



*M&A Update*

# Telecommunications

Q3 2021

# Key Highlights

*M&A in the United States*

Page 3

*M&A in the Telecommunications Sector*

Page 4

*Notable Transactions*

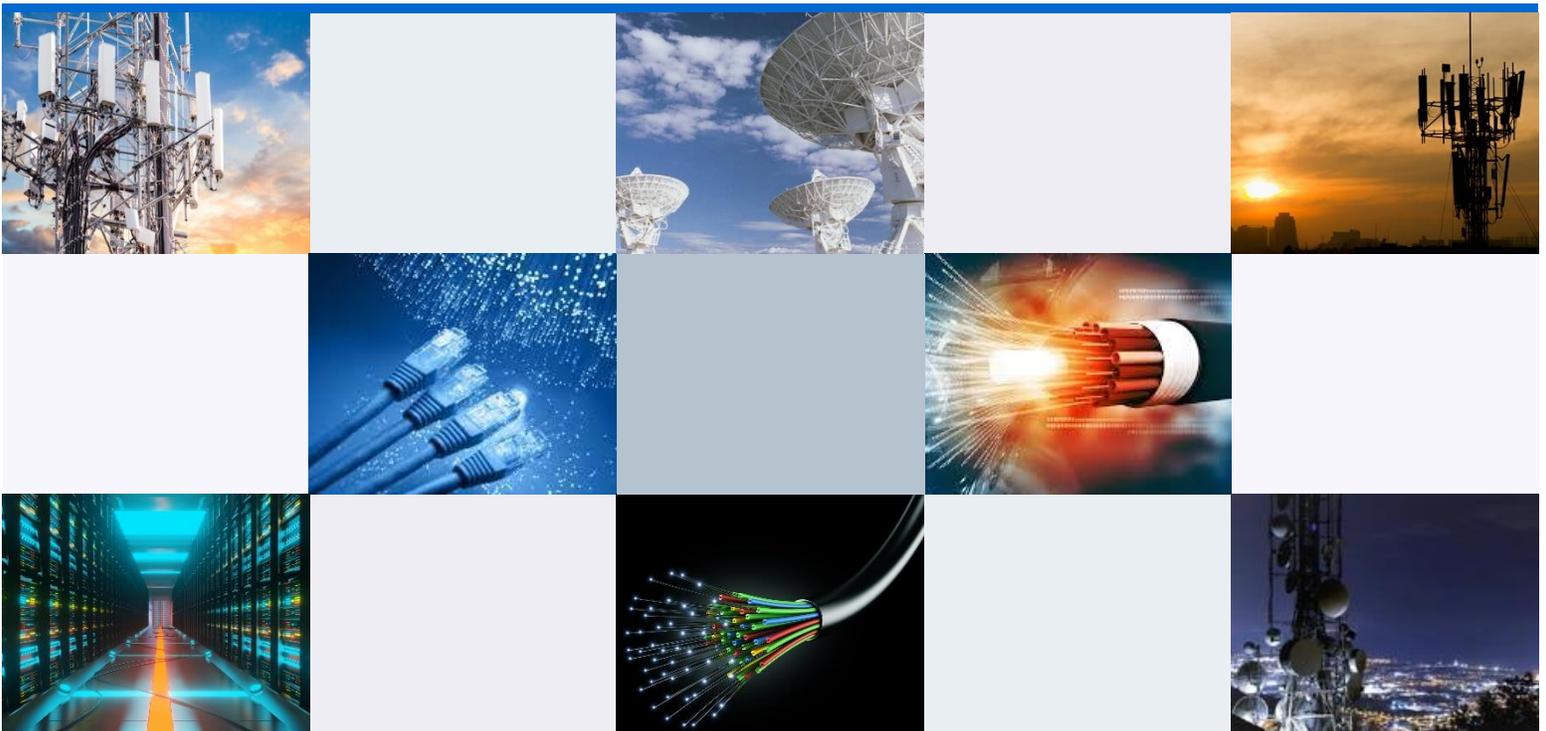
Page 5

*Public Markets*

Page 6

*Investment Snapshot*

Page 7



# M&A in the United States

## Deal Activity & Valuations

### Deal Activity

Aided by continued low interest rates, a surplus of capital reserves, and looming tax increases on capital gains, U.S. mergers and acquisitions activity through Q3 2021 increased 13% on a year-over-year basis. The M&A market for the first nine months of 2021 are trending towards a record setting year for both deal volume and transaction value as both strategic and financial buyers compete for acquisitions.

<b>12,011</b> <b>M&amp;A Deals</b>	<b>\$2.2 Trillion</b> <b>Deal Value</b>
▲ 13% YoY growth	▲ 238% YoY growth

### Total M&A Deal Volume & Value in the United States

\$ in Billions; Year to date through September 30, 2021



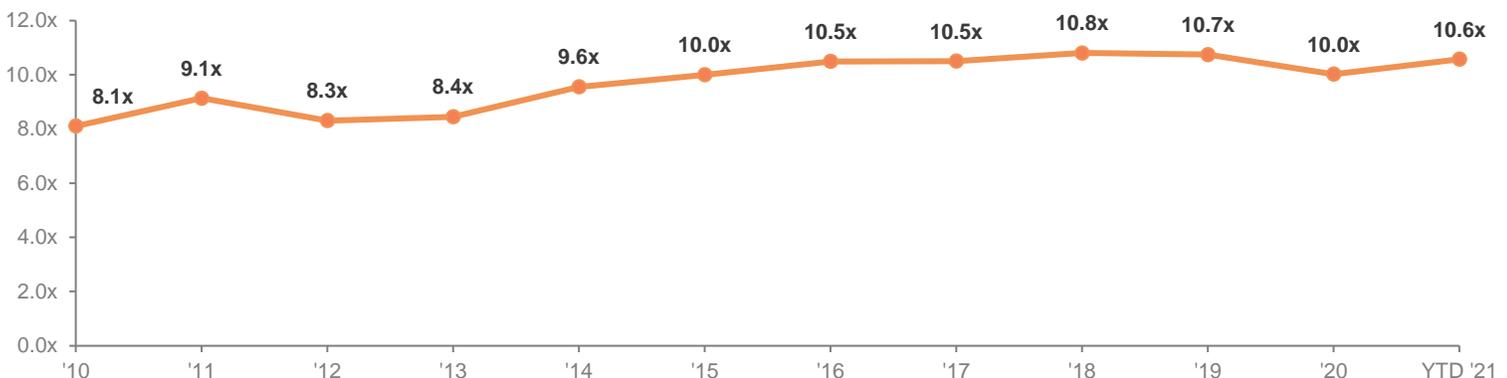
### Valuations

Median EV / EBITDA multiples for transactions in the United States have remained strong throughout 2021. Increased competition between strategic and financial buyers for attractive assets are commanding high valuations. Public market valuations have skyrocketed as money has continued to pour into equity markets. Undeployed capital coupled with “post-pandemic” business model adjustments will lead companies to further pursue M&A options.

<b>10.6x</b>	<b>10.6x</b>
Current Median EV / EBITDA	5-Year Median EV / EBITDA

### Median Enterprise Value (EV) / EBITDA Valuation Multiple

Only includes transactions with disclosed financial terms; Year to date through September 30, 2021



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: YoY = Year-over-year; Enterprise Value = Market Cap + Debt – Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

# M&A in the Telecommunications Sector

## Sector Snapshot

### Industries in the U.S. Telecommunications Sector

#### Diversified Telecommunication Services

- Alternative Carriers
- Broadband Telecom Services
- Fiber Communication Services
- Satellite Communication Services
- Integrated Telecommunication Services
- Internet Service Providers

