Digital Infrastructure Industry Update—Q1 2023

Dear Clients and Friends,

Houlihan Lokey is pleased to present its Digital Infrastructure Industry Update for Q1 2023. We have included topical news stories, transaction announcements, public markets valuation data, and industry insights to help keep you abreast of this dynamic and constantly evolving industry.

Houlihan Lokey now has more than 40 bankers between the U.S. and Europe covering the digital infrastructure sector.

This update also includes the latest from Houlihan Lokey’s Capital Markets team, the largest and most active non-balance-sheet placement agent on Wall Street. The Capital Markets Group brings real-time knowledge of and insight into what is achievable in today’s volatile markets based on recent and in-process financing transactions.

We hope you find this quarterly update to be informative and that it serves as a valuable resource to you. If there is additional content you would find useful for future updates, please don’t hesitate to call or email us with your suggestions.

Regards,

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Industry Subsectors Covered

- Broadband
- Data Centers
- Wireless Infrastructure
- Wireless and Spectrum
- Connectivity Software
- Digital Infrastructure Services
Accomplishments: Q1 2023 in Review

Houlihan Lokey continued its position as a leading investment banking advisor to digital infrastructure and connectivity companies, having recently advised Surf Internet on a $100 million financing, Palisade Infrastructure on its pending acquisition of Rainier Connect, QMC on the sale of its tower portfolio to Crown Castle, T-Mobile on the divestiture of its nationwide fiber network to Cogent, and Georgia Public Web on its sale to Accelecom. The team also expanded its digital infrastructure coverage with the acquisition of Oakley Advisory, significantly growing the group’s European presence.

The Digital Infrastructure team has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital raising, restructuring, and financial and valuation advisory. A trusted advisor, the group combines extensive market capabilities with in-depth industry knowledge to help clients maximize shareholder value.

The Digital Infrastructure team is part of Houlihan Lokey’s global Technology Group, with approximately 200 bankers dedicated to delivering superior results and outstanding service in the TMT sector.

Selected Recent Transactions
Case Study: Surf Internet

Client Profile

- Surf Internet (Surf), a portfolio company of Bain Capital Credit (Bain) and Post Road Group (Post Road), is a leading high-speed internet provider to customers in the Great Lakes region. Based in Elkhart, Indiana, Surf delivers fiber and fixed wireless connectivity to residential, e-rate, and commercial customers across Indiana, Illinois, and Michigan. Surf’s residential fiber network currently serves 27,000 customers. The company intends to build an additional 100,000 passings in 2023. Surf has an additional pipeline of attractive build opportunities for continued network expansion through 2024.

- Founded in 1998, Bain is a leading credit specialist with approximately $41 billion in assets under management. Bain invests across the credit spectrum, including liquid and structured credit, private credit, and other bespoke capital solutions.

- Founded in 2015, Post Road is an alternative investment firm focused on middle-market corporate strategies and real estate. Post Road has more than $2.3 billion in invested and committed capital.

Our Role

- Houlihan Lokey’s Capital Markets Group served as the exclusive placement agent to Surf, assisting the company in arranging, structuring, and negotiating the financing.

Transaction Snapshot

- Surf raised $100 million of debt financing from DigitalBridge Credit, a division of DigitalBridge Group, Inc. Surf secured the new debt capital to support the company’s mission to transform broadband in the Great Lakes region by expanding its dense fiber networks into more communities. The new funding will support Surf’s plan to expand its network into more than 60 markets while strengthening its multi-gig capabilities. The debt raise comes alongside significant equity investment from the company’s existing sponsors, Bain Capital and Post Road Group, and management team.

- The success of the transaction highlights Houlihan Lokey’s ability to bring capital markets and industry expertise together to tailor a process that generates competitive tension from both strategic and financial investors.
Key Industry Trends by Sector

**Broadband**

**Fiber Build-Outs**

- Updated fiber build-out targets continue to be announced by enterprise and residential broadband ISPs in Q1 2023. Some companies have reduced passing targets while others have accelerated network construction plans.
  - Altice plans to pass 900,000 homes in 2023, which is down from the original target of 1.6 million.
  - AT&T announced plans to pass 2 million new locations in 2023 and an additional 1.5 million locations as part of its new Gigapower joint venture.
  - Frontier announced a revised 2023 passings target of 1.3 million, up from the 1.2 million passings it built in 2022.
  - Shentel announced plans to build 100,000 passings in 2023, an increase from the ~72,000 that were built in 2022.
  - MetroNet announced plans to build 500,000 new passings in 2023.

**Government Maintains Focus on Broadband**

- Congress continues to prioritize broadband availability and accessibility across the country. The Senate and the House both introduced a bill to direct the FCC to expand the collection base for USF.
- It is not determined if and how the FCC will decide to expand the base. Potential options that have been discussed include contributions from content providers like Google and Amazon or ISPs.
- As of January 2023, $6 billion of the ACP funds have been claimed as the number of participants continues to grow at an estimated rate of 200,000 new households per week.
- The ACP funds are forecasted to run out at the end of 2024 without congressional intervention.

**Data Centers and Managed Services**

**Rise of AI Creating Demand for HPC DCs**

- In 2022, we saw noteworthy advances in artificial intelligence, including the emergence of OpenAI’s ChatGPT, which has generated significant interest from investors.
- The viral growth of AI deployments for weather modeling, vaccine research, oil and gas prospecting, and other intense workload applications will require a transformation of digital infrastructure and will likely redefine existing data centers.
  - Data center infrastructure is the microprocessing “brain” of AI platforms and is home to the hardware and computing resources that enables AI to process massive datasets and calculations.
- This recent movement creates opportunities for specialized high-performance compute (HPC) platforms and high-density colocation providers (such as Quebec HPC data center developer, QScale) that offer a modern design equipped with new processors and cooling infrastructure capable of supporting massive workloads and operating at higher density.
  - HPC data centers are expected to be the fastest-growing subsector in the data center co-location industry over the next 5–10 years.

**Resource Constraints Fueling Submarkets**

- Secondary markets and new submarkets continue to gain momentum as power and land shortages slow the growth of primary markets.
  - Northern Virginia provides the most obvious example of this trend. As popular areas of Ashburn and Loudon County reach capacity, companies have decided to build in surrounding submarkets, such as Aligned Data Centers’ commitment to build on Quantum Loophole’s megacampus in nearby Frederik County, Maryland.
  - Chicago is expected to experience similar submarkets boom in the next one to two years.

Sources: SEC, Fierce Telecom, Business Wire, Broadband Communities, PR Newswire, Synergy Research Group, Data Center Frontier, Telecompetitor, WallStreet Research, company filings, press releases, and industry research.
Key Industry Trends by Sector (cont.)

### Wireless Infrastructure

**M&A and Capital-Raising Activity**

- In March, PLDT agreed to sell more than 1,000 towers as part of a sale and leaseback deal with Frontier Tower Associates Philippines for $220M. Frontier, which is backed by KKR, will acquire the towers from PLDT subsidiaries Smart Communications and Digitel Mobile.

- In March, Radius Global, EQT, and PSP entered into a definitive agreement under which EQT Active Core Infrastructure and PSP will acquire Radius for $15.00 per share in cash, representing a total EV of ~$3 billion. Radius owns and acquires critical digital infrastructure, including ground, tower, and in-building cell sites, in more than 20 countries across North and South America, Europe, and Australia. Radius’ portfolio of approximately 9,000 leases across 7,000 sites serves more than 200 customers.

**Recent Developments**

- In March, BAI Communications announced that it will rebrand as Boldyn Networks, bringing its six companies together under one brand. Those six brands include BAI Communications, Mobilitie, Signal Point Systems, Transit Wireless, Vilicom, and ZenFi Networks. The company will immediately become one of the world’s largest shared network infrastructure providers.

