

# Industry Update **Telecommunications** Q4 2022

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#### **Financial Performance** Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

		Size Profile				LTM Operating Data		Forward Estimates	
Company Name	Ticker	Price at 12/31/22	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2022 Est. Revenue	2022 Est. EBITDA
Telecommunication Services									
Verizon Communications Inc.	VZ	\$39.40	71.0%	\$344,802	\$379,680	\$136,835	\$47,566	\$138,780	\$48,341
AT&T Inc.	Т	\$18.41	67.0%	\$312,211	\$426,463	\$155,319	\$53,007	\$122,658	\$42,806
T-Mobile US, Inc.	TMUS	\$140.00	90.7%	\$288,686	\$213,499	\$80,083	\$26,664	\$82,731	\$29,474
Lumen Technologies, Inc.	LUMN	\$5.22	37.5%	\$30,855	\$54,817	\$18,525	<b>\$6,97</b> 0	\$14,769	\$5,332
Frontier Communications Parent, Inc.	FYBR	\$25.48	80.0%	\$13,734	\$18,273	\$5,893	\$2,387	\$5,717	\$2,120
Iridium Communications Inc.	IRDM	\$51.40	95.9%	\$8,873	\$3,063	\$683	\$372	\$748	\$448
Telephone and Data Systems, Inc.	TDS	\$10.49	48.9%	\$7,522	\$14,479	\$5,428	\$1,110	\$5,486	\$1,221
United States Cellular Corporation	USM	\$20.85	63.2%	\$5,904	\$11,056	\$4,189	\$807	\$4,176	\$974
Cogent Communications Holdings, Inc.	CCOI	\$57.08	77.1%	\$4,238	\$1,021	\$579	\$209	\$629	\$251
Consolidated Communications Holdings, Inc.	CNSL	\$3.58	42.2%	\$2,481	\$3,969	\$1,214	\$376	\$1,137	\$356
ATN International, Inc.	ATNI	\$45.31	89.8%	\$1,335	\$1,595	\$721	\$167	<b>\$</b> 778	\$187
Shenandoah Telecommunications Company	SHEN	\$15.88	59.7%	\$977	\$922	<b>\$26</b> 0	<b>\$</b> 60	\$282	<b>\$</b> 78

Source: Capital IQ

### **Valuation Metrics** *Return Profile, Trading Multiples*

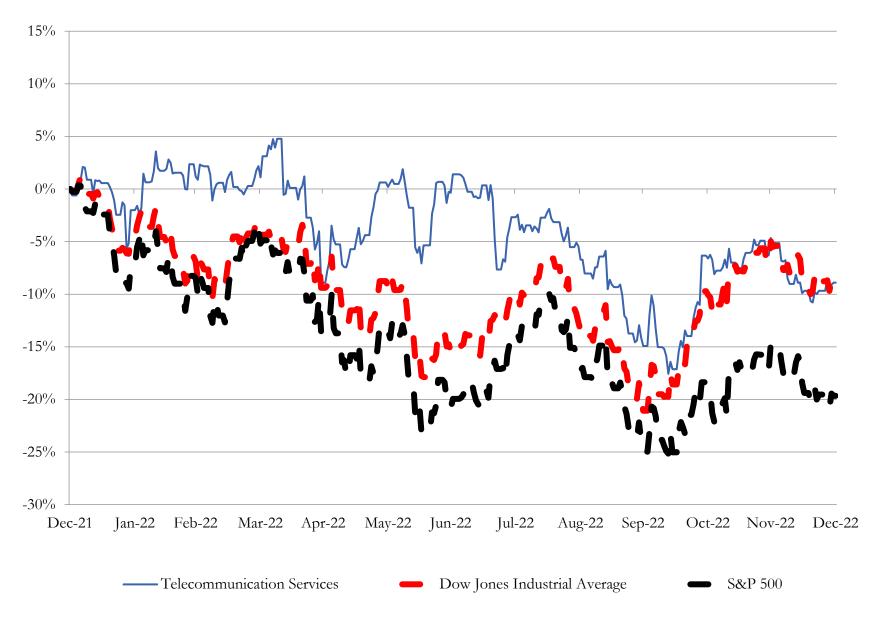
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				Return	Profile			Trading 1	Multiples
Company Name	Ticker	Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
Telecommunication Services									
Verizon Communications Inc.	VZ	4.6%	23.7%	1.1%	32.0%	-11.5%	0.3x	2.6x	8.1x
AT&T Inc.	Т	4.2%	11.9%	4.5%	34.1%	11.5%	0.7x	2.0x	5.9x
T-Mobile US, Inc.	TMUS	3.7%	2.2%	0.5%	33.3%	-0.6%	0.6x	3.7x	11.0x
Lumen Technologies, Inc.	LUMN	4.1%	17.1%	-7.2%	37.6%	-17.7%	1.0x	1.7x	4.5x
Frontier Communications Parent, Inc.	FYBR	4.6%	10.2%	-10.2%	40.5%	-2.7%	0.0x	2.3x	5.6x
Telephone and Data Systems, Inc.	TDS	0.9%	2.0%	1.8%	20.4%	-5.5%	1.0x	1.4x	6.7x
Iridium Communications Inc.	IRDM	1.4%	0.3%	12.9%	54.5%	7.7%	1.1x	13.4x	24.5x
United States Cellular Corporation	USM	0.7%	2.0%	1.5%	19.3%	-6.9%	0.6x	1.4x	7.3x
Cogent Communications Holdings, Inc.	CCOI	7.2%	N/A	2.0%	36.0%	4.6%	0.4x	7.2x	20.0x
Consolidated Communications Holdings, Inc.	CNSL	1.3%	-13.5%	-5.9%	31.0%	-16.5%	1.1x	2.1x	6.7x
ATN International, Inc.	ATNI	0.7%	-3.7%	33.9%	23.1%	41.6%	0.4x	1.9x	8.0x
Shenandoah Telecommunications Company	SHEN	-0.1%	-1.5%	8.0%	23.2%	-1.0%	0.6x	3.7x	15.8x
	Mean	2.8%	4.6%	3.6%	32.1%	0.2%	0.6x	3.6x	10.3x
Source: Capital IQ	Median	2.5%	2.0%	1.7%	32.7%	-1.8%	0.6x	2.2x	7.6x

