

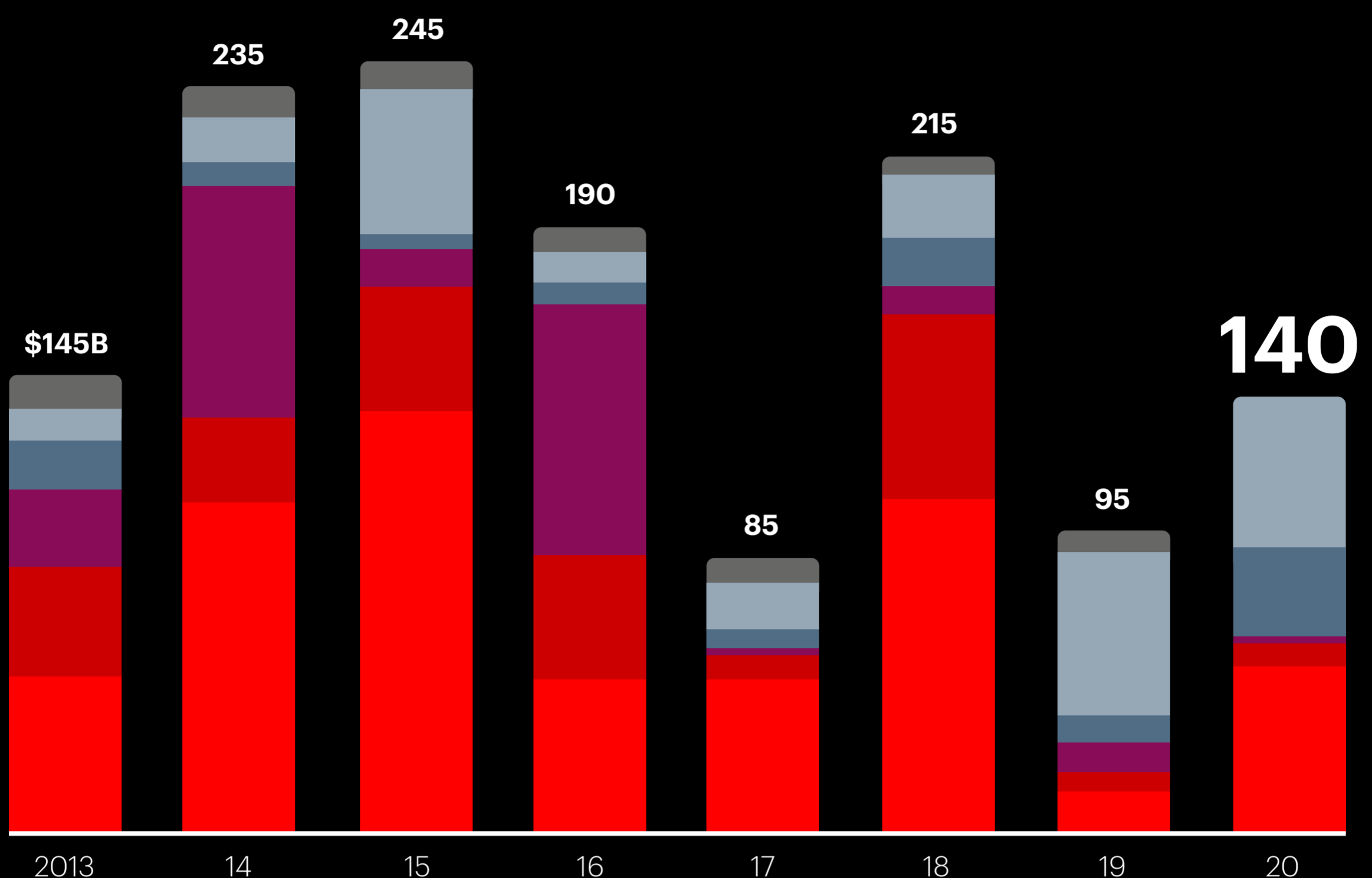
Navigating the M&A Revival in Telecom

Telcos can tune in to new opportunities and tune up their dealmaking strategies to win in a changing landscape.

