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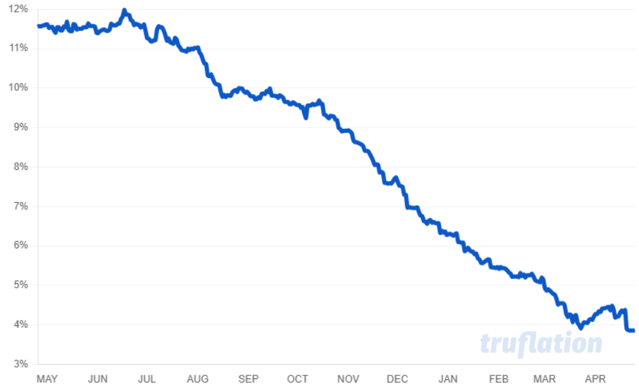
INVESTMENT ISSUES • STRATEGIES • INSIGHTS FROM DONVILLE KENT

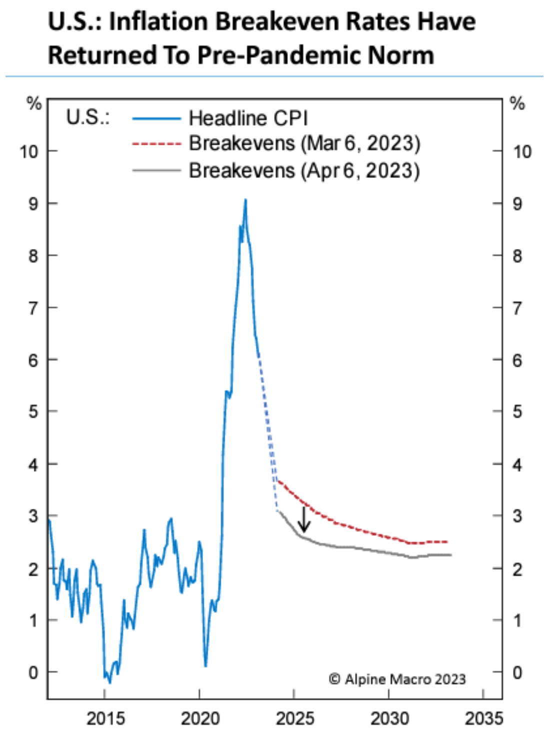
Pivot Point

As we started 2023, the economy was wrestling with many forces, the most influential being inflation. Interest rates have increased at an unprecedented pace which has led to many assets losing value, especially growth assets like small cap growth stocks. There is a counterintuitive dynamic at play here which sets up the current investment opportunities we are seeing. Our November newsletter delved into the massive cheap valuation opportunity[1]. The most common inquiry we received after publishing that report focused on the dichotomy of having investment companies posting record revenues and earnings but stock prices that declined significantly. This newsletter will aim to explain how rising interest rates overshadowed business performance and more importantly, on how this is expected to reverse.

The macro economic trends are fairly similar to what we spoke about last newsletter[1]. Inflation is taking longer to decelerate than anticipated, but it is decelerating. Combine this with a declining wage growth, a weakening employment environment, and slowing industrial production, and we think we're at the Pivot Point. This means, the focus shifts from fighting inflation to stabilizing the economy and this distinction is important. We believe this is why the market bottomed in October 2022 and we're starting to see positive performance from the beaten down segments like small cap growth stocks.

The Fed had to raise interest rates in order to fight inflation. Higher rates make money more expensive and in turn reduces demand. However, we believe that fight is over, and the focus is about to shift. There is a time lag from policy implementation to real time results. The Fed uses lagging indicators for things like real estate, which led the Fed to keep rates too low for too long. Using the same lagging indicators now, will lead to policy overkill and the Fed being too aggressive for too long. We have included the Truflation chart of US inflation below[2]. Truflation uses millions of data points to track inflation in real-time day to day. In addition, we have included Alpine Macro's indicator of inflation and forward breakeven rates. Both charts tell a similar story, in that the focus on inflation is going to pivot.





Why is this so important?

Changes in interest rates can impact asset prices in a very meaningful way. The value of a stock is the present value of future cash flows. Interest rates drive the discount rate used to find the present value.

$$PV = \frac{CF_t}{(1+r)^t}$$

Below is a *very rudimentary* way of explaining this dynamic in order to show the large change in value due to changes in rates.

- If a stock has \$10 in cash flow and the discount rate is 4% then it is valued at \$250 (\$10/0.04)

- If a stock still has $10 in cash flow but the discount rate increases to 5%, it is valued at $200 ($10/0.05)
    - The 1% rate increase from 4% to 5% drops the value of the asset by 20%

This is how a majority of our investments had record revenue and earnings in 2022 but their stock prices declined. The US 10-year yield went from ~1.5% to ~3.9% in 2022[3] which pushed against our companies' earnings growth of +30%[4].

This is where the important Pivot Point comes into play because rates have appeared to have peaked. The headwind against stock prices seems to have subsided. The US 10-year yield has started to decline in 2023. If inflation has peaked, then the reason for raising rates has come to an end. The headwind of increasing rates can become a strong tailwind very quickly. Combine this with projected earnings growth of our largest investments of ~25%[5] and we expect the cyclical reversal to be strong.

