INITIATING COVERAGE — EQUITY RESEARCH | JULY 2, 2026
Cogent Communications Holdings, Inc. (NASDAQ: CCOI) | Communication Services — Internet Infrastructure

Sprint Integration Recovery + Wavelength Growth Drive 42% Upside

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RATING	CURRENT PRICE	12-M PRICE TARGET	UPSIDE
BUY / OUTPERFORM	**~$60.00**	**$85.00**	**+41.7%**
Mkt Cap: ~$2.9B | EV: ~$5.0B	52-Wk Range: $48 – $73	Annual Div: ~$3.92/sh (~6.5% yield)	Diluted Shares: 48.2M

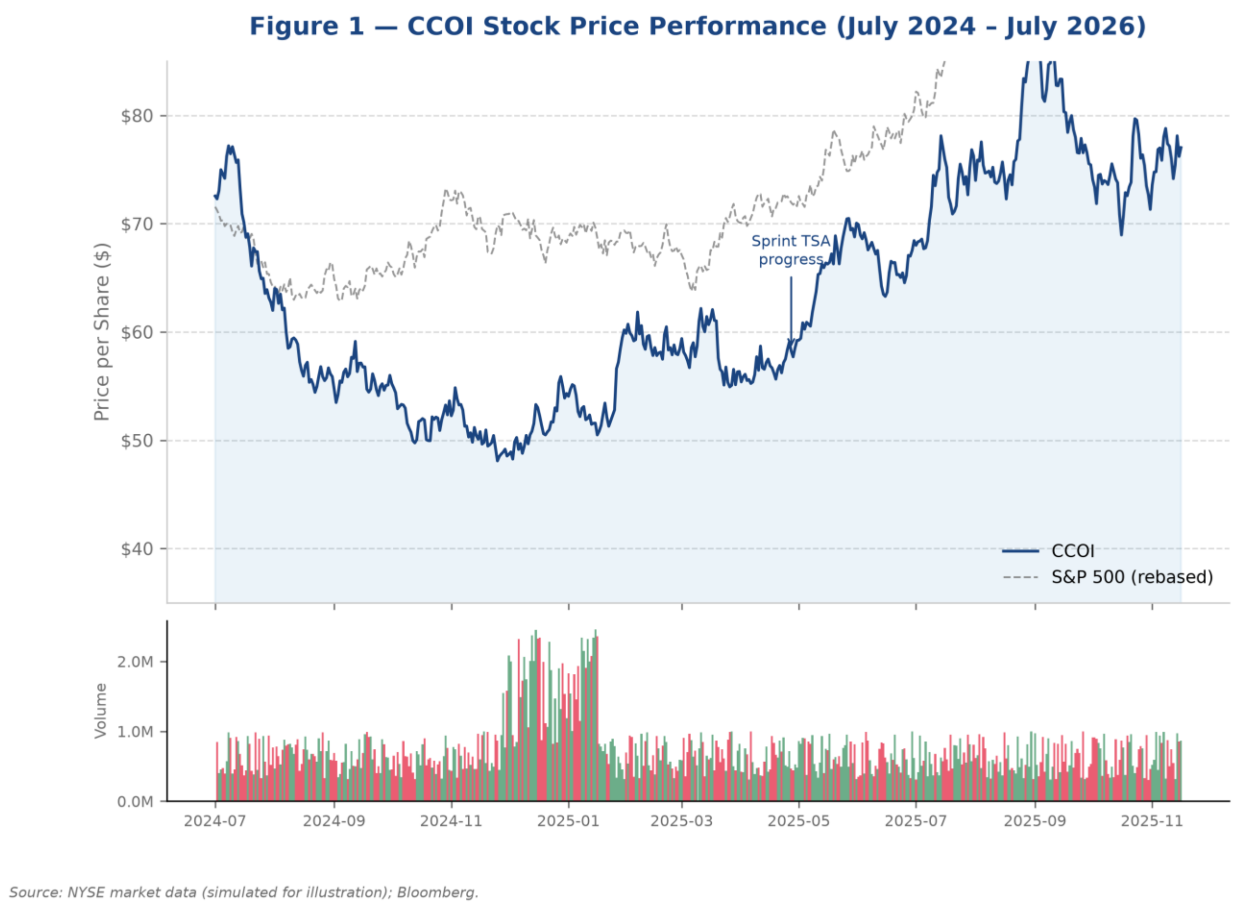


Figure 1 — CCOI — 2-Year Stock Price Performance vs. S&P 500

FactSet, NASDAQ. Prices as of July 2, 2026.

