R. L. Hulett

Telecom M&A Update

Q3 2026

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REPORT HIGHLIGHTS

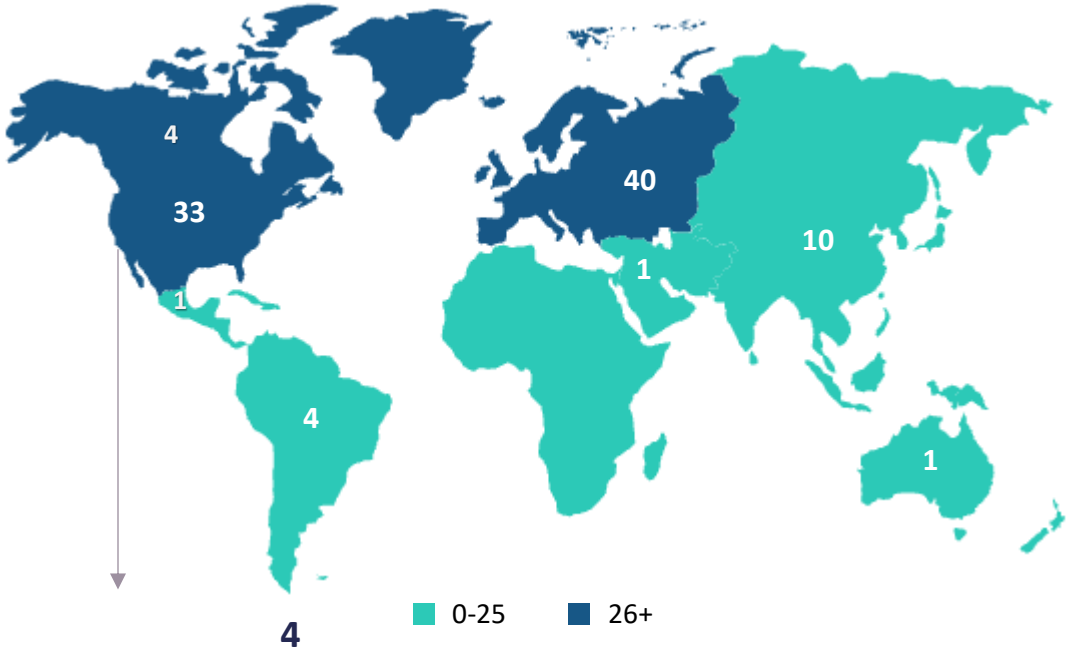
- In Q3, the State Street SPDR S&P Telecom ETF decreased 9.6%, underperforming a 2.0% increase in the S&P 500 over the same period.
- The median EV/EBITDA multiple for reported private equity deals in the Telecom sector increased to 15.4x in YTD Q3 2026 from 6.9x in 2025, while multiples on strategic buyer transactions increased to 5.2x from 3.6x in 2025.
- M&A deal volume in the sector increased 24.7% in Q3 to 96 deals from 77 in Q2, and increased 60.0% from 60 deals in Q3 of the prior year.
- Europe was the most active region in Q3 with 40 deals including Poste Italiane's $12.5 billion acquisition of Telecom Italia, Italy's largest telecommunications provider.
- Total capital invested in M&A transactions increased 258.5% in Q3 to $54.2B from $15.1B in Q2, primarily due to Charter Communications' $34.5B acquisition of Cox Communications, the largest reported deal in the quarter.



For more information on R.L. Hulett or this report, please visit our website at **rlhulett.com,** call us at **(314) 721-0607,** or contact a professional listed on this page.

Global Deal Analytics

Of the 96 deals in the Telecom sector in Q3, Europe was the most active with 40. A notable European deal in Q3 was Verdane's acquisition of a 50% stake in Telenor Connexion, a Sweden-based provider of managed IoT connectivity services. North America was the second most active with 37 transactions, and all other regions combined for a total of 17 deals.



Canada:	**4**
United States:	**33**
Southeast:	8
Mid-Atlantic:	7
West Coast:	3
Great Lakes:	1
Others:	14

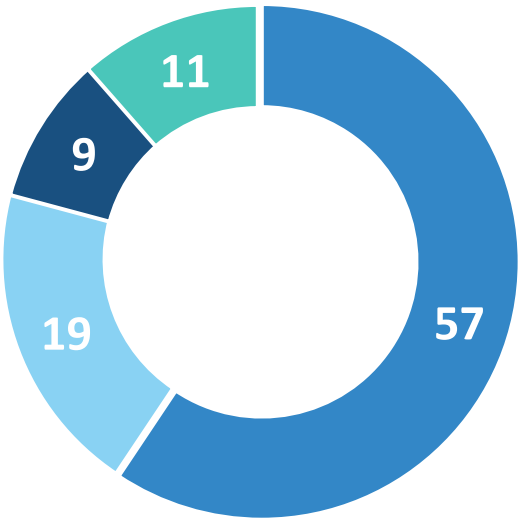
In the U.S., the Southeast region was the most active with 8 deals, followed by the Mid-Atlantic with 7 deals, West Coast with 3, and Great Lakes with 1 closed transaction. A notable deal in the Southeast region was Abry Partners' buyout of KORE Group, an Atlanta, GA-based provider of IoT connectivity and managed services. All other U.S. regions combined for a total of 14 completed transactions.

In Canada, 4 transactions closed in Q3 including Hamilton Lane Advisors' $215 million acquisition of telMAX, an Ontario-based provider of fiber-based internet, television, phone, and IT services to residential and business customers.

Source: PitchBook Data

Of the 96 Telecom deals in Q3, 57 deals were in the Communications & Networking subsector, making it the most active from an M&A volume standpoint. The Other Business Products and Services and Commercial Services subsectors saw 19 and 9 closed transactions, respectively, and all other subsectors combined for a total of 11 deals during the quarter.

