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M&A INDUSTRY REPORT

Telecom U.S. Communications Service Provider

SUMMER 2026

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 it's mission to redefine the banker/client relationship.

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OVERVIEW

It was a difficult three-month period for the FOCUS Communications Service Provider Index (CSPI).

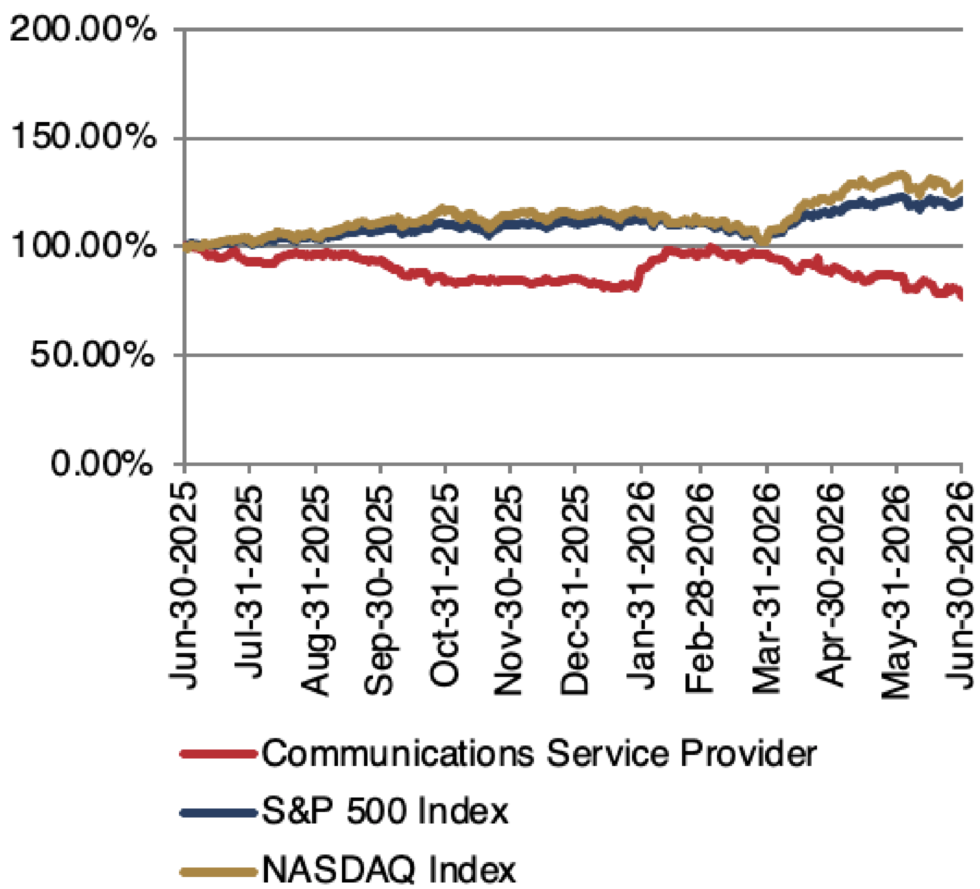
While the S&P 500 gained 14.9% and the NASDAQ gained 21.4% over the past three months, the CSPI fell 20.2% over this same time period. The situation is not any better when viewed over the full 12-month period. The CSPI fell nearly 25% over the past year, while the S&P 500 and the NASDAQ both had gains in excess of 20%. Sector multiples are also lower than they were at this same time last year.Sector multiples closed out the period at 2.2x revenue (compared to 2.5x a year ago) and 6.0x EBITDA (compared to 6.5x a year ago). This indicates that investment sentiment towards the sector has deteriorated.

The biggest drag on the CSPI's performance came from the National Providers sub sector, which plummeted 20.8% in the past three months. Four of the five companies in the sub sector had double digit declines this period, with Lumen serving as the lone exception. Things are not much better over the full year period. While Lumen is up more than 75% over the past year, all of the other stocks in the sub sector traded in negative territory. This included Charter, which shed more than 60% of its value.

