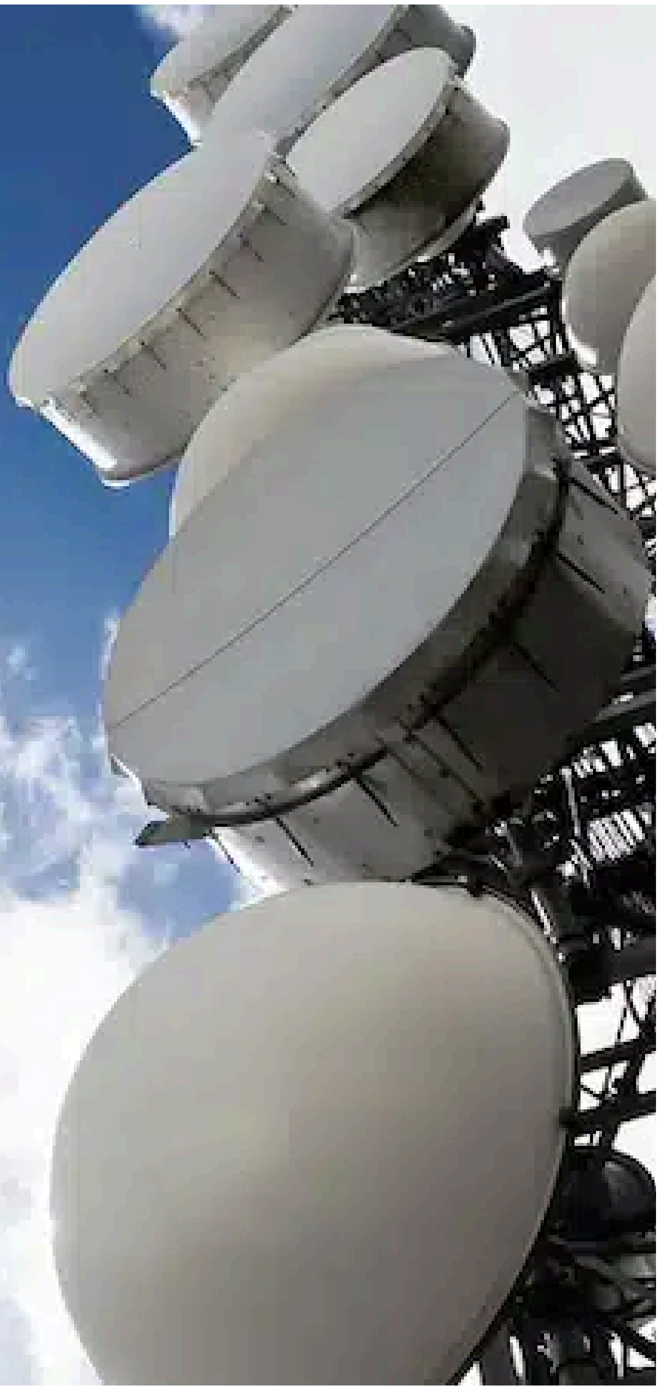
M&A INDUSTRY REPORT

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.