Telecom
M&A Volume by Subsector



Communications & Networking

Other Business Products and Services

Commercial Services

Other

Global Deal Analytics

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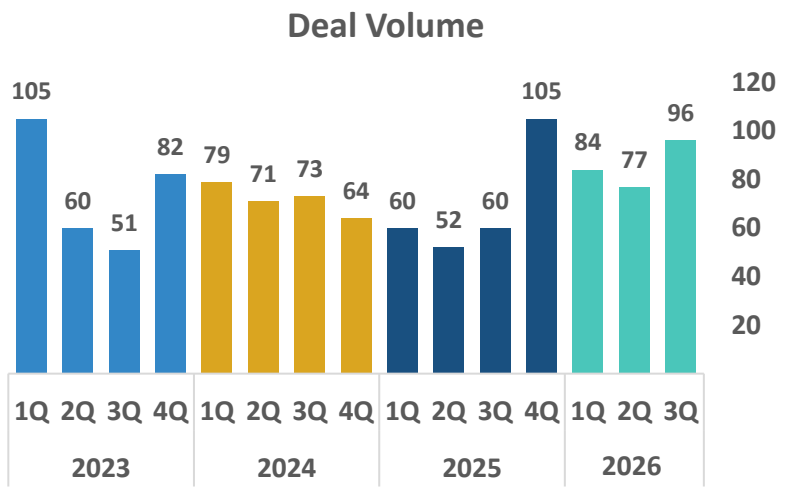
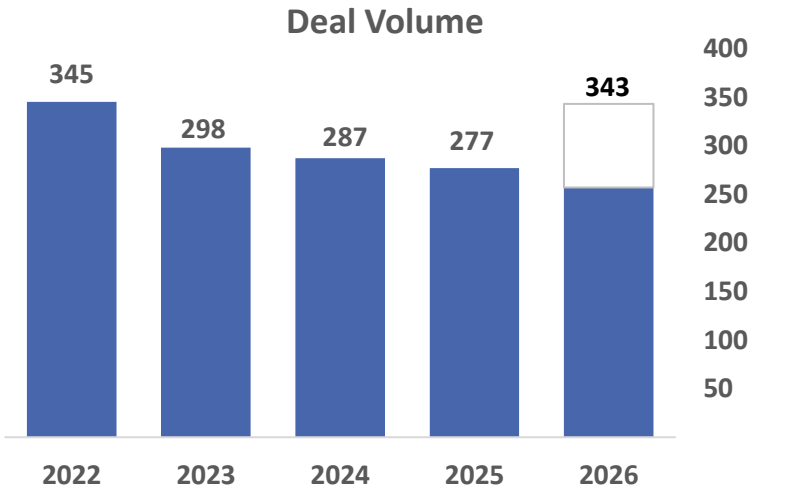
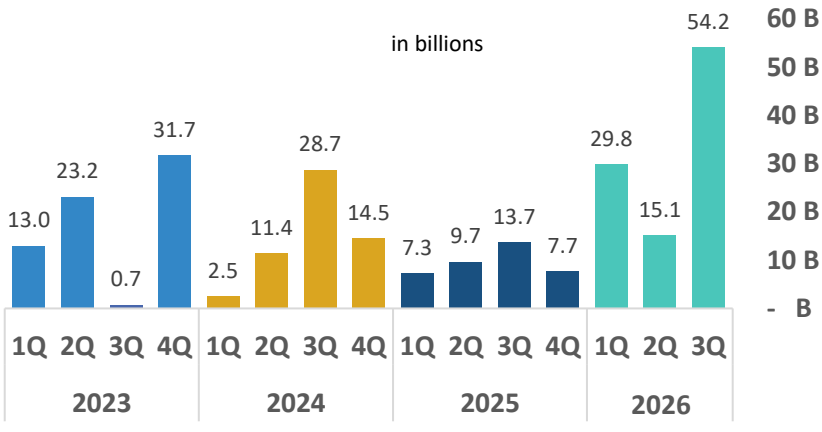
Deal volume in the Telecom sector increased 24.7% in Q3 to 96 deals from 77 in Q2, and increased 60.0% from 60 deals in Q3 of the prior year. Q3 marks the third-highest quarterly deal volume in the last four years. Year-to-date volume of 257 deals is up 49.4% from 172 over the same period in 2025, driven by strategic acquirers pursuing scale in broadband and fiber, coupled with sustained private equity interest in IoT connectivity platforms.

Annual deal volume is projected to increase 23.8% to 343 deals in 2026 from 277 in 2025. We attribute this projected increase to the strategic and private equity demand mentioned above, though rising interest rates and energy-driven inflation may temper buyer appetite heading into year-end.

Total capital invested in M&A deals in the Telecom sector increased 258.5% in Q3 to $54.2B from $15.1B in Q2, and increased 295.6% from $13.7B in Q3 of the prior year. The quarterly increase was largely driven by Charter Communications' $34.5B acquisition of Cox Communications, which alone accounted for approximately 64% of capital invested in Q3. Comparatively, the largest reported deal in Q2 was Orange's $5.7B acquisition of Masorange.