Of our largest investments that have reported earnings so far in 2023, revenue growth has averaged 27%, EBITDA growth of 35%, operating margins of 19%, 0.4x Net Debt to EBITDA, and they are sitting on single digit cash earnings multiples[6]. Going through our portfolio today, we believe this is the highest proportion of investments with near term catalysts combined with the best growth to valuation trade-off that we have ever seen in our portfolio. Add on the fact that we're in the cheapest small cap growth market in history, and we truly believe this segment of the market is poised for high returns.

<u>Specific Investment Highlights</u>

- **RediShred (KUT)** – This is a perfect example of the impact rates have on stocks but also the opportunity from here. Over the past 2 years, Redishred has increased their revenue per share by 95%, EBITDA per share by 102% and now carry less relative debt to EBITDA. However, the stock is flat and now trading at less than 4x EBITDA[6]. When the market turns, stocks like this should react positively.

- **GoEasy (GSY)** - Increased their guidance for 2023, increased their dividend and reported a 25% ROE. 4 of their 5 segments all had record quarters.
    - The stock sold off on the headlines from the Federal budget concerning capping interest rates. The stock sold off in similar fashion in March 2020, Q4 2018, and December 2014. Each time, management continued to perform, and the business would hit new records and the stock price followed suit. We see this case as the same, and operations should continue to perform, and the stock price should rerate accordingly.

- Between our estimates and analysts on the sell-side, even under the least likely "material impact" scenario, the ROE stays above 20%. We estimate the stock is trading on 5.5x next year's earnings and currently has a dividend yield of 4.2%[4].

- **Converge (CTS)** – The company expects organic growth to continue to strengthen, and announced significant cost savings, and cashflow improved by 69% in their most recent quarter. We expect the strategic review to provide a catalyst for the shares.

- **Constellation (CSU)** - Reported better than expected results and cash earnings were up 19%[7]. They appear to be accelerating their M&A model. Now that Lumine has spun out, we prefer to own Lumine and Constellation and view Topicus as the most expensive of the three.

- **Nuvei (NVEI)** – Nuvei might have had the most impressive quarter so far. They should have +25% revenue growth in 2023 with +20% net cash margins. Their guidance was 20% above analysts' estimates. The BMO analyst has a downside scenario of -29% for the stock and an upside scenario of +226% for the stock. This is the type of overall risk reward environment we believe we're in.

- **VitalHub (VHI**) - Reported 63% revenue growth and margins continue to improve. They're targeting 15% organic growth plus they have $51m of liquidity for future M&A. Since their last quarter, they have announced half a dozen new contracts and a small acquisition. We were very impressed with their quarter. Margins continue to improve and they're seeing some high-profile wins in Canada now. We expect them to continue to compound cashflow at >20%/year.

Reitmans (RET)

In our last newsletter we included our analysis on Reitmans[1]. Since then, the company has reported their Q4 results, and we have met with management to discuss the business and strategy. The stock was strong coming into the quarter and sold off on the earnings announcement. We think the stock sold off for a few reasons.

1. Investors seemed to be expecting a catalyst around up-listing to the TSX, buybacks, and/or dividends. None of these happened but we'll discuss below.
2. Q4 is their seasonally weakest quarter for profitability. After coming off their most profitable quarter in Q3, there may have been uninformed high expectations.
3. The financials were "messy" in the sense that there were many one-time distortions in 2021 due to Covid, and then more distortions in 2022 due to CCAA and one-time bonus payments.

Investors may have been expecting announcements around capital allocation or up-listing to the TSX. After speaking with management, they are ahead of plans and those decisions have come up faster than expected. We have spoken with some institutions who are interested in investing but are precluded by the venture listing. We fully expect the up-listing to the TSX to be front and center and we're going to push for that to be a priority.

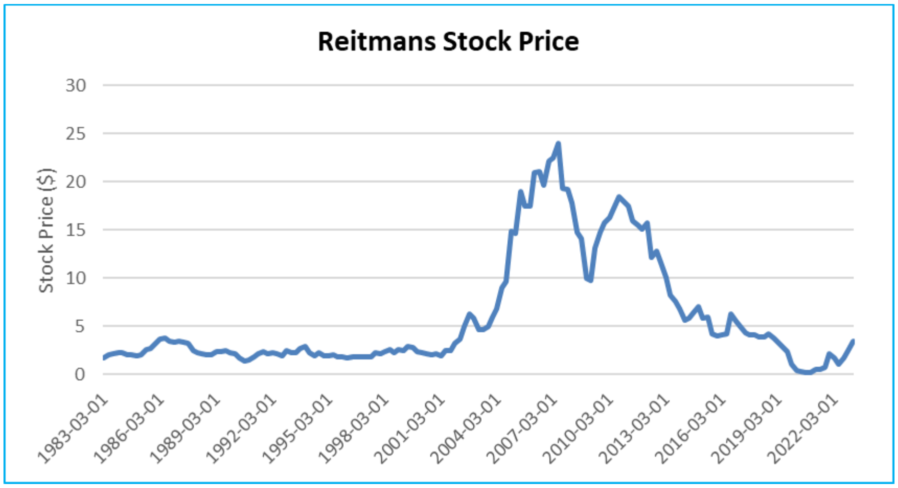
From investors and institutions that we have spoken with, their main focus is on operating margins. In 2022, Reitmans was able to do $150 million in cash flow on $800 million in sales. This was against a backdrop of a rising USD, heightened raw goods costs, heightened shipping costs and rising wage pressure. Now speaking with management and tracking these factors, the USD has declined, raw goods prices like cotton have declined, and wage pressure has subsided.