SUMMER 2026



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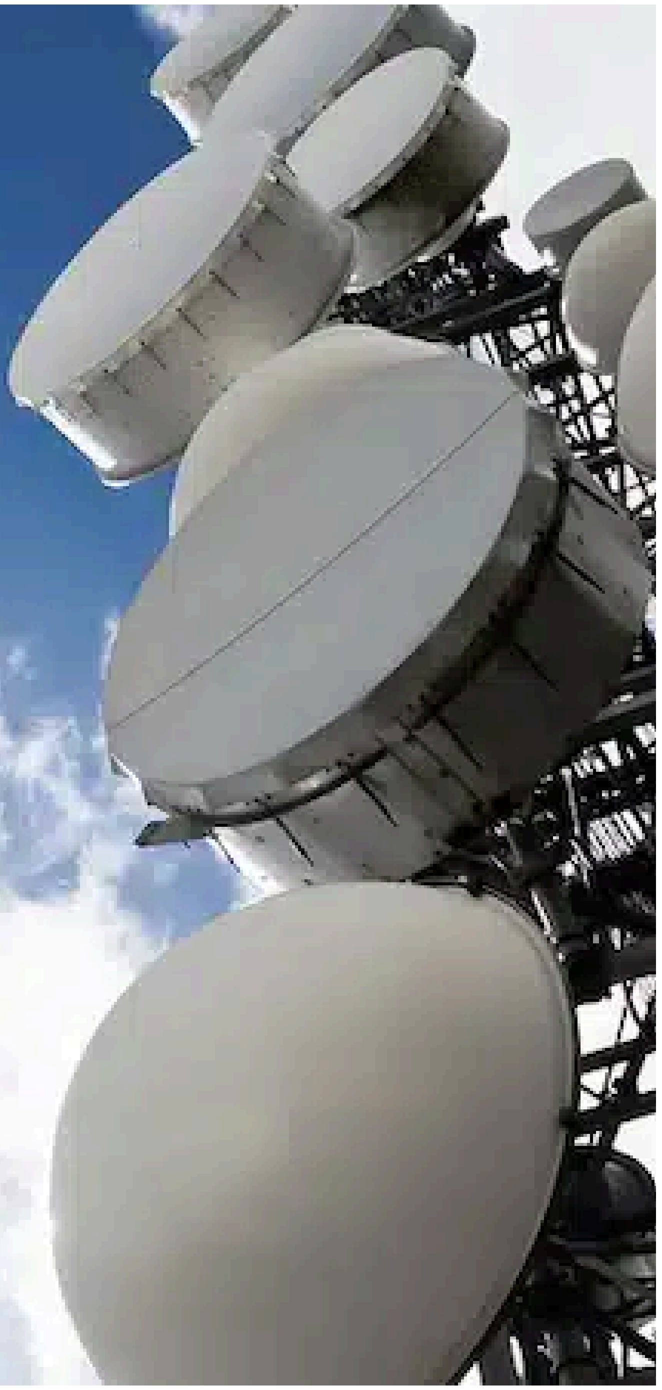


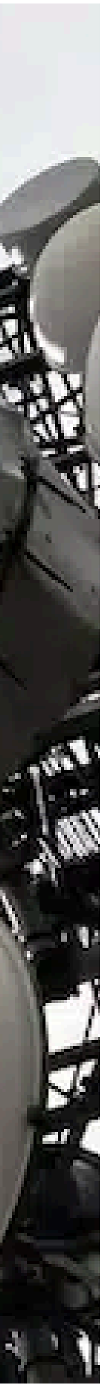
OVERVIEW

The FOCUS Telecom Business Services Index (TBSI) enjoyed a second straight reporting period of both delivering a double-digit return and outperforming the broader indices.

The TBSI gained 28.2% in the past three months, which exceeded the 14.9% return of the S&P 500 and the 21.4% return of the NASDAQ by a wide margin. The TBSI also remains well above the broader indices when measured over the 12-month period.The TBSI is up 41.8% over this time frame, as compared to gains in the S&P 500 and NASDAQ of 20.9% and 28.7%, respectively. Sector multiples also increased meaningfully over the past year. The revenue multiple for the TBSI increased from 1.1x a year ago to 1.4x at the end of the current reporting period, while the EBITDA multiple increased from 11.2x to 13.4x over the same time frame.

