

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.



WINTER 2026



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OVERVIEW

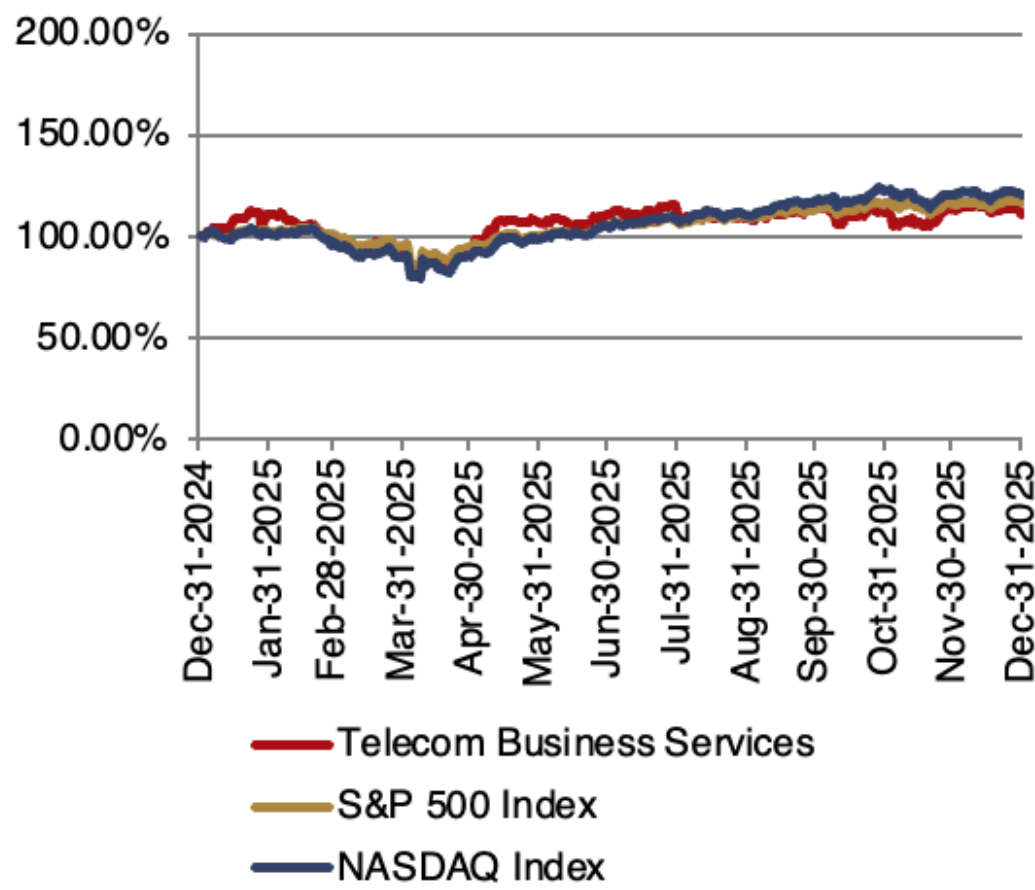
The FOCUS Telecom Business Services Index (TBSI) dipped into negative territory at the end of 2025, dropping 2.1% in the past three months.

This compared unfavorably to both the 2.3% gain in the S&P 500 and the 2.6% gain in the NASDAQ over the corresponding time period. Even with this period's decline, the TBSI is still up 11.4% compared to this same time last year. However, the sector still lagged the broader indices over the full year period, as the S&P 500 gained 16.4% and the NASDAQ gained 20.4% over the course of the past year. Sector multiples increased slightly over the past 12 months. The sector revenue multiple went from 1.0x a year ago to 1.1x currently, while the EBITDA multiple increased from 10.5x to 10.7x.