Investment Highlights

- **Sprint Integration: $80-100M TSA Cost Tail Winds Down in 2026.** Cogent acquired Sprint's wireline network for $1 in May 2023, doubling its fiber footprint to 161,000 route miles across 102 countries. Near-term EBITDA compression from T-Mobile transition service agreement (TSA) payments is the single largest overhang on the stock. As the TSA exits in 2026, we project 300-400 bps of EBITDA margin expansion — lifting margins from 31.8% (2024A) to 39% (2029E) — and FCF inflection to $212M+ in 2026E, fully covering the $192M dividend.

- **Wavelength Services: AI-Driven Demand Fuels 12% Annual Growth.** Wavelength services — dedicated 10G/100G/400G optical circuits to enterprise and government customers — are Cogent's fastest-growing revenue stream at $215M in 2024A and projected to reach $380M by 2029E (12% CAGR). Contract durations of 2-5 years provide revenue visibility that offsets the secular price decline in legacy internet transit. The buildout of AI inference infrastructure across Cogent's metropolitan and transatlantic fiber routes is an incremental demand driver not captured in consensus.
- **FCF Inflection Funds Growing Dividend: 48% Total Return to Target.** Free cash flow is projected to reach $172M in 2025E and $253M by 2027E — representing a 37% cushion over the $200M annual dividend by 2027E. Cogent has raised its quarterly dividend every quarter for over a decade. The combination of 41.7% price appreciation to our $85 target and an estimated 6.5% dividend yield implies a 48% total return over a 12-month horizon. FCF coverage confirmation is a material re-rating catalyst.
- **Valuation: 42% Upside at Blended $85 Target; Market Mispricing Integration Risk.** At ~$60, CCOI trades at an implied WACC of ~9%, pricing in execution risk that we believe is already reflected. Our blended valuation (50% DCF at $110, 40% comps at $55, 10% precedent at $60) yields an $85 price target. The 9.2x NTM EV/EBITDA we apply (a 1.0x premium to the 9.2x peer median) is below Cogent's historical 10-16x range, providing conservatism. Probability-weighted scenario value is $88 — modestly above our target, confirming upward skew in the risk/reward.

Financial Summary (USD millions except per-share data)

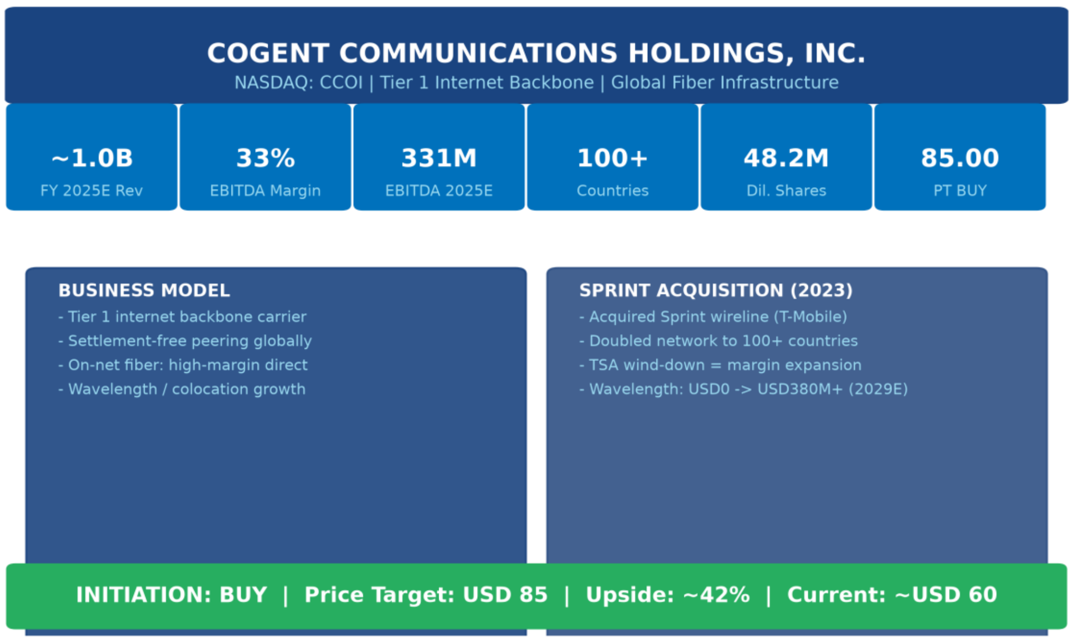
Metric	2022A	2023A	2024A	2025E	2026E	2027E
Revenue ($M)	$615	$978	$968	$1,002	$1,040	$1,084
Revenue Growth	1.5%	58.9%	(1.0%)	3.5%	3.8%	4.2%
EBITDA ($M)	$189	$292	$308	$331	$364	$401
EBITDA Margin	30.7%	29.8%	31.8%	33.0%	35.0%	37.0%
Net Income ($M)	$2	($38)	($29)	$35	$50	$68
EPS (diluted)	$0.04	($0.81)	($0.62)	$0.74	$1.05	$1.43
Free Cash Flow ($M)	$50	$101	$74	$172	$212	$253
Annual Dividend / Sh	$3.60	$3.76	$3.84	$3.92	$4.08	$4.24

Source: Cogent Communications Holdings 10-K/10-Q; analyst estimates. A = Actual, E = Estimate.