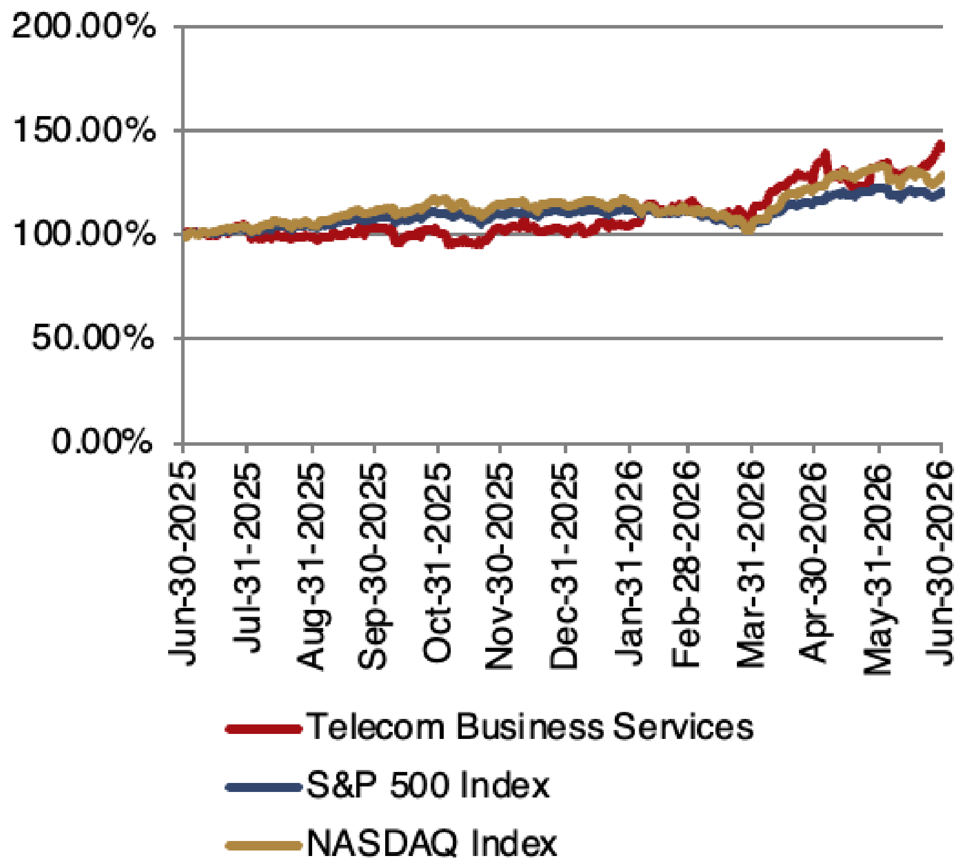
Both of the TBSI's subsectors turned in strong performances in our summer reporting period. The Distributors and Logistics Services sub sector rebounded from a double-digit loss in our last reporting period to post a strong gain of 22.8%. Gains were broad-based as every single company in the index had a double-digit gain. However, the 81.8% gain at Insight made it far and away the sub sector's best performer. The gains at Insight were driven by a combination of improved margins and a change in company leadership. Despite this period's strong performance, the Distributors and Logistics Services sub sector is still down more than 15% for the full year period. CDW and Insight were the main drags on the index over the past year. Sub sector multiples closed out the period at 0.9x revenue and 10.7x EBITDA. Both of these are lower than year-ago multiples of 1.1x revenue and 13.0x EBITDA.

The Engineering and Construction sub sector had an even stronger performance with a three-month gain of 31.0%. Gains in this sub sector were also broad-based, but Dycom and MasTec were the strongest performers with gains of 49.2% and 29.3%, respectively. The sub sector has also more than doubled over the past year with a gain of 115.3%. Once again, Dycom (up 106.9%) and MasTec (up 144.1%) led the charge. Multiples also showed a significant uptick over the past year with the sub sector revenue multiple jumping from 1.1x to 2.0x and the EBITDA multiple increasing from 9.4x to 15.4x. Finally, we noted that the sub sector had its first IPO in recent memory as ITG successfully went public on June 30. ITG did not begin trading in time for us to include it in the current report, but we will incorporate the company into our quarterly starting this fall.



PUBLIC MARKETS SUMMARY

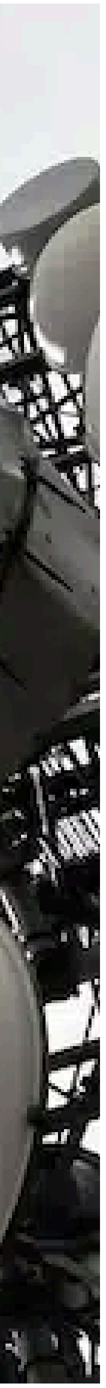
Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Business Services	41.8%	28.2%
Distributors and Logistics Services	-16.0%	22.8%
Engineering and Construction	115.3%	31.0%
S&P 500	20.9%	14.9%
NASDAQ	28.7%	21.4%

Source: Capital IQ



PUBLIC MARKETS SUMMARY CONTINUED

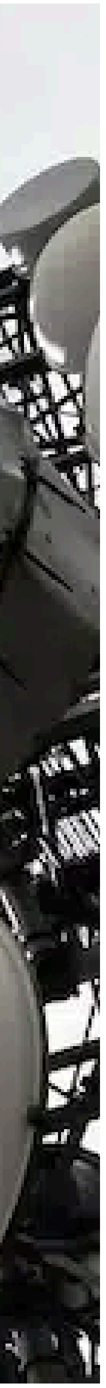
Sector and Sub Sector Revenue Multiples

	6/30/26	6/30/25
Telecom Business Services	1.4x	1.1x
Distributors and Logistics Services	0.9x	1.1x
Engineering and Construction	2.0x	1.1x