- Cellnex, which has become Europe’s largest tower owner via a series of acquisitions, will replace its CEO Tobias Martinez, who is expected to leave the company in June. Cellnex has amassed a portfolio of 138,000 towers in 12 countries.

- A report from the Wireless Infrastructure Association (WIA) said there were 142,000+ cellular towers in operation in the U.S. at the end of 2022, with the majority of towers owned and operated by independent(1) tower companies. The three largest U.S. tower operators by tower count are American Tower (42.8k), Crown Castle (40.1k), and SBA Communications (17.4k).

### Wireless and Spectrum

**Accelerated Growth in Private Wireless**

- A February report published by the Global Mobile Suppliers Association, an organization that tracks the growth of private wireless networks, noted a 12.8% quarterly increase in organizations that have deployed at least one private wireless network within its operations.

- The industry’s largest players (such as Nokia and Ericsson) are excited by this increased activity, especially when considering the potential addressable market of 14 million industrial sites globally, according to Nokia.

- The promising technology and market opportunity for private wireless networks continues to attract well-capitalized providers, such as Cox Communications, Intel, and Future Technologies, who recently announced a plan to collaborate and provide cutting-edge solutions to a variety of industries.

- Additionally, the National Football League (NFL) announced a partnership with Verizon to deploy private networks in 30 NFL stadiums, using CBRS spectrum to facilitate more efficient coaching communications.

**M&A and Capital-Raising Activity**

- In March 2023, T-Mobile entered into a definitive agreement to acquire Ka’ena Corporation for $1.35B, which includes its subsidiaries Mint Mobile, Ultra Mobile, and Plus. Mint Mobile serves between 2.5 million and 3 million subscribers, and the carrier was already using T-Mobile’s network as an MVNO.

- In March 2023, KORE Group Holdings entered into a definitive agreement to acquire the IoT assets of Twilio. The price and terms were not disclosed, but Twilio received an 11.5% stake in the company.

- In March 2023, Wireless Logic closed its acquisition of Blue Wireless, a Singaporean IoT provider. Blue Wireless delivers managed network connectivity through both wireless WAN solutions and 5G LTE services. Terms were undisclosed.

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(1) Independent meaning non-carrier or wireless-operator-owned.
Key Industry Trends by Sector (cont.)

### Digital Infrastructure Services

#### M&A Activity
- Q1 2023 continued the trend from 2022, where digital infrastructure services M&A deal volume was at the lowest level in the past five years.
- Q1 2023 deal activity consisted of mostly bolt-on acquisitions for established players with deals completed by Centerline Communications (Audax), NextEdge Networks (Bow River Capital), GRIDSource (Hastings Equity Partners), and Tower Engineering Professionals (Prairie Capital).
- There are numerous processes that have launched in the past two years that have not yet transacted.

#### Sector Trends and Challenges
- 2022 yielded the highest level of U.S. wireless capex spend in history and (likely) the highest level of U.S. wireline capex spend since 2001.
- Wireless capex is projected to decline over the next few years, but will remain higher than 2021 levels for the foreseeable future.
- Despite recent talk about wireline players pulling back in the short term due to supply chain delays, labor shortages, inflation, etc., the U.S. is still in the early innings of fiber deployment with only ~47 million fiber-fed homes today out of a base of 142 million U.S. homes.
- Price-per-unit has declined over the past five-plus years, and digital infrastructure service companies need to maintain margins.

### Connectivity Software

#### Continued Secular Growth
- Underlying growth drivers appear as strong as ever, despite recent market volatility.
- Many clients are reporting outperformance, new contract wins, and record pipelines. Growth rates of 30%, 50%, and 100%+ have been commonly observed.
- Additionally, companies with scale ($20M+ revenue) are exploring inorganic growth opportunities to build on their positions in their respective end markets.
- In the lower end of the market (<$10M revenue), numerous add-on opportunities have emerged, particularly in the deployment management space, where we are following more than a handful of developing opportunities.
- These organic and inorganic growth opportunities are spurring conversations around growth equity financing opportunities.
- During heightened volatility of Q1, companies with existing PE and VC backing turned to those investors to help finance growth and provide working capital.
- Many founder-owned, bootstrapped businesses have been preparing to run capital-raising processes in the coming quarters.
- While the pace of dealmaking slowed this quarter, markets have remained open. Notable transactions include Arrcus’ $50M raise, Forward Networks’ $50M raise, Blues Wireless’ $32M raise, Vetro’s $7M raise, Cohere Technologies’ raise, and Athonet’s acquisition by HPE.

#### Hot off the Press
- Houlihan Lokey recently published its second edition of Software for the Connected World, which contains 90 pages of content on themes that we expect to shape the year ahead. The report can be found [here](#).
## Significant News Stories

### Subject: 5G Deployment Fuels Capex Needs

#### Nguyen: Despite CapEx Ups and Downs, 5G Will Move Forward

*Inside Towers*  
*Date: March 30, 2023*

“At a time when carriers are pulling back on their capital expenditures, Son Nguyen, Senior VP of Leasing Operations at Crown Castle, had a hopeful message. The capacity of today’s telecom networks is going to have to grow a ‘staggering’ amount to handle the 5G data needs of the future, he told an audience at South Wireless Summit held this week in Nashville. Whether that network is built out depends on carriers’ ability and appetite to invest to meet that demand. He explained that there is ample historical precedent for that. So far, the carriers have invested $225 billion in 5G, including $80 billion in the C-band auction. Nguyen cautioned the audience to be patient concerning the investments in the 5G buildout. ‘At Crown, we believe that this is going to actually be, in terms of duration and magnitude, much longer than what we have seen in other [technology] life cycles,’ he said. Even though the life cycle may be longer, Nguyen said the process is predictable. ‘You see it go from 2G, to 3G, to 4G, to 5G. Every cycle requires investments, and then the adoption comes and then it repeats itself,’ he said.”

### Subject: Capital Flows Into Broadband

#### Private Equity Partner Sees Fiber Broadband as a “Competitive Moat”

*Telecompetitor*  
*Date: March 27, 2022*

“Private equity firms have been investing heavily in broadband providers in recent years, typically infusing cash into their acquisitions to expand operations, increase the company’s value and then do an initial public offering or sell the company at a profit several years later. Telecompetitor asked Jan Vesely, a partner with global investment organization EQT Group, questions like these. Among EQT Group’s investments are Zayo, Lumos, and other broadband providers. For EQT, fiber is a top selection criterion in making acquisitions. ‘EQT has developed a global playbook around fiber-to-the-home,’ said Vesely. ‘The lack of fiber presence in the U.S., coupled with the increasing demand for symmetrical, high-bandwidth broadband is driving the large market opportunity for FTTH deployment in the U.S.,’ he added. When evaluating fiber providers, he said, ‘we look for businesses demonstrating repeatable success in entering new markets and achieving attractive penetration levels in those markets.’ An example of a competitive moat might be a market where a fiber company is the only high-speed broadband provider or where the company is one of two high-speed providers but the other isn’t fiber-based and where overbuild is economically or otherwise unfeasible.”

### Subject: FCC Rules Proposal

#### FCC Advances Rules for Satellite/Terrestrial Mobile Convergence

*Fierce Telecom*  
*Date: March 16, 2022*

“Last month, there was a lot of talk at Mobile World Congress in Barcelona about the convergence of space and terrestrial mobile services. That wasn’t lost on FCC commissioners, who voted today to propose rules for a new regulatory framework for satellite-to-smartphone services, dubbed ‘supplemental coverage from space,’ or SCS. The Notice of Proposed Rulemaking comes as numerous satellite-to-smartphone services are rolling out and more are on the drawing board. Apple launched its iPhone 14 SOS service with Globalstar last year. T-Mobile announced its plan to end dead zones with SpaceX, and Qualcomm is working with Iridium to bring cellular-to-satellite connectivity to Android smartphones, to name just a few.

