



Industry Update  
**Telecommunications**  
Q1 2023

## 1

# Financial Performance

## Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 03/31/23	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2023 Est. Revenue	2023 Est. EBITDA
<b>Telecommunication Services</b>									
Verizon Communications Inc.	VZ	\$38.89	70.1%	\$343,130	\$377,716	\$136,193	\$49,799	\$135,630	\$47,491
AT&T Inc.	T	\$19.25	79.4%	\$297,325	\$400,873	\$121,168	\$43,806	\$122,087	\$42,855
T-Mobile US, Inc.	TMUS	\$144.84	93.8%	\$280,361	\$210,173	\$79,083	\$26,845	\$79,751	\$29,386
Lumen Technologies, Inc.	LUMN	\$2.65	21.1%	\$21,454	\$45,530	\$16,540	\$5,824	\$14,650	\$4,686
Frontier Communications Parent, Inc.	FYBR	\$22.77	73.9%	\$12,329	\$19,398	\$5,780	\$2,397	\$5,767	\$2,113
Iridium Communications Inc.	IRDM	\$61.93	94.7%	\$9,326	\$2,872	\$758	\$384	\$815	\$461
Telephone and Data Systems, Inc.	TDS	\$10.51	50.0%	\$7,500	\$14,539	\$5,401	\$1,027	\$5,372	\$1,159
United States Cellular Corporation	USM	\$20.73	63.5%	\$5,473	\$10,997	\$4,145	\$753	\$4,019	\$923
Cogent Communications Holdings, Inc.	CCOI	\$63.72	88.2%	\$4,280	\$998	\$588	\$207	\$1,044	\$238
Consolidated Communications Holdings, Inc.	CNSL	\$2.58	30.4%	\$2,605	\$3,892	\$1,167	\$326	\$1,113	\$316
ATN International, Inc.	ATNI	\$40.92	81.1%	\$1,314	\$1,700	\$740	\$168	\$772	\$185
Shenandoah Telecommunications Company	SHEN	\$19.02	73.4%	\$1,059	\$1,007	\$275	\$80	\$285	\$82

