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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.

FALL 2026



TABLE OF CONTENTS

03

Overview

04

Public Markets
Summary

06

M&A Summary

07

M&A Transactions

08

M&A Transactions
with Announced
Multiples

09

FOCUS Telecom
Technology and
Services Team

10

Appendix: Sub
Sector Analysis



OVERVIEW

The FOCUS Telecom Business Services Index (TBSI) fell 29.1% in the past three months, more than erasing its 28.2% gain from our summer reporting period.

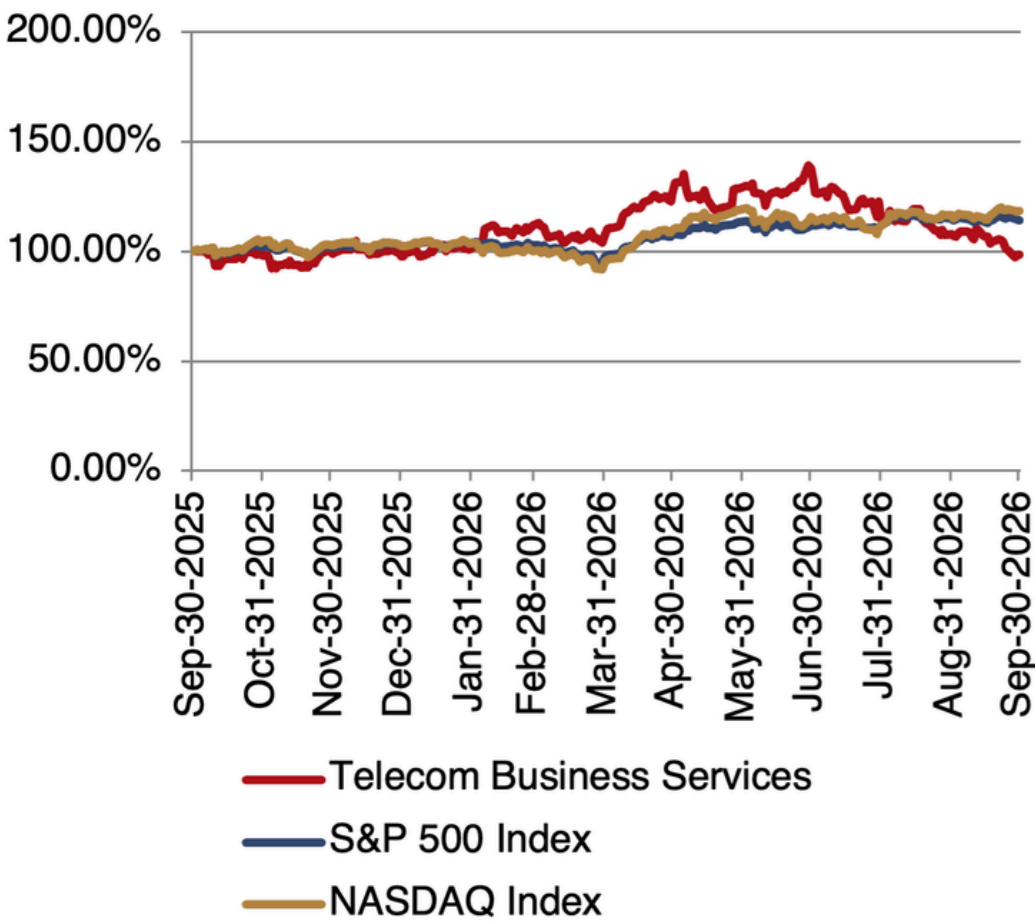
This also ended a run of two straight periods in which the TBSI outperformed the broader indices, as the S&P 500 and the NASDAQ posted modest gains of 2.0% and 2.5%, respectively. The sharp decline pulled the TBSI's full year return into negative territory. The TBSI is down 1.6% over the 12-month period, as compared to gains in the S&P 500 and NASDAQ of 14.4% and 18.5%, respectively. Sector multiples also declined over the past year. The revenue multiple for the TBSI decreased from 1.1x a year ago to 1.0x at the end of the current reporting period, while the EBITDA multiple dropped even more sharply from 11.1x to 9.4x over the same time frame. Both multiples are also well below the 1.4x revenue and 13.4x EBITDA multiples at the end of our summer reporting period.

