

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.

SPRING 2026



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OVERVIEW

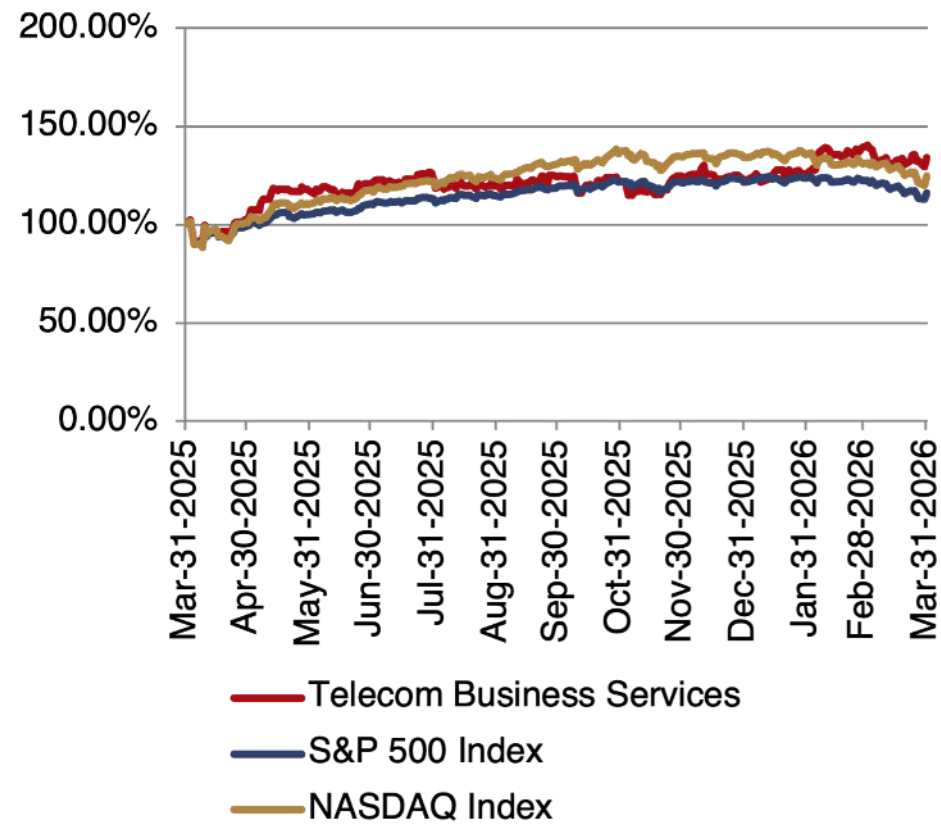
After falling into the red in our Winter 2025 report, the FOCUS Telecom Business Services Index (TBSI) rebounded strongly with a gain of 10.0% in the first three months of 2026.

This was made even more impressive by the fact that the broader market faced significant challenges. The S&P 500 dropped 4.6% over the past three months, while the NASDAQ was down even more sharply with a loss of 7.1%. The TBSI is also up 34.0% compared to this same time last year. Once again, this outperformed both the 16.3% gain in the S&P 500 and the 24.8% gain in the NASDAQ by a wide margin. Sector multiples also increased from year-ago levels. The TBSI revenue multiple increased from 0.9x to 1.2x, while the EBITDA multiple jumped from 9.7x to 11.2x.

The 26.3% gain in the Engineering and Construction sub sector was the sole reason for the TBSI's outperformance over these past three months. In turn, the sole reason for the large gain in the Engineering and Construction sub sector was a 48.0% gain at MasTec. MasTec's gains were due to a combination of a number of factors including a strong Q4 2025 earnings report, a record backlog heading into 2026 and the Company's traction in the data center space. All of the other companies in the sub sector had either modest gains or losses for the period. The revenue multiple for the Engineering and Construction sub sector more than doubled over the past year, going from 0.8x to 1.7x. The sub sector EBITDA multiple also increased from 7.1x a year ago to 12.8x currently. The picture was not nearly as rosy for the Distributors and Logistics Services sub sector. This sub sector suffered a second straight reporting period with a double-digit loss, with all of the companies in the index except PC Connection trading in negative territory for the past three months. The sub sector is also down more than 25% over the past year. Sub sector multiples closed out the period at 0.8x revenue and 9.2x EBITDA. Both of these are meaningfully lower than year-ago multiples of 1.0x revenue and 12.4x EBITDA.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Business Services	34.0%	10.0%
Distributors and Logistics Services	-25.9%	-11.4%
Engineering and Construction	134.5%	26.3%
S&P 500	16.3%	-4.6%
NASDAQ	24.8%	-7.1%

PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue Multiples

	3/31/26	3/31/25
Telecom Business Services	1.2x	0.9x
Distributors and Logistics Services	0.8x	1.0x
Engineering and Construction	1.7x	0.8x

Sector and Sub Sector EBITDA Multiples

	3/31/26	3/31/25
Telecom Business Services	11.2x	9.7x
Distributors and Logistics Services	9.2x	12.4x
Engineering and Construction	12.8x	7.1x

M&A ACTIVITY

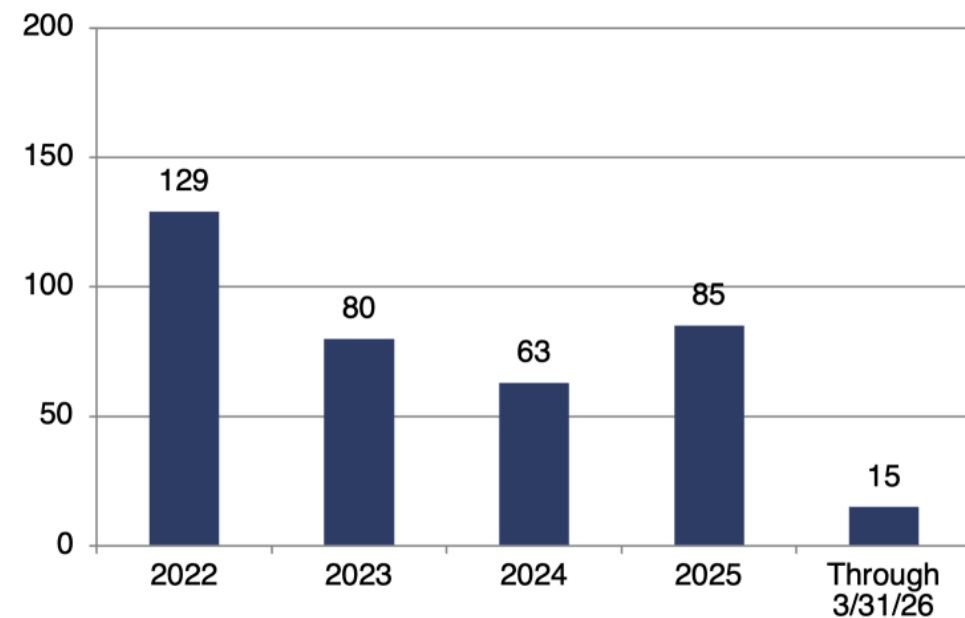
The Telecom Business Services sector was off to a slow start for M&A in 2026 with only 15 total transactions over the past three months. None of these deals had an announced transaction dollar value. While there is still a lot of time left in the year, the sector will need to play some catch up if it is going to meet or exceed its totals from 2025.

In a reversal from what we saw in our Winter report, it was the Distributors and Logistics Services sub sector that accounted for the vast majority of M&A activity. In fact, this sub sector accounted for 12 of the period's 15 transactions. Companies that provide refurbished products and/or repair and maintenance services were popular targets. Gemspring Capital established a new portfolio company with its acquisition of mobile equipment management company Technology Recovery Group. At the other end of the spectrum, Pflingsten Partners exited its Tempest Telecom Solutions

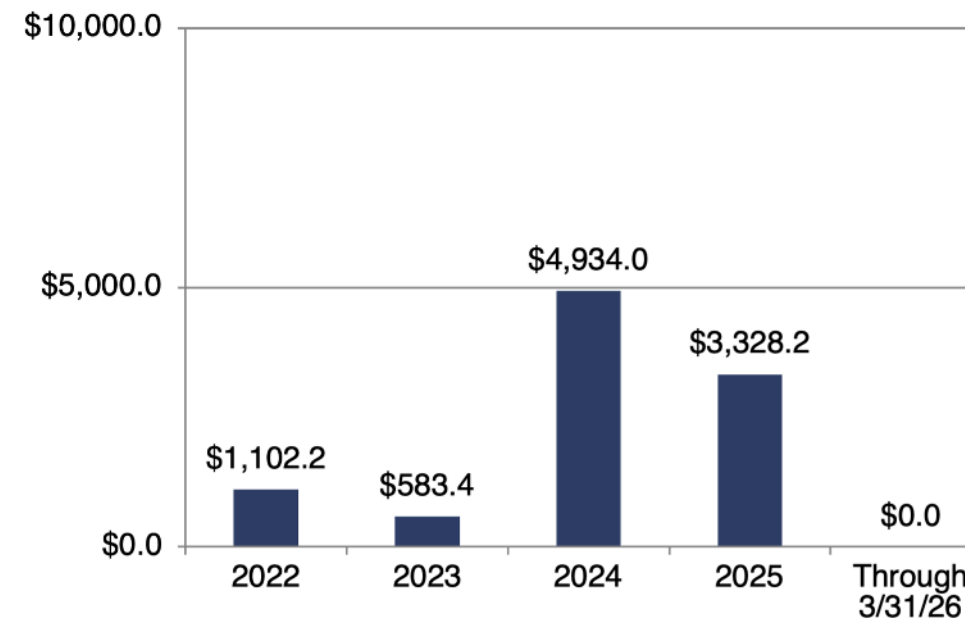
platform in a sale to Ivy Technology. Tempest provides refurbished equipment and repair services primarily to telecom network operators. We also saw several transactions involving traditional value added distributors. In particular, we noted the acquisition of Verinext by Arctiq. In contrast to its sector counterpart, the Telecom Engineering and Construction sub sector was largely dormant with only three transactions for the period. System One acquired Cypress Consulting, a consulting firm specializing in data centers and networks. In addition, Norwegian firm NetNordic purchased Itectra. Itectra designs and maintains critical IT infrastructure, including data centers. In yet another data center-related transaction in the Nordic region, Nimlas Finalnd acquired data center installation services company DT Systems.