Source: Capital IQ

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## Valuation Metrics

## Return Profile, Trading Multiples

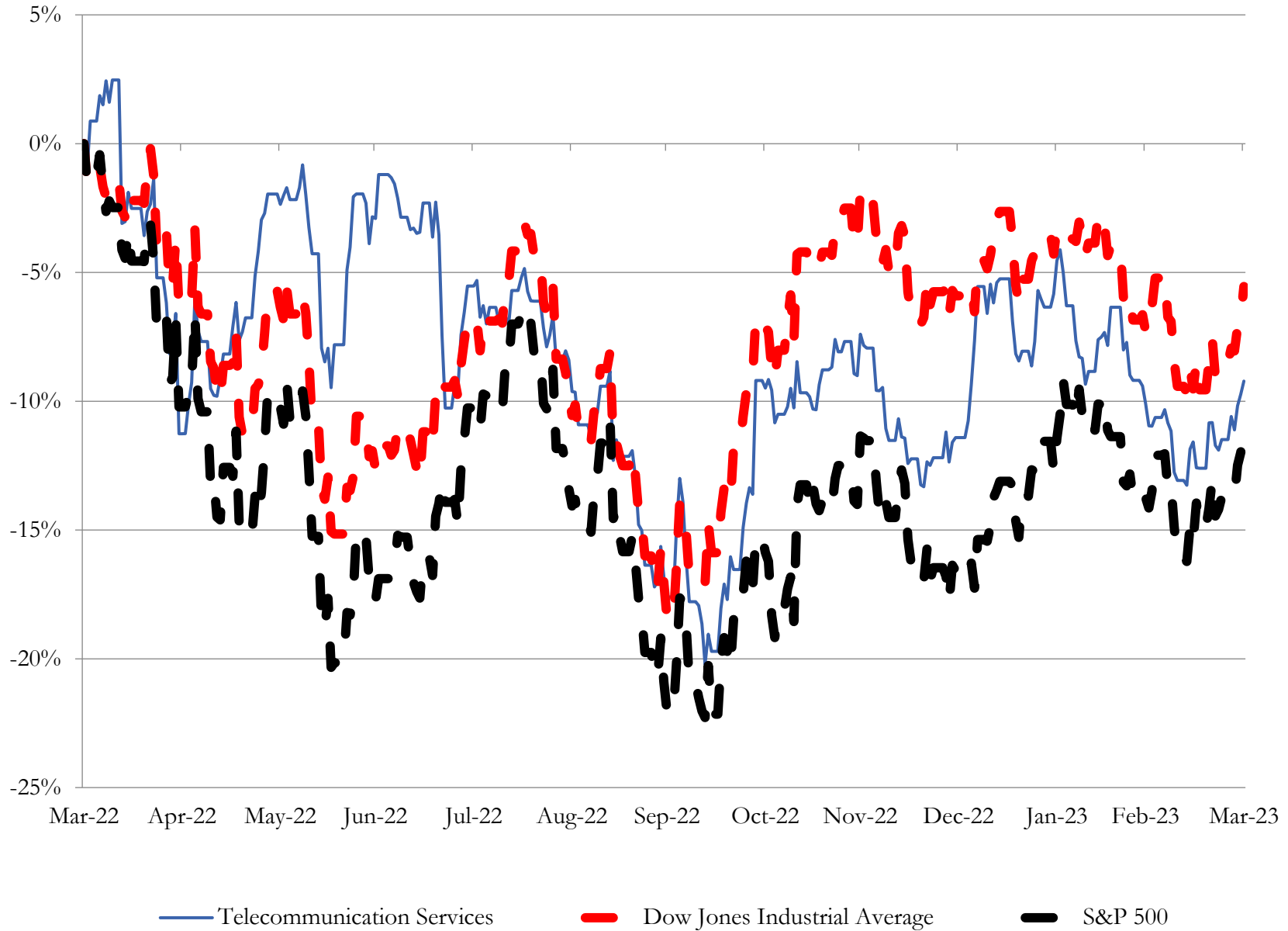
Company Name	Ticker	Return Profile						Trading Multiples	
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Telecommunication Services</b>									
Verizon Communications Inc.	VZ	5.5%	24.6%	1.4%	36.6%	-5.5%	0.3x	2.6x	7.0x
AT&T Inc.	T	3.8%	-5.1%	-25.5%	37.3%	-14.6%	0.8x	2.4x	6.4x
T-Mobile US, Inc.	TMUS	4.0%	5.6%	-1.7%	33.9%	1.5%	0.6x	3.6x	10.5x
Lumen Technologies, Inc.	LUMN	4.0%	-13.9%	-11.2%	37.4%	-18.4%	1.0x	1.3x	3.5x
Frontier Communications Parent, Inc.	FYBR	4.3%	9.1%	-9.7%	41.4%	0.5%	0.0x	2.2x	5.4x
Iridium Communications Inc.	IRDM	1.7%	1.4%	19.2%	50.7%	6.2%	1.1x	12.4x	24.4x
Telephone and Data Systems, Inc.	TDS	0.7%	1.1%	1.6%	20.0%	-8.5%	1.0x	1.4x	6.9x
United States Cellular Corporation	USM	0.5%	0.8%	1.1%	18.9%	-9.1%	0.7x	1.4x	7.3x
Cogent Communications Holdings, Inc.	CCOI	7.3%	N/A	2.3%	35.7%	3.7%	0.4x	7.6x	21.3x
Consolidated Communications Holdings, Inc.	CNSL	0.9%	-18.9%	-7.1%	29.9%	-20.2%	1.2x	2.1x	7.1x
ATN International, Inc.	ATNI	0.6%	-1.7%	13.7%	22.7%	13.5%	0.4x	1.8x	7.8x
Shenandoah Telecommunications Company	SHEN	0.6%	-0.9%	9.9%	29.0%	34.6%	0.7x	4.2x	14.5x
	<b>Mean</b>	<b>2.8%</b>	<b>0.2%</b>	<b>-0.5%</b>	<b>32.8%</b>	<b>-1.4%</b>	<b>0.7x</b>	<b>3.6x</b>	<b>10.2x</b>
	<b>Median</b>	<b>2.8%</b>	<b>0.8%</b>	<b>1.3%</b>	<b>34.8%</b>	<b>-2.5%</b>	<b>0.7x</b>	<b>2.3x</b>	<b>7.2x</b>