The Engineering and Construction sub sector was the main driver of the TBSI's decline with a three-month loss of 42.8%. This represents a sharp reversal from its 31.0% gain last period. MasTec and Dycom, which led the sub sector's gains in our summer report, were the biggest decliners with losses of 48.7% and 46.8%, respectively, while Baran Group fell 31.5%. COMSYS Holdings bucked the trend with a 3.8% gain. After more than doubling over the 12-month period in our summer report, the sub sector is now up just 2.4% for the full year period. COMSYS Holdings (up 39.6%) was the best performer over the past year, while Dycom (down 7.8%) was the only company with a full year loss. Sub sector multiples closed out the period at 1.2x revenue and 8.7x EBITDA, compared to year-ago multiples of 1.3x revenue and 10.5x EBITDA. Finally, ITG is now included in the sub sector following its June 30 IPO and ended the period at 0.9x revenue and 8.2x EBITDA.

Momentum slowed in the Distributors and Logistics Services sub sector as it was essentially flat with a three-month gain of 0.2% following a 22.8% gain last period. Strong gains at Insight (up 28.3%) and PC Connection (up 23.6%) were offset by an 8.9% decline at CDW, the largest market cap company in the sub sector. Insight has now posted double-digit gains in back-to-back periods following its 81.8% gain last period. The sub sector is down 5.4% for the full year period, an improvement from the more than 15% loss reported in our summer report. CDW (down 19.5%) was the main drag on the index over the past year, while PC Connection (up 45.6%), Insight (up 37.8%) and ePlus (up 26.8%) all posted strong gains. Sub sector multiples closed out the period at 0.9x revenue and 10.5x EBITDA. Both are lower than year-ago multiples of 1.0x revenue and 11.8x EBITDA.

PUBLIC MARKETS SUMMARY

Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Telecom Business Services	-1.6%	-29.1%
Distributors and Logistics Services	-5.4%	0.2%
Engineering and Construction	2.4%	-42.8%
S&P 500	14.4%	2.0%
NASDAQ	18.5%	2.5%



PUBLIC MARKETS SUMMARY CONTINUED

Sector and Sub Sector Revenue Multiples

	9/30/26	9/30/25
Telecom Business Services	1.0x	1.1x
Distributors and Logistics Services	0.9x	1.0x
Engineering and Construction	1.2x	1.3x

Sector and Sub Sector EBITDA Multiples

	9/30/26	9/30/25
Telecom Business Services	9.4x	11.1x
Distributors and Logistics Services	10.5x	11.8x
Engineering and Construction	8.7x	10.5x



M&A ACTIVITY

M&A activity in the Telecom Business Services sector remained strong in our fall reporting period. We counted 24 transactions over the past three months, only slightly below the 26 in our summer reporting period, while total announced transaction dollar value clocked in at a robust \$3.2 billion. Two transactions that each topped \$1 billion, MasTec's acquisition of The Superior Group and Softcat's acquisition of General Datatech, accounted for \$2.7 billion of this total. For year-to-date 2026, we are now at 66 deals with a total announced transaction dollar value of \$3.8 billion, which already exceeds the 2025 full year total of \$3.3 billion. In terms of the number of announced deals, 2026 is on pace to have the most deals of any year since 2022.

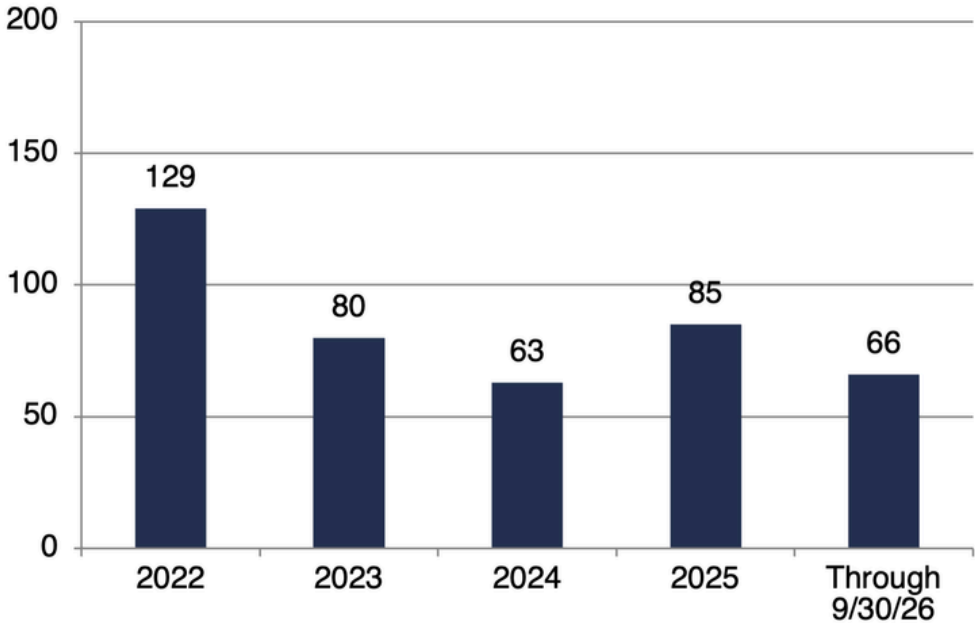
The Telecom Engineering and Construction sub sector accounted for 12 transactions (down from 19 last period) and \$1.9 billion of announced transaction value. This included the period's largest transaction, MasTec's \$1.7 billion acquisition of data center-focused electrical contractor The Superior Group. Data centers were also a theme in Salute Mission Critical's acquisition of T5 Data Centers and Recognize's acquisition of Smartlink. Fiber and broadband deals remained active, including FBR Solutions' acquisition of Southeastern Cable, CIRCET GROUPE's acquisition of Sunrise Telecom and newly public ITG's acquisition of Full Circle