The FCC’s framework would allow a satellite operator to partner with a terrestrial mobile licensee to get access to their terrestrial spectrum through a lease arrangement and modification to the satellite operator’s license. Then the satellite system can provide service directly to the subscribers of the wireless carrier in areas where the carrier lacks coverage.”
“BAI Communications (BAI) is renaming itself as Boldyn Networks, bringing together its six companies under one, new brand. The new powerhouse will immediately become one of the world’s largest shared network infrastructure providers, supporting mobile and fixed network operators and customers in the transit, venue, government, military, and enterprise sectors with an integrated portfolio and expanded capabilities. BAI will begin operating officially as Boldyn Networks at the end of June 2023. The company has established a strong reputation as a key challenger that delivers the advanced shared network infrastructure needed today for a reimagined, smart, inclusive and sustainable future. From interconnected transit, venues and enterprises to smart cities…BAI companies have a collective, global, and proven track record of innovative infrastructure deployments, including connectivity for 7 major transit systems with nearly a thousand stations covered around the world, more than 10,000 small cells, 250 venues with DAS, 77 co-location facilities, nearly 2,000 miles of fibre and 300 macro towers. This is in addition to some of the largest Wi-Fi networks above and below ground in cities like NYC, Las Vegas and London, connectivity deployments in 75 U.S. military bases with the rights to deploy 40 more, and 2,000 Link kiosks in NYC with the rights to deploy 4,000.”

“The U.S. Senate on Thursday let the Federal Communications Commission’s spectrum authority lapse, as lawmakers failed to resolve a battle between the US Department of Defense and the wireless industry over how long to extend it. With a recent short-term extension of the FCC’s authority set to expire late Thursday, an Armed Services Committee members said it must be extended through September – not May 19, the date set under a House-passed bill. A government study on the Defense Department’s spectrum needs is slated to be completed in September, and Sen. Mike Rounds, R-S.D., said he opposed a short-term reinstating of the authority until the military can stake its claim to frequencies that might otherwise be auctioned.”

"According to new figures from Leichtman Research Group, fixed wireless services accounted for 90% of all net broadband customer additions in the US during 2022. Separately, a recent survey of some T-Mobile fixed wireless customers, conducted by the financial analysts at Wolfe Research, found that 90% rated their service as ‘good enough.’ Taken together, the figures help highlight the profound impact that fixed wireless access (FWA) services – primarily from Verizon and T-Mobile – had on the US market during the course of last year. And there are some indications that FWA momentum will continue into 2023. For example, the financial analysts at Evercore reported that interest in T-Mobile’s FWA service accelerated at the end of last month, based on the number of customers downloading the operator’s FWA smartphone app. ‘Downloads for the month of February were up +3% vs. January,’ the analysts wrote in a recent note to investors.”

“Like flying an airplane, building and operating a telecom network involves constant adjustments. That is certainly the case with Frontier Communications (NASDAQ: FYBR). The company is converting its legacy local wireline network to fiber at a significant pace. Despite near term turbulence, the company continues to accelerate its fiber-to-the-premise buildout. It is taking a long-term approach to deliver high-value fiber internet connectivity and broadband services for residences and businesses that it expects will drive revenues and profit growth. Working from a base of 15.4 million copper and fiber passings across its 25-state operating area, Frontier’s goal is to convert 10 million of those passings to fiber by 2025. During 2022, the company installed 1.2 million fiber passings (a company record of 381,000 in 4Q22 alone) to reach a total of 5.2 million. That figure is over half of its 2025 fiber passings goal. What Frontier accomplished in 2022 was nearly double the 638,000 fiber passings installed in 2021.”
EQT Active Core Infrastructure Announces First Investment to Acquire Radius Global Infrastructure

PR Newswire  Date: March 1, 2022

“EQT is pleased to announce that the EQT Active Core Infrastructure fund (‘EQT Active Core Infrastructure’) together with Public Sector Pension Investment Board (‘PSP’) has agreed to acquire Radius Global Infrastructure (‘Radius’ or the ‘Company’) (NASDAQ:RADI). Under the terms of the agreement, Radius shareholders will receive $15.00 per share in cash in a transaction valued at a total enterprise value of approximately $3.0 billion. Radius owns and acquires critical digital infrastructure, including ground, tower, rooftop and in-building cell sites, in over 20 countries across North and South America, Europe, and Australia. Radius’ portfolio of approximately 9,000 leases across nearly 7,000 sites serves more than 200 customers. The Company achieved $157.6 million in Annualized In-Place Rents as of the end of 2022.

We believe Radius is well positioned to benefit from the market’s growing need for critical digital infrastructure, accelerated by growing global mobile network data traffic, 5G densification of cell networks, IoT and new technologies. Radius’ sites serve as a critical element for cell tower and telecom companies and the Company is poised to benefit from these tailwinds while generating value for stakeholders within the value chain. EQT and PSP will support the Company’s expansion efforts by leveraging their global scale and significant experience with digital infrastructure assets to expand Radius’ portfolio, including to new markets. Radius will be the first investment signed by EQT Active Core Infrastructure.”

Private-Equity Firms Snap Up Data Centers as Cloud Demand Soars

Wall Street Journal  Date: February 23, 2023

“Private-equity firms bought data centers in near-record numbers last year, defying a broad deal-making slowdown in a bid to capture ever-growing demand for data storage and cloud computing. The average monthly rate in primary data-center markets last year jumped 14.6% year-over-year to $137.90 per kilowatt of power—the first year-over-year increase in pricing since 2017—driven by tighter supply and rising construction and labor costs, among other factors, according to estimates this week by commercial real-estate services firm CBRE Group Inc. An injection of investor capital could help keep prices in check by expanding the market, said Sean Graham, a cloud research director at market research firm International Data Corp. ‘The impact of private equity will be providing capital to fund the construction of new data centers, or expand existing ones, to meet the growing demand,’ he said.”

Vodafone CTO: Network automation Has Saved Us €500M in Three Years

Telecom TV  Date: February 20, 2023

“Telcos have for years been talking about how the digitalisation and automation of day-to-day processes can help improve operational efficiencies and save money, and now Vodafone has quantified just what an impact these developments can make, with the operator’s group CTO Scott Petty saying that the company has saved €500m in operating and capital expenditures (opex and capex) over the past three years as a result of its digital operations efforts. The CTO cited Vodafone’s ‘smart capex’ process as a prime example of how things have changed. ‘Five years ago when we were planning the network, we looked at technical parameters [to figure out] the best place to put a base station and assess how much capacity we needed, how many antennas we needed.’ In those days, energy consumption was less of a red flag issue than it is today and finding physical space for deployments was less of an issue. Now, though, ‘we have 300 data sources,’ such as Facebook analytics and workflow traffic, ‘that all feed into a digital twin of our network and then help us make the right decisions – not just technical decisions, but commercial decisions…it starts to automate the way we run our network, and it has generated some really significant savings for us.’ These savings have amounted to more than €500m euros in capex and opex in the past three years...”
Subject: Cloud Adoption and Impact on the Telco Industry

**Capgemini Research**

Date: February 17, 2023

“The transferal of mobile networks to cloud – particularly, 5G network core, which can be deployed in a cloud-native form – has been a key driver of telco cloud transformation. Having already made a start on transitioning their network core, many telcos are now looking at transitioning other network functions in their edge, radio, and transport networks. Industry-specific use cases for enterprises and end-consumers include: highly automated smart factories involving remote control, video surveillance, and robotic production lines, driving seamless and low-cost operations, private 5G networks at distribution centers, ports, oil fields, mines, chemical storage, and processing units, etc., enabling real-time process analysis and modification, predictive/preventive maintenance facilitated by large-scale sensor networks, augmented reality/virtual reality (AR/VR) or metaverse-enabled remote operations, monitoring, and training, leading to more efficient, safety-conscious employee onboarding and remote surgeries carried out via low-latency wireless networks.”