Source: Capital IQ

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## LTM Equity Performance

Major Indexes



Source: Capital IQ

## 4

## Recent M&amp;A Activity

*Last Twelve (12) Months as of March 31, 2023*

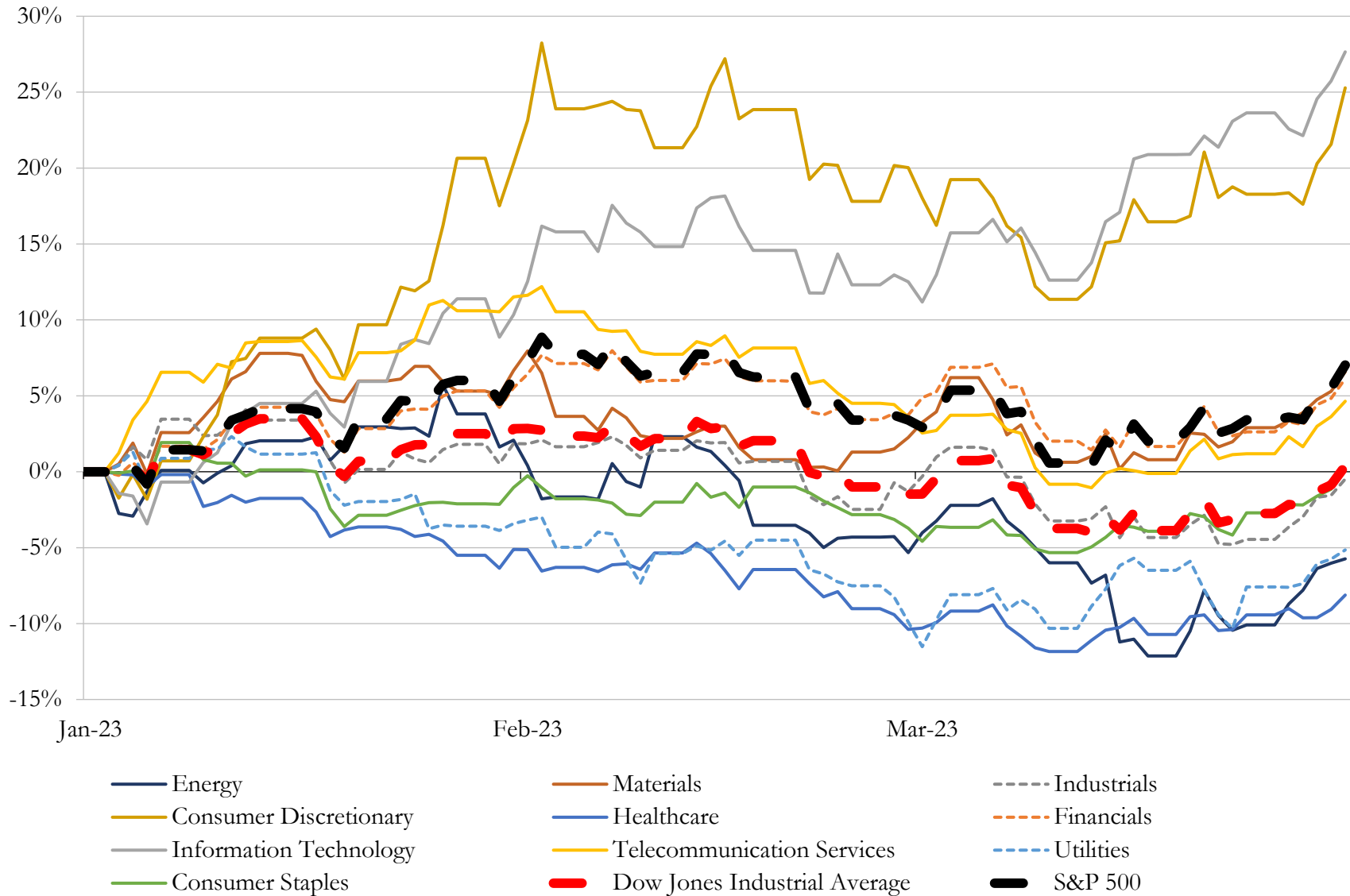
(USD in millions)