An important point to note is that there were large one-time bonus payments in 2022. The landscape was obviously very uncertain coming out of both Covid and CCAA. The company set goals, mostly based on store profitability, and they greatly surpassed those targets leading to bonus payments. From our understanding, these bonus payments, around $20m in 2022, won't be ongoing and that significantly boosts profitability margin projections for 2023.

There are a lot of adjustments to make in order to get a sense of the underlying health of the business. These include adjusting for past Covid impacts, CCAA impacts, and tax impacts, plus one-time employee bonus payments. Their Q4, on our adjusted numbers (bonus, tax, etc.) made roughly $6m. Q4 and Q1 are their seasonally weakest quarters. They usually make a majority of profits, close to 100% actually, in Q3 and Q4. If investors think judging Reitmans' health based on Q4 is correct, then they will be awfully surprised later this year when we predict they report even higher profitability numbers than last year.

The most important aspect to stress from our meeting with management is the change in management mentality over the past 2 years. This is a different company coming out of CCAA. The CEO who had been running the business the past couple decades passed away late in 2019, and there has been both management and board changeover. This has led to a focus on per store profitability which we think is the number one reason for continued profitability going forward. Incentives are now aligned because they focus on per store profitability plus the strategy isn't a quest to expand and grow for growth's sake. Additionally, there is no longer pressure from the top to build a war chest of cash. We think this leads to interesting capital allocation decisions later this year.

Based on normalizing earnings and after our discussion with management, we estimate the stock is currently trading on 2.2x next 12-month earnings (2.2x P/E)[4]. We continue to acquire shares in Reitmans while partially offsetting retail recession risk by shorting more expensive and levered retail competitors.



Tucows (TC)

Similar to the last newsletter, we are attaching an in-depth report on a new investment (sort-of). We have re-entered our investment into Tucows and believe the upside from here is significant, plus there are imminent catalysts for the stock that we discuss in more detail.

Conclusion

The market moves in cycles and as long as human emotion is involved, it will continue to gyrate like this. Small cap growth stocks have felt this downturn especially hard. That being said, many of these companies have continued to grow both revenues and earnings. This has led to valuations and in turn the opportunity, being the most attractive we can find in history. As this cycle turns, investors' mentality should pivot. In connection to peak inflation, we believe the market has bottomed, and the forward return for these extremely cheap stocks should be dramatic.

If there are specific companies or points of concern, please reply and we would be more than happy to discuss.

Feel free to reach out questions or comments,

J.P. Donville & Jesse Gamble

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All estimates, projections, and calculations have been generated by DKAM. This does not constitute advice for personal investments but rather a breakdown of how Donville Kent approaches stock analysis.

1 – Prior newsletter can be found at https://donvillekent.com/wp-content/uploads/2023/02/DKAM-ROE-Reporter-January-2023-Final-1.pdf

2 – https://www.truflation.com

3 – Per Bloomberg

4 – Per DKAM Estimates

5 – Per DKAM Estimates. Largest investments refer to investments in RediShred Capital, GoEasy Ltd, Constellation Software, Vitalhub Corp, Nuvei Corp, Reitmans Canada, Sangoma Technologies Corp, Dye & Durham Ltd, Colliers International Group, and NeoGames SA

6 – DKAM estimated forwards multiples

7 – Cash earnings refers to accounting earnings adding back amortization of intangible assets

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April 28, 2023

Company	Tucows Inc.
CN Ticker	TC
US Ticker	TCX

TCX Stock Price[1]	23.12
Market Cap[1]	249.7M USD
Enterprise Value[1]	754.7M
52 Week High	61.40
52 Week Low	16.03

TUCOWS – A PIVOT POINT

Tucows is a Toronto based company that has been providing internet related services since 1993. They started as a simple shareware site and now have grown into a 3 business line technology utility company. The services they offer are crucial to operating a business and living in the 21st century, which leads to recession resistant revenues and a long runway for growth.

Tucows is a company we have a lot of history with. We were investors in the business for years and the stock did well. In 2020, they sold one of their business lines and began a complicated investment cycle. They began investing in two separate growth businesses and the debt on the balance sheet began to mount. We sold our position from September to December 2021 at around $100/share. The stock has now dropped to below $30/share. We have now begun to invest in the business once again because we believe all the major issues causing the decline have recently been or are about to be resolved. We now believe the business is as strong as ever and some upcoming catalysts will prove this point. We have met with Elliot Noss, the CEO, many times over the years. He is a capital allocator, a genuine straight-shooter, and someone we have referenced as an "Outsider CEO" in the past. We have full faith in Elliot's long-term strategy.