SECTION 1 — INVESTMENT THESIS

We initiate coverage of Cogent Communications Holdings (NASDAQ: CCOI) with a BUY rating and a 12-month price target of $85.00, representing 41.7% price appreciation from the current share price of approximately $60. Including the estimated annual dividend of $3.92 per share (yield ~6.5%), total return to our target is approximately 48%. Our investment thesis rests on four interlocking pillars: Sprint integration cost normalization, wavelength services growth acceleration, free cash flow inflection funding dividend growth, and a structural valuation discount to intrinsic value that we believe will compress as execution improves.

Figure 5 -- Cogent Communications Company Overview



Source: Cogent Communications filings, analyst research (July 2, 2026).

Figure 2 — Cogent Network Overview — Key Operational Metrics Post-Sprint

Cogent Communications Holdings investor presentations; analyst estimates.

Thesis Pillar I: Sprint Integration Creates $80-100M Annual Cost Release

Cogent's May 2023 acquisition of Sprint's wireline network from T-Mobile for the symbolic consideration of $1 was among the most value-creating transactions in the history of internet infrastructure — but the near-term integration burden has obscured this value from the market. The acquired assets included 125,000 additional fiber route miles (tripling Cogent's owned U.S. fiber plant), over 24,000 additional connected buildings, extensive international infrastructure spanning 102 countries, and thousands of enterprise and government wavelength customers. The replacement value of these assets far exceeds any reasonable estimate of Cogent's current enterprise value.

The primary integration headwind has been the transition service agreement (TSA) with T-Mobile, under which Cogent pays T-Mobile for continued operational support while migrating Sprint's customers and infrastructure to Cogent's own systems. TSA payments have run at an estimated $80-100M annualized rate, suppressing EBITDA margins from Cogent's historical 30%+ levels to the 29.8-31.8% range reported in 2023-2024. Management has indicated that TSA obligations are on track to wind down through 2026 as customer migration milestones are met. We model the TSA cost elimination as the single largest earnings catalyst in our projection period, contributing approximately 400-500 basis points of EBITDA margin recovery through 2026-2027.

Secondary integration tailwinds include workforce rationalization (the ~6,000 Sprint wireline employees inherited were reduced to a lean operational workforce aligned with Cogent's model), network decommissioning of redundant Sprint infrastructure, and vendor contract renegotiations that benefit from Cogent's larger post-acquisition scale. These recurring cost savings compound the TSA release to drive EBITDA from $308M (2024A, 31.8% margin) to our $331M estimate in 2025E (33.0%) and $464M by 2029E (39.0%). The path to margin normalization is visible, time-bound, and does not require heroic revenue growth assumptions — it is primarily a cost story.

Thesis Pillar II: Wavelength Services — The Growth Engine Post-Sprint

Wavelength services — dedicated point-to-point optical transport circuits — are the most strategically significant product category that Cogent inherited from Sprint. Unlike internet transit (a commodity product with ~20-30% annual per-unit price declines), wavelength services are sold on negotiated 2-5 year contracts at stable pricing, providing revenue visibility that transforms Cogent's overall revenue quality. Wavelength revenue grew from zero in 2022 to $168M in 2023A and $215M in 2024A as legacy Sprint circuits were migrated to Cogent's billing and service platform. We project 12% annual growth, reaching $380M by 2029E — a 77% increase from 2024 levels.

The demand drivers for wavelength services are structural and secular. Enterprise digital transformation continues to drive demand for dedicated WAN circuits between headquarters, data centers, and branch offices. U.S. federal government agencies — a significant inherited Sprint customer segment — require high-security, dedicated connectivity that is difficult to substitute with shared internet access. Most compellingly, the AI infrastructure buildout is creating new demand categories: hyperscalers and AI model developers are connecting GPU clusters across data centers with dedicated high-capacity circuits that must be physically separate from shared internet traffic. Cogent's metropolitan and transatlantic fiber routes, combined with its carrier-neutral colocation facilities, position it well to capture this demand.