Telecom deal value grew around 50% in 2020

Covid-19 generated demand for digital connectivity, reigniting M&A and renewing private equity (PE) investor interest

Total telecom deal value, globally Split by deal type (in billions of US dollars)



Notes: Deal value based on announcement year; excludes financial transactions
Sources: Dealogic; Bain analysis

(#%)=Compound annual growth rate 2017-20



Breaking down telecom's evolving deal mix

- Change
- Challenge
- How to win

The scale comeback

- Regulators have eased up on scale deal approvals
- Telcos risk missing the final round of industry consolidation or becoming an attractive acquisition themselves
- Strive to be a first mover with updated M&A strategies



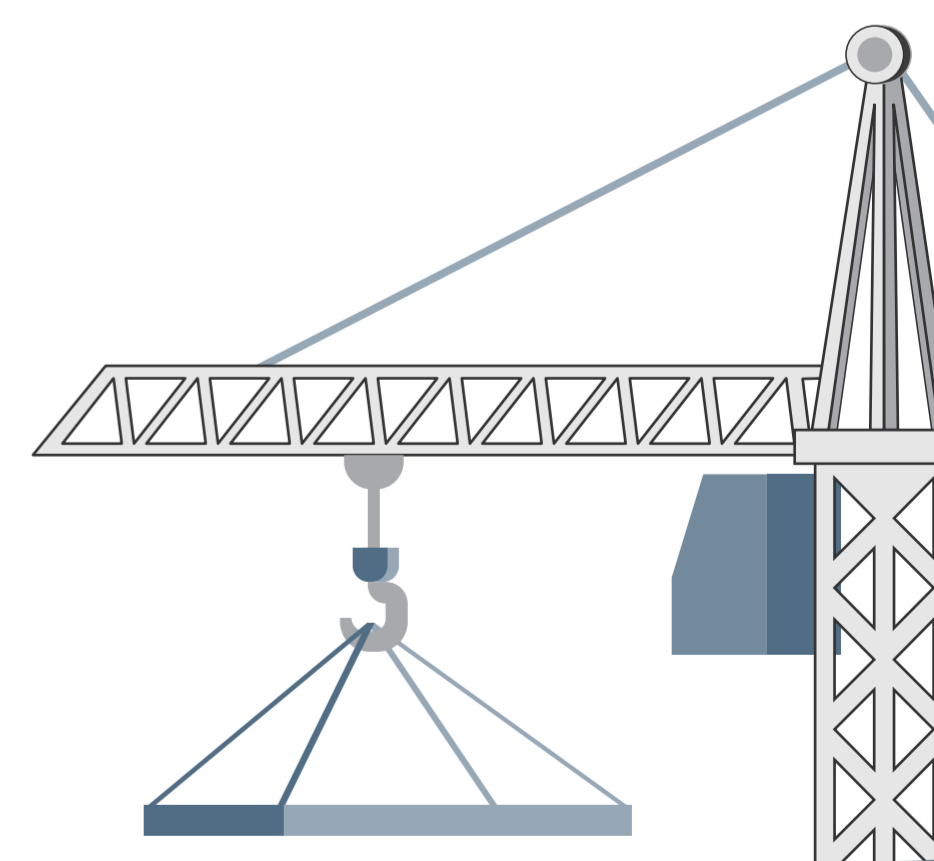
The scope slowdown

- As Covid-19 boosted connectivity demand, deals to gain new capabilities or enter adjacent markets became less important
- These small deals generate lower synergies and cost more. It's difficult to retain talent, maintain momentum, and integrate new capabilities
- Refresh your M&A screening capabilities



The infrastructure ramp-up

- As growth options dwindle, telcos are spinning off high-value infrastructure assets to fund investments in much-needed network upgrades
- These deals require a strategy and mindset shift in which infrastructure is no longer a source of competitive advantage
- Assess your existing and planned infrastructure assets for deal opportunities



The private equity resurgence

- Telcos' steady performance grabbed the attention of PE, increasing public-to-private deals
- Telcos will need to ruthlessly manage performance and act more like a private company
- Track private equity investor interest in your business