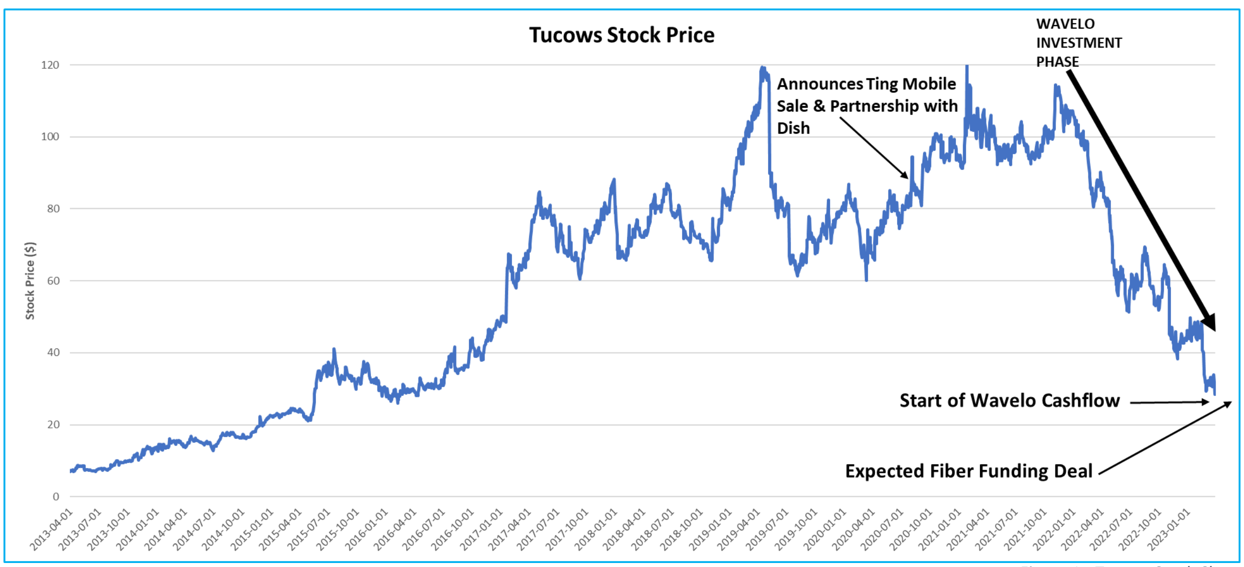

Figure 1 - Tucows Stock Chart

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Last year they restructured their business into three separate business units and now Tucows operates as the holding company. They have separated their company into 3 separate units. Think of it as a 21st century utility company. They provide the backbone and services necessary for internet, websites, and mobile.

Figure 2 - Tucows Segments

We believe the business is the strongest it has ever been. The recent stock price performance suggests otherwise. What's the disconnect?

1. For the last couple years, the company was investing in two growth companies that required a lot of capital. This stressed the balance sheet.
2. Without a strong view on how Ting fiber gets funded going forward, the business is fairly uninvestable.
3. The recent reported quarters have been messy because they sold a business line making year over year comparisons difficult.
4. Their reported earnings are understated because their upfront investment being put into fiber masks the long-term value being created.

We believe all four of these concerns have been answered in 2023.

1. Wavelo goes from investment phase to cashflow phase in 2023.
2. A funding deal with an infrastructure fund is imminent which solves the balance sheet issue by shifting from using internal capital to using external funds.
3. All three business lines should grow in 2023.
4. The infrastructure funding details should clear the air and establish a baseline for how much the fiber business is really worth.

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DOMAINS

Tucows Domains is the largest domain name wholesaler in the world and the second largest domain name registrar in the world behind GoDaddy. It is a mature business, having been around since 1999 with a reseller network of over 35,000 companies and renewal rates well above the industry average. The Domains business has been a cash cow for the company for many years. That being said, they just completed a year's long integration of multiple platforms, and they are moving back to modest growth and expect slightly higher margins in 2023.

Tucows has historically acquired other domain companies. The gross margin per domain can actually vary fairly significantly, so they tend to keep the high margin domains and get rid of the low margin domains. This obviously blunts overall organic revenue growth but margins per domain continue to track higher (see Figure 4 below). The company runs this segment of the business with a focus on high cash returns, and the resulting cashflow to the business has allowed them to historically buyback stock, and more recently invest in high IRR fiber investments. From here, we expect the cashflows from the domains business to be used to paydown debt and strategically buyback stock.