For the second straight reporting period, the Distributors and Logistics Services sub sector suffered a double-digit loss as it fell 13.3% in the past three months. The sub sector's losses were broad-based, with ePlus the only company to deliver a positive return. Sub sector multiples closed out the period at 0.8x revenue and 10.4x EBITDA. Both of these are significantly lower than year-ago multiples of 1.1x revenue and 13.0x EBITDA. The Telecom Engineering and Construction sub sector fared significantly better than its TBSI counterpart. While its performance cooled off somewhat from what we have seen in our last few reports, it still turned in a very respectable three-month gain of 8.4%. Four of the five companies in the sub sector had double digit increases, including a 50%+ gain at Baran Group. However, a 2.1% gain at MasTec helped bring down the sub sector's overall return. Sub sector multiples also showed a strong increase. The revenue multiple jumped up from 0.9x a year ago to 1.3x currently, while the EBITDA multiple showed an equally impressive increase as it went from 8.0x to 10.9x.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Business Services	11.4%	-2.1%
Distributors and Logistics Services	-22.7%	-13.3%
Engineering and Construction	68.5%	8.4%
S&P 500	16.4%	2.3%
NASDAQ	20.4%	2.6%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue
Multiples

	12/31/25	12/31/24
Telecom Business Services	1.1x	1.0x
Distributors and Logistics Services	0.8x	1.1x
Engineering and Construction	1.3x	0.9x

Sector and Sub Sector EBITDA
Multiples

	12/31/25	12/31/24
Telecom Business Services	10.7x	10.5x
Distributors and Logistics Services	10.4x	13.0x
Engineering and Construction	10.9x	8.0x

M&A ACTIVITY

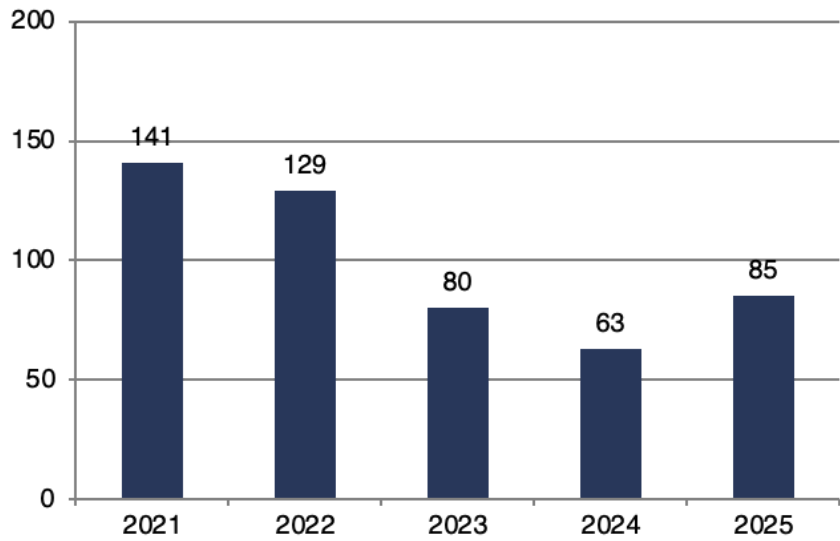
The number of M&A transactions in the Telecom Business Services sector dropped significantly with only 14 transactions in the past three months. However, with nearly \$3.2 billion in total announced transaction dollar value, the period was extremely strong based on this metric. In fact, total announced transaction dollar value was much higher in the last three months of the year than it was for the first nine months of 2025 combined. Overall, 2025 was a very solid year for M&A activity in the Telecom Business Services sector. The sector’s 85 transactions represented more than a 30% increase compared to 2024, although it was still far lower than what we saw back in the boom years of 2021 and 2022. The \$3.3 billion of total announced transaction dollar value for 2025 was lower than what we saw in 2024 but was still respectable compared to the levels we have seen in other years. All in all, while we would certainly not call the Telecom Business Services M&A market frothy, it did appear to rebound to more normalized levels in 2025.