#### Wireless Telecommunication Services

- Cellular Services and Carriers
- Mobile Data Services
- Personal Communications Services (PCS)
- Two-Way Mobile Data Services
- Paging Services and Carriers

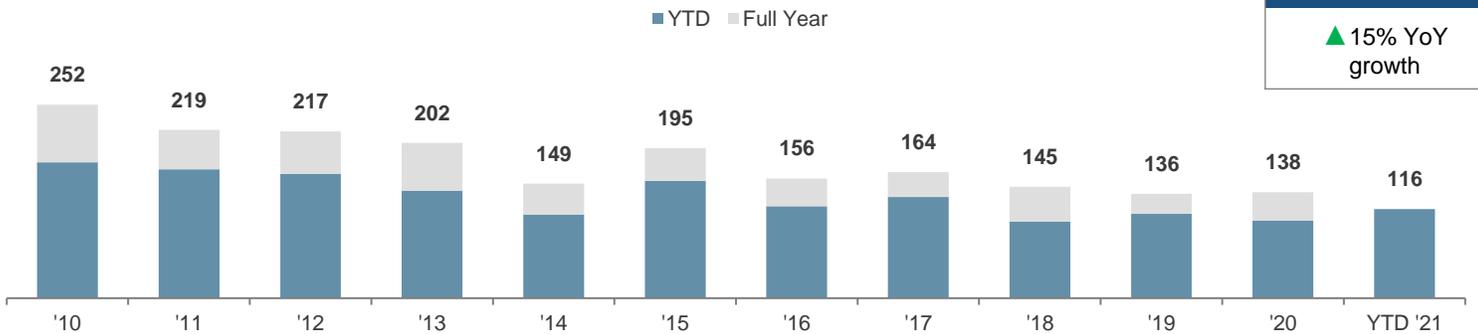
#### Communications Equipment

- Processing and Broadcasting Equipment
- Towers
- Networking Equipment
- RFID Systems
- Satellite and Microwave
- Telephone Equipment

### Sector M&A Deal Volume

#### Sector Deal Volume

Year to date through September 30, 2021

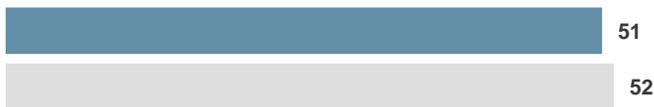


**116**  
M&A Deals

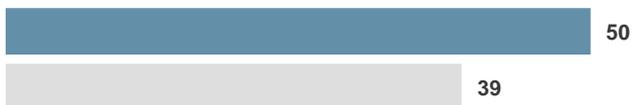
▲ 15% YoY growth

### M&A Deal Volume by Industry

#### Diversified Telecommunication Services



#### Communications Equipment



#### Wireless Telecommunication Services



### M&A Deal Volume by U.S. Region



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research  
Definitions: YoY = Year-over-year