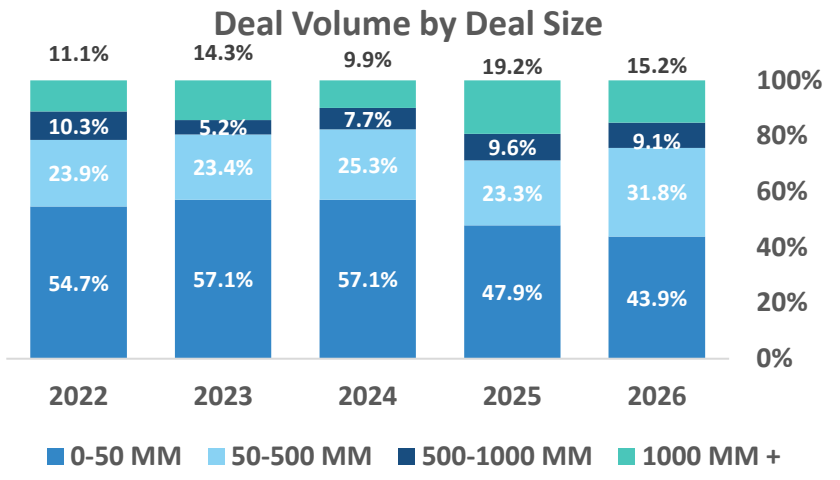
Source: PitchBook Data

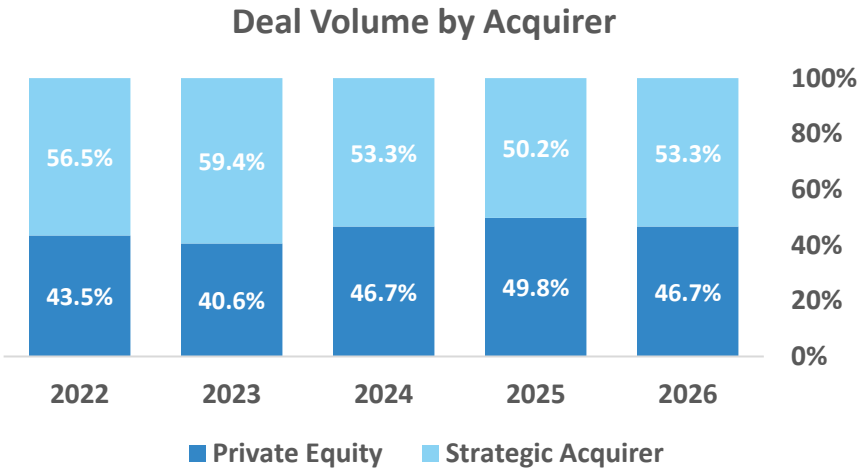
Global Deal Analytics

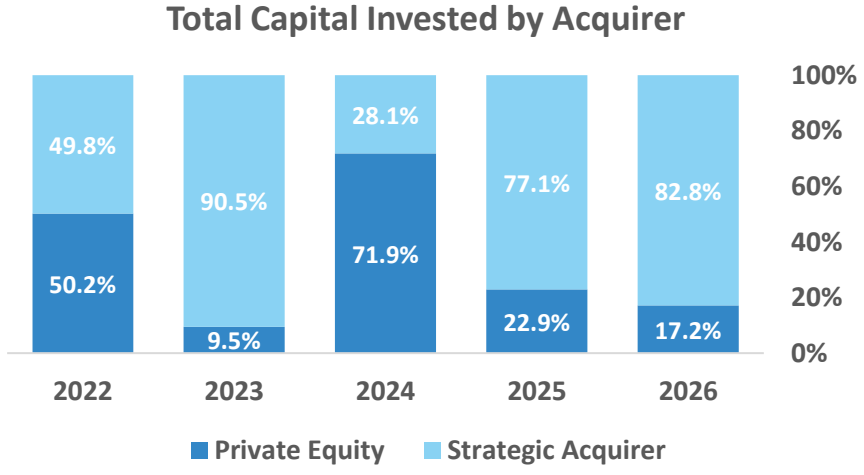
In YTD Q3 2026, we saw a shift in mix toward middle-market deals from the prior year, as the middle market ($50 to $500 MM) tranche increased to 31.8% from 23.3% in 2025. The lower middle market ($0 to $50 MM), upper middle market ($500 to $1,000 MM) and large cap ($1,000+ MM) tranches decreased to 43.9%, 9.1% and 15.2% from 47.9%, 9.6% and 19.2%, respectively, in 2025.

As a % of total deal volume, PE buyers trended lower in YTD Q3 2026 relative to strategic buyers, representing 46.7% of deal volume in the sector, down from 49.8% in 2025. YTD Q3 2026 marks a reversal from 2025's five-year high in PE share of deal volume, driven by increased activity from strategic acquirers pursuing scale through consolidation.

Total capital invested by PE investors (as a % of overall capital invested) decreased to 17.2% in YTD Q3 2026 from 22.9% in 2025. Large strategic acquisitions, such as the previously mentioned Charter/Cox and Poste Italiane/Telecom Italia deals, demonstrate strong interest from large strategic buyers pursuing scale in the sector.







Source: PitchBook Data

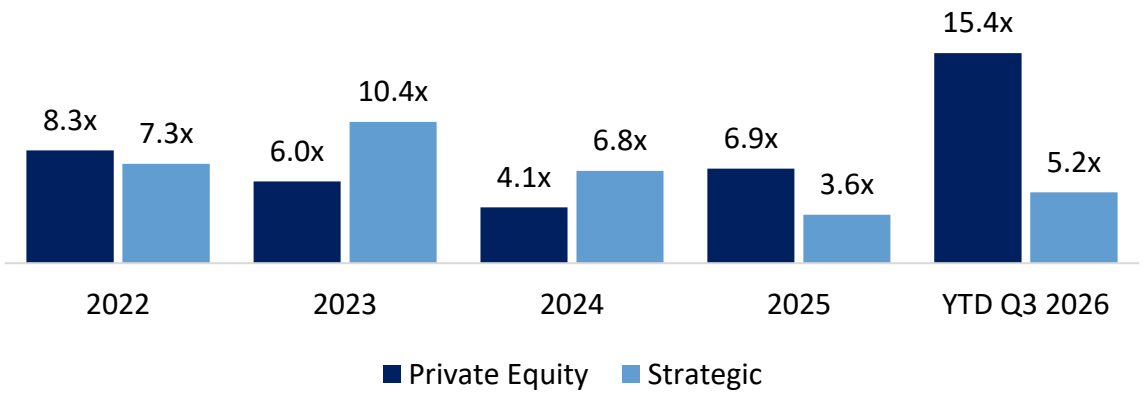
Valuation Multiples

The median EV/EBITDA multiple for reported private equity deals in the Telecom sector increased to 15.4x* in YTD Q3 2026 from 6.9x in 2025, while multiples on strategic buyer transactions increased to 5.2x from 3.6x in 2025.