Sector and Sub Sector EBITDA Multiples

	6/30/26	6/30/25
Telecom Business Services	13.4x	11.2x
Distributors and Logistics Services	10.7x	13.0x
Engineering and Construction	15.4x	9.4x

Source: Capital IQ



M&A ACTIVITY

The Telecom Business Services sector saw a surge in M&A activity in the three months of our summer reporting period. We counted a total of 26 transactions over this time frame, which hearkens back to a level of activity that we last saw back in 2022.Total announced transaction dollar value was also a solid but not spectacular $586.6 million. For year-to-date 2026, we are now at 42 deals with a total announced transaction dollar value of $586.6 million. This means that the level of M&A activity is currently running at a similar pace to what we saw in 2025. The big question is if the momentum from this period will continue into the back half of the year and drive a meaningful increase in M&A activity in 2026.

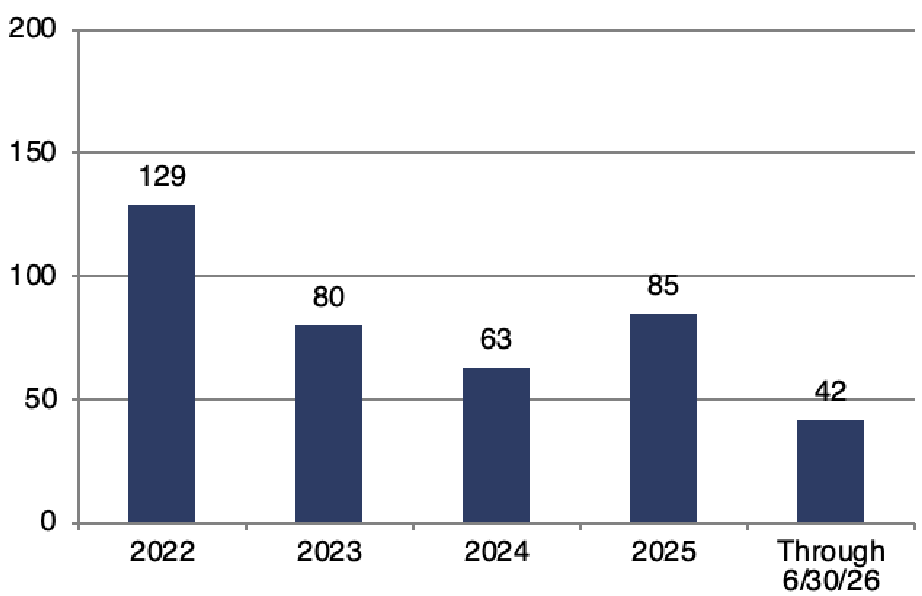
Activity in the Telecom Engineering and Construction sub sector was responsible for the uptick in M&A activity as it accounted for 19 of our 26 transactions. This included Dycom's acquisition of National Technology Integrators for $275 million to further its exposure to the data center space. In another large data center-related transaction with no publicly announced transaction value, Olympus Partners acquired Network Connex.On the traditional Telecom front, European company Netel announced that it would be acquired by Infrea for $168.3 million. Not surprisingly, we also saw several transactions for firms in the fiber industry including engineering firms Hexad Solutions and Layton Surveys (Acquired by Alpine Infrastructure Partners and CCI Systems, respectively) and construction firms Blue Jay Communications and Isbell Construction (acquired by STG Communication Services and Electricom, respectively).

Finally, we did note some deals in the wireless sector with Centerline's acquisition of NEC and the Patriot Towers acquisition of Transwave Communications Systems. We will be keeping a close eye on wireless M&A activity to see if it is finally beginning to recover from the dramatic decline that started back in 2023.