Subject: Rakuten Is Proving Out the Cloud-Based, Software-Defined Telecom Network

**Appledore Research**

Date: February 14, 2023

“Rakuten is an internet company, working at internet speed, in an internet way. Its view of telecom is fundamentally different than how conventional telcos tend to regard themselves – even if some of its telco metrics are perfectly familiar: population coverage, ARPU, number of base stations. As an established group of businesses, in everything from advertising to travel, and fintech to fashion, Rakuten has more scope than a conventional telco for creativity in how it acquires, retains, and creates monetizable value from, its customers. Rakuten Symphony CEO Tareq Amin provided a readout on Symphony’s first full year of operation. The headline: $476M in revenue during FY2022. Symphony is a provider of three things, essentially: open RAN, cloud infrastructure, and the operational software platform and applications required to run a cloud-based network. It can justifiably claim a leadership position in all three areas. This is also a company with little or no legacy product to dilute R&D spend. As an internet company, high growth and scalability are what define the mission: Amin wants 40% growth for 2023, to make Rakuten Symphony a billion-dollar revenue company within two years, and do for (to?) telecom what AWS has done for (to?) enterprise IT.”

Subject: Amazon Data Center Investments

**Data Center Dynamics**

Date: January 20, 2023

“Amazon Web Services (AWS) is set to massively expand its spending on data centers in Virginia. Governor Glenn Youngkin and the Virginia Economic Development Partnership this week announced that AWS plans to invest $35 billion by 2040 to ‘establish multiple data center campuses’ across Virginia. While the company already has a sizeable presence in the state across multiple locations in various stages of development, Governor Youngkin and Virginia Economic Development Partnership’s announcement suggests this will be new spending. The announcement said ‘numerous localities’ in the Commonwealth are under consideration and will be decided at a later date. The investment – the largest economic development capital investment in Virginia history – will reportedly create at least 1,000 total new jobs across Virginia.”
### Select Q1 2023 M&A Transactions

**Announced Date** | **Target** | **Acquirer** | **Description**
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Mar-23 | Pavlov Media | Macquarie Infrastructure | Pavlov, founded in 1994 and understood to be worth around $500M ($462M), mainly provides broadband services to multi-dwelling units (MDU). The company primarily targets off-campus student housing and luxury apartments but also serves on-campus student housing, hotels, adult living, and hospitals. Its reach is across more than 150 markets in the U.S. and Canada.
Mar-23 | Fatbeam | Basalt | Fatbeam is a broadband service provider that owns and operates a 1,250-route mile fiber network in the Western United States. The company is a leading provider of fiber-based network solutions to education, commercial, carrier, and government customers across eight states.
Mar-23 | Bee Line | Charter Communications | EB8 was founded in 2020 by Kevin Grace, a veteran in the telecommunications industry. By focusing on delivering superior customer service and an exceptional consumer experience, it intends to expand high-speed broadband internet service to millions of underserved and underserved Americans. ATLink Services, Oklahoma’s largest fixed-wireless internet service provider, is one of EB8’s first platform acquisitions.
Mar-23 | Element 8 | Digital Alpha | Cityside’s direct-to-subscriber platform, Cityside Fiber, will offer simple, affordable fiber internet service to residential and business customers in communities where high-speed options are currently limited.
Mar-23 | Ptera | Ziply | Ptera, a Liberty Lake-based telecommunications corporation, was founded in 2001 as a family-owned business. Today, Ptera is a pioneering wireless internet service provider operating a network with coverage in four counties across Eastern Washington and Northern Idaho. Ptera also offers hosted voice over IP phone solutions serving customers across the country.
Feb-23 | Cityside Network | SDC Capital | This acquisition significantly expands its coverage area in Maryland, growing its business and allowing it to provide best-in-class telecom services to more families and businesses.
Feb-23 | Telegia Communications | One Ring Networks | Big River Broadband provides fiber-to-the-premise (FTTP) high-speed data services to residential and business customers in selected markets east of the Mississippi River. Focused on rural markets.
Feb-23 | Point Broadband Inc. | Berkshire Partners | Big River Broadband, primarily a commercial communications company, and its wholly owned subsidiary Circle Fiber, a fiber-optic internet provider serving southeast Missouri communities.
Feb-23 | Big River Broadband | i3 Broadband | Rise Broadband provides essential broadband connectivity with a focus on customers in rural America. GI Partners will partner with Jim O’Brien and the Rise team to execute a multi-year, fiber-based network expansion effort. Rise’s existing network infrastructure is uniquely positioned to execute a fiber expansion effort that will provide rural communities with next generation broadband services.
Feb-23 | Rise Broadband | GI Partners | Delivering internet service from more than 100 towers and has successfully increased service speeds to customers in each of the past four years. The company looks forward to expanding the business with targeted consumer and business marketing campaigns to increase penetration of its existing fiber routes.
Jan-23 | E-Vergent | Tahoe Network | Fiber-to-the-home owner, operator, and developer covering 12 cities in Missouri. Gateway seeks to positively impact the communities it serves by delivering superior internet service through its fiber network that enables it to build connected communities, advance economic development, and bridge the digital divide.
Jan-23 | Gateway Fiber | CBRE | KwKomin has a proven track record of stellar customer service and capacity to expand. Its high-caliber team and impressive services portfolio align perfectly with WANRack’s vision for growth.
Jan-23 | Hancock | Archtop Fiber (Post Road Group) | KwKomin has a proven track record of stellar customer service and capacity to expand. Its high-caliber team and impressive services portfolio align perfectly with WANRack’s vision for growth.
Jan-23 | Missouri Telecom | Ozark Fiber | Fiber provider in Pennsylvania and New York to bring meaningful digital transformation and opportunity to the region.

**Data Centers and Managed Services**

Feb-23 | Fibertown Data Center | Aphoria Carter | Fibertown Data Center is 100% net leased to Fibertown, a premier provider of data center solutions, high availability colocation, and business continuity office space throughout Texas. The acquisition marks the third data center purchase for Aphoria Carter, an investment management company focused on acquiring high-growth digital and mission-critical infrastructure, data centers, switch sites, and technology-related real estate throughout the U.S.
Feb-23 | Great Westerford Building | Teraco | Teraco acquired a 5MW carrier hotel data center from Ingenuity Property Investments in Cape Town, South Africa.
Feb-23 | nLighten | I Squared Capital | I Squared Capital, through its ISQ Global Infrastructure Fund III, has established nLighten, an edge data center platform dedicated to delivering solutions for both traditional and low-latency use cases. I Squared has committed more than $500 million of equity to support nLighten’s ambition to bring high-quality colocation services to underserved cities and regions across Europe.
Feb-23 | Elix | Eurazeo | Eurazeo announced its investment in regional data center provider Elix Everywhere, through the Eurazeo Transition Infrastructure Fund, and will partner with the group to support its carbon emission reduction trajectory.

Sources: Public press releases and industry research.
### Select Q1 2023 M&A Transactions (cont.)

