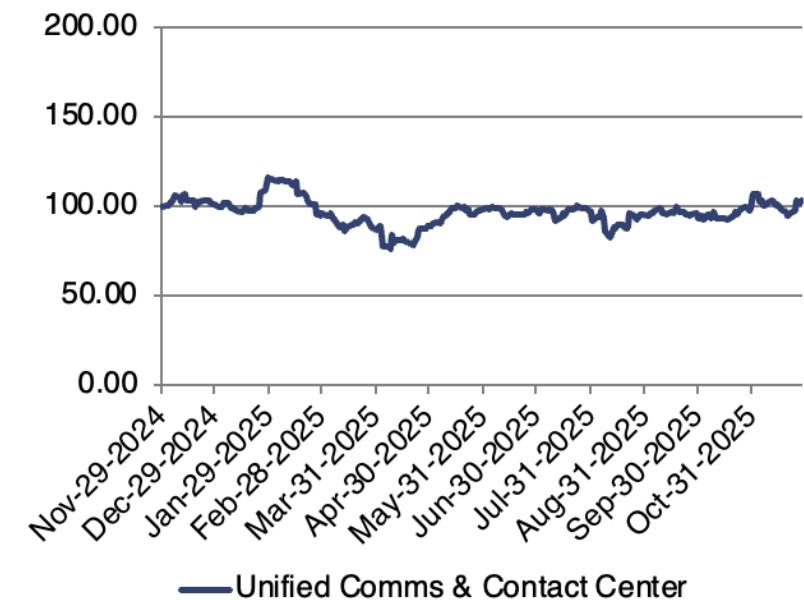
	12 Month	3 Month
Test and Measurement Index	86.3%	47.3%
Anritsu	98.9%	27.9%
Viavi	80.5%	59.0%

Company EBITDA Multiples

	11/30/25	11/30/24
Test and Measurement Index	19.9x	15.5x
Anritsu	12.6x	6.2x
Viavi	27.8x	25.7x

SUB SECTOR ANALYSIS: UNIFIED COMMUNICATIONS AND CONTACT CENTER

Twelve Month Index Return



Company Revenue Multiples

	11/30/25	11/30/24
Unified Comms & Contact Center Index	2.9x	3.1x
8x8	0.8x	1.0x
Crexendo	2.8x	2.3x
Enghouse Systems	1.7x	2.7x
Five9	1.5x	3.4x
RingCentral	1.5x	2.1x
Sangoma Technologies	0.9x	1.1x
Twilio	3.7x	3.3x
Zoom	3.6x	3.8x

Company Returns

	12 Month	3 Month
Unified Comms & Contact Center Index	3.2%	8.2%
8x8	-37.4%	-2.0%
Crexendo	29.7%	10.4%
Enghouse Systems	-29.8%	-12.2%
Five9	-52.5%	-27.2%
RingCentral	-25.0%	-7.4%
Sangoma Technologies	-11.9%	-13.4%
Twilio	24.1%	22.8%
Zoom	2.7%	4.3%

Company EBITDA Multiples

	11/30/25	11/30/24
Unified Comms & Contact Center Index	20.3x	32.5x
8x8	15.0x	34.7x
Crexendo	28.1x	35.3x
Enghouse Systems	7.9x	11.9x
Five9	15.8x	NM
RingCentral	11.6x	26.8x
Sangoma Technologies	16.6x	18.1x
Twilio	56.2x	138.8x
Zoom	14.0x	19.2x

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.