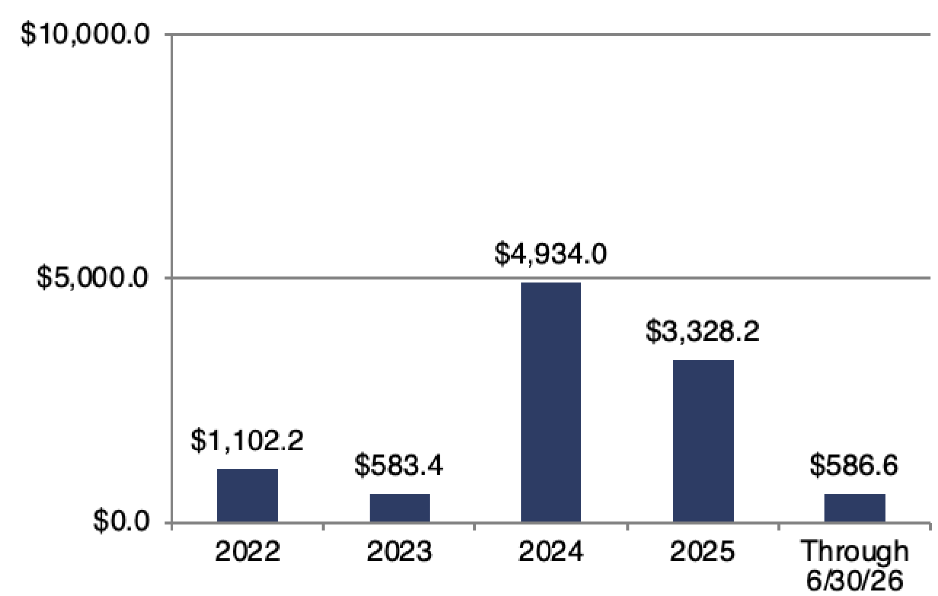
The Distributors and Logistics Services sub sector had significantly less activity with only seven transactions for the period. Three of these involved IT asset disposition companies, including the Ivy Technology acquisition of ISP Tek Services. There were also two acquisitions of repair and refurbishing companies as Other World Computing acquired PowerON Services and Verdant Solutions acquired CSAT. The sub sector's final two transactions both involved distribution businesses.

There were four transactions with announced multiples this period. The period's largest transaction, Dycom's acquisition of National Technology Integrators, also had the highest revenue multiple at 1.6x. Hexatronic Group's acquisition of Superior Fiber & Data Services was also in the data center space, but had a significantly lower revenue multiple of 0.8x as well as an EBITDA multiple of 6.4x. The Infrea acquisition of Netel had a relatively low revenue multiple at 0.6x. However, the high EBITDA multiple of 36.4x reflected low margins and the expectation by the acquirer that it could significantly improve performance.Finally, the Cloudpoint Technology Berhad acquisition of Cx One had a revenue multiple of 0.9x.