## LTM Equity Performance

Major Indexes

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### **Recent M&A Activity**

Last Twelve (12) Months as of December 31, 2022

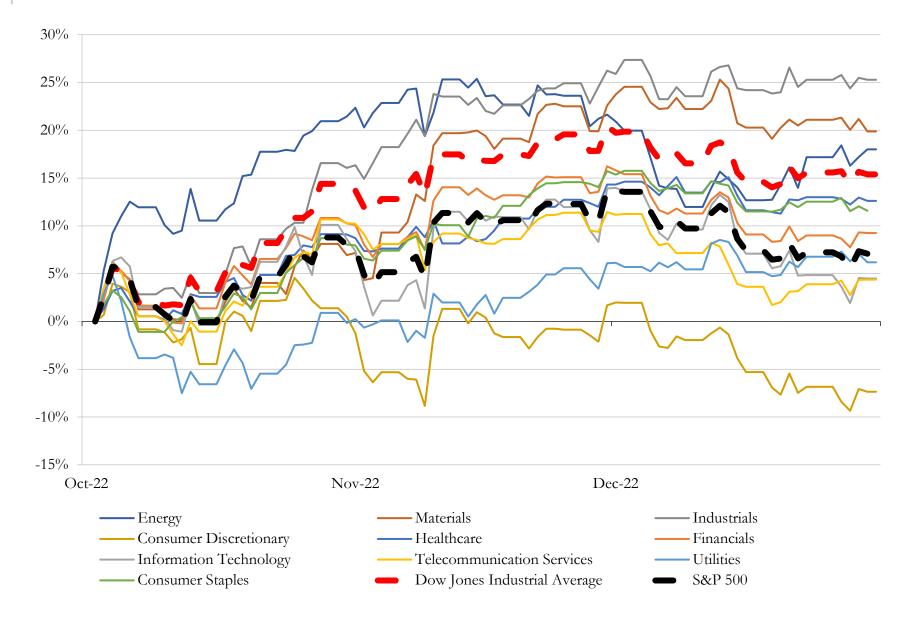
(USD in millions)