<table>
<thead>
<tr>
<th>Announced Date</th>
<th>Target</th>
<th>Acquirer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-23</td>
<td>Craine Data Centers</td>
<td>Principle Asset Management</td>
<td>Crane Data Centers Inc. and Principal Asset Management plan to develop a data center campus in Forest Grove, a suburb of Portland. The campus will be situated near the Hillsboro data center ecosystem, which houses data centers for users including Meta, Twitter, and Microsoft, among others.</td>
</tr>
<tr>
<td>Jan-23</td>
<td>European Data Hub</td>
<td>Arcus Infrastructure Partners</td>
<td>Arcus Infrastructure Partners LLP announced that it has acquired, as part of its regional edge colocation strategy, an 85% shareholding in European Data Hub (EDH). Arcus’ stake in EDH has been acquired from the Luxembourg-based Wagner Group.</td>
</tr>
<tr>
<td>Jan-23</td>
<td>Tonaquint</td>
<td>DIF Capital</td>
<td>DIF has signed an agreement to acquire Tonaquint, a data center provider headquartered in St. George, Utah, through DIF’s core-plus CIF III fund. Terms of the deal weren’t shared, but Tonaquint’s management will continue to hold a minority stake.</td>
</tr>
</tbody>
</table>

#### Wireless Infrastructure

<table>
<thead>
<tr>
<th>Announced Date</th>
<th>Target</th>
<th>Acquirer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-23</td>
<td>Radius Global</td>
<td>EQT</td>
<td>Radius Global, EQT, and PSP entered into a definitive agreement under which EQT Active Core Infrastructure and PSP will acquire Radius for $15.00 per share in cash, representing a total EV of ~$3 billion. Radius owns and acquires critical digital infrastructure, including ground, tower, and in-building cell sites, in more than 20 countries across North and South America, Europe, and Australia. Radius’ portfolio of approximately 9,000 leases across 7,000 sites serves more than 200 customers.</td>
</tr>
<tr>
<td>Mar-23</td>
<td>PLDT via Smart Communications and Digitel Mobile</td>
<td>Frontier Tower Associates Philippines</td>
<td>PLDT agreed to sell 1,012 towers as part of a sale and leaseback deal with Frontier Tower Associates Philippines for $220M. Frontier, which is backed by KKR, will acquire the towers from PLDT subsidiaries Smart Communications and Digitel Mobile.</td>
</tr>
</tbody>
</table>

#### Telecom Services

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<thead>
<tr>
<th>Announced Date</th>
<th>Target</th>
<th>Acquirer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-23</td>
<td>WiseConnect</td>
<td>GridSource</td>
<td>GridSource announced the acquisition of WiseConnect, a leading, asset-light provider of mission-critical end-to-end solutions for the nation’s largest telecommunications companies.</td>
</tr>
<tr>
<td>Feb-23</td>
<td>Pearson Pelletier Telecom</td>
<td>Cenerline Communications</td>
<td>PPT is a wireless network and infrastructure services company in Canada that provides line and antenna services to major Canadian telecom companies, including Bell Mobility, Rogers Communications, Telus, and Vodotran. PPT has historically operated in the Quebec and Ontario markets, but has more recently undertaken new initiatives to expand across Canada.</td>
</tr>
<tr>
<td>Feb-23</td>
<td>National Telecom Design</td>
<td>KCI Technologies</td>
<td>National Telecom Design, a Fredericksburg, Virginia-based company, was acquired with the intention to grow KCI’s engineering, backbone, and lateral fiber design, relocation, and inspection capabilities for communications clients throughout the Mid-Atlantic.</td>
</tr>
<tr>
<td>Jan-23</td>
<td>Hudson Design Group</td>
<td>Tower Engineering Professionals</td>
<td>Founded in 2002, HDG brings uniquely diverse skills and capabilities to TEP, offering multi-dimensional views for any project, including design, development, and a full range of project management resources. HDG provides leading-edge services throughout the New England area that align with TEP’s existing and upcoming service lines.</td>
</tr>
</tbody>
</table>

#### Telecom Software

<table>
<thead>
<tr>
<th>Announced Date</th>
<th>Target</th>
<th>Acquirer</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-23</td>
<td>VETRO</td>
<td>Resolve Growth Partners</td>
<td>VETRO, provider of the market-leading, easy-to-use, cloud-native fiber management system, announced that it has successfully secured a growth capital investment led by existing investors Resolve Growth Partners.</td>
</tr>
<tr>
<td>Feb-23</td>
<td>Athonet</td>
<td>Hewlett Packard Enterprise</td>
<td>Hewlett Packard Enterprise (NYSE:HPE) announced the expansion of its connected edge-to-cloud offering with the acquisition of Athonet, a private cellular network technology provider that delivers mobile core networks to enterprises and communication service providers.</td>
</tr>
<tr>
<td>Feb-23</td>
<td>Arcus</td>
<td>Prosperity7</td>
<td>Arcus, a San Jose, California-based hyperscale networking software company, raised $50M in Series D funding led by Prosperity7.</td>
</tr>
<tr>
<td>Jan-23</td>
<td>Cohere Technologies</td>
<td>Bell Ventures</td>
<td>Bell Ventures announced the acquisitions of Cohere is the innovator of Spectrum Multiplier software for Open Radio Access Networks and existing 4G and 5G mobile networks, and the developer of the Orthogonal Time Frequency Space (OTFS) 6G wireless system.</td>
</tr>
<tr>
<td>Jan-23</td>
<td>Blues Wireless</td>
<td>Positive Sum</td>
<td>Positive Sum announced its acquisition of Developer of a system-on-module device intended to make people and businesses get access to the cellular Internet of Things.</td>
</tr>
<tr>
<td>Jan-23</td>
<td>Packet Fabric</td>
<td>Unitas Global</td>
<td>Leading enterprise network service providers were brought together by lead investor Digital Alpha Advisors, LLC. Based on customer and market feedback to create an industry-leading platform.</td>
</tr>
</tbody>
</table>

Sources: Public press releases and industry research.
Public Markets Overview

Median EV/EBITDA

12-Month Indexed Stock Price Performance

Source: S&P Capital IQ.
Notes: Calendar year consensus estimates used unless otherwise noted. Components of each sector are detailed on the following pages. All data as of March 31, 2023.
## Public Comparables

### Fiber Providers, LECs and Cable Companies, Data Centers and Managed Services, and Wireless Infrastructure

### Fiber and Cable Providers

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</thead>
<tbody>
<tr>
<td>Comcast</td>
<td>$37.91</td>
<td>78%</td>
<td>$599,831</td>
<td>$282,942</td>
<td>8.9x</td>
<td>2.9x</td>
<td>2.2x</td>
<td>2.2x</td>
<td>7.6x</td>
<td>7.1x</td>
<td>7.3x</td>
<td></td>
</tr>
<tr>
<td>Charter Communications</td>
<td>357.61</td>
<td>62%</td>
<td>54,590</td>
<td>156,356</td>
<td>4.6x</td>
<td>3.0x</td>
<td>2.9x</td>
<td>2.9x</td>
<td>7.6x</td>
<td>7.2x</td>
<td>7.1x</td>
<td></td>
</tr>
<tr>
<td>Allixe</td>
<td>3.42</td>
<td>26%</td>
<td>1,560</td>
<td>28,112</td>
<td>7.3x</td>
<td>2.8x</td>
<td>2.9x</td>
<td>3.0x</td>
<td>6.5x</td>
<td>7.2x</td>
<td>7.8x</td>
<td></td>
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<tr>
<td>Cable One</td>
<td>702.00</td>
<td>46%</td>
<td>4,022</td>
<td>7,609</td>
<td>4.3x</td>
<td>4.7x</td>
<td>4.5x</td>
<td>4.6x</td>
<td>9.3x</td>
<td>8.4x</td>
<td>8.2x</td>
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<tr>
<td>Cogent</td>
<td>63.72</td>
<td>88%</td>
<td>3,007</td>
<td>4,190</td>
<td>6.8x</td>
<td>7.3x</td>
<td>7.0x</td>
<td>6.7x</td>
<td>20.6x</td>
<td>17.9x</td>
<td>16.8x</td>
<td></td>
</tr>
<tr>
<td>Shentel</td>
<td>19.02</td>
<td>73%</td>
<td>958</td>
<td>1,041</td>
<td>1.7x</td>
<td>4.2x</td>
<td>3.9x</td>
<td>3.7x</td>
<td>17.1x</td>
<td>14.4x</td>
<td>13.1x</td>
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</tbody>
</table>