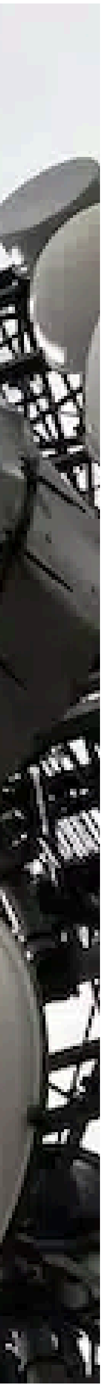
Number of Transactions



$ Value of Transactions in Millions



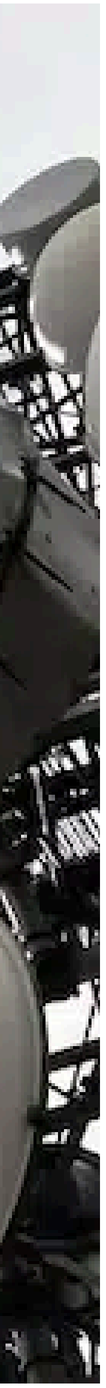
Source: Capital IQ



ANNOUNCED TRANSACTIONS (4/1/26 – 6/30/26)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
i-AVPRO	ClearLink Communications	Telecom Engineering and Construction	6/18/26	NA	Wireless design and consulting, IPTV deployment, private LTE networks, signal enhancement, security integration and engineering services.
Sertex	Trenchworks	Telecom Engineering and Construction	6/17/26	NA	Fiber optic infrastructure deployment services including network installation, fiber optic deployment and related civil engineering activities.
CCI Systems	Layton Surveys	Telecom Engineering and Construction	6/16/26	NA	Surveys, right-of-way and easement services, aerial mapping and hydrographic surveys for telecom, EV charging and transmission projects.
Kubus Group	Ammcom	Telecom Engineering and Construction	6/16/26	NA	Network cabling and commercial installations for businesses.
Infrea	Netel Holding	Telecom Engineering and Construction	6/15/26	$168.3	Construction and maintenance services for communications infrastructure and power networks in Sweden, Norway and Germany.
STG Communication Services	Blue Jay Communications	Telecom Engineering and Construction	6/14/26	NA	Fiber network installation services for the telecommunications industry in the U.S.
Onnec Group	Gi-Networks	Telecom Engineering and Construction	6/12/26	NA	Specialist in data center infrastructure services in Denmark including cabling, rack mounting, project management, network and troubleshooting.
DMD Systems Recovery	Lifespan	Distributors & Logistics Services	6/2/26	NA	Provides IT asset disposition services such as data destruction, sanitization, re-marketing and recycling.
Patriot Towers	Transwave Communications Systems	Telecom Engineering and Construction	6/2/26	NA	Services include tower development, wireless network design, installation and maintenance in support of mobile and broadband connectivity.
Other World Computing	PowerON Services	Distributors & Logistics Services	6/1/26	NA	Processing, refurbishment and responsible recycling of used computing, mobile and consumer electronic devices.
Telefonica	LineoX	Telecom Engineering and Construction	6/1/26	NA	Provides radio network infrastructure services for telecommunications operators in Spain.
Far Networks	VideoGecom	Distributors & Logistics Services	5/29/26	NA	System integrator specializing in audio-video and unified communications and collaboration solutions.
Dycom	National Technology Integrators	Telecom Engineering and Construction	5/27/26	$275.0	Specializes in inside plant structured cabling, including within data centers, as well as advanced audio-visual and security systems.
Ivy Technology	ISP Tek Services	Distributors & Logistics Services	5/26/26	$10.0	IT asset disposition and remarketing services provider specializing in laptops, printers and accessories.
Bounteous	Cartesian	Telecom Engineering and Construction	5/12/26	NA	Consulting services to telecom, digital media and IT businesses including strategy, analytics, security, networking and Wi-Fi performance testing.
Cloudpoint Technology Berhad	Cx One	Distributors & Logistics Services	5/6/26	$4.3	Communications solutions including unified communications and omnichannel contact center platforms.
Hexatronic Group	Superior Fiber & Data Services	Telecom Engineering and Construction	5/6/26	$32.0	Data center installation services including network design, cabling, security and access control and distributed antenna systems.
Verdant Solutions	CSAT	Distributors & Logistics Services	4/29/26	NA	Repair partner for servers, computers, motherboards, LCDs and other mission-critical items.
Centerline Communications	NEC Group	Telecom Engineering and Construction	4/21/26	NA	Telecom and EV infrastructure development services including data center, electrical services, security, installation and site development.
VINCI Energies	Novo Technologies	Telecom Engineering and Construction	4/15/26	NA	Mobile network construction services across the UK, with strong relationships across the telecommunications and infrastructure sectors.
Olympus Partners	Network Connex	Telecom Engineering and Construction	4/14/26	NA	Mission-critical digital infrastructure services to hyperscalers, cloud operators and large enterprise customers.
Consertus	Airosmith	Telecom Engineering and Construction	4/7/26	NA	Engineering solutions for wireless, fiber and renewable energy infrastructure.
Paladin EnviroTech	ICT-TWS Company	Distributors & Logistics Services	4/7/26	NA	IT asset disposition services for businesses in Ireland including data management, electronic waste recycling and remarketing.
Electricom	Isbell Construction	Telecom Engineering and Construction	4/3/26	NA	Underground maintenance and installation services for rural cooperatives, independent telecom providers and utilities across Texas.
Alpine Infrastructure Partners	Hexad Solutions Group	Telecom Engineering and Construction	4/1/26	NA	Field data collection and mapping, network planning and design, permitting and fiber network construction and splicing for the telecom sector.
White Mountains Partners	BaseSix Systems	Telecom Engineering and Construction	4/1/26	$97.0	Low voltage building systems in the areas of network and wireless, fire and life safety, security and access control and audio-visual systems.