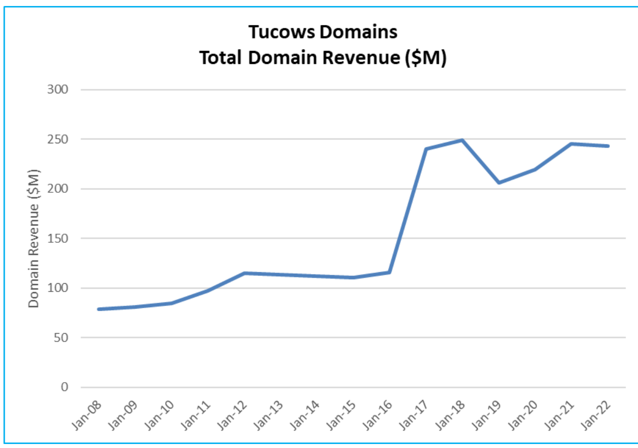

Figure 3 - Tucows Domain Revenue

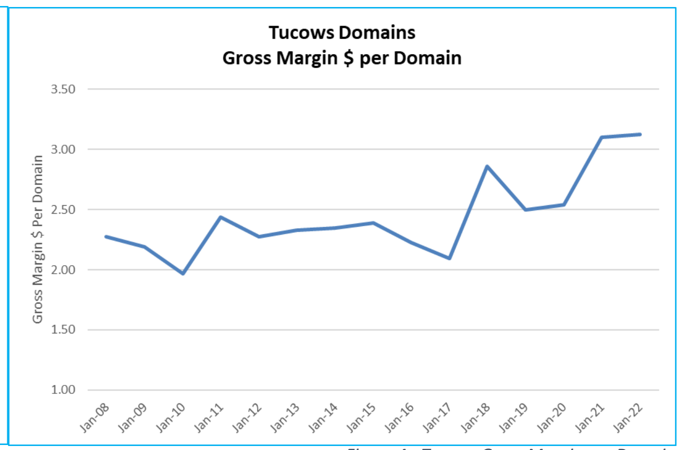

Figure 4 - Tucows Gross Margin per Domain

WAVELO

Wavelo is a SaaS platform to handle subscriber management for telecom companies. Technically called a Mobile Service Enabler, it is built to handle all billing, account management, payments, invoicing, and product cataloging, and they reference it as the most robust migration tool on the market. The platform was officially launched last year, and they began onboarding DISH's almost 8 million customers. This is important to the investment case because as of Q3 2022 they had 1 million subscribers, which grew to 2 million subscribers in Q4 2022, and as of February 2023 sat at 3.2 million subscribers. They expect to be at ~8 million subscribers by the middle of this year, and on their last conference call they stated how they "expect to announce a new customer sometime this year (2023) … we're getting a lot of interest from all

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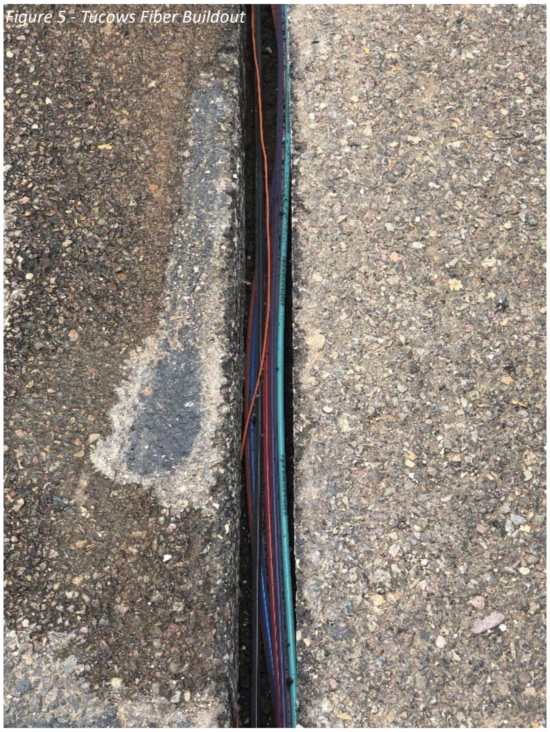
over the world." This growth may have been delayed but it is now impressive and really becomes impactful this year. Wavelo has now transitioned from cash drag to cashflow and should garner a lot more attention, especially as they start to announce new client wins.

This segment of the business is currently the least impactful financially. That being said, it was the selling of the Ting Mobile business to DISH in 2020 that led to the financials being messy and hard to model. This then led to the investment phase of building the Wavelo platform. This was a drain on cash at the same time Ting Fiber was investing cash as well. We believe this was the main cause for the recent stock decline.

FIBER

Ting Fiber partners with cities, usually smaller towns outside of metropolitan areas, sending their team in to micro trench fiber internet to the residents. This involves engineering, purchasing materials and equipment, and physically building out the network. Ting then owns the physical infrastructure (usually), and offers reliable full gig fiber internet for $89/month. The need for fast and reliable internet continues to increase. Working from home and virtual meetings have significantly increased bandwidth demand, plus the average number of connected devices is now estimated at 13 per household, pre conversations with representatives from Ting.

Figure 5 - Tucows Fiber Buildout



We were fortunate enough to be able to see a current Ting fiber buildout in person. Jennifer from Ting was very helpful discussing the marketing strategy and Jason was extremely knowledgeable explaining all aspects of the buildout process.

It became very evident how important it is to have a good working relationship with the city. This is a good opportunity to speak to Tucows' main competitive advantage. In Figure 6 below we have included the first few reviews from Reddit on Ting and as you can see, customers are more than happy with Ting's service. Being from Toronto, I think we're used to poor customer service from our telecom providers and take it as a given. We would suggest sceptics go online and look at employee reviews and customers' reviews of Tucows and their segments and even give customer service a call. There is no call routing, long wait times, or frustrating conversations. We have personally dealt with Tucows' customer service and explaining it as above and beyond is not a hyperbole. This type of service has led to neighbouring towns of Ting Internet Towns requesting their services which significantly reduces the red tape involved. Due to word of mouth, customer

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acquisition costs are reduced, and lifetime value is increased. Below are the first couple of reviews that come up on Reddit.