The Telecom Engineering and Construction sub sector dominated M&A activity this period, accounting for 11 of the 14 total transactions. This included the two largest deals in terms of announced transaction dollar value for both this period and all of 2025. The first of these was Dycom’s acquisition of electrical contractor Power Solutions for nearly \$2 billion. In addition, CBRE Group acquired engineering and

maintenance services provider Pearce Services for \$1.2 billion. Overall, we noted that a lot of the M&A activity in the Telecom Engineering and Construction sub sector this period was related to the data center space. In addition to the Dycom acquisition of Power Solutions, other data center-related transactions included the Hexatronic acquisition of Communication Zone, the Accenture acquisition of DLB Associates, the Nscale acquisition of Future-tech and the Salute Mission Critical acquisition of Northshore Services. We also noted that TAK broadband made another acquisition as it acquired last-mile construction company Gulbranson Services. In the Distributors and Logistics Services sub sector, two of the period’s three transactions involved reverse logistics and maintenance services. These were the Ivy Technology acquisition of PureWrx and the Renewtech acquisition of Intelligent Servers. In the sub sector’s final transaction this period, Atomic Data acquired distributed antenna systems integration firm Venue Wireless..

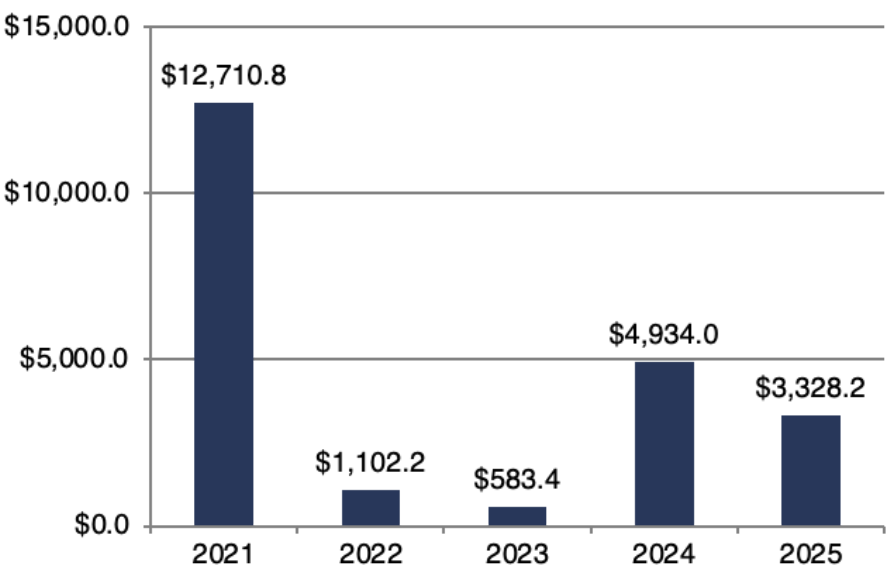
We had three transactions with announced multiples this period. The largest of these was the Dycom acquisition of Power Solutions with multiples of 2.0x revenue and 9.7x EBITDA. In the period’s other large transaction, the multiples for CBRE Group’s acquisition of Pearce Services came in at 1.8x revenue and 13.3x EBITDA. Finally, Hexatronic Purchased Communication Zone at multiples of 1.2x revenue and 6.0x EBITDA.