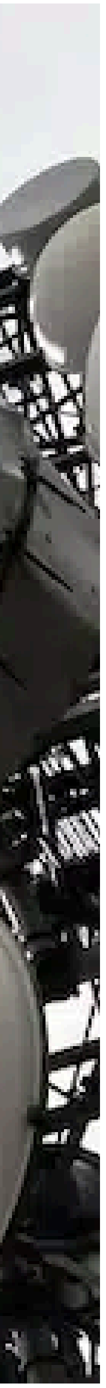
Source: Capital IQ



ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (7/1/25 – 6/30/26)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Infrea	Netel Holding	Telecom Engineering and Construction	6/15/26	$168.3	0.6 x	36.4 x	Construction and maintenance services for communications infrastructure and power networks in Sweden, Norway and Germany.
Dycom	National Technology Integrators	Telecom Engineering and Construction	5/27/26	$275.0	1.6 x	NA	Specializes in inside plant structured cabling, including within data centers, as well as advanced audio-visual and security systems.
Cloudpoint Technology Berhad	Cx One	Distributors & Logistics Services	5/6/26	$4.3	0.9 x	NA	Communications solutions including unified communications and omnichannel contact center platforms.
Hexatronic Group	Superior Fiber & Data Services	Telecom Engineering and Construction	5/6/26	$32.0	0.8 x	6.4 x	Data center installation services including network design, cabling, security and access control and distributed antenna systems.
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.

Source: Capital IQ



OUR TEAM

FOCUS Telecom Technology and Services 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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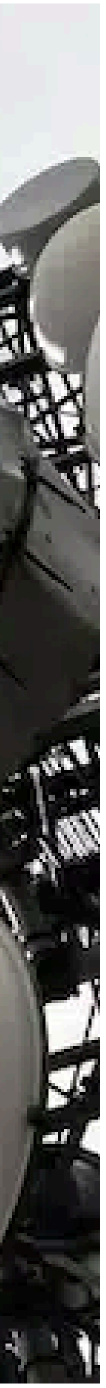
David Freeland, a FOCUS Managing Director, has more than fifteen years of experience providing investment banking and management consulting services to a variety of corporate clients, ranging from the Fortune 500 to start-up businesses. He has been an investment banker since 2003, advising clients on 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:

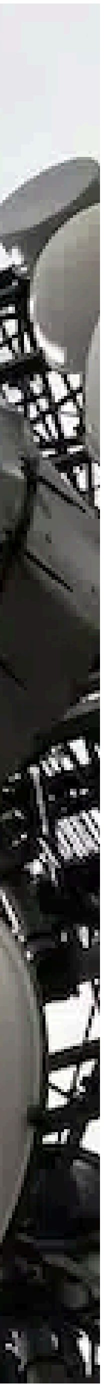
- Distributors and Logistics Services
- Engineering and Construction



SUB SECTOR DEFINITIONS

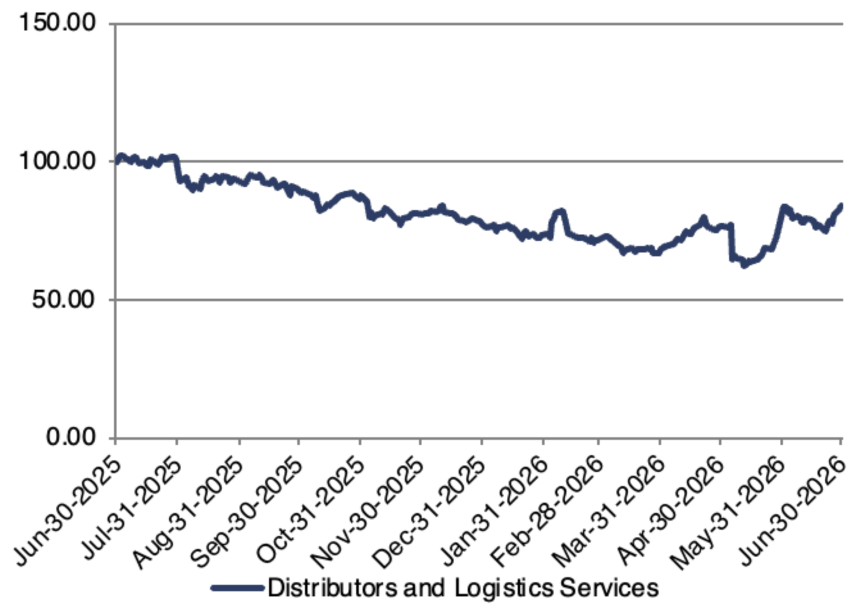
- **Distributors and Logistics Services:** This sub sector includes companies that distribute communications-related products or that provide repair, refurbish and other supply chain management solutions.Companies in this segment may serve either telecom service providers, businesses or both.