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
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
Sep-22	Trader Interactive, LLC	carsales.com Ltd	\$1,609
Oct-22	FWD Media, Inc.	KIRKBI A/S	\$875
Feb-23	Barstool Sports, Inc.	PENN Entertainment, Inc.	\$634
Sep-22	Industry Dive, Inc.	Informa plc	\$525
Aug-22	Axios Media Inc.	Cox Enterprises, Inc.	\$525
Apr-22	Ryzac, Inc.	Skillsoft Corp.	\$502
Apr-22	Wurl, Inc.	AppLovin Corporation	\$388
Aug-22	Quixote Studios LLC	Hudson Pacific Properties, Inc.	\$353
May-22	Industrial Media Inc.	Sony Pictures Television, Inc.	\$350
Aug-22	Crystal Dynamics, Inc./Eidos Interactive Corporation	Embracer Group AB (publ)	\$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 Technology Management, L.L.C.	\$280
May-22	Pond5 Inc.	Shutterstock, Inc.	\$218
Jun-22	Kinetic Content/Left/Right/44 Blue Productions/Half Yard	Chernin Entertainment LLC	\$200
Jul-22	Peerless Network, Inc.	Infobip Limited	\$200
May-22	Assets in Portland, Oregon, Clark County, Washington	Outfront Media Inc.	\$185
May-22	D&D Beyond	Hasbro, Inc.	\$146
Jun-22	Findaway World, LLC	Spotify Technology S.A.	\$134
May-22	Burkhart Advertising, Inc.	Lamar Advertising Company	\$130
Jun-22	Clique Media, Inc.	Future plc	\$127
Sep-22	Pantaya, LLC	Univision Communications Inc.	\$125
Apr-22	Futbin and related assets	Better Collective A/S	\$113
Mar-23	Digital Media Management, Inc.	Keywords Studios plc	\$100