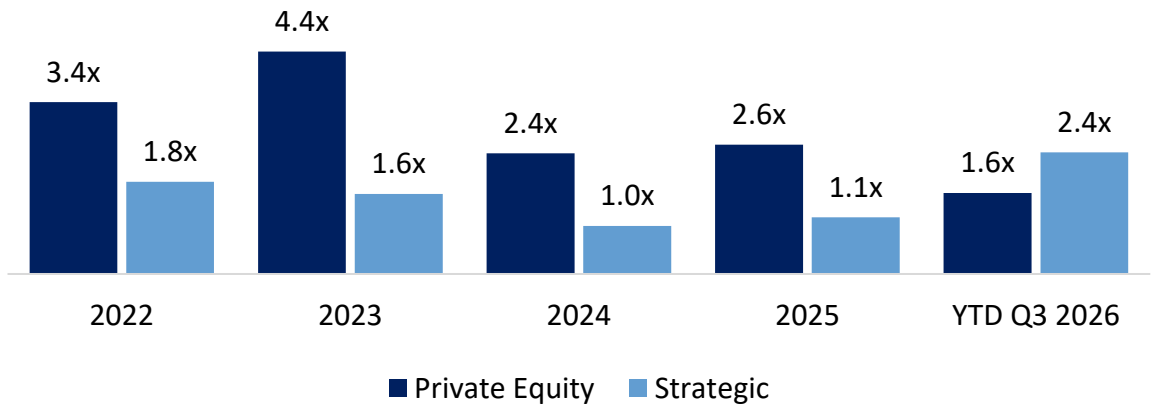
The median EV/Revenue multiple for reported private equity deals decreased to 1.6x in YTD Q3 2026 from 2.6x in 2025, while multiples on strategic buyer transactions increased to 2.4x from 1.1x in 2025.

The YTD Q3 2026 median strategic EV/Revenue multiple of 2.4x marks the highest level in the last five years.

Reported EV/EBITDA Multiples



Reported EV/Revenue Multiples



**The YTD Q3 2026 private equity EV/EBITDA median is based on a limited number of reported deals.*

Source: PitchBook Data

Selected Active Investors

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Active Strategic Investors – Telecom Sector

Investor	2026 Investments	Select Targets
Charter Communications	2	COX, Liberty Broadband
ConxCorp	2	HC2, mobileX
Allicon	1	awiwo

Active Private Equity Investors – Telecom Sector

Investor	2026 Investments	Select Targets
Charlesbank	2	airespring, Spectrotel
DNI	2	VOX telecom, Know Roaming
Hamilton Lane	2	Velocity Fiber, telMAX

Source: PitchBook Data

Largest Deals (Disclosed)

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Date	Company Name	Investor	Deal Type	Deal Size ($mm)	EV		Target Business Description
					Revenue	EBITDA	
17-Sep-2026	telMAX	Hamilton Lane Advisors	PE Growth/ Expansion	$ 215.0			Provider of telecommunications services intended to serve homes and businesses.
11-Sep-2026	Prysmian	Undisclosed Investor	PIPE	987.4			Prysmian is an Italian manufacturer of electric power transmission and telecommunications cables and systems.
10-Sep-2026	Telenor Connexion	Verdane Capital Advisors	Buyout/ LBO	3,689.0			Provider of managed IoT connectivity services designed to support large-scale enterprise deployments.
08-Sep-2026	Telecom Italia	Poste Italiane	Merger/ Acquisition	12,537.5	1.01x	3.30x	Telecom Italia is the incumbent telecommunications operator in Italy.
02-Sep-2026	MicroAge	ScanSource	Merger/ Acquisition	220.5			Provider of managed IT services intended to help businesses achieve technology goals and navigate disruption.
01-Sep-2026	WIOCC	Africa Finance Corporation	PE Growth/ Expansion	300.0			Provider of end-to-end managed connectivity services catering to cloud operators.
24-Aug-2026	Vox Telecom	DNI Invest	PE Growth/ Expansion	880.9			Provider of voice, data and collaboration services intended for consumer and business customers through offices nationally in South Africa.
24-Aug-2026	MobileX	CONX Corp	Merger/ Acquisition	200.0			Provider of wireless connectivity services intended to help consumers use their data carefully.
20-Aug-2026	Cox Communications	Charter Communications	Merger/ Acquisition	34,500.0			Operator of a multi-service broadband communication agency catering to residential and commercial customers.
07-Aug-2026	IHS Holding (Latin America Tower Business)	Macquarie Asset Management	Buyout/ LBO	952.0			Provider of wireless tower infrastructure services operating across Brazil and Colombia.
03-Aug-2026	VodafoneZiggo Group Holding	Liberty Global	Merger/ Acquisition	1,143.1			Provider of integrated communication and entertainment services intended for consumers and businesses.
30-Jul-2026	Adani Energy Solutions	Undisclosed Investor	PIPE	364.8			Adani Energy Solutions Ltd operates in India and deals in the trading of various bullions and other commodities.
21-Jul-2026	KORE Group Holdings	Abry Partners	Buyout/ LBO	726.0	1.55x	15.40x	IoT connectivity and managed services intended to simplify the deployment of connected-device initiatives.
16-Jul-2026	DIGI Spain Telecom	Global Portfolio Investments	IPO	328.3			DIGI Spain Telecom SAU is a Spanish telecommunications operator offering internet, fixed and mobile services, as well as pay TV.
Mean				4,074.6	1.28x	9.35x	
Median				803.4	1.28x	9.35x	
High				34,500.0	1.55x	15.4x	
Low				200.0	1.01x	3.3x	

Source: PitchBook Data

Leading M&A Deals (Completed)