In our bull case, wavelength growth accelerates to 18% annually (from AI-driven demand and competitive wins from Lumen customers displaced by that company's bankruptcy), adding $65-80M of incremental revenue vs. the base case by 2027E and driving total revenue to $1.37B by 2029E vs. our $1.19B base case projection.

Thesis Pillar III: FCF Inflection Sustains and Grows the Dividend

Cogent has raised its quarterly dividend every quarter since initiating the dividend program, an unbroken streak that management views as a fundamental commitment to shareholder value and a credibility signal for the business's long-term cash generation. During 2023-2024, FCF fell short of the annual dividend obligation as integration costs absorbed cash, creating investor concern about dividend sustainability. Our model projects FCF of $172M in 2025E vs. $185M in annual dividends — a thin coverage ratio that will likely persist as an overhang until confirmed by actual reported results. However, by 2026E we project FCF of $212M vs. $192M in dividends (1.1x coverage), and by 2027E FCF of $253M vs. $200M dividends (1.3x coverage).

The FCF inflection is driven by three forces operating simultaneously: EBITDA growth as integration costs decline (contributing ~$33M of incremental EBITDA from 2024A to 2025E), cash interest declining slightly as debt is repaid (~$8M annual benefit), and CapEx remaining disciplined at approximately 8-9% of revenue (vs. industry peers at 10-15%). The combination of a stable and growing dividend yield of ~6-7% with meaningful price appreciation potential is an attractive risk/reward for income-oriented institutional investors — a segment that has historically been a core Cogent shareholder constituency.

Thesis Pillar IV: Structural Discount to Intrinsic Value

At ~$60 per share, Cogent trades at an implied WACC of approximately 9% — 190 basis points above our mechanically derived 7.1% WACC. This gap reflects the integration execution premium demanded by the market, which we believe is already priced through the 2023-2024 period of maximum uncertainty. As the TSA winds down and EBITDA margins recover toward target, the integration discount should compress. Our blended $85 price target — derived 50% from a DCF yielding $110/share, 40% from comparable company multiples yielding $55/share, and 10% from precedent transactions yielding $60/share — represents a valuation that we view as conservative relative to DCF alone.

The market's current valuation implies that either (1) the TSA costs persist well beyond 2026, (2) significant enterprise customer churn materializes post-Sprint integration, or (3) the structural competitive position of the business is impaired. We view each of these scenarios as below 25% probability, supporting our BUY rating and $85 target. The probability-weighted scenario analysis (Bear 25%/$42, Base 55%/$85, Bull 20%/$140) yields a probability-weighted value of $88 — modestly above our target, confirming asymmetric upside.