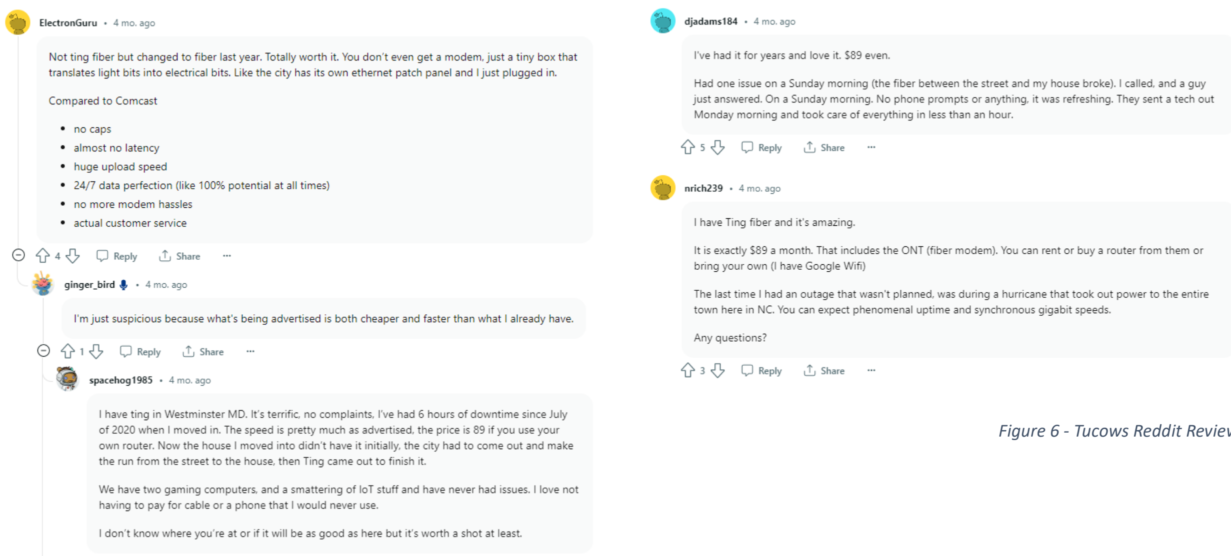

Figure 6 - Tucows Reddit Reviews

We still get asked about the connective tissue between Domains and the mobile business, and it all boils down to our competence in billing, provisioning, and customer service for underserved technology markets. – Elliot Noss, CEO

FUNDING

Ting Fiber is run like a utility. There are large up-front costs in exchange for reliable long-term cashflows. Since starting the fiber business over 5 years ago, Tucows has funded the buildout with internally generated capital (cashflow from Tucows Domains). Using their own balance sheet and cashflow was the right strategy at the beginning of the process. They were able to prove out the concept plus they started small and gradually scaled. They have been on a two-year journey for proper funding for this business that will take them to the next level and we're now at the culmination of that process. Of all the analysis written in this report, we believe the number one factor that advances this stock higher is the long-term funding of the fiber buildout. We believe this funding announcement is imminent and the main reason for the upcoming and first ever investor day. Plus, securing financing will alleviate the stress on the balance sheet and most

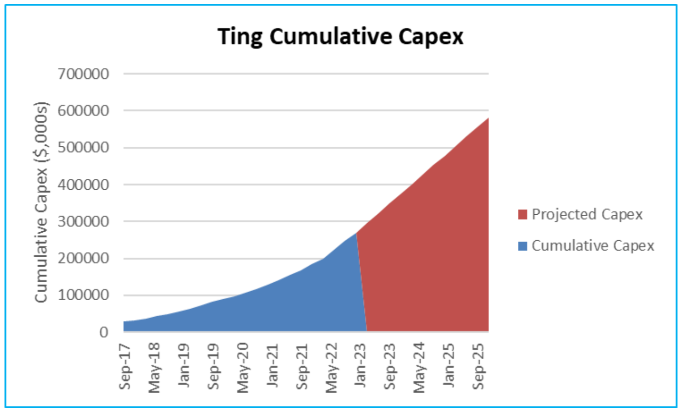

Figure 7 - Ting Cumulative Capital Expenditures

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importantly provide a real point of reference for how valuable their fiber network really is.

The long-term nature of the investment makes them a good fit for infrastructure funds that have investors such as pension funds. It can be hard for the public markets to follow and value a fiber buildout because the income statement will show negative EBITDA from their fiber business due to the ramping investment, but it doesn't show the value being created by this investment. We believe the terms of the funding deal will make the value of their fiber infrastructure quite apparent. We have included a list of infrastructure funds in Appendix 1 with some examples of the funding deals that have been announced.