Fiber. We also saw three structured cabling and systems integration deals, including Pavion's acquisition of Communication Company and Catech Systems' acquisition of Envision Technology Group. Internationally, F2 Telecom acquired South Korea's SK TNS for \$279.4 million.

The Distributors and Logistics Services sub sector also had 12 transactions, up from seven last period. Total transaction dollar value was \$1.3 billion. Eight of the sub sector's transactions involved communications and technology distributors, led by Softcat's \$1.1 billion acquisition of General Datatech and ScanSource's \$220.5 million acquisition of Frontier Technology. TBSI constituent ePlus also acquired Daymark Solutions, while Presidio acquired LookingPoint and Pinnacle Technology Solutions acquired Cisco partner Network Solutions. The remaining four deals involved IT asset disposition, refurbishing and device distribution businesses, including Telamon's acquisition of Retire-IT.

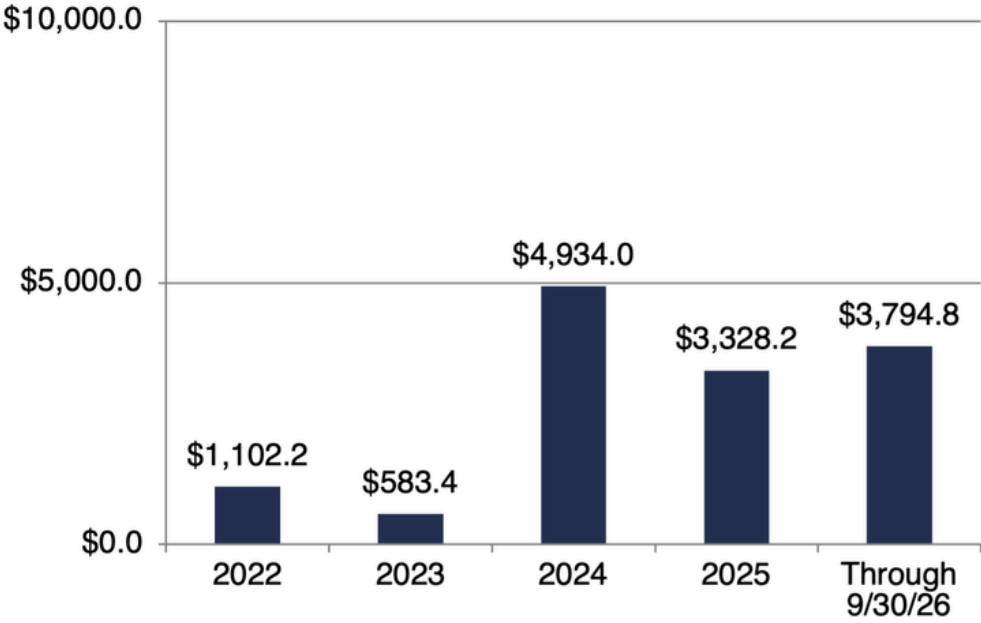
MasTec's acquisition of The Superior Group was the only transaction with announced multiples this period. The deal was valued at 1.0x revenue and 6.9x EBITDA. While healthy, these multiples are somewhat below what we have become accustomed to seeing for companies that operate in the data center space.