The Residential Providers sub sector also traded in negative territory over the past three months, although with a somewhat more modest decline of 12.2%. The sub sector is also down 10.7% over the past year. We noted that Optimum had a strong quarter, posting a gain of 11.5%.However, Cable One was down more than 40% in the past three months. Combined with a 12.1% decline at Telephone and Data Systems, this was more than enough to drag the sub sector into negative territory. Sub sector multiples ended the period at 3.1x revenue (up from 2.7x a year ago) and 7.7x EBITDA (up from 7.6x a year ago).

The lone bright spot for the CSPI was the Business and Wholesale sub sector, which posted an impressive gain of 45.7% over the past three months. Bandwidth was the star performer, as the company delivered an eye-popping gain of 255.2%. Uniti also chipped in with a gain of 22.3%. Unfortunately, Cogent was not able to benefit from the sub sector's overall positive momentum, as the company fell 26.3% this period. The sub sector now trades at 4.0x revenue, which is a decrease compared to its year-ago revenue multiple of 4.4x. However, the sub sector's EBITDA multiple of 10.9x represents a slight increase compared to its EBITDA multiple this time last year of 10.6x.

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Communications Service Provider	-23.3%	-20.2%
National Providers	-23.6%	-20.8%
Business and Wholesale	10.7%	45.7%
Residential Providers	-10.7%	-12.2%
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
Communications Service Provider	2.2x	2.5x
National Providers	2.2x	2.5x
Business and Wholesale	4.0x	4.4x
Residential Providers	3.1x	2.7x

Sector and Sub Sector EBITDA Multiples

	6/30/26	6/30/25
Communications Service Provider	6.0x	6.5x
National Providers	5.9x	6.5x
Business and Wholesale	10.9x	10.6x
Residential Providers	7.7x	7.6x

Source: Capital IQ

M&A ACTIVITY

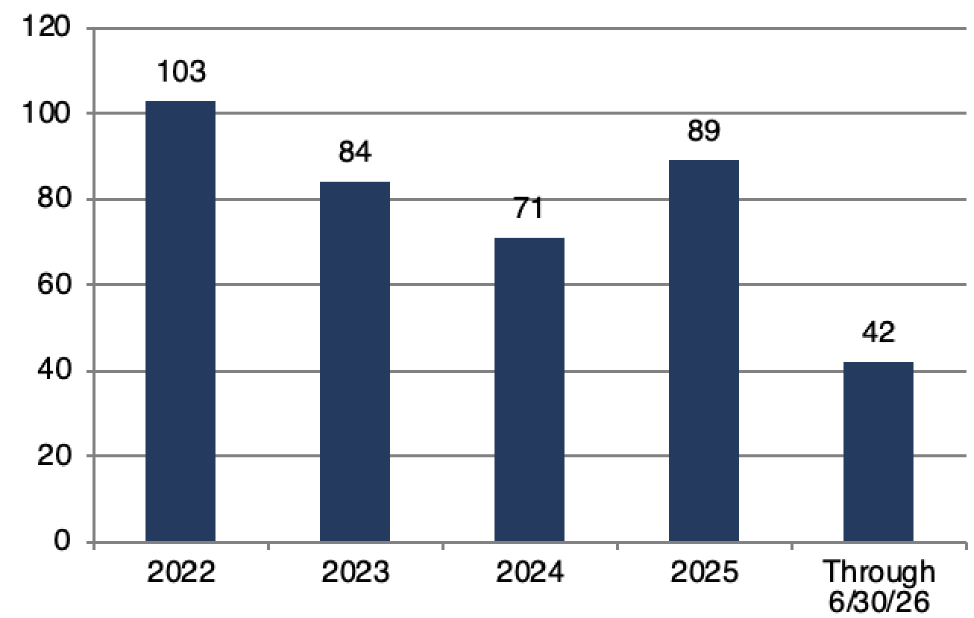
We counted 20 total transactions in the Communications Service Provider sector over the past three months. This represents a solid level of M&A activity in terms of the number of transactions. However, the total announced dollar value of these transactions was relatively low at only $310 million. We see a similar picture when we assess the sector's level of M&A activity at the midpoint of 2026. The 42 total transactions for the year are consistent with what we have seen since the boom year of 2022. Meanwhile, the $2,106.7 million in total announced transaction dollar value is well below the levels that we saw in either 2024 or 2025.