# M&A in the Telecommunications Sector

## Notable Deals & Buyer Mix

### Notable Deals

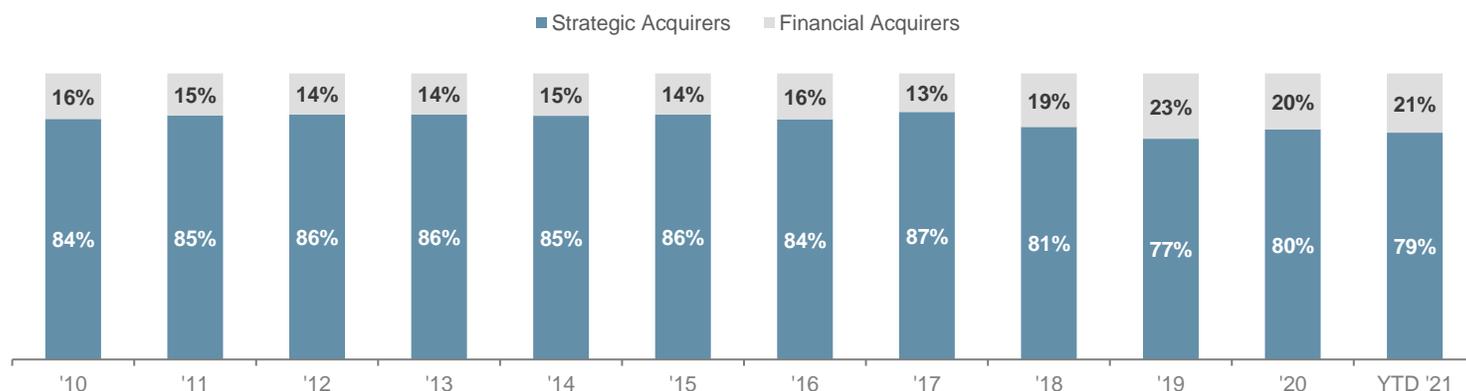
Date	Company	Acquirer	Enterprise Value (EV) (\$ in MM)	Implied EV / Revenue	Implied EV / EBITDA
Jan 2021	WhiteSky Communications, LLC	RealPage, Inc.	\$65	-	-
Feb 2021	Hargray Communications Group, Inc.	Cable One, Inc. (NYSE:CABO)	\$2,492	-	19.5x
Feb 2021	Inteliquent, Inc.	Sinch AB (publ) (OM:SINCH)	\$1,140	2.1x	8.4x
Mar 2021	Boingo Wireless, Inc.	Digital Colony Management, LLC	\$669	2.8x	8.6x
Mar 2021	Gibson Technical Services, Inc.	Orbital Energy Group, Inc. (NasdaqCM:OEG)	\$53	1.3x	9.7x
May 2021	Melody Wireless Infrastructure, Inc.	Diamond Communications LLC; Sculptor Real Estate	\$1,625	-	-
Jun 2021	Surf Air Wireless, LLC	Bain Capital Credit, LP	-	-	-
Aug 2021	IMMCO, Inc.	Gibson Technical Services, Inc.	\$19	-	-
Aug 2021	Spok Holdings, Inc. (NasdaqGS:SPOK)	Acacia Research Corporation (NasdaqGS:ACTG)	\$172	1.2x	7.3x
Sep 2021	Neustar, Inc.	TransUnion LLC	\$3,100	-	-

Note: This table includes only a sample of relevant transactions in the context of M&A activity in the sector. It is not meant to be all-inclusive.

### Buyer Mix

#### Share of Acquisitions

% of Acquisitions by Strategic and Financial Acquirers



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt – Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