Number of Transactions



Source: Capital IQ

\$ Value of Transactions in Millions



ANNOUNCED TRANSACTIONS (7/1/26 – 9/30/26)

Acquiror	Target	Sector	Date Announced	Purchase Price	Description
Triage Partners	Universal Network Development Corporation	Telecom Engineering and Construction	9/25/26	NA	Telecom engineering services including customer engagement, digital pre-fielding, infrastructure design and broadband design/permits.
FBR Solutions	Southeastern Cable	Telecom Engineering and Construction	9/22/26	NA	Broadband construction services for leading cable MSOs and network providers across the Mid-Atlantic.
Softcat	General Datatech	Distributors & Logistics Services	9/17/26	\$1,050.0	IT managed services, software and support for cloud and data center, enterprise networking, cybersecurity and collaboration.
Komposite	Aquastar Consulting	Distributors & Logistics Services	9/9/26	NA	IT cloud integration and managed services in France specializing in network infrastructure and security such as WiFi and firewalls.
Pavion	Communication Company	Telecom Engineering and Construction	9/8/26	NA	Life safety, security and communication systems integration including fire alarm, nurse call, access control, video and cabling.
Tier 1 Asset	Flex IT	Distributors & Logistics Services	9/7/26	NA	Refurbished, pre-owned and new IT hardware distribution, ITAD and hardware lifecycle management services in the Netherlands.
ITOCHU International	We Sell Cellular	Distributors & Logistics Services	9/4/26	NA	Supplies new and used cell phones to wholesale distributors, retailers, repair shops and smaller distributors worldwide.
Salute Mission Critical	T5 Data Centers	Telecom Engineering and Construction	9/1/26	NA	Development, construction and operation of scalable data centers supporting AI and technology companies, including on customer sites.
ECSI System Integrators	Dell-Com	Telecom Engineering and Construction	8/28/26	NA	Telecom infrastructure and systems integration including structured and fiber cabling, outside plant, security and voice/data networks.
Full Circle Electronics	Mac of All Trades	Distributors & Logistics Services	8/25/26	NA	Refurbished Apple technology and device buyback services for consumers, businesses and schools through an online marketplace.
ePlus	Daymark Solutions	Distributors & Logistics Services	8/21/26	NA	Technology integration solutions that help organizations scale IT infrastructure, specializing in modern data center, AI and cloud.
ScanSource	Frontier Technology	Distributors & Logistics Services	8/20/26	\$220.5	Technology hardware, software and outsourced IT support including managed IT, cybersecurity, cloud and data center services.
Catech Systems	Envision Technology Group	Telecom Engineering and Construction	8/19/26	NA	Structured cabling and telecom infrastructure integration including data distribution, fire alarm, security, AV and life safety.
ITG Communications	Full Circle Fiber	Telecom Engineering and Construction	8/10/26	NA	Fiber and OSP engineering, design, deployment and support services for telecom, cable and co-op customers in North America.
Pinnacle Technology Solutions	Network Solutions	Distributors & Logistics Services	8/10/26	NA	Cisco-exclusive partner offering secure networking, collaboration and cloud and AI infrastructure along with managed services.
CIRCET GROUPE	Sunrise Telecom	Telecom Engineering and Construction	8/6/26	NA	Fiber network engineering, aerial and underground construction, maintenance and storm restoration services for broadband providers.
Argan	ValCor Communications	Telecom Engineering and Construction	8/4/26	\$8.3	Installation, maintenance and repair of communication and data networks for defense, aerospace and technology customers in New England.
BlueAlly Technology Solutions	GigaNetworks	Distributors & Logistics Services	8/3/26	NA	Enterprise IT and network security solutions including firewalls, intrusion prevention and endpoint protection plus managed services.
F2 Telecom	SK TNS	Telecom Engineering and Construction	8/3/26	\$279.4	Infrastructure contractor in South Korea that builds mobile networks (base stations, repeaters and optical lines) and data centers.
Framewerx	AD Micro Technology	Distributors & Logistics Services	7/15/26	NA	IT services and solutions in Canada including managed networking, security, storage and cloud, phone system support and cabling.
Presidio	Lookingpoint	Distributors & Logistics Services	7/13/26	NA	Full-service IT solutions provider offering design, implementation and support for collaboration, security, networking and cloud.
Presidio	LookingPoint	Distributors & Logistics Services	7/13/26	NA	IT infrastructure solutions in networking, security, data center, cloud and collaboration with partners including Cisco and HPE.
Telamon	Retire-IT	Distributors & Logistics Services	7/10/26	NA	IT asset disposition management for enterprises focused on chain-of-custody oversight, downstream accountability and clear reporting.
Recognize	Smartlink	Telecom Engineering and Construction	7/8/26	NA	Digital infrastructure services for carriers, hyperscalers, data center operators and tower owners from engineering to maintenance.
Mastec	The Superior Group	Telecom Engineering and Construction	7/7/26	\$1,650.0	Electrical contractor focused on data centers and other critical infrastructure in the healthcare, entertainment and industrial markets.