The Business and Wholesale sub sector accounted for 11 total transactions this period, or slightly more than half of the total. Most of these were transactions involving asset light managed services or hosted communications providers. These included new private equity investments in CallTower (from Court Square Capital Partners) and Spectrotel (from Charlesbank Capital Partners).Spectrotel put its capital to work immediately by announcing that it would acquire fellow managed network services provider Airespring. In other deals involving managed network services companies, COEO acquired S-Net Communications and RingSquared announced that it would acquire Easton Telecom Solutions.We did note two transactions this period involving companies that own and operate fiber networks. These were the GCI acquisition of Alaska-based Quintillion and the acquisition of Dark Fiber & Infrastructure by SummitIG.

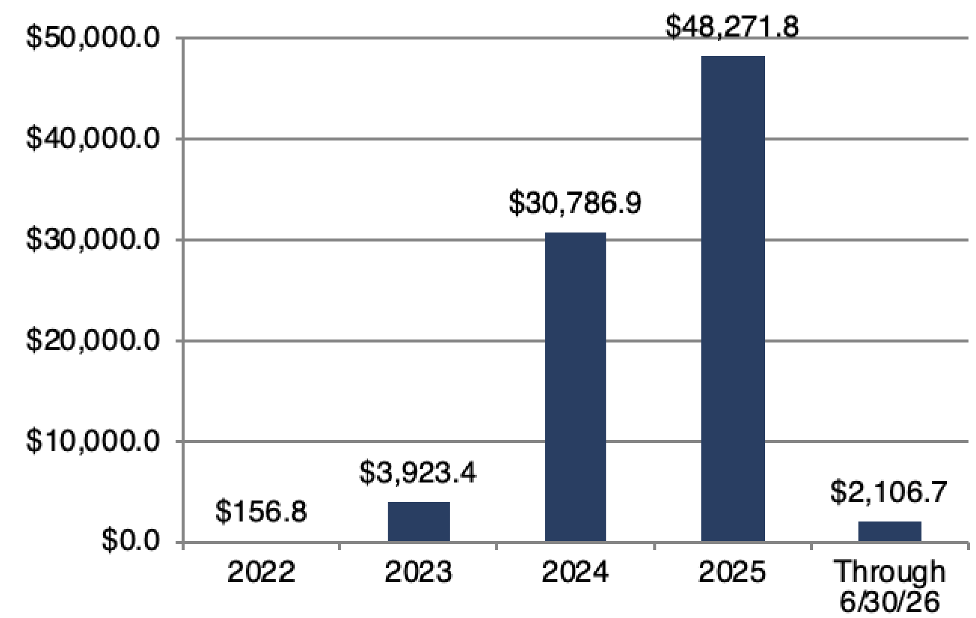
Activity in the residential Provider sub sector was down somewhat from the elevated levels in our spring report. The sub sector had nine transactions for this most recent three-month period. T-Mobile accounted for two of these as it continued to expand its residential fiber network with acquisitions of Greenlight Networks/GoNetspreed and i3 Broadband. Grain Management also combined two of its portfolio companies, as Ritter Communications acquired Great Plains Communications. Finally, we noted several transactions involving smaller broadband operators. These included the Omni Fiber purchase of Citizens Fiber in Pennsylvania, the Telephone and Dats Systems acquisition of Granite State Communications in New Hampshire and the TruVista Communications acquisition of a municipal fiber network from the city of Commerce, Georgia.

There were no transactions with announced multiples in our summer reporting period.