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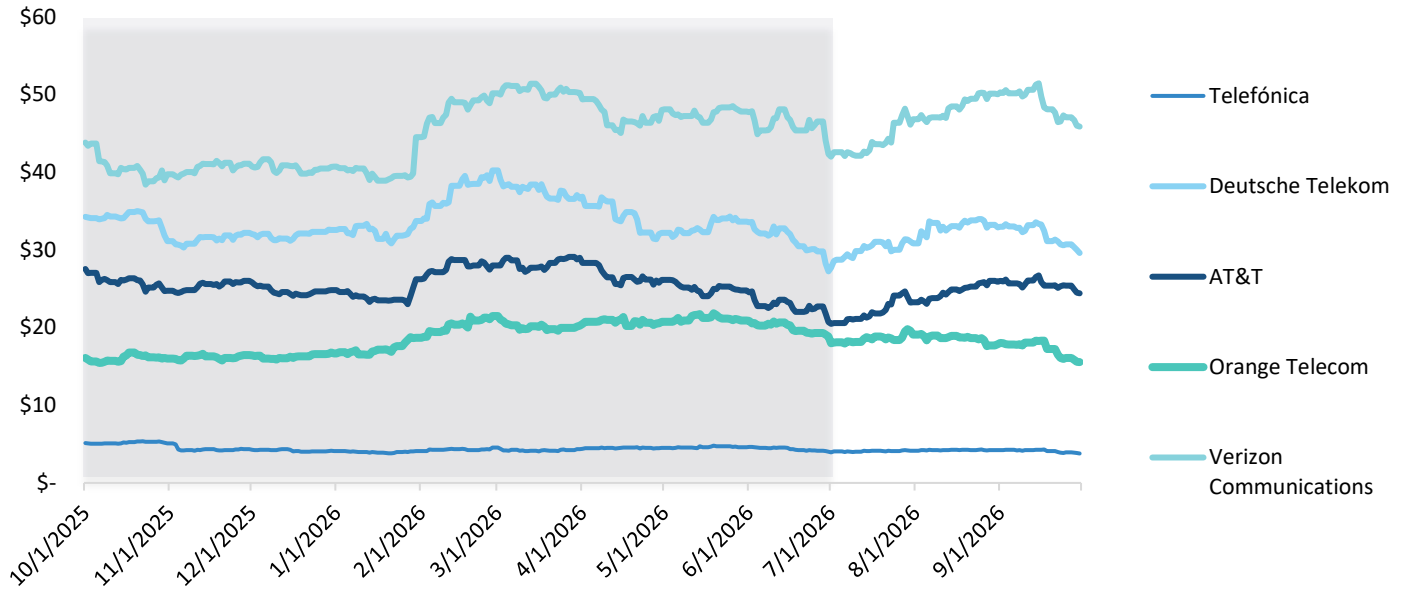
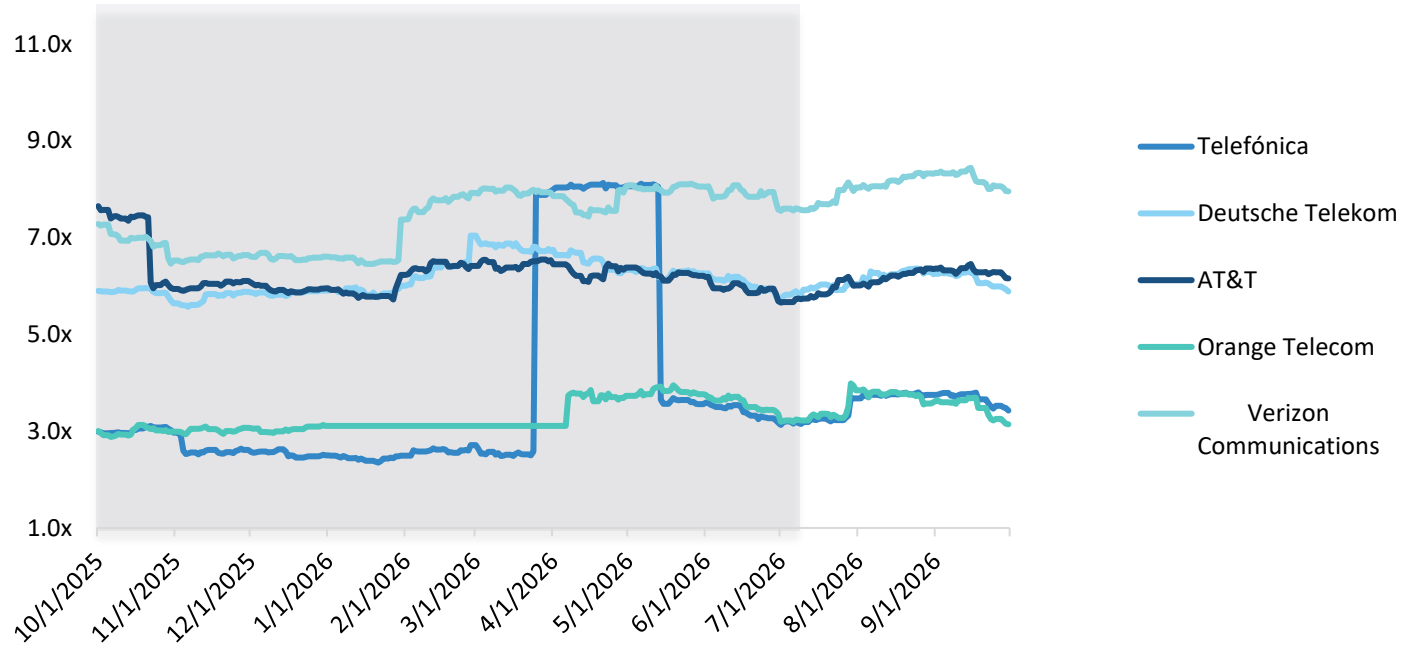
Target	Investor(s)	Driver	Deal Synopsis
COX	Charter Spectrum	**Merger/ Acquisition**	Charter Communications acquired Cox Communications, an Atlanta-based provider of broadband, video, and mobile connectivity services, for approximately $34.5 billion in August 2026. The transaction creates the largest broadband and video provider in the U.S., giving Charter the scale to compete with national and global connectivity companies while funding continued investment in its Spectrum fiber network.
telenor | connexion	verdane	**Buyout/LBO**	Verdane acquired a 50% stake in Telenor Connexion, a Sweden-based provider of managed IoT connectivity services, for approximately $3.7 billion in September 2026. The investment forms a 50/50 joint venture with Telenor and reflects Verdane's view of IoT connectivity as a structural growth market, with both owners committing additional capital to support the company's growth strategy.
KORE	abry partners	**Buyout/LBO**	Abry Partners, alongside Searchlight Capital Partners, acquired KORE Group, an Atlanta-based provider of IoT connectivity, managed services, and analytics, for approximately $726.0 million in July 2026. The transaction takes the company private and gives KORE greater flexibility to invest in product development and respond more quickly to customer needs.
MicroAge Technology Reimagined	scansource	**Merger/ Acquisition**	ScanSource acquired MicroAge, an Arizona-based solutions integrator and managed IT services provider, for approximately $220.5 million in September 2026. The acquisition expands ScanSource's total addressable market and adds higher-margin services capabilities in cloud, cybersecurity, data center, and AI.