**Mean:**
- EV/Revenue: 4.6x, 3.9x, 3.8x, 11.5x, 10.4x, 10.0x
- EV/EBITDA: 4.5x, 3.6x, 3.4x, 8.5x, 7.8x, 8.0x

### Incumbent LECs

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</thead>
<tbody>
<tr>
<td>Verizon</td>
<td>$38.89</td>
<td>70%</td>
<td>$163,333</td>
<td>$343,004</td>
<td>6.2x</td>
<td>2.6x</td>
<td>2.5x</td>
<td>2.5x</td>
<td>6.5x</td>
<td>7.2x</td>
<td>7.2x</td>
<td></td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>19.25</td>
<td>79%</td>
<td>137,250</td>
<td>306,841</td>
<td>3.7x</td>
<td>2.3x</td>
<td>2.5x</td>
<td>2.5x</td>
<td>6.2x</td>
<td>7.4x</td>
<td>7.2x</td>
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</tr>
<tr>
<td>T-Mobile</td>
<td>144.84</td>
<td>94%</td>
<td>176,615</td>
<td>283,900</td>
<td>4.2x</td>
<td>3.5x</td>
<td>3.6x</td>
<td>3.5x</td>
<td>10.6x</td>
<td>10.4x</td>
<td>9.7x</td>
<td></td>
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<tr>
<td>Lumen</td>
<td>2.65</td>
<td>21%</td>
<td>2,653</td>
<td>23,406</td>
<td>3.4x</td>
<td>1.2x</td>
<td>1.3x</td>
<td>1.6x</td>
<td>2.9x</td>
<td>3.4x</td>
<td>5.0x</td>
<td></td>
</tr>
<tr>
<td>Frontier</td>
<td>22.77</td>
<td>74%</td>
<td>5,580</td>
<td>12,979</td>
<td>4.0x</td>
<td>2.0x</td>
<td>2.2x</td>
<td>2.3x</td>
<td>5.4x</td>
<td>6.3x</td>
<td>6.1x</td>
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<tr>
<td>TDS</td>
<td>10.51</td>
<td>50%</td>
<td>1,182</td>
<td>7,526</td>
<td>4.5x</td>
<td>1.4x</td>
<td>1.4x</td>
<td>1.4x</td>
<td>6.4x</td>
<td>6.3x</td>
<td>6.5x</td>
<td></td>
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<tr>
<td>Consolidated Communications</td>
<td>2.58</td>
<td>30%</td>
<td>298</td>
<td>2,392</td>
<td>6.1x</td>
<td>1.9x</td>
<td>2.0x</td>
<td>2.1x</td>
<td>5.3x</td>
<td>5.8x</td>
<td>7.4x</td>
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</tbody>
</table>

**Mean:**
- EV/Revenue: 4.2x, 2.1x, 2.2x, 2.3x, 6.2x, 6.7x, 7.0x
- EV/EBITDA: 4.0x, 2.0x, 2.2x, 2.3x, 6.2x, 6.3x, 7.2x

### Data Centers and Managed Services

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<tr>
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</thead>
<tbody>
<tr>
<td>Equinix</td>
<td>$721.04</td>
<td>93%</td>
<td>$66,673</td>
<td>$81,436</td>
<td>6.8x</td>
<td>13.0x</td>
<td>11.2x</td>
<td>10.0x</td>
<td>33.8x</td>
<td>24.2x</td>
<td>22.1x</td>
<td></td>
</tr>
<tr>
<td>Digital Realty Trust</td>
<td>98.31</td>
<td>64%</td>
<td>28,637</td>
<td>49,334</td>
<td>8.1x</td>
<td>11.1x</td>
<td>10.6x</td>
<td>8.6x</td>
<td>21.9x</td>
<td>20.1x</td>
<td>18.5x</td>
<td></td>
</tr>
<tr>
<td>DigitalBridge Group</td>
<td>11.99</td>
<td>39%</td>
<td>1,940</td>
<td>10,346</td>
<td>9.2x</td>
<td>8.6x</td>
<td>9.1x</td>
<td>8.3x</td>
<td>23.4x</td>
<td>33.0x</td>
<td>24.1x</td>
<td></td>
</tr>
<tr>
<td>Cyxtera</td>
<td>0.31</td>
<td>2%</td>
<td>55</td>
<td>2,326</td>
<td>11.7x</td>
<td>3.3x</td>
<td>3.1x</td>
<td>3.0x</td>
<td>11.4x</td>
<td>9.8x</td>
<td>9.1x</td>
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</tbody>
</table>

**Mean:**
- EV/Revenue: 9.0x, 9.1x, 8.5x, 7.5x, 22.6x, 21.8x, 18.5x
- EV/EBITDA: 8.7x, 9.9x, 9.8x, 8.5x, 22.7x, 22.1x, 20.3x

### Wireless Infrastructure

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</thead>
<tbody>
<tr>
<td>American Tower</td>
<td>$204.34</td>
<td>72%</td>
<td>95,150</td>
<td>$147,009</td>
<td>7.2x</td>
<td>15.7x</td>
<td>13.8x</td>
<td>13.3x</td>
<td>25.0x</td>
<td>22.3x</td>
<td>21.2x</td>
<td></td>
</tr>
<tr>
<td>Crown Castle</td>
<td>133.84</td>
<td>67%</td>
<td>58,011</td>
<td>85,815</td>
<td>6.8x</td>
<td>13.5x</td>
<td>12.3x</td>
<td>11.9x</td>
<td>23.8x</td>
<td>19.8x</td>
<td>19.2x</td>
<td></td>
</tr>
<tr>
<td>SBA</td>
<td>261.07</td>
<td>69%</td>
<td>28,206</td>
<td>43,265</td>
<td>9.1x</td>
<td>18.7x</td>
<td>16.5x</td>
<td>16.0x</td>
<td>28.6x</td>
<td>24.4x</td>
<td>23.3x</td>
<td></td>
</tr>
</tbody>
</table>

**Mean:**
- EV/Revenue: 7.7x, 16.0x, 14.2x, 13.7x, 25.8x, 22.2x, 21.2x
- EV/EBITDA: 7.2x, 15.7x, 13.8x, 13.3x, 25.0x, 22.3x, 21.2x

Note: Stock price last updated on 3/31/23

NM in EV/EBITDA if multiple is greater than 40 or EBITDA is negative

NA means information is not available or not applicable

Source: S&P Capital IQ.
### Wireless Carriers

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<td>Verizon</td>
<td>$38.69</td>
<td>70%</td>
<td>$163,333</td>
<td>$343,004</td>
<td>3.6x</td>
<td>2.6x</td>
<td>2.5x</td>
<td>2.5x</td>
<td>6.5x</td>
<td>7.2x</td>
<td>7.2x</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>19.25</td>
<td>79%</td>
<td>137,250</td>
<td>306,641</td>
<td>3.7x</td>
<td>2.3x</td>
<td>2.5x</td>
<td>2.5x</td>
<td>6.2x</td>
<td>7.4x</td>
<td>7.2x</td>
</tr>
<tr>
<td>T-Mobile</td>
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<td>94%</td>
<td>176,615</td>
<td>283,900</td>
<td>4.2x</td>
<td>3.5x</td>
<td>3.6x</td>
<td>3.5x</td>
<td>10.8x</td>
<td>10.4x</td>
<td>9.7x</td>
</tr>
<tr>
<td>U.S. Cellular</td>
<td>20.73</td>
<td>63%</td>
<td>1,756</td>
<td>5,747</td>
<td>5.4x</td>
<td>1.4x</td>
<td>1.4x</td>
<td>1.4x</td>
<td>6.6x</td>
<td>6.0x</td>
<td>6.2x</td>
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</tbody>
</table>

| Mean EV/Revenue  | 4.2x        |                  |              |                  |         | 2.4x     | 2.5x     | 2.5x     | 7.5x     | 7.7x     | 7.5x     |
| Median EV/Revenue| 3.9x        |                  |              |                  |         | 2.4x     | 2.5x     | 2.5x     | 6.6x     | 7.3x     | 7.2x     |