Number of Transactions



Source: Capital IQ

\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (10/1/25 – 12/31/25)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
FusionLayer	Omnitele	Telecom Engineering and Construction	12/22/25	NA	Mobile network performance, analytics and engineering services that combine automation, analytics and radio access network expertise.
Accenture	DLB Associates Consulting Engineers	Telecom Engineering and Construction	12/16/25	NA	Data center engineering and consulting services including site selection, due diligence, design engineering, commissioning and construction management.
LINX	Illuminati Labs	Telecom Engineering and Construction	12/16/25	NA	Wireless engineering, design, optimization and commissioning services for distributed antenna systems and public safety networks.
Nscale	Future-tech	Telecom Engineering and Construction	12/15/25	NA	Data center engineering and consulting services including feasibility, design and consulting, delivery and implementation, management and maintenance.
Hexatronic Group	Communication Zone	Telecom Engineering and Construction	11/26/25	\$23.9	Low-voltage installation services for the data center market including data cabling, security and CCTV, audio/visual and distributed antenna systems.
Renewtech	Intelligent Servers	Distributors & Logistics Services	11/26/25	NA	Refurbished IT hardware for businesses in the UK such as servers, networking, workstations, processors and power supplies.
Dycom	Power Solutions	Telecom Engineering and Construction	11/19/25	\$1,950.0	Electrical contract services for data centers, hospitals, telecommunications centers and government institutions.
CBRE Group	Pearce Services	Telecom Engineering and Construction	11/4/25	\$1,200.0	Design engineering, maintenance and repair services for the critical power, renewable energy, telecom and electric vehicle charging markets.
Salute Mission Critical	Northshore Services	Telecom Engineering and Construction	11/3/25	NA	Data center engineering and consulting services including digital infrastructure, reporting, compliance, and performance monitoring.
Osmose Utilities Services	Centillion Solutions	Telecom Engineering and Construction	10/28/25	NA	Fiber optic engineering, design, drafting and geospatial services, GIS-based digital mapping, mobile LIDAR and site surveys and network planning.
Ivy Technology	PureWrx	Distributors & Logistics Services	10/21/25	NA	OEM-approved equipment buy-back programs that manage the secure and certified disposition of legacy hardware.
Atomic Data	Venue Wireless	Distributors & Logistics Services	10/20/25	NA	Technology services provider specializing in large-scale wireless and IT deployments for sports and entertainment venues across North America.
TAK Broadband	Gulbranson Services	Telecom Engineering and Construction	10/9/25	NA	Provides drop bury, maintenance and fiber-to-the-home construction services for top tier telecommunications providers in southern California.
Sparc Group	DCI	Telecom Engineering and Construction	10/3/25	NA	Provides data center installation services for businesses in Norway.

ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (1/1/25 – 12/31/25)

Acquirer	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Hexatronic Group	Communication Zone	Telecom Engineering and Construction	11/26/25	\$23.9	1.2 x	6.0 x	Low-voltage installation services for the data center market including data cabling, security and CCTV, audio/visual and distributed antenna systems.
Dycom	Power Solutions	Telecom Engineering and Construction	11/19/25	\$1,950.0	2.0 x	9.7 x	Electrical contract services for data centers, hospitals, telecommunications centers and government institutions.
CBRE Group	Pearce Services	Telecom Engineering and Construction	11/4/25	\$1,200.0	1.8 x	13.3 x	Design engineering, maintenance and repair services for the critical power, renewable energy, telecom and electric vehicle charging markets.
Infosys	The Missing Link Network Integration	Distributors & Logistics Services	4/17/25	\$62.5	2.3 x	9.7 x	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.

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.



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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