Close Date	Target	Acquirer	Implied TEV
Apr-22	Warner Media, LLC	Discovery, Inc. (nka:Warner Bros. Discovery, Inc.)	\$103,966
Oct-22	Twitter, Inc.	N/A	\$46,173
May-22	Zynga Inc.	Take-Two Interactive Software, Inc.	\$12,714
Mar-22	MGM Holdings Inc.	Amazon.com, Inc.	\$8,450
Oct-22	Incumbent Local Exchange Carrier Business in 20 States of Lumen	Connect Holding LLC	\$7,100
Aug-22	PDB Sports, Ltd.	N/A	\$4,650
Jul-22	Bungie, Inc.	Sony Interactive Entertainment LLC	\$3,700
Dec-21	CBS Studios Inc.	Hackman Capital Partners, LLC; Square Mile Capital Management LLC	\$1,850
Oct-22	Trader Interactive, LLC	carsales.com Ltd	\$1,586
Jan-22	Scripted Business of IMG Worldwide, LLC	CJ ENM CO., Ltd.	\$969
Oct-22	FWD Media, Inc.	KIRKBI A/S	\$875
Feb-22	The Athletic Media Company	The New York Times Company	\$550
Jan-22	Flow Commerce Inc.	Global-e Online Ltd.	\$545
Aug-22	Axios Media Inc.	Cox Enterprises, Inc.	\$525
Sep-22	Industry Dive, Inc.	Informa plc	\$525
Apr-22	Ryzac, Inc.	Skillsoft Corp.	\$502
Apr-22	Wurl, Inc.	AppLovin Corporation	\$388
Aug-22	Quixote Studios LLC	Hudson Pacific Properties, Inc.	\$352
May-22	Industrial Media Inc.	Sony Pictures Television, Inc.	\$350
Aug-22	Crystal Dynamics, Inc./Eidos Interactive Corporation	Embracer Group AB (publ)	\$300
Feb-22	The Giving Block Inc.	Shift4 Payments, Inc.	\$300
Oct-22	TCGplayer, Inc.	eBay Inc.	\$295
Aug-22	Redbox Entertainment Inc.	Chicken Soup for the Soul Entertainment, Inc.	\$282
Sep-22	Diamond Baseball Holdings, LLC	Silver Lake Management, L.L.C.	\$280
May-22	Pond5 Inc.	Shutterstock, Inc.	\$218
Feb-22	YourPeople, Inc.	TriNet Group, Inc.	\$210
Jun-22	Kinetic Content/Left/Right/44 Blue Productions/Half Yard	Chernin Entertainment LLC	\$200
Jul-22	Peerless Network, Inc.	Infobip Limited	\$200
Mar-22	Research Horizons, LLC d/b/a Phoenix Marketing International	MarketCast LLC	\$150
May-22	D&D Beyond	Hasbro, Inc.	\$146

Source: Capital IQ

#### Change in Market Capitalization by Sector

Last Three (3) Months as of December 31, 2022

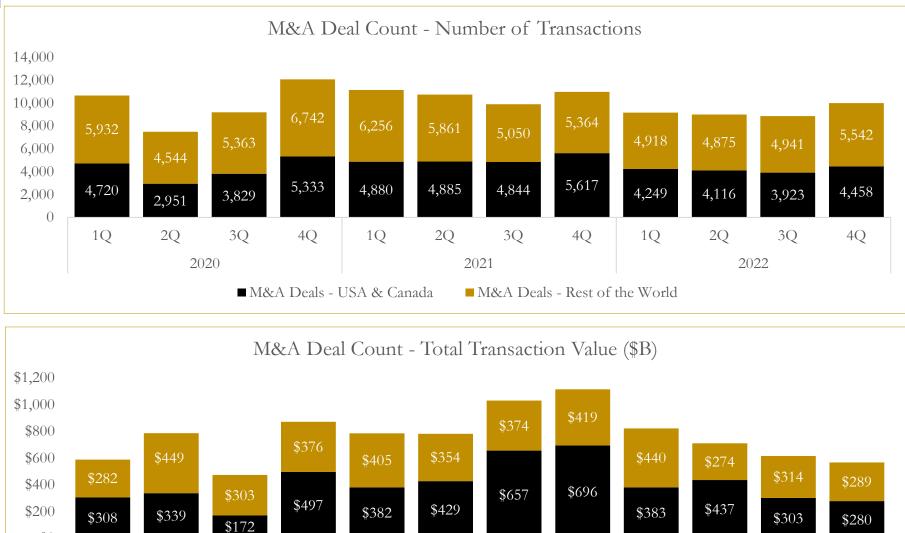


Source: Capital IQ

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### M&A Deal Flow Statistics

Last Three (3) Years as of December 31, 2022



2Q

2021

3Q

4Q

Transaction Value - Rest of World

1Q

2Q

2022

3Q

4Q

2Q

3Q

2020

4Q

■ Transaction Value - USA & Canada

1Q

1Q

\$0

Source: Capital IQ

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#### About Houlihan Capital

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

#### Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

#### **Investment Banking**

Through our Investment Banking Group, we offer sell-side/buy-side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

#### Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