ANNOUNCED TRANSACTIONS WITH REVENUE MULTIPLES (10/1/25 – 9/30/26)

Acquiror	Target	Sector	Date Announced	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Mastec	The Superior Group	Telecom Engineering and Construction	7/7/26	\$1,650.0	1.0 x	6.9 x	Electrical contractor focused on data centers and other critical infrastructure in the healthcare, entertainment and industrial markets.
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.



OUR TEAM

FOCUS Telecom Technology and Services Team



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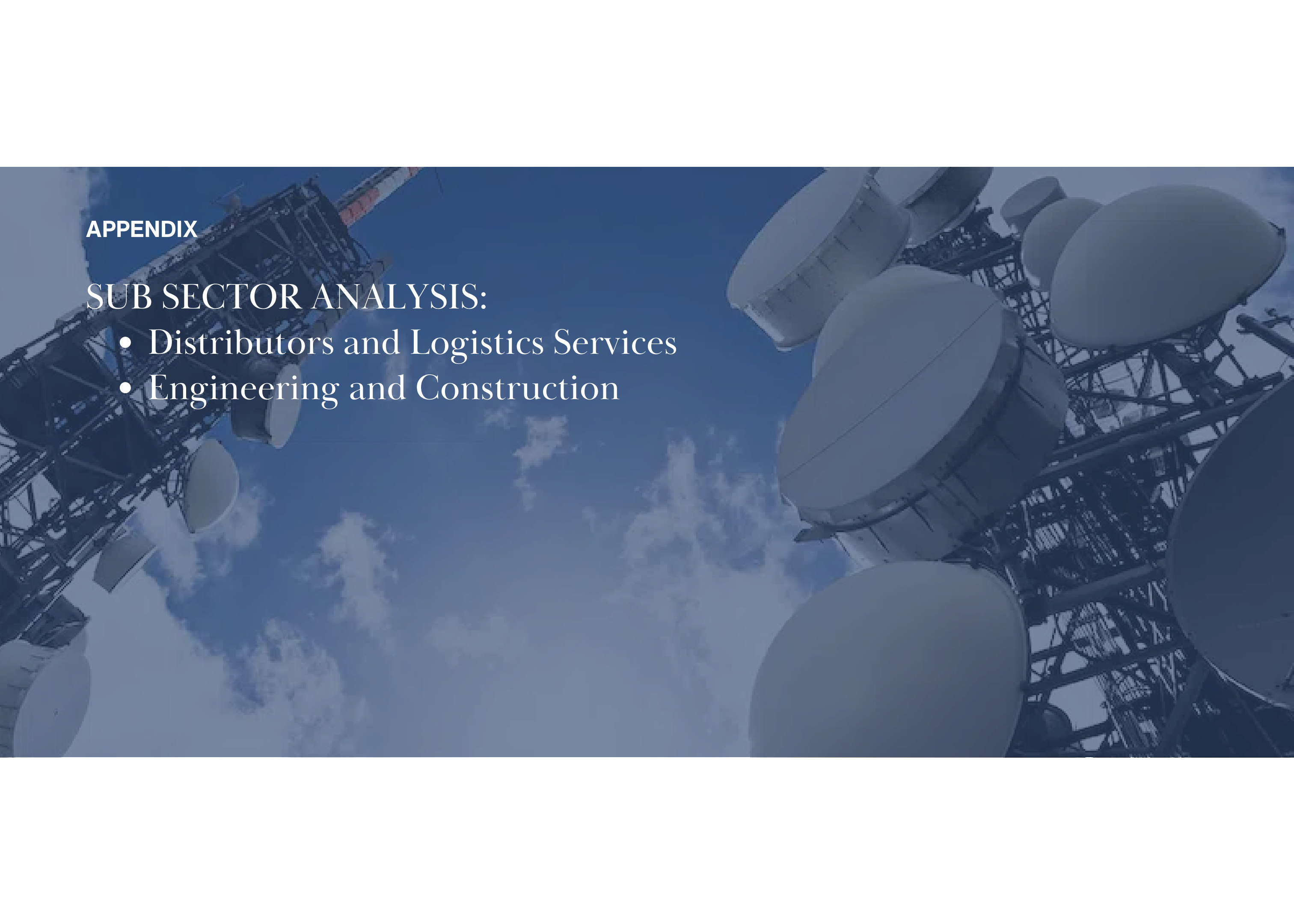
Rich Pierce has more than 20 years of investment banking experience advising middle market clients on a variety of mergers and acquisitions and capital raising transactions. During that time, Mr. Pierce's primary emphasis has been on serving clients in the telecommunications industry including providers of network related hardware and software products, wireless and wireline telecommunications service providers and network engineering and construction companies.