Source: PitchBook Data

Stock Price



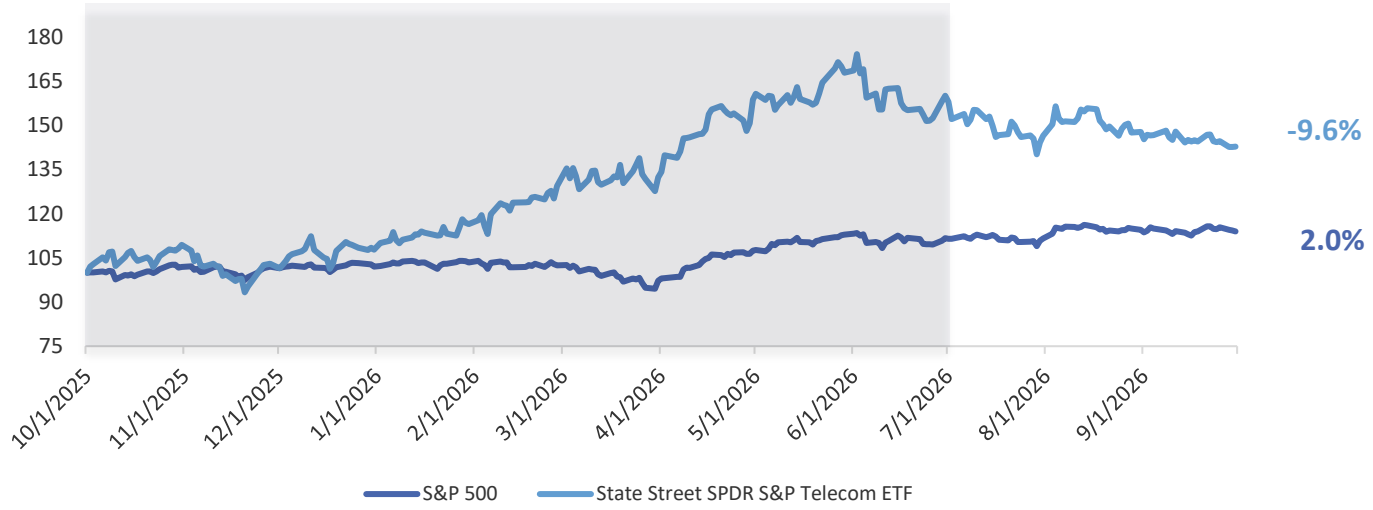
EV/EBITDA



Source: PitchBook Data

Index Performance

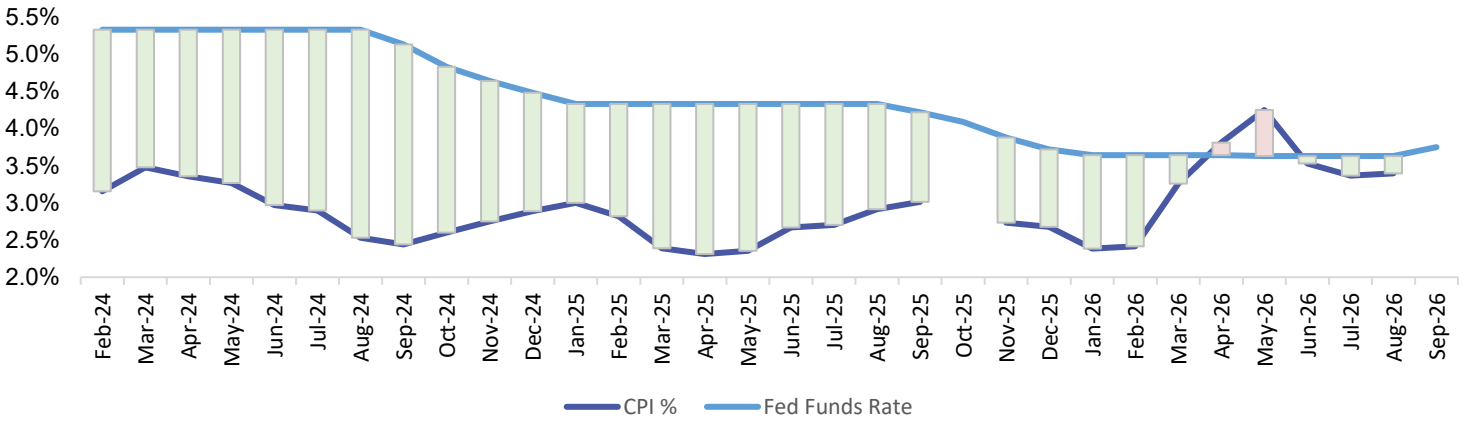
In Q3, the State Street SPDR S&P Telecom ETF decreased 9.6%, underperforming a 2.0% increase in the S&P 500 over the same period.



Key External Drivers

Telecom services are typically viewed as defensive given recurring subscription revenue, though capital-intensive network buildouts make the sector sensitive to interest rates.

In September 2026, the Federal Reserve delivered its first rate hike since 2023, raising the target range to 3.75%–4.00% and ending its sequence of rate holds. The move signals a shift from the patient stance held earlier in the year, as the Fed emphasized that inflation remains elevated and that tighter policy should support a timelier return to its 2% objective. Updated projections reflect slightly stronger U.S. growth and a lower unemployment outlook, while year-end inflation expectations were revised higher, with a return to the 2% target now pushed out to 2029. Following the hike, 16 of 18 officials expect at least one additional increase this year, citing persistent energy-driven inflation and geopolitical tensions in the Middle East. Meanwhile, the M&A environment remains resilient, supported by large-scale strategic consolidation, private capital deployment, and a 24.7% quarterly increase in deal volume within the Telecommunications sector.



Note: The U.S. Bureau of Labor Statistics did not publish an official CPI reading for October 2025 due to the federal government shutdown, which disrupted data collection. As a result, no official year-over-year CPI figure is available for that month.