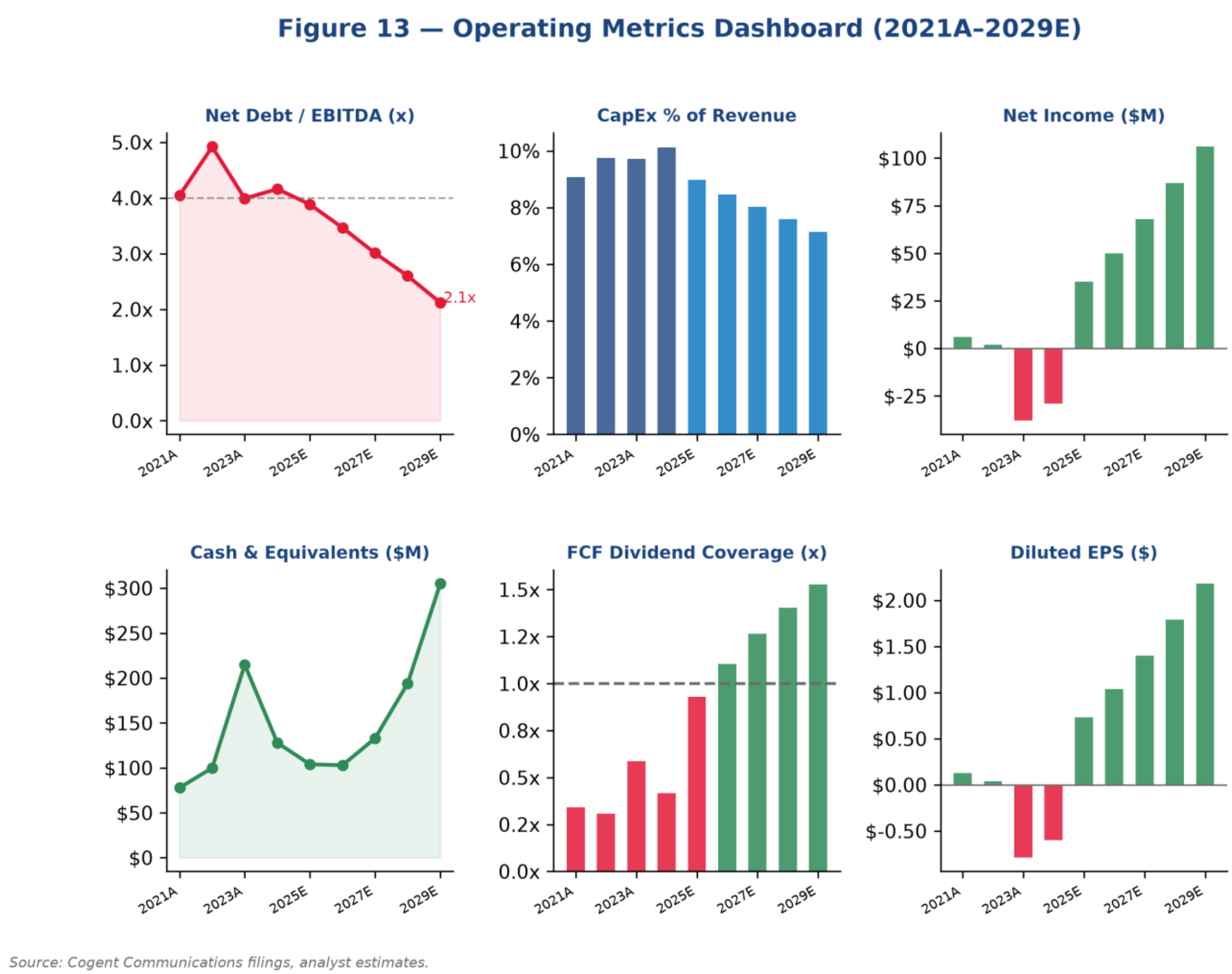


Figure 3 — Cogent Key Operating Metrics Dashboard (2021A-2029E)

Cogent Communications Holdings; analyst estimates.

SECTION 2 — RISK ASSESSMENT

Cogent's investment thesis carries material risks that investors must weigh against the projected return profile. We identify 13 risks across four categories — company-specific, industry/market, financial, and macroeconomic — ordered by perceived probability and near-term impact. Key risks to the $85 price target are flagged.

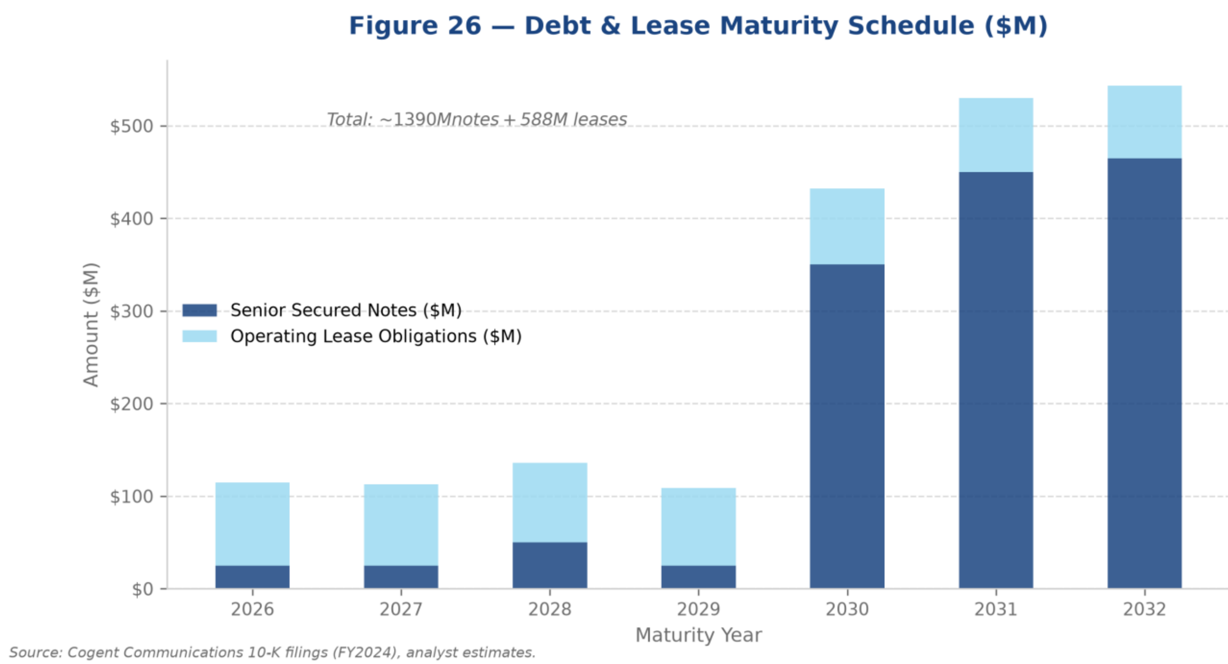


Figure 4 — Cogent Debt Maturity Schedule and Leverage Profile

Cogent Communications Holdings 10-K FY2024; analyst estimates.