Number of Transactions



$ Value of Transactions in Millions



Source: Capital IQ

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

Acquiror	Target	Date Announced	Sector	Purchase Price	Description
Intrepid Fiber Networks	Ubiquity (Southern California Assets)	6/30/26	Residential Providers	NA	Southern California fiber network offering fiber-to-the-premises broadband services across San Diego County.
SummitIG	Dark Fiber & Infrastructure	6/30/26	Business and Wholesale	NA	Conduit, dark fiber and related services that provide high capacity, low latency pathways between Northern Virginia and Baltimore.
Ritter Communications	Great Plains Communications	6/17/26	Residential Providers	NA	Operates a network in the Midwest with more than 20,000 miles of fiber serving residential and business customers in nearly 200 communities.
Amplix	RAS3 Communications and Consulting	6/10/26	Business and Wholesale	NA	Telecom advisory firm serving business clients nationwide.
RingSquared	Easton Telecom Solutions	6/9/26	Business and Wholesale	NA	Voice, data, internet and conferencing solutions to businesses ranging from small companies to multi-location enterprises.
Opex Technologies	Intellys	6/8/26	Business and Wholesale	NA	Advises enterprise clients across carrier solutions, hosted voice, managed services and on-site technical support.
Omni Fiber	Citizens Fiber	6/1/26	Residential Providers	NA	Gigabit internet, cable television and phone services in Westmoreland County, Pennsylvania.
Great Plains Communications	FastWyre (Nebraska Operations)	5/19/26	Residential Providers	NA	Provides broadband services to more than two dozen communities in Nebraska.
Syntrio	Tri-County Electric Cooperative (Fiber Assets)	5/19/26	Residential Providers	NA	Fiber optic network services for consumers and businesses in multiple counties in Texas.
COEO Solutions	S-Net Communications	5/4/26	Business and Wholesale	NA	Managed communications and internet services for small and medium-sized businesses including internet, SD-WAN, voice and cloud services.
T-Mobile	GoNetspeed and Greenlight Networks	4/28/26	Residential Providers	NA	Fiber network in the northeastern U.S. that is expected to cover 1.3 million households by the end of 2026.
T-Mobile	i3 Broadband	4/28/26	Residential Providers	NA	Fiber network operator passing nearly 500 thousand households in Missouri, Illinois and Rhode Island.
Charlesbank Capital Partners	Spectrotel	4/23/26	Business and Wholesale	NA	Managed network services including SD-WAN, SASE, cloud connectivity and advanced security.
Spectrotel	Airespring	4/23/26	Business and Wholesale	NA	Global managed network services provider delivering connectivity, networking and security solutions to enterprises.
GCI Cable	Quintillion	4/22/26	Business and Wholesale	$310.0	Subsea and terrestrial fiber infrastructure serving carriers, government agencies, healthcare systems and enterprise customers across Alaska.
Telephone & Data Systems	Granite State Communications	4/21/26	Residential Providers	NA	Communications services for consumers and businesses primarily in New Hampshire with11 thousand total fiber passings.
TruVista Communications	City of Commerce Municipal Telecom Network	4/21/26	Residential Providers	NA	Municipal telecommunications network supporting local businesses in the town of Commerce, Georgia.
BCM One	Vive	4/7/26	Business and Wholesale	NA	Unified communications, VoIP and contact center solutions for enterprises in the U.S.
Court Square Capital Partners	CallTower	4/2/26	Business and Wholesale	NA	Unified communications, collaboration, contact center and customer experience solutions for complex, multi-vendor, multi-location environments.
Parallel Technologies	CRI	4/2/26	Business and Wholesale	NA	Partner for Zoom, RingCentral and Mitel with over 100,000 seats and expertise in healthcare, finance, manufacturing, hospitality and government.