Ting Fiber is the most important segment of Tucows because it offers a long runway for growth, very attractive long-term returns on capital, and they have now invested enough capital in the business to get it to a meaningful scale.

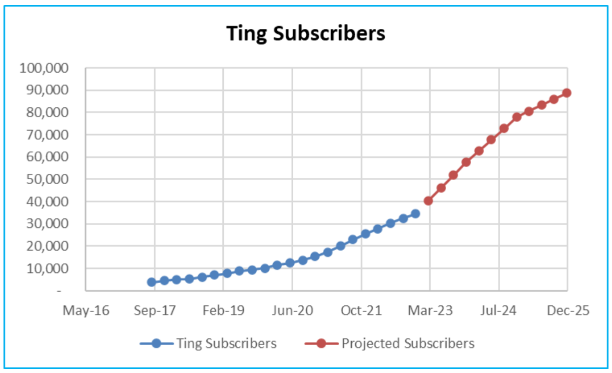

Figure 8 - Ting Subscribers

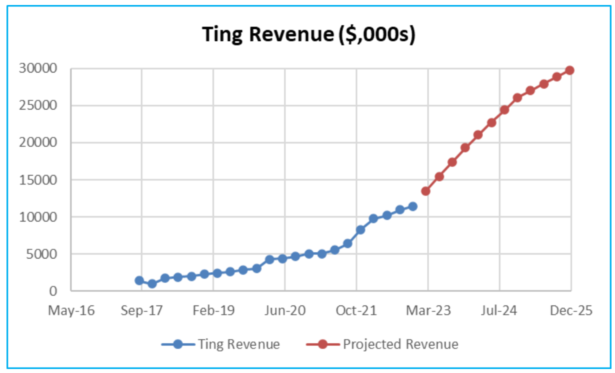

Figure 9 - Ting Revenue

RISKS

Debt

The main risk in our mind is the level of debt on the balance sheet. The company admittedly took on more debt than they wanted to in order to fund the fiber expansion. There was a syndicated loan due in June 2023 that they have recently extended to September 2024. Interest rates have now reached a level where debt costs are real and there are set monthly covenants in place on the current debt. Management is focused on the debt level, and we believe 2023 is the year they start to pay back debt. With more cashflow from both Domains and Wavelo in 2023, and management's commentary that they have already started to pay off debt in March 2023, we believe this risk subsides over the rest of the year.

Fiber

Fiber internet builds rely on equipment, materials, and labour. They faced supply chain issues, wage inflation, and employment supply issues. After visiting them on location, they admit these were issues but that they have mostly subsided. They made a lot of inventory purchases upfront to fight against the supply chain, but these risks are always present.

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Domains

The Domains business is mature, and the main risk is on pricing power. Revenue and gross margin dollars per domain are still improving but margins and growth in this business should be continually monitored.

Wavelo

As a start-up, there are the obvious start-up risks like technology, market fit, and customer concentration. It appears like they are now integrating and scaling after taking a bit longer than expected to build out the platform.

VALUATION

To value the business, we have elected to use a sum of the parts analysis. The company has reorganized so that the parent company is now a holding company with each business line being a separate corp. It also makes sense to value each business unit independently because of the differences in growth, scale, profitability, and capital needs.

Domains

This segment is the most straightforward to value. EBITDA is reliable and stable, and management has guided toward $45m in EBITDA for 2023[2]. This business has typically traded at 14x EBITDA (GoDaddy on 15x trailing EBITDA).

$45m EBITDA X 14 = $630m

Wavelo

Even though it is a SaaS start-up, it is projected to do $30m in revenue and $4m in EBITDA[2]. The company most likely deserves a high multiple based on the growth rate and profitability. We are going to be conservative on the multiple until they announce a new customer win.

$4m EBITDA X 10 = $45m

Ting

Before valuing Ting, we want to highlight that Ting is opting to build the more expensive, higher quality backbone for their fiber. They have a high rate of capex per passed address, but also have high rates of penetration and subscriber ramp. This leads to Ting having the best unit economics and deserving a premium valuation. The current market suggests that a customer on a fiber network is worth between $8-12k (see various deals in Appendix 2). This obviously varies with subscriber prices paid and retention rates. For our valuation analysis below, we value a customer at $10k. Ting charges $89/month for unlimited home gigabit internet. More reliable being fiber and even more reliable being buried fiber

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versus hung fiber. One could argue that their customers are worth more because their customer satisfaction is extremely high, and customers are more sticky.

Q1 2023 Subscriber 37,500[4] X $10k per subscriber = $375m

This valuation gets even more interesting because a majority of the cities are still under construction. An address is not serviceable until the last part of the access network is complete. Meaning there is a lot of investment that is made in advance of signing an actual subscriber. Tucows has spent over $270m in capex. This capex spend has significant value as it is necessary to establish the backbone for the overall network and subscribers are about to ramp accordingly. Based on a base case penetration of 50% and current observed gross margin per customer, we estimate a 10-year IRR of 23% on per capex dollar spent. Working backwards, we value the rest of the buildout at an NPV of **$295m**[3].