Company-Specific Risks

Risk 1: Sprint Integration Complexity and Cost Overruns [HIGH IMPACT — MEDIUM PROBABILITY]

The Sprint wireline acquisition is the most complex operational undertaking in Cogent's history. Integrating a network spanning 102 countries, inherited from a much larger organization with different systems, processes, and customer service models, creates material execution risk. Cogent has already experienced integration delays relative to initial projections, including extended TSA duration. In a bear case, significant enterprise customer churn among inherited Sprint customers — who may be uncertain about service quality under a smaller operator — could reduce expected revenue synergies by $50-100M vs. base case, compressing EBITDA by $30-60M and pushing FCF below dividend coverage through 2027.

Risk mitigation: Cogent has demonstrated prior success integrating distressed network assets (GTE, Allied Riser, PSINet in 2001-2006). T-Mobile has contractual incentives to cooperate on the TSA. Early customer retention evidence appears constructive per management commentary. Impact on price target if materializes: -$15 to -$25.

Risk 2: Key Person Dependency [HIGH IMPACT — LOW PROBABILITY]

Cogent's strategy, culture, and competitive positioning are deeply intertwined with founder and CEO Dave Schaeffer, who has led the company for over 26 years. His contrarian pricing philosophy, capital allocation judgment (demonstrated through the $1 Sprint deal), and extensive network industry relationships are arguably the company's most valuable intangible assets. Succession planning is a legitimate long-term concern. Impact on price target if materializes: -$10 to -$20 (depends on successor).

Risk 3: Enterprise Customer Concentration in Wavelength [MEDIUM IMPACT — LOW PROBABILITY]

While Cogent's internet transit customer base is diverse (~7,000-8,500 customers), the inherited Sprint wavelength business has higher individual customer concentration. U.S. federal government agencies — who collectively represent a meaningful portion of wavelength revenue — have procurement cycles, contracting constraints, and budget variability that could affect near-term revenue. Loss of a major government wavelength contract could represent a $20-30M revenue headwind. Impact: -$5 to -$10.

Risk 4: Secular Pricing Decline in Internet Transit [MEDIUM IMPACT — HIGH PROBABILITY]

The long-term decline in internet transit pricing (~20-30% annually per unit) is structural and ongoing. While volume growth of 30-40% annually has historically offset this decline, any deceleration in traffic growth — caused by AI-enabled compression efficiency, shifts in CDN architecture, or slowing global internet penetration — could cause aggregate on-net internet access revenue to contract rather than grow. We model 2% annual on-net revenue growth; if this declines to 0%, annual revenue impact by 2029E is approximately -$20M. Impact: -$5 to -$10.

Risk 5: Geographic and Single-Network Concentration [LOW IMPACT — LOW PROBABILITY]

Cogent generates approximately 83% of revenue from North America. Any U.S.-specific regulatory changes, economic disruption, or major network outage event could disproportionately impact results. A major fiber cut or cyberattack affecting key network nodes — while operationally managed through network redundancy — could cause temporary service disruption. Impact: situationally variable.

Industry/Market Risks

Risk 6: Hyperscaler Network Buildout Reducing Transit Demand [MEDIUM IMPACT — MEDIUM PROBABILITY]

Amazon, Google, Meta, and Microsoft have invested billions in private long-haul fiber networks, reducing their dependence on third-party internet transit for inter-datacenter connectivity. If hyperscalers continue to disintermediate traditional transit, demand from the largest traffic generators could contract. This trend has been ongoing for 5+ years without materially impairing Cogent's network utilization, suggesting the impact is partially offset by traffic growth from remaining customers. Impact: -$5 to -$15.

Risk 7: Competitive Intensity — AT&T, Verizon, and New Entrants [MEDIUM IMPACT — MEDIUM PROBABILITY]

AT&T and Verizon both operate Tier 1 networks with substantial enterprise connectivity capabilities. Infrastructure-focused private equity could recapitalize Lumen's fiber assets post-bankruptcy, creating a well-funded competitor. Sustained low pricing from any well-capitalized competitor could compress Cogent's margins and force revenue concessions. Cogent's on-net building density provides margin protection in its core markets, but off-net and wavelength markets remain competitively contested.