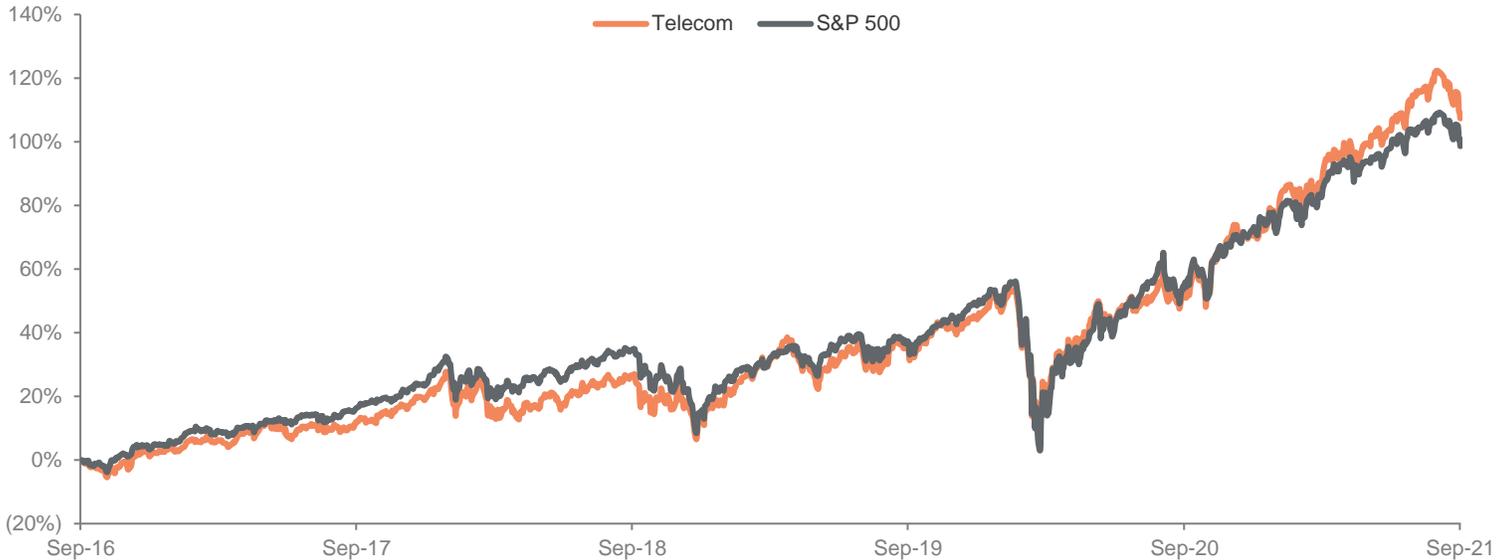
# Public Companies in the Telecommunications Sector

## Performance & Valuations

### Sector Performance

#### Return vs. S&P 500

Last 5 Years



### Valuations

#### Enterprise Value / LTM EBITDA

Median of Publicly Traded Companies

Communications Equipment



Diversified Telecommunication Services



Wireless Telecommunication Services



#### Enterprise Value / NTM EBITDA

Median of Publicly Traded Companies

Communications Equipment



Diversified Telecommunication Services



Wireless Telecommunication Services



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt - Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization; LTM = Last Twelve Months; NTM = Next Twelve Months

# Investment Snapshot in the Telecommunications Sector

## Private Investment, Ongoing Growth & RDOF Highlight

### Private Investment

#### U.S. Broadband Private Investment

<b>\$290 B</b> invested from 2000-2020	<b>\$172 B</b> invested from 2011-2020	<b>\$17 B</b> invested in 2020	<b>3.0x</b> more investment per home in U.S. vs. E.U.	<b>\$650 MM</b> spent in digital literacy education since 2010
---	---	-----------------------------------	--	---

### Ongoing Growth

#### Accessibility

<b>96%</b> of U.S. homes have access to broadband 25/3 mbps or faster	<b>5 Million +</b> new homes connected to the internet in 2020
--	---

#### Affordability

<b>\$0.64</b> avg. cost of mbps in the U.S., a 98% decrease since 2000	<b>43.9%</b> avg. price decrease on providers' fastest speeds since 2015
---	---

#### Reliability

<b>22 Million</b> cable Wi-Fi hotspots across the U.S.	<b>1.7 Million</b> miles of fiber-optic & coaxial cable within U.S. networks
---	---

#### Speed

<b>78 Million</b> U.S. customers subscribe to high-speed internet	<b>195 Mbps</b> avg. download speed in the U.S. compared to 99 mbps globally
--	---

### RDOF Highlight

#### Rural Development Opportunity Fund

<b>\$9.2 B</b> of total Phase I RDOF funding to be distributed over the next 10 years	<b>\$1.6 B</b> of RDOF funding won by electric cooperatives	<b>10 &amp; 10</b> RDOF funds are awarded in 10% increments over a 10-year span	<b>5</b> number of cooperative consortiums awarded with RDOF funding
--	--	--	---

Sources: S&P Capital IQ, Pitchbook, IMAA Institute, NRECA, NCTA, FCC, USTelecom, D+R International, Ookla Speedtest Global Index, RDOF, CCA  
Definitions: mpbs = megabits per second; RDOF = Rural Development Opportunity Fund

# CC Capital Advisors

## Firm Overview

### Who We Are

CC Capital Advisors is a boutique investment banking firm providing mergers and acquisitions, capital raising and strategic advisory services to middle market clients. Our experienced team of committed advisors combines long-standing transaction experience to provide independent and uncompromised services to achieve our clients' objectives.