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of March 31, 2023

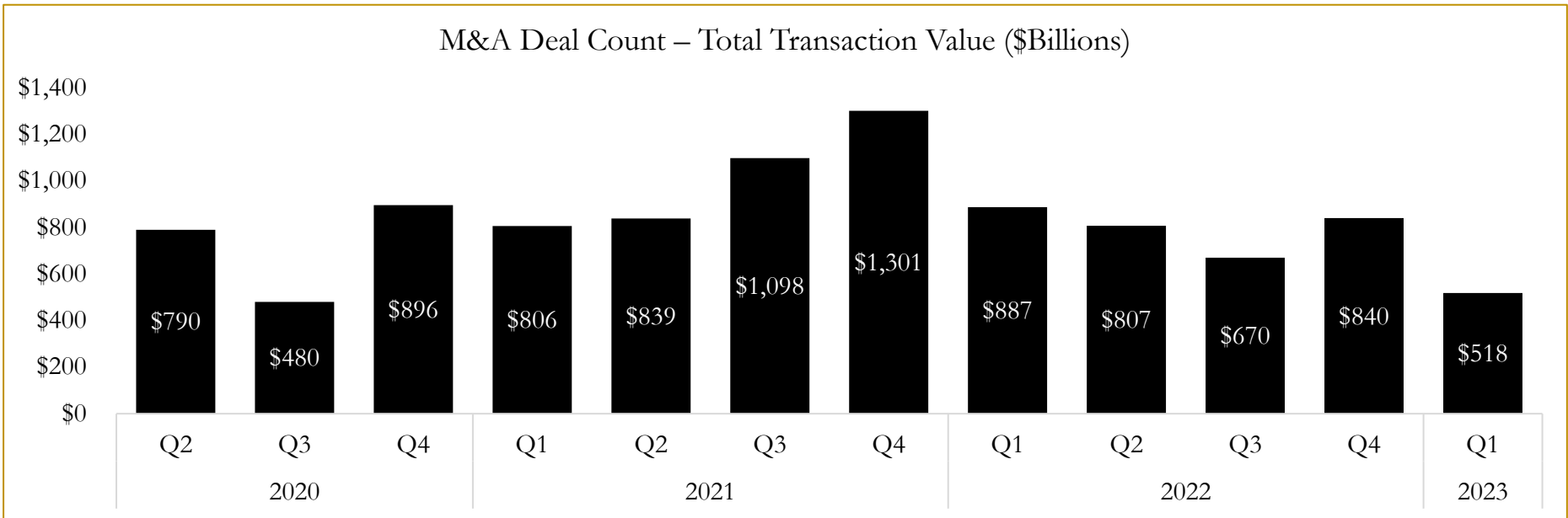
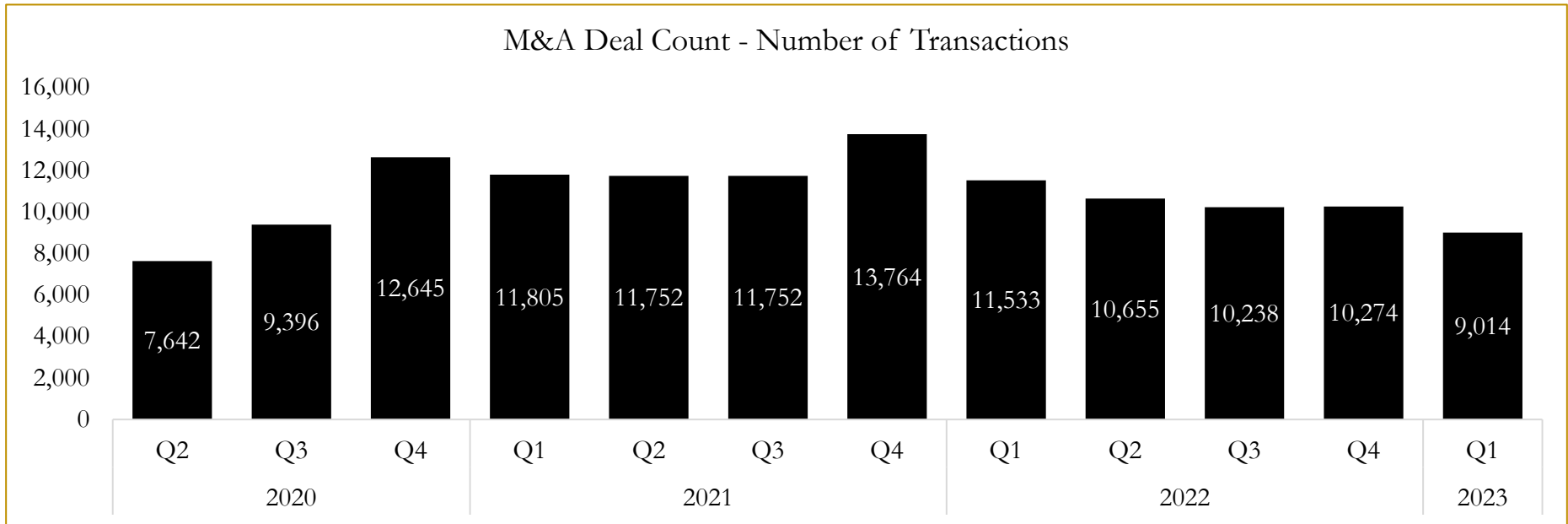


Source: Capital IQ

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## M&A Deal Flow Statistics

Last Three (3) Years as of March 31, 2023



Source: Capital IQ

## 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.

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