There were no transactions with announced multiples this period.

Number of Transactions



\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (1/1/26 – 3/31/26)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Nimlas Finland	DT Systems	Telecom Engineering and Construction	3/31/26	NA	Data center and data network installation services for data centers in Finland.
Evernex	Comptest Polska	Distributors & Logistics Services	3/23/26	NA	After warranty b2b repair center for electronic equipment focused on telecommunication, networking, power and automation products.
Ivy Technology	Tempest Telecom Solutions	Distributors & Logistics Services	3/19/26	NA	Refurbished telecom network equipment and a dedicated repair and testing facility supported by spare parts management, kitting and logistics services.
ISPN	Zcorum	Distributors & Logistics Services	3/10/26	NA	Suite of broadband diagnostics and managed services designed primarily to help rural internet providers.
Echo Technology Lifecycle Solutions	BMS-IT Limited	Distributors & Logistics Services	3/3/26	NA	IT asset management and disposal services to businesses in New Zealand.
Econocom Group	Back IT	Distributors & Logistics Services	2/26/26	NA	IT equipment refurbishment and distribution services for businesses in France including device recovery, data erasure and recycling.
VTC	TSPD	Distributors & Logistics Services	2/26/26	NA	Provides IT lifecycle management services including IT equipment recycling and procurement, secure storage, data erasure and disposal.
Booz Allen Hamilton	DeFY Security	Distributors & Logistics Services	2/17/26	NA	Cybersecurity value added reselling services for businesses in the United States.
Synteq Digital Operations	HM Tech	Distributors & Logistics Services	2/9/26	NA	IT hardware repair and maintenance services for businesses including data center services, diagnostics and refurbishment.
Arctiq	Verinext	Distributors & Logistics Services	2/4/26	NA	Solutions and services for a variety of technology partners in areas that include networking, digital infrastructure, security and customer experience.
Quantum Lifecycle Partners	2ndgear	Distributors & Logistics Services	1/28/26	NA	Distributes refurbished off-lease IT hardware including laptops, desktops, servers, networking gear and cybersecurity products.
Westcon International	REAL Security	Distributors and VARs (Enterprise)	1/28/26	NA	Cybersecurity value added reselling services for businesses across the Adriatic and Balkans region.
Gemspring Capital	Technology Recovery Group	Distributors & Logistics Services	1/7/26	NA	Engages in buying, selling, renting, repairing, deploying, servicing and managing mobile equipment.
NetNordic	Itectra	Telecom Engineering and Construction	1/7/26	NA	Designing, delivering and maintaining critical IT infrastructure for data centers, public authorities, private companies and service providers.
System One	Cypress Consulting	Telecom Engineering and Construction	1/5/26	NA	Technology consulting firm specializing in data center and network consulting, automation and security.

ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (4/1/25 – 3/31/26)

Acquiror	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.