Source: Capital IQ

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

Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Crexendo	Estech Systems	3/2/26	Business and Wholesale	$35.0	1.3 x	NA	Provider of cloud communications solutions headquartered in Plano, Texas.
Cable One	Vyve Broadband	1/5/26	Residential Providers	$1,751.8	5.7 x	NA	Cable and fiber broadband operator serving rural communities in sixteen states across the Southeast, Northwest and Mid-South.
Ooma	Phone.com	11/24/25	Business and Wholesale	$23.2	1.0 x	18.6 x	Cloud communications/UCaaS provider focused on serving small and medium sized businesses.
Ooma	Fluentstream	11/3/25	Business and Wholesale	$45.0	1.8 x	4.5 x	Cloud-hosted unified communications solutions for small and medium-sized businesses in the United States.
Digital Bridge and Crestview Partners	Wide Open West	8/11/25	Residential Providers	$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.

Source: Capital IQ

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

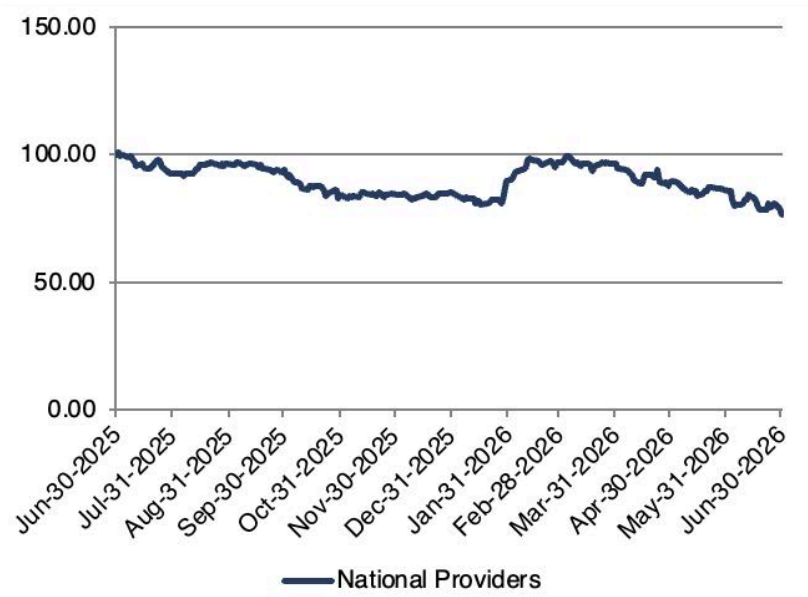
SUB SECTOR ANALYSIS:

- 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.

Twelve Month Index Return



Company Revenue Multiples

	6/30/26	6/30/25
National Providers Index	2.2x	2.5x
AT&T	2.4x	2.9x
Charter	2.2x	2.8x
Comcast	1.4x	1.8x
Lumen	1.6x	1.6x
Verizon	2.7x	2.6x

Company Returns

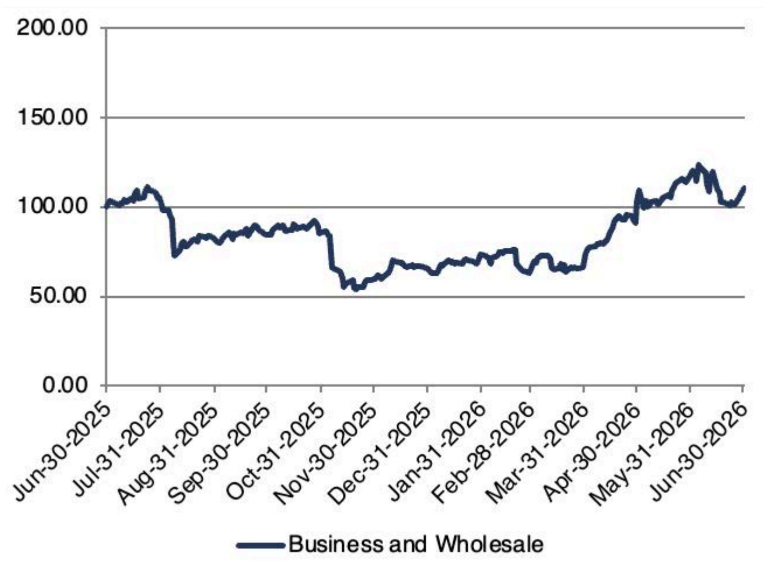
	12 Month	3 Month
National Providers Index	-23.6%	-20.8%
AT&T	-28.5%	-28.6%
Charter	-65.2%	-34.1%
Comcast	-31.2%	-14.5%
Lumen	75.3%	10.5%
Verizon	-2.1%	-15.7%