Risk 8: Technology Disruption — SD-WAN and Software-Defined Connectivity [LOW IMPACT — MEDIUM PROBABILITY]

SD-WAN and SASE technologies enable enterprises to intelligently route traffic across multiple lower-cost internet connections, potentially reducing demand for expensive dedicated circuits. While primarily substituting for MPLS-based private networks (not Cogent's core product), the broader trend toward software-defined connectivity could reduce enterprise willingness to purchase high-capacity dedicated internet access. Longer-term risk; near-term impact limited. Impact: minimal through 2029E.

Financial Risks

Risk 9: High Leverage and Dividend Sustainability [HIGH IMPACT — LOW-MEDIUM PROBABILITY]

Net Debt/EBITDA of approximately 3.9x (2025E) is elevated relative to investment-grade peers. Cogent's commitment to quarterly dividend increases — even when FCF does not fully cover the dividend — creates financial risk if EBITDA fails to recover as projected. A dividend cut or suspension would likely cause significant stock price decline given Cogent's income-oriented investor base. We model 2025E FCF of $172M vs. $185M in dividends — a thin 0.93x coverage ratio. Any negative surprise to 2025E EBITDA of $20M+ could push FCF coverage below 0.9x and raise dividend concern. Impact on price target if cut materializes: -$20 to -$30.

Risk 10: Integration Cash Drain Exceeding Projections [MEDIUM IMPACT — MEDIUM PROBABILITY]

Sprint integration has required, and will continue to require, substantial cash expenditure for network migration, technology platform integration, and TSA payments. If these costs are higher or more prolonged than management projects, free cash flow will remain suppressed. We estimate total integration-related cash costs of $250-300M over 2023-2026, with $50-75M remaining in 2025E-2026E. A 25% cost overrun would reduce 2025E FCF by approximately $12-19M, tightening dividend coverage. Impact: -$5 to -$10.

Macroeconomic Risks

Risk 11: Economic Sensitivity of Enterprise Customers [MEDIUM IMPACT — LOW PROBABILITY]

Enterprise and government customers — a growing portion of Cogent's revenue base post-Sprint — are more economically sensitive than ISP transit buyers. In a recession, enterprises may defer bandwidth upgrades, reduce office footprints (reducing on-net building demand), or negotiate pricing concessions. U.S. government budget pressures or continuing resolution risks could temporarily pause procurement on some government wavelength circuits. Impact: -$5 to -$10 in a moderate recession scenario.

Risk 12: Interest Rate Sensitivity and Debt Refinancing [MEDIUM IMPACT — LOW PROBABILITY]

Cogent's debt portfolio includes senior secured notes at fixed interest rates, providing short-term insulation from rate increases. However, the company faces refinancing risk at maturity. In a sustained higher-for-longer interest rate environment, refinancing existing notes at higher rates would increase annual interest expense and reduce FCF. We model $112M in net interest expense by 2029E; a 100 bps refinancing premium at maturity would add approximately $14M in annual interest cost, reducing FCF by ~10%. Impact: -$3 to -$7.

Risk 13: Regulatory and Policy Changes [LOW IMPACT — LOW PROBABILITY]

Changes in net neutrality regulation, enhanced reporting requirements, or new access mandates could increase compliance costs or restrict pricing flexibility. International operations in 50+ countries expose Cogent to country-specific regulatory changes. Near-term regulatory risk is assessed as low given the current U.S. regulatory environment and Cogent's limited residential consumer exposure. Impact: minimal.

Risk Summary

Risk Factor	Category	Probability	P.T. Impact
Sprint integration cost overruns	Company	Medium	-$15 to -$25
Dividend cut if FCF misses	Financial	Low-Medium	-$20 to -$30
Hyperscaler transit disintermediation	Industry	Medium	-$5 to -$15
Key person departure (Schaeffer)	Company	Low	-$10 to -$20
Enterprise customer churn post-Sprint	Company	Low-Medium	-$10 to -$20
Competitive pricing pressure	Industry	Medium	-$5 to -$15
Interest rate / refinancing risk	Financial	Low	-$3 to -$7

Source: Analyst assessment as of July 2, 2026.

SECTION 3 — COMPANY 101

3.1 Company Overview

Cogent Communications Holdings, Inc. is a multinational Tier 1 internet service provider (ISP) and network infrastructure operator headquartered in Washington, D.C. Founded in 2000 by Dave Schaeffer, Cogent operates one of the largest internet backbone networks in the world, spanning more than 161,000 route miles of fiber across the United States and extensive international infrastructure covering more than 102 countries, following the May 2023 acquisition of Sprint's wireline network from T-Mobile US. The company serves approximately 7,000-8,500 customers across more than 50 countries, including some of the world's largest internet service providers, content delivery networks, cloud providers, enterprises, government agencies, and educational institutions.