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Paul Carter has more than 10 years of investment banking experience advising middle market clients on a variety of mergers and acquisitions, capital raising and capital markets transactions. During that time, Mr. Carter's primary emphasis has been on serving clients in the technology, software and telecommunications industries, including advising on sell-side M&A processes and public market transactions across multiple technology industry sub-verticals.



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	-5.4%	0.2%
CDW	-19.5%	-8.9%
ePlus	26.8%	8.1%
Insight	37.8%	28.3%
PC Connection	45.6%	23.6%

Company Revenue Multiples

	9/30/26	9/30/25
Distributors and Logistics Index	0.9x	1.0x
CDW	0.9x	1.2x
ePlus	0.8x	0.7x
Insight	0.7x	0.6x
PC Connection	0.7x	0.4x

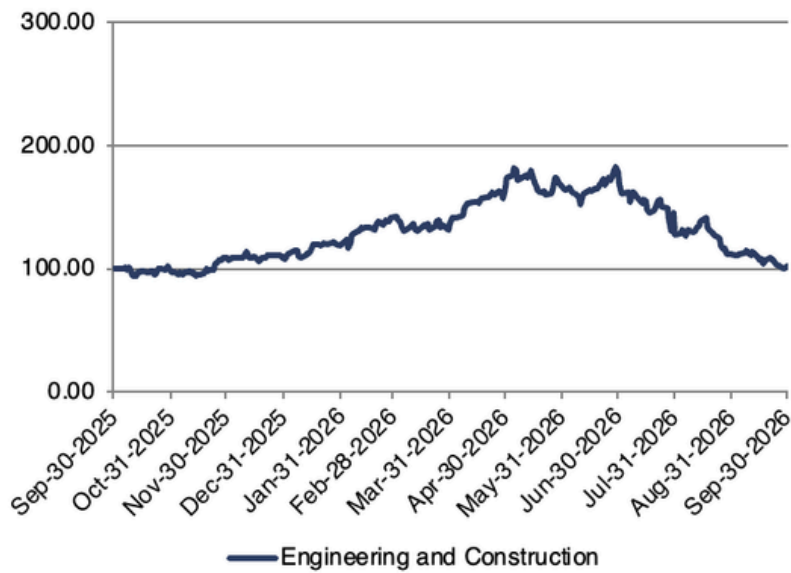
Company EBITDA Multiples

	9/30/26	9/30/25
Distributors and Logistics Index	10.5x	11.8x
CDW	11.0x	13.5x
ePlus	10.6x	9.3x
Insight	9.5x	9.1x
PC Connection	14.5x	10.9x



SUB SECTOR ANALYSIS: ENGINEERING AND CONSTRUCTION

Twelve Month Index Return



Company Returns

	12 Month	3 Month
Engineering and Construction Index	2.4%	-42.8%
Baran Group	14.2%	-31.5%
COMSYS Holdings	39.6%	3.8%
Dycom	-7.8%	-46.8%
ITG	NA	NA
Mastec	0.4%	-48.7%
MIRAIT Holdings	13.7%	-6.5%

Source: Capital IQ

Company Revenue Multiples

	9/30/26	9/30/25
Engineering and Construction Index	1.2x	1.3x
Baran Group	0.8x	0.8x
COMSYS Holdings	0.9x	0.6x
Dycom	1.6x	1.9x
ITG	0.9x	NA
Mastec	1.2x	1.4x
MIRAIT Holdings	0.6x	0.5x

Company EBITDA Multiples

	9/30/26	9/30/25
Engineering and Construction Index	8.7x	10.5x
Baran Group	15.8x	8.6x
COMSYS Holdings	9.2x	6.5x
Dycom	11.6x	15.4x
ITG	8.2x	NA
Mastec	15.3x	18.7x
MIRAIT Holdings	6.9x	6.5x





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.