### Who We Serve

We tailor our services to a broad base of clients, including entrepreneurs, family-owned businesses, private and public corporations, family offices, private equity and venture capital investors. Clients have repeatedly chosen us as trusted advisors and partners because of our quality advice, ability to execute transactions and client-first philosophy.

### What We Do

Mergers & Acquisitions	Capital Raising Advisory	Strategic Advisory
<ul style="list-style-type: none"><li>Sales of privately-held companies</li><li>Buy-side acquisitions</li><li>Minority buyouts</li><li>Corporate subsidiary divestitures</li><li>Private equity and venture capital portfolio divestitures</li></ul>	<ul style="list-style-type: none"><li>Senior secured and unsecured debt</li><li>Mezzanine capital</li><li>Growth equity capital</li><li>Recapitalizations</li><li>Private placements of institutional capital</li></ul>	<ul style="list-style-type: none"><li>Business valuations</li><li>Strategic options assessment</li><li>Ownership transition planning</li><li>Corporate reorganizations</li></ul>

### Why Clients Choose Us

<b>100+ Years</b>	Collective investment banking experience of our team	<b>\$7 Billion</b>	Completed transaction experience of our team
<b>Midwest Values</b>	Integrity, experience and commitment are our core values	<b>\$400+ Million</b>	Completed transaction value in the last 12 months
<b>Global Reach</b>	We represent clients across the world	<b>30+ Deals</b>	Number of transactions closed since 2017

### Contact Our Team

<b>John Hense</b> Managing Director (816) 360-8646 jhense@ccccapitaladvisors.com	<b>Bill Conway</b> Managing Director (816) 360-8697 bconway@ccccapitaladvisors.com	<b>Terry Christenberry</b> Managing Director (816) 360-8698 tchristenberry@ccccapitaladvisors.com	<b>Stephanie Siders, CFA</b> Vice President (816) 360-8695 ssiders@ccccapitaladvisors.com	<b>Chris Brito</b> Vice President (816) 360-8694 cbrito@ccccapitaladvisors.com
<b>Jack Ruscig, CPA</b> Analyst (816) 859-7462 jruscig@ccccapitaladvisors.com	<b>Tyler Clement</b> Analyst (816) 859-7446 tclement@ccccapitaladvisors.com	<b>Jack Schanze</b> Analyst (816) 425-9391 jschanze@ccccapitaladvisors.com	<b>Anthony Fortino</b> Analyst (816) 425-9535 afortino@ccccapitaladvisors.com	<b>Laneah Knuth</b> Executive Assistant (816) 425-9403 lknuth@ccccapitaladvisors.com

[www.ccccapitaladvisors.com](http://www.ccccapitaladvisors.com)



INTEGRITY. EXPERIENCE. COMMITMENT.

2001 Shawnee Mission Parkway, Suite 110  
Mission Woods, Kansas 66205  
816-360-8600

The information contained in this report was compiled by CC Capital Advisors from a variety of sources including news reports, S&P Capital IQ, Pitchbook, IMAA Institute, SEC filings, company statements, and information provided by M&A professionals. Many deals did not disclose pricing, and other private transactions may not have been publicly announced. Transactions are subject to change or termination prior to closing. While CC Capital Advisors makes a good faith effort to ensure the accuracy of this report, it is intended for general information purposes only. CC Capital Advisors is not responsible for any errors or omissions in this report.

Country Club Financial Services Inc., dba CC Capital Advisors, Member FINRA, SIPC