OUR TEAM

FOCUS Telecom Technology and Services Team



Richard H. Pierce

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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:

- Distributors and Logistics Services
- Engineering and Construction

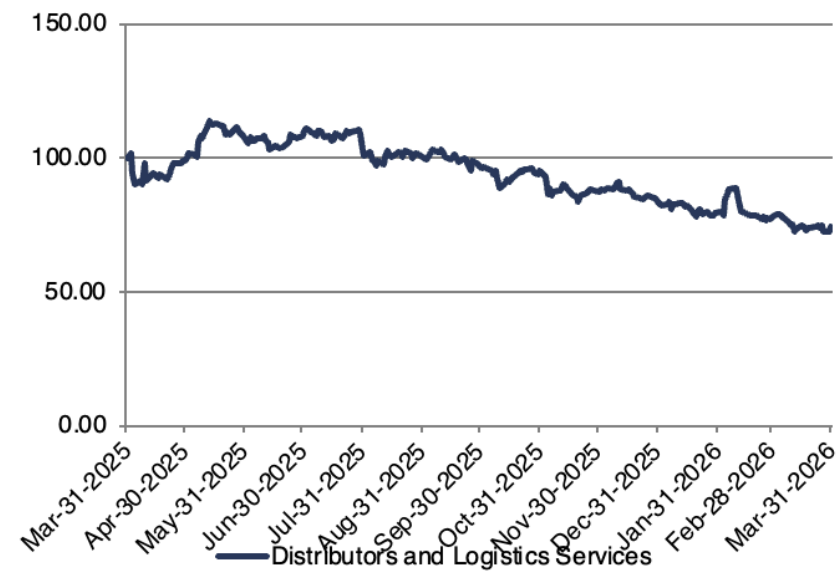


SUB SECTOR DEFINITIONS

- **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	-25.9%	-11.4%
CDW	-24.5%	-11.1%
ePlus	23.3%	-14.2%
Insight	-55.3%	-17.7%
PC Connection	-6.3%	1.2%

Company Revenue Multiples

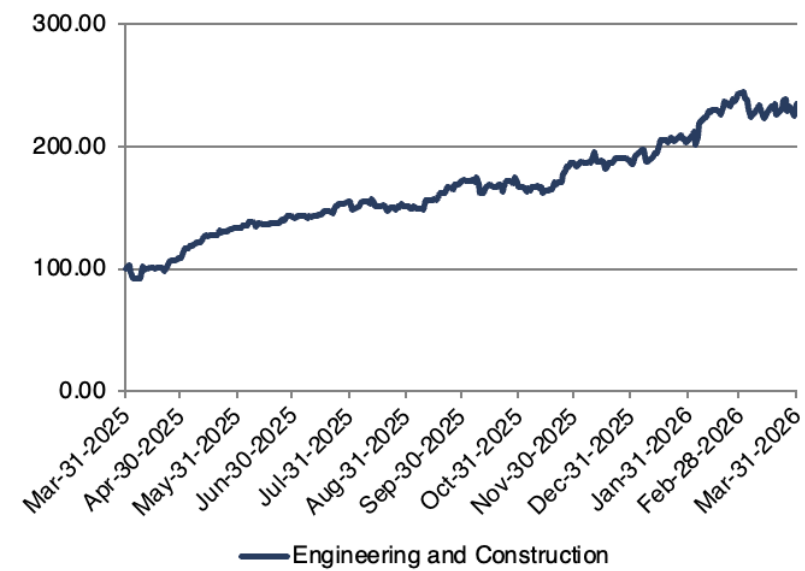
	3/31/26	3/31/25
Distributors and Logistics Index	0.8x	1.0x
CDW	0.9x	1.3x
ePlus	0.7x	0.7x
Insight	0.4x	0.7x
PC Connection	0.4x	0.4x

Company EBITDA Multiples

	3/31/26	3/31/25
Distributors and Logistics Index	9.2x	12.4x
CDW	10.7x	13.4x
ePlus	7.8x	8.8x
Insight	6.1x	11.5x
PC Connection	9.1x	10.4x

SUB SECTOR ANALYSIS: ENGINEERING AND CONSTRUCTION

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Engineering and Construction Index	134.5%	26.3%
Baran Group	116.9%	4.4%
COMSYS Holdings	47.7%	-1.4%
Dycom	122.4%	0.3%
Mastec	175.7%	48.0%
MIRAIT Holdings	54.4%	-1.2%

Company Revenue Multiples

	3/31/26	3/31/25
Engineering and Construction Index	1.7x	0.8x
Baran Group	1.2x	0.7x
COMSYS Holdings	0.9x	0.5x
Dycom	2.2x	1.1x
Mastec	1.9x	0.9x
MIRAIT Holdings	0.7x	0.5x

Company EBITDA Multiples

	3/31/26	3/31/25
Engineering and Construction Index	12.8x	7.1x
Baran Group	10.8x	9.3x
COMSYS Holdings	8.2x	5.8x
Dycom	17.4x	9.7x
Mastec	25.4x	12.1x
MIRAIT Holdings	7.8x	6.4x



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.