Company EBITDA Multiples

	6/30/26	6/30/25
National Providers Index	5.9x	6.5x
AT&T	7.0x	8.2x
Charter	5.4x	7.0x
Comcast	4.9x	5.9x
Lumen	8.4x	6.3x
Verizon	7.2x	7.1x

Source: Capital IQ

Twelve Month Index Return



Company Revenue Multiples

	6/30/26	6/30/25
Business and Wholesale Index	4.0x	4.4x
Bandwidth	3.0x	1.2x
Cogent Communications	3.6x	4.9x
Uniti	4.4x	6.0x

Company Returns

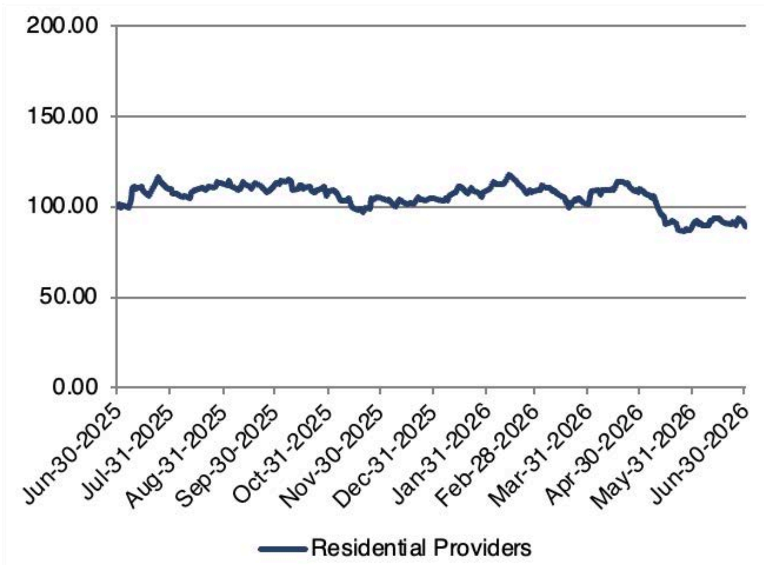
	12 Month	3 Month
Business and Wholesale Index	10.7%	45.7%
Bandwidth	298.1%	255.2%
Cogent Communications	-71.2%	-26.3%
Uniti	60.1%	22.3%

Company EBITDA Multiples

	6/30/26	6/30/25
Business and Wholesale Index	10.9x	10.6x
Bandwidth	65.3x	27.2x
Cogent Communications	18.9x	32.0x
Uniti	9.8x	7.6x

Source: Capital IQ

Twelve Month Index Return



Company Revenue Multiples

	6/30/26	6/30/25
Residential Providers Index	3.1x	2.7x
Cable One	2.2x	2.7x
Optimum Communications	3.1x	3.0x
Telephone and Data Systems	4.4x	2.2x

Company Returns

	12 Month	3 Month
Residential Providers Index	-10.7%	-12.2%
Cable One	-60.9%	-41.8%
Optimum Communications	-32.2%	11.5%
Telephone and Data Systems	4.0%	-12.1%

Company EBITDA Multiples

	6/30/26	6/30/25
Residential Providers Index	7.7x	7.6x
Cable One	4.5x	5.5x
Optimum Communications	8.1x	8.2x
Telephone and Data Systems	17.1x	9.7x

Source: Capital IQ

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