### Telecom Services

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</tr>
</thead>
<tbody>
<tr>
<td>Quanta Services</td>
<td>$166.64</td>
<td>99%</td>
<td>$23,996</td>
<td>$27,559</td>
<td>2.7x</td>
<td>2.1x</td>
<td>1.6x</td>
<td>1.5x</td>
<td>26.2x</td>
<td>16.5x</td>
<td>14.8x</td>
</tr>
<tr>
<td>MasTec</td>
<td>94.44</td>
<td>91%</td>
<td>7,248</td>
<td>10,395</td>
<td>4.8x</td>
<td>1.3x</td>
<td>1.1x</td>
<td>0.8x</td>
<td>12.3x</td>
<td>13.4x</td>
<td>9.4x</td>
</tr>
<tr>
<td>Dycom Industries</td>
<td>93.65</td>
<td>77%</td>
<td>2,749</td>
<td>3,397</td>
<td>2.5x</td>
<td>1.1x</td>
<td>0.9x</td>
<td>0.8x</td>
<td>14.5x</td>
<td>10.0x</td>
<td>8.0x</td>
</tr>
<tr>
<td>Primoris Services</td>
<td>24.66</td>
<td>87%</td>
<td>1,314</td>
<td>2,411</td>
<td>4.9x</td>
<td>0.7x</td>
<td>0.5x</td>
<td>0.5x</td>
<td>8.3x</td>
<td>8.5x</td>
<td>6.7x</td>
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</table>

| Mean EV/Revenue    | 3.7x        |                  |              |                  |         | 1.3x     | 1.0x     | 0.9x     | 15.3x    | 12.1x    | 9.7x     |
| Median EV/Revenue  | 3.7x        |                  |              |                  |         | 1.2x     | 1.0x     | 0.8x     | 13.4x    | 11.7x    | 8.7x     |

### Telecom Software

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</tr>
</thead>
<tbody>
<tr>
<td>Amdocs</td>
<td>$96.03</td>
<td>99%</td>
<td>$11,580</td>
<td>$11,696</td>
<td>0.9x</td>
<td>2.7x</td>
<td>2.5x</td>
<td>2.4x</td>
<td>14.1x</td>
<td>11.8x</td>
<td>10.7x</td>
</tr>
<tr>
<td>Calix</td>
<td>53.59</td>
<td>69%</td>
<td>3,549</td>
<td>3,320</td>
<td>0.2x</td>
<td>4.9x</td>
<td>3.8x</td>
<td>3.3x</td>
<td>37.7x</td>
<td>29.9x</td>
<td>26.5x</td>
</tr>
<tr>
<td>CSG Systems</td>
<td>53.70</td>
<td>81%</td>
<td>1,639</td>
<td>1,976</td>
<td>3.0x</td>
<td>1.9x</td>
<td>1.8x</td>
<td>1.8x</td>
<td>12.1x</td>
<td>8.7x</td>
<td>8.3x</td>
</tr>
<tr>
<td>Hansen Technologies</td>
<td>3.10</td>
<td>76%</td>
<td>626</td>
<td>653</td>
<td>2.1x</td>
<td>2.9x</td>
<td>3.2x</td>
<td>3.1x</td>
<td>10.6x</td>
<td>9.8x</td>
<td>10.0x</td>
</tr>
<tr>
<td>Cerillion</td>
<td>14.04</td>
<td>87%</td>
<td>414</td>
<td>394</td>
<td>0.3x</td>
<td>10.5x</td>
<td>9.6x</td>
<td>8.1x</td>
<td>29.1x</td>
<td>23.0x</td>
<td>19.6x</td>
</tr>
<tr>
<td>Enea AB</td>
<td>9.47</td>
<td>46%</td>
<td>202</td>
<td>237</td>
<td>3.3x</td>
<td>2.2x</td>
<td>2.6x</td>
<td>2.5x</td>
<td>8.3x</td>
<td>8.9x</td>
<td>8.4x</td>
</tr>
<tr>
<td>Tecnotree</td>
<td>10.53</td>
<td>40%</td>
<td>165</td>
<td>157</td>
<td>0.2x</td>
<td>2.1x</td>
<td>2.1x</td>
<td>1.6x</td>
<td>5.8x</td>
<td>8.4x</td>
<td>5.6x</td>
</tr>
<tr>
<td>IC Geo</td>
<td>2.56</td>
<td>95%</td>
<td>159</td>
<td>150</td>
<td>NM</td>
<td>8.0x</td>
<td>4.8x</td>
<td>3.9x</td>
<td>NM</td>
<td>NM</td>
<td>19.9x</td>
</tr>
<tr>
<td>Optiva</td>
<td>12.56</td>
<td>62%</td>
<td>78</td>
<td>147</td>
<td>7.4x</td>
<td>2.3x</td>
<td>2.4x</td>
<td>2.3x</td>
<td>8.9x</td>
<td>10.9x</td>
<td>9.9x</td>
</tr>
<tr>
<td>Allot</td>
<td>2.69</td>
<td>31%</td>
<td>101</td>
<td>60</td>
<td>NM</td>
<td>0.4x</td>
<td>0.5x</td>
<td>0.5x</td>
<td>NM</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

| Mean EV/Revenue  | 2.2x        |                  |              |                  |         | 3.8x     | 3.3x     | 3.0x     | 15.8x    | 13.9x    | 13.2x    |
| Median EV/Revenue| 1.5x        |                  |              |                  |         | 2.5x     | 2.5x     | 2.4x     | 11.3x    | 10.4x    | 10.0x    |

Note: Stock price last updated on 3/31/23

NM in EV/EBITDA if multiple is greater than 40 or EBITDA is negative
NA means information is not available or not applicable

Source: S&P Capital IQ.
**Current Capital Markets Backdrop**

U.S. capital markets are currently challenged with investors focused on recession concerns, inflation, supply chain issues, and broader global political and socioeconomic issues. Amid the slowdown and volatility in the syndicated-loan and high-yield markets, the direct lending market has been more resilient, offering borrowers an alternative path to committed capital.

Investors are actively looking for high-quality assets in recession-resilient markets.
- Digital infrastructure lenders remain highly active and willing to support companies with strong cash flow, predictable revenue streams, and management teams with a track record of successful expansion.

Please let us know if you’d like to speak with our Capital Markets team about the current financing environment and opportunities in this market.

**Houlihan Lokey’s Global Capital Markets Team**

Houlihan Lokey is among the largest and most active non-balance-sheet placement agents on Wall Street.
- Houlihan Lokey’s Capital Markets Group comprises ~90 dedicated professionals across 11 offices in five countries that raised ~$26 billion and advised on an additional ~$9 billion across 250+ transactions over the past two fiscal years.

Houlihan Lokey has an unparalleled track record of delivering attractive, customized, and flexible financing solutions for clients.
- Deep industry expertise and experience and strong relationships with decision-makers at a range of capital providers.
- Real-time knowledge of and insight into what is achievable in today’s markets based on recent transactions and other in-process financings.

**Capital Markets Capabilities**

**Private Capital Markets Solutions**
- Placement of solution-oriented capital for a wide range of financing needs.
- High-touch, confidential, and targeted process across senior debt to minority equity solutions.

**Capital Markets Advisory**
- Independent advisory on bank commitments and securities offerings.
- Ability to act as bookrunner/co-manager.

**Syndicated Leveraged Finance Platform (LBO Finance)**
- Arranger of underwritten financings.
- Club distributions, broadly syndicated loans, and bond/bridge underwritings.
Houlihan Lokey expanded its global coverage of the digital infrastructure sector and significantly augmented the existing sector coverage through the acquisition of Oakley Advisory. The Oakley Advisory team has an industry heritage of more than two decades and provides clients with a full suite of sector specialist services, including private and public company M&A, equity and debt fundraisings, and IPO advisory. As part of this transaction, Chris Godsmark and Christian Maher have joined Houlihan Lokey as Managing Directors to spearhead the expansion of the firm’s market-leading digital infrastructure coverage into Europe.