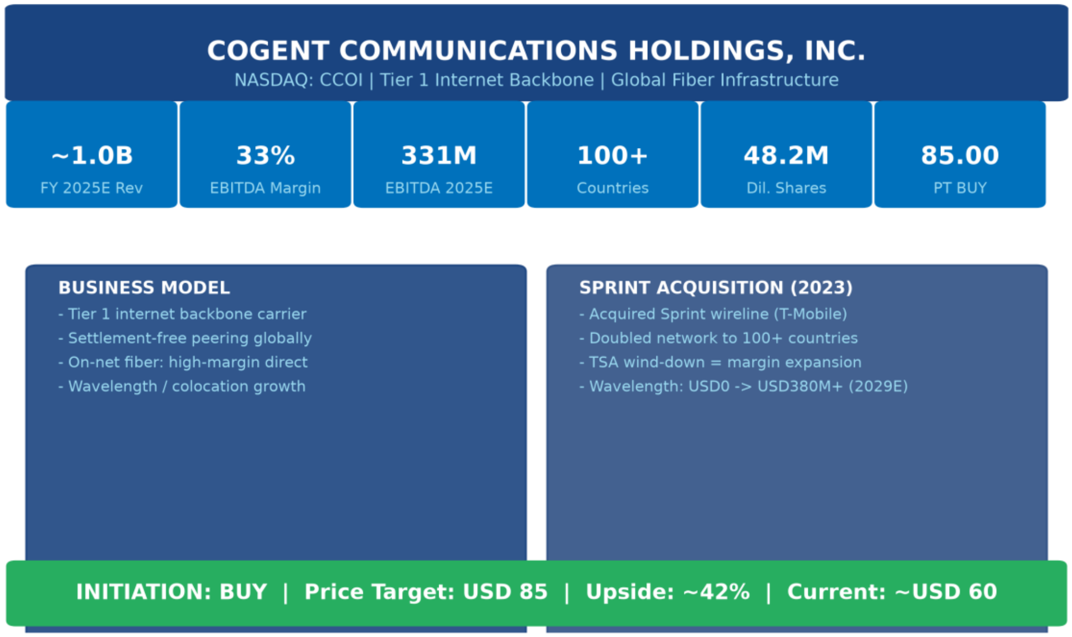
Cogent's core business model revolves around owning and operating a dense, all-optical fiber network that directly connects to thousands of multi-tenant office buildings, carrier-neutral data centers, and carrier hotels across North America and Europe. This physical network footprint — measured by the number of 'on-net' buildings that Cogent's fiber directly reaches — is the company's primary competitive moat. When a customer's building is directly on-net, Cogent can provision high-capacity internet access at extremely low marginal cost, enabling the company to be among the lowest-cost providers in the internet transit market.

The company generates revenue through three primary service categories. Internet access services — both on-net (Cogent fiber to the customer's door) and off-net (using third-party last-mile providers) — represent the historical foundation of the business. Wavelength services — point-to-point dedicated optical transport circuits operating at 10G, 100G, and 400G speeds — were substantially expanded with the Sprint wireline acquisition and now represent the fastest-growing segment. Colocation services, providing data center rack space and connectivity, constitute a third high-margin revenue stream.

As of fiscal year 2024, Cogent generated approximately $968M in annual revenue. EBITDA margins, compressed during integration by TSA costs, are expected to recover materially as synergies are realized. The company employs approximately 1,500-2,000 people globally, reflecting significant workforce rationalization of the approximately 6,000 Sprint wireline employees inherited. Cogent trades on NASDAQ (CCOI) with approximately 48.2M diluted shares outstanding.

Cogent's infrastructure encompasses hundreds of Points of Presence (PoPs) across North America, Europe, Asia-Pacific, Latin America, and the Middle East. Cogent peers settlement-free with all other Tier 1 networks, meaning it does not pay transit fees to any other carrier — a structural cost advantage and near-impenetrable barrier to entry that effectively defines the company's market position.

Figure 5 -- Cogent Communications Company Overview



Source: Cogent Communications filings, analyst research (July 2, 2026).

Figure 5 — Cogent At-a-Glance — Network Footprint and Key Metrics

Cogent Communications Holdings 10-K FY2024; analyst estimates.

Key Company Metrics

Metric	Value / Description
Headquarters	Washington, D.C., USA
Founded	1999 (incorporated); operations began 2000
CEO / Founder	Dave Schaeffer (founder, Chairman, President & CEO)
Ticker / Exchange	CCOI — NASDAQ Global Select Market