Source: PitchBook Data

Emerging Trends in the Telecom Sector



Broadband Scale Consolidation

Cable and fiber operators combine to compete nationally

Large-scale consolidation returned to the forefront in Q3 as operators pursued scale to compete with national and global connectivity providers. Charter's $34.5 billion acquisition of Cox Communications, the quarter's largest deal, created the leading U.S. broadband and video provider and underscores the premium placed on dense fiber and cable footprints. Buyers prioritize assets that expand coverage, strengthen mobile bundling, and support continued network investment.



IoT Connectivity Platform Investment

Sponsors back managed connectivity at global scale

Private equity investors are targeting IoT connectivity platforms that manage devices across multiple carriers, countries, and operating environments. Abry Partners and Searchlight Capital Partners' $726.0 million take-private of KORE Group and Verdane's investment in Telenor Connexion highlight sponsor conviction in IoT as a structural growth market. Recurring connectivity revenue and expanding AI-driven device adoption continue to support valuations despite a higher-rate financing environment.



Carve-Outs & Infrastructure Monetization

Joint ventures unlock capital while preserving strategic control

Telecom operators continue separating non-core and infrastructure assets to unlock capital and sharpen focus on core services. Telenor's 50/50 joint venture with Verdane for Telenor Connexion allows the operator to fund growth more capital-efficiently while remaining a long-term owner. Tower portfolios remain in demand, as shown by Aurora Towers' agreement to acquire American Tower's Canadian wireless sites, as infrastructure investors seek long-duration, contracted cash flows.



Managed Services & Cybersecurity Convergence

Distributors move up the value chain into recurring services

Technology distributors and solution providers are acquiring managed services capabilities to capture higher-margin, recurring revenue. ScanSource's $220.5 million acquisition of MicroAge adds cybersecurity, data intelligence, and managed IT services, expanding its reach into cloud, data center, and AI. Buyers prioritize companies with established client bases and vendor partnerships.

Source: PitchBook Data

“I’ve Walked Your Path” – Jim Goebel

Jim Goebel brings nearly three decades of founder and operator experience to R.L. Hulett, shaped by a career leading high-growth organizations in the communications and technology sectors. He served for 17 years as President and Chief Executive Officer of SoTel Systems, where he transformed the business from a regional telecom equipment reseller into a nationally recognized provider of OEM telecommunications hardware, cloud services, refurbished equipment, and technical solutions serving MSPs, value-added resellers, systems integrators, UCaaS providers, and ISPs. During his tenure he completed multiple acquisitions, expanded national distribution capabilities, built long-standing supplier partnerships, and guided the company through major technology transitions in the voice and data communications ecosystem. While leading SoTel Systems, he also founded NUSO, a modern cloud communications, VoIP, and UCaaS platform that began as an internal division within SoTel before being spun out as an independent entity. Jim directed the architecture, product development, staffing, and go-to-market strategy of NUSO, ultimately scaling it into a national provider and achieving a successful exit to private equity in 2024.



Jim Goebel
Director
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Jim’s dual experience operating a mature distribution and services business while simultaneously building a cloud software platform provides him with a rare perspective on both legacy telecom infrastructure and next-generation communications technologies. His background includes extensive involvement in mergers and acquisitions, strategic planning, term sheet negotiation, diligence management, and post-close integration across technology and services businesses. He has firsthand experience across every stage of the value creation cycle, including early-stage product development, organizational scaling, operational restructuring, and exit execution. Today, as a Director at R.L. Hulett, Jim advises founders, owner-operators, and family-owned companies in the telecom and cloud-enabled services sectors as they evaluate full exits, recapitalizations, growth strategies, or succession planning. His board involvement, industry relationships, and long record of leadership equip him to guide clients through complex strategic decisions with the practical insight of an executive who has built and led telecommunications businesses from the ground up.

Experience Includes:

SOTEL™

President/CEO for 17 years

nuso

Founder/successful seller of the business

Source: PitchBook Data

R. L. Hulett

Proven, Professional, Principled.

Investment Bankers for the Middle Market

About

R.L. Hulett is a middle-market investment bank based in St. Louis, Missouri, providing M&A and financial advisory services to middle-market companies. Since its founding in 1981, the firm has advised in over 300 transactions in a variety of industries including Telecommunications, Software/Tech-Enabled Services, Packaging, Business Services, Transportation & Logistics, Healthcare and Industrial Services. The firm has an experienced team of M&A advisors consisting of former business owners, seasoned corporate executives, professional service firm partners, CPAs and MBAs. Our ability to deliver customized solutions to meet or exceed our clients' expectations is what sets us apart from our competitors.

Our Clients

$10 - 250MM
Revenue

$2 - 20MM
EBITDA

Middle Market
Privately Owned

Industries Served



Telecom



Tech-Enabled Services



Plastics & Packaging



Food & Consumer



T&L



Healthcare

For more information on R.L. Hulett or this report, please visit our website at **rlhulett.com** or call us at **(314) 721-0607**

Our Service Offerings



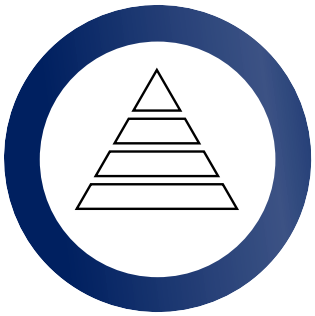
Sell-Side Advisory: Sell your business

Sell your business for the highest price and for the best terms. At R.L. Hulett, communicating the value of your business to targeted buyers and finding the best fit for your team is our forte. We strive to maintain your company's culture and heritage even as you transition out of your business.



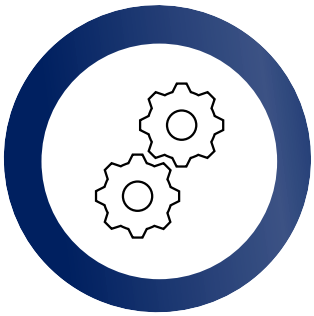
Buy-Side Advisory: Buy a business

Searching for acquisition targets can be a challenging and time-consuming task when trying to run your own business at the same time. Navigating the risks and pitfalls in negotiating valuation and deal structure can also be a daunting task for many business owners. Let our team help you minimize your risk and reduce time-wasting efforts with our decades of experience in advising in both buy- and sell-side M&A transactions. We utilize industry-leading M&A databases to scout for opportunities and pre-screen for "real" actionable targets so you can stay focused on what matters.