- **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	-16.0%	22.8%
CDW	-21.2%	16.2%
ePlus	15.4%	10.6%
Insight	-11.8%	81.8%
PC Connection	11.0%	24.9%

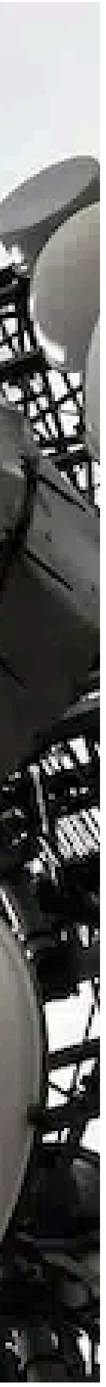
Company Revenue Multiples

	6/30/26	6/30/25
Distributors and Logistics Index	0.9x	1.1x
CDW	1.0x	1.3x
ePlus	0.8x	0.8x
Insight	0.6x	0.6x
PC Connection	0.5x	0.5x

Company EBITDA Multiples

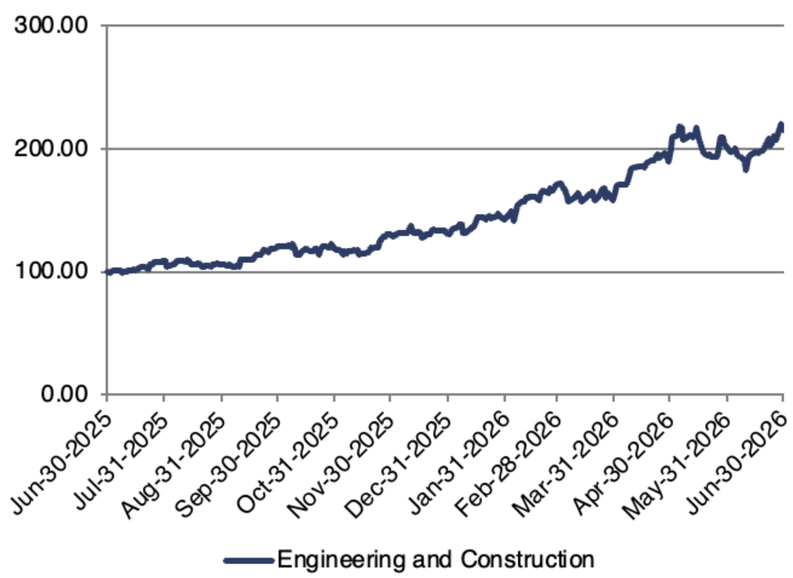
	6/30/26	6/30/25
Distributors and Logistics Index	10.7x	13.0x
CDW	11.9x	14.5x
ePlus	9.7x	9.1x
Insight	8.5x	10.0x
PC Connection	11.7x	11.8x

Source: Capital IQ



SUB SECTOR ANALYSIS: ENGINEERING AND CONSTRUCTION

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Engineering and Construction Index	115.3%	31.0%
Baran Group	75.1%	5.5%
COMSYS Holdings	44.9%	7.1%
Dycom	106.9%	49.2%
Mastec	144.1%	29.3%
MIRAIT Holdings	34.8%	5.6%

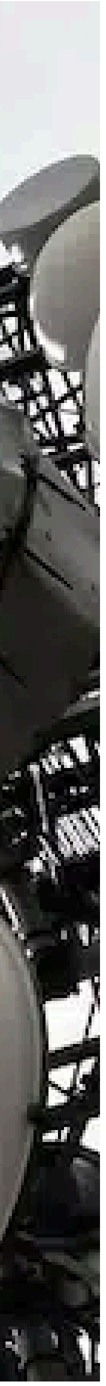
Company Revenue Multiples

	6/30/26	6/30/25
Engineering and Construction Index	2.0x	1.1x
Baran Group	1.3x	0.8x
COMSYS Holdings	0.9x	0.6x
Dycom	2.8x	1.7x
Mastec	2.3x	1.2x
MIRAIT Holdings	0.7x	0.5x

Company EBITDA Multiples

	6/30/26	6/30/25
Engineering and Construction Index	15.4x	9.4x
Baran Group	20.5x	9.4x
COMSYS Holdings	9.4x	6.0x
Dycom	21.4x	14.3x
Mastec	29.4x	16.3x
MIRAIT Holdings	8.6x	7.3x

Source: Capital IQ



ABOUT FOCUS INVESTMENT BANKING

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