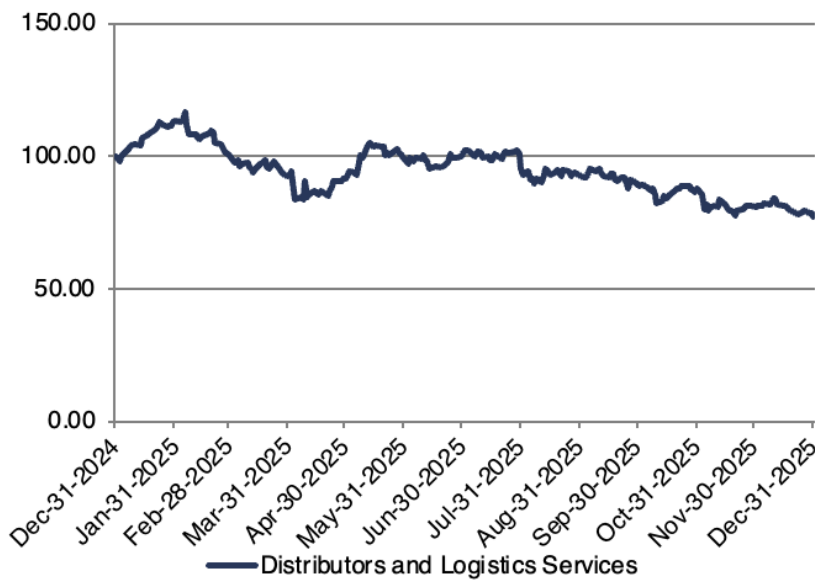


SUB SECTOR DEFINITIONS

- **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	-22.7%	-13.3%
CDW	-21.7%	-14.5%
ePlus	18.7%	23.5%
Insight	-46.4%	-28.2%
PC Connection	-16.6%	-6.8%

Company Revenue Multiples

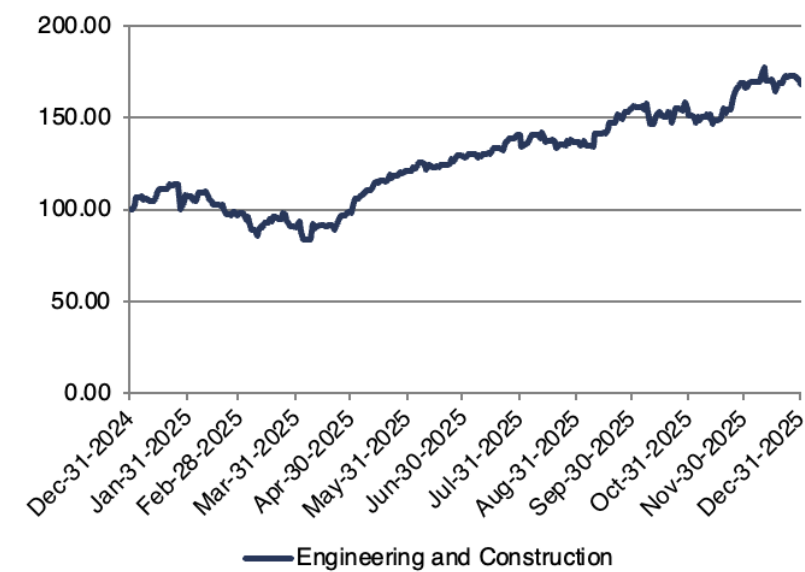
	12/31/25	12/31/24
Distributors and Logistics Index	0.8x	1.1x
CDW	1.1x	1.4x
ePlus	0.9x	0.9x
Insight	0.4x	0.7x
PC Connection	0.4x	0.5x

Company EBITDA Multiples

	12/31/25	12/31/24
Distributors and Logistics Index	10.4x	13.0x
CDW	11.9x	14.6x
ePlus	9.9x	13.4x
Insight	7.3x	11.4x
PC Connection	9.4x	12.6x

SUB SECTOR ANALYSIS: ENGINEERING AND CONSTRUCTION

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Engineering and Construction Index	68.5%	8.4%
Baran Group	97.9%	51.5%
COMSYS Holdings	41.4%	16.8%
Dycom	94.1%	15.8%
Mastec	59.7%	2.1%
MIRAIT Holdings	53.1%	15.0%

Company Revenue Multiples

	12/31/25	12/31/24
Engineering and Construction Index	1.3x	0.9x
Baran Group	1.2x	0.7x
COMSYS Holdings	0.8x	0.5x
Dycom	2.1x	1.4x
Mastec	1.4x	1.1x
MIRAIT Holdings	0.6x	0.4x

Company EBITDA Multiples

	12/31/25	12/31/24
Engineering and Construction Index	10.9x	8.0x
Baran Group	12.5x	7.4x
COMSYS Holdings	8.1x	5.5x
Dycom	16.6x	12.0x
Mastec	19.2x	14.0x
MIRAIT Holdings	7.7x	7.5x



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.