Capital Raise: Gain financial support

With over 45 years of experience in middle-market M&A advisory, we know how to package up your deal and put you in front of the right kind of investors who have the capital and the industry expertise you need to grow your business. Our team will develop a go-to-market strategy and advise on deal structure, valuation, due diligence and transition issues. Whether you are seeking capital for growth or trying to buy out other shareholders, we have the tools, expertise, and experience to execute a strategic process and find the optimal outcome to meet your objectives.



Restructuring: Reorganize your business

In today's uncertain economic times, more and more companies are finding themselves in unfamiliar, and unwanted, positions. Many business owners are hoping recovery is just around the corner; however, proactive measures are often required to maximize the remaining value of the business. Our team can aid banking institutions with workout situations by implementing internal controls over cash management and performing ongoing cash flow modeling for their clients. We can also help business owners avoid trouble making payments on their debts and the cumbersome and low-value asset liquidation process.

Source: PitchBook Data

Selected Transactions

R. L. Hulett

Over the years, R.L. Hulett has completed hundreds of transactions in a variety of industries. Below are several representative transactions highlighting the firm's experience in the technology and communications sectors.

secure data
SERVING OUR CUSTOMERS SINCE 1987

has been acquired by

Emtec
Business & Technology Empowered

MEDIA PULSE INCORPORATED

has been acquired by

CISION

Federated Software Group, Inc.

sold substantially all of its assets to

BOEING

GRIFFIN
PERSONNEL GROUP

sold substantially all of its assets to

DISA

GADELLNET
accessible IT solutions

has acquired

BLUE KEY TECHNOLOGY

dmi
Data Manufacturing, Inc.
ST. LOUIS, MO USA

has been acquired by

SPELL CAPITAL

Source: PitchBook Data

RLH Team



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Mr. Hulett has led M&A transactions in a variety of industries including manufacturing/industrial, software development/IT, business services and value-added distribution for over 15 years. Prior to joining the firm, he held senior-level accounting and financial management positions in both public accounting and large corporations. Mr. Hulett began his career as a Certified Public Accountant with MPP&W, a St. Louis-based public accounting firm specializing in middle-market companies. He then held various management positions in internal audit and corporate accounting with a Fortune 1000 industrial manufacturing company and also spent nine years with Enterprise Rent-A-Car Company as a department manager in the Corporate Accounting group. Mr. Hulett holds his Series 62, 63 and 79 securities registrations. Mr. Hulett earned a Bachelor's Degree in Accounting from the University of Missouri, Columbia.



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Mr. Goebel has spent most of his career as an owner/operator of several successful businesses in the technology and distribution space. He founded NUSO, a cloud VoIP platform that began as a division of SoTel Systems, then spun it out, scaled it and sold it to private equity in 2024. He has been on both sides of the M&A table, leading myriad acquisitions and overseeing several successful exits. He has extensive experience working with banking, private equity, deal structure, corporate finance and capital structure, and post-deal company assimilations. Mr. Goebel has served on several industry as well as community nonprofit boards in both financial and advisory capacities. He holds a Bachelor's Degree from the University of Southern Indiana in Evansville, Indiana.

RLH Team



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Mr. Riley has owned, operated, and sold multiple businesses spanning five decades in the technology, fabrication, hospitality, real estate, social media, financial services, automotive, private equity and business services industries. He owns multiple companies, United Cutwater and Cutwater Advisory Partners, that focus on identifying, funding, growing, and exiting businesses at their optimum value. Prior to joining the firm, he worked in New York in the investment banking industry for 10 years. He began his career with American Express as an Estate and Tax Planning Specialist. With degrees in Finance and Philosophy and a Master's in Organizational Psychology, Mr. Riley was educated at Santa Clara University, the London School of Economics and the Harvard Business School. Mr. Riley is Series 79 and Series 63 licensed, has seven board certifications in cyber intelligence, and is a licensed forensic investigator.



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Dax provides analytical support for senior-level deal managers and prepares confidential memorandums, financial models and industry research reports. Dax graduated from the University of Missouri, Columbia, with a Bachelor of Science degree in Finance from the Trulaske College of Business. Prior to joining the firm, Dax worked as a financial planning intern for Haribo of America, where he developed an automated sales report, utilized data to create an updated pricing model, and converted their outsourced payroll ledger to a more accurate format. During his time at the University of Missouri, Dax was involved with the Financial Planning Association and the University of Missouri Investment Group.



Lynda Hulett
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Lynda Hulett leads the firm's marketing, administrative and communication efforts. She maintains the firm's proprietary CRM database, manages outbound firm communications and provides administrative support to senior deal managers. Prior to joining R.L. Hulett, Lynda spent the previous ten years in various marketing and administrative functions. Most recently, she worked as a client liaison providing administrative support for a CPA firm. Prior to that, she was employed by Moneta Group, a financial services advisory firm, where she provided marketing and administrative support to the client managers. Lynda graduated from the University of Missouri, Columbia, receiving her business degree with an emphasis in Marketing.



Robert L. Hulett
In Memoriam:
1943-2024

Mr. Hulett founded the firm in 1981 and negotiated and completed more than 200 transactions throughout his career. He began his career as a Certified Public Accountant and practiced with Peat, Marwick, Mitchell & Co. in St. Louis as an Audit Manager and in New York as the Director of Training for Private Business. Mr. Hulett also served as Chief Executive & Board Member for various middle-market companies. As an educator, he was an adjunct professor at New York University and a tenured faculty member at Lindenwood University in St. Louis. He conducted training sessions for middle-market CPA firms throughout the country for more than ten years. Mr. Hulett earned his BS/BA Cum Laude in Accounting from the University of Missouri, Columbia, and an MBA from Lindenwood University.

R. L. Hulett

Trusted Advisors. Tenacious Advocates.

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