TUCOWS VALUATION	
Business Line	**Valuation**
Domains	$630m
Wavelo	$45m
Ting Subscribers	$375m
Ting Infrastructure	$295m
	$1,345m
Net Debt	-$305m
Preferred Equity	-$200m
Total Equity Value	$850m
Shares[1]	10.8m
Value per Share (USD)	**$78**
Value per Share (CAD)	**$105**

Figure 10 - DKAM's Tucows Valuation

CONCLUSION

The operations and financials of Tucows are at the “Pivot Point” across all three business lines. The “transition phase” is now coming to a close. We believe the company is set to go back to being valued like the compounder it is.

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DISCLAIMER

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1 – Per Bloomberg, as of April 28, 2023

2 – Per Tucows management guidance

3 – Per DKAM Estimates

4 – Per Q1 Tucows Audited Financial Statements

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APPENDIX

Appendix 1

Infrastructure Funds

- SDC Capital Partners
  - Closed Digital Infrastructure Fund III with $1.5B AUM in March 2022 & previously closed $750m Fund II in May 2020 & $400m Fund I in 2018
  - Have invested in Aollo Communications, IQ Fiber, Bandwidth Infrastructure Group,
- DIF Capital Partners (15b euro AUM)
  - Target equity investments in small to mid size infrastructure assets in the telecom space
    - In January 2023 announced investing in a 1,500km fiber optic telecom business in Manitoba & Saskatchewan (RFNOW Inc)
    - April 2020 invested in Valley Fiber in Manitoba which brings fiber to the home ($328m CAD invested) (They did half roughly $168m)
    - November 2021 invested in Western Indiana & Eastern Illinois (Joink), enterprise and residential fiber (540 miles of fiber over 5 counties)
    - November 2022 invested in large scale fiber rollout in Germany, targeting 150k households and 1000km of fiber
    - August 2020 invested in fiber to the premises utility in UK
  - Has an office in Toronto
- CPP invests +$625m for 9.5% stake in V.Tal in Brazilian fiber to home network
- APG & Whitehelm Capital - Smart City Infrastructure Fund invests in Fiber City (SiFi Networks)
  - May 2020 - $450m investment
  - Rolling out in Fullerton California with the potential to serve 50,000 homes (with other projects in California, New York and East Hartford CT)
- HICL Infrastructure PLC (Infrared Capital Partners) – French company bought fiber company from DIF
  - InfraRed Capital Partners (“InfraRed”) is allocating $150m in capital to LiveOak Fiber, a new U.S.-based regional broadband services provider. (Georgia & Florida)
- Colliers, which owns Basalt Infrastructure Partners, has large infrastructure funds with investments in digital infrastructure and fiber

News headlines

- Fiber Valuations Skyrocket Amid Infra Fund Frenzy
  - By Chris Nolter Published: August 18th, 2022
  - Macquarie Infrastructure Partners, Blackstone Infrastructure Partners and Antin Infrastructure Partners SAS have joined traditional broadband investors such as Searchlight Capital Partners LP, Oak Hill Capital Partners LP and KKR & Co. (KKR).
- Fiber Broadband Enters Largest Investment Cycle Ever
  - January 5, 2022 BusinessWire
  - The increase in deployments can be attributed to the fact that fiber continues to score higher than any other broadband technology—such as cable, satellite or wireless—in terms of capacity, reliability, latency and customer satisfaction
- The success of 5G wireless will hinge on deep fiber – Deloitte

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Appendix 2

Acquisition multiples

- https://www.fiercetelecom.com/special-report/telecom-s-fiber-network-feeding-frenzy-top-mergers-and-acquisitions
- 2021 Cable One buys Hargray Communications for $2.2B (17.2x EBITDA Multiple)
- KKR Buys 60% of Telefónica's Colombia Fiber at $500m Valuation
  - July 2021
  - Overall, this unit generates ~$25m of EBITDA, implying a multiple of 20.0x EBITDA for the business.
  - KKR has been rapidly investing from its Global Infrastructure Investor's funds into fiber operating companies and greenfield fiber deployments worldwide. Through KKR's $7.4bn Global Infrastructure Investors III fund, the company has made fiber optic investments in HyperOptic in the UK, FiberCop in Italy, ON*NET Fibra in Chile, Open Dutch Fiber in the Netherlands, and MetroNet in the United States.
- Zayo Group Holdings, Inc. today announced it has entered into a definitive agreement to acquire Intelligent Fiber Network (IFN).
  - IFN, which provides fiber-based connectivity solutions to over 400 customers, operates a 5,000 route-mile network across multiple markets in Indiana, including Indianapolis, Fort Wayne, Columbus, Terre Haute and South Bend.
- https://eqtgroup.com/news/2019/eqt-infrastructure-acquires-ip-only-the-leading-alternative-provider-of-fiber-based-data-communication-services-in-sweden/
- EQT Infrastructure acquired fiber company for 1.7B EUR
  - It is important to note some of the significant transactions between fiber companies and infrastructure funds.
      - Nelnet sell 48% stake in Allo Fiber for $197m (October 2020) to SDC Capital Partners
        - https://www.nelnetinvestors.com/news/press-release-details/2020/Nelnet-Partners-with-SDC-Capital-Partners-to-Propel-ALLOs-Growth/default.aspx