Oakley Advisory Relevant Transactions

Tombstones included herein represent transactions closed from 2018 forward.
"Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company."
Sector-Specific Expertise Across the Tech Coverage Universe

Our global industry coverage model brings sector-specific knowledge, experience, and relationships to every client we work with.
How Houlihan Lokey Can Help

Our firm is ideally equipped to help our clients navigate uncertain times. We respond quickly to challenging situations and are constantly helping clients to analyze, structure, negotiate, and execute the best possible solutions from both a strategic and a financial perspective.

What We Offer

1. Corporate Finance
   - Mergers and Acquisitions
   - Capital Markets
   - Private Funds Advisory
   - Board Advisory Services
   - We are widely recognized as a leading M&A advisor to the mid-cap and have long-standing relationships with capital providers, including commercial banks and other senior credit providers, insurance funds, asset managers, and mezzanine fund investors. Few other investment banks maintain the breadth of relationships and capital markets intelligence that we do.

2. Financial Restructuring
   - Company Advisory
   - Special Situations
   - Distressed M&A
   - Liability Management
   - Creditor Advisory
   - We have the largest restructuring practice of any global investment bank. Since 1988, we have advised on more than 1,500 restructuring transactions (with aggregate debt claims in excess of $3.0 trillion). We served as an advisor in 12 of the largest 15 bankruptcies from 2000 to 2022.

3. Financial and Valuation Advisory
   - Portfolio Valuation and Fund Advisory
   - Transaction Opinions
   - Corporate Valuation Advisory Services
   - Transaction Advisory Services
   - Real Estate Valuation and Advisory
   - Dispute Resolution Consulting
   - Over more than five decades, we have established ourselves as one of the largest financial and valuation advisory firms. Our transaction expertise and leadership in the field of valuation help inspire confidence in the financial executives, boards of directors, special committees, investors, and business owners we serve.

Why We’re Different

- No. 1 for U.S. and Tech* M&A
- Significant Experience With Financing Markets
- Senior-Level Commitment and Dedication
- Deep, Industry-Specific Expertise
- Superior Work Product/Technical Abilities
- Creativity, Imagination, Tenacity, and Positivity

Source: Refinitiv.
*Excludes accounting firms and brokers.
Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

2,500+ EMPLOYEES  |  36 LOCATIONS  |  $6.0B MARKET CAP(1)  |  $1.8B ANNUAL REVENUE(2)  |  ~25% EMPLOYEE OWNED  |  NO DEBT

**Corporate Finance**
- No. 1 Global M&A Advisor Under $1 Billion
- Leading Capital Markets Advisor Raising More Than $100 Billion in Past Five Years

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houlihan Lokey</td>
<td>381</td>
</tr>
<tr>
<td>Rothschild</td>
<td>369</td>
</tr>
<tr>
<td>JP Morgan</td>
<td>217</td>
</tr>
</tbody>
</table>

2022 M&A Advisory Rankings
Global Transactions Under $1 Billion

**Financial Restructuring**
- No. 1 Global Restructuring Advisor
- $3.0 Trillion of Aggregate Transaction Value Completed

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houlihan Lokey</td>
<td>58</td>
</tr>
<tr>
<td>PJT Partners</td>
<td>30</td>
</tr>
<tr>
<td>Lazard</td>
<td>29</td>
</tr>
</tbody>
</table>

2022 Global Distressed Debt & Bankruptcy Restructuring Rankings

**Financial and Valuation Advisory**
- No. 1 Global M&A Fairness Opinion Advisor Over the Past 25 Years
- 1,000+ Annual Valuation Engagements

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houlihan Lokey</td>
<td>1,232</td>
</tr>
<tr>
<td>JP Morgan, A Kroll Business</td>
<td>1,030</td>
</tr>
<tr>
<td>Duff &amp; Phelps, Lincoln International</td>
<td>938</td>
</tr>
</tbody>
</table>

1998 to 2022 Global M&A Fairness Advisory Rankings

**Financial Sponsors Coverage**
- No. 1 Global Advisor to Private Equity Firms
- 1,000+ Sponsors Covered Globally

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houlihan Lokey</td>
<td>242</td>
</tr>
<tr>
<td>Lincoln International</td>
<td>192</td>
</tr>
<tr>
<td>Deloitte</td>
<td>190</td>
</tr>
</tbody>
</table>

2022 Most Active Global Investment Banks to Private Equity

With the addition of Oakley Advisory, Houlihan Lokey covers the full spectrum of digital infrastructure and connectivity in the U.S. and Europe.

- Broadband and Connectivity
- Towers and Shared Infrastructure
- Data Centers and Managed Services
- Wireless and Spectrum
- Telecom Services
- Telecom Software

Houlihan Lokey has acquired Oakley Advisory, an independent advisory firm that provides a range of services to clients across the digital infrastructure, communications services, and cloud landscape.

(1) As of April 2023.
(2) LTM ended March 31, 2023.
Houlihan Lokey Is the Trusted Advisor to More Top Decision-Makers Than Any Other Independent Global Investment Bank

### 2022 M&A Advisory Rankings

**All Global Technology Transactions**

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Houlihan Lokey</td>
<td>116</td>
</tr>
<tr>
<td>2 Goldman Sachs</td>
<td>106</td>
</tr>
<tr>
<td>3 Morgan Stanley</td>
<td>79</td>
</tr>
<tr>
<td>4 Rothschild</td>
<td>76</td>
</tr>
<tr>
<td>5 JP Morgan</td>
<td>75</td>
</tr>
</tbody>
</table>

Source: Refinitiv. Excludes accounting firms and brokers.

### 2022 M&A Advisory Rankings Global Transactions Under $1 Billion

<table>
<thead>
<tr>
<th>Advisor</th>
<th>Deals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Houlihan Lokey</td>
<td>381</td>
</tr>
<tr>
<td>2 Rothschild</td>
<td>369</td>
</tr>
<tr>
<td>3 JP Morgan</td>
<td>217</td>
</tr>
<tr>
<td>4 Lazard</td>
<td>206</td>
</tr>
<tr>
<td>5 Goldman Sachs</td>
<td>203</td>
</tr>
</tbody>
</table>

Source: Refinitiv. Excludes accounting firms and brokers.

---

**No. 1**

*Global M&A Advisor Under $1 Billion*

**No. 1**

*Global Restructuring Advisor*

**No. 1**

*Global M&A Fairness Opinion Advisor Over the Past 25 Years*

---

**Leading**

*Capital Markets Advisor*

1,500+

Transactions Completed Valued at More Than $3.0 Trillion Collectively

1,000+

Annual Valuation Engagements

*Announced or completed transactions. Source: Refinitiv.*
Houlihan Lokey’s Tech M&A Team Is No. 1 Globally With Unparalleled Reach

**Americas**
- Atlanta
- **Boston**
- Baltimore
- Chicago
- Dallas
- Houston
- Los Angeles

**Europe and Middle East**
- Amsterdam
- Antwerp
- Dubai
- Frankfurt
- London
- Madrid
- Manchester

**Asia-Pacific**
- Beijing
- Fukuoka
- Gurugram
- Hong Kong SAR
- Mumbai
- Nagoya
- Shanghai
- Singapore
- Sydney
- Tokyo

**No. 1 TECH M&A ADVISOR***
**14 LOCATIONS WORLDWIDE**
**200+ TECHNOLOGY BANKERS**

**40+ MANAGING DIRECTORS**
**115+ TECHNOLOGY DEALS IN CY22**

*Source: Refinitiv. Excludes accounting firms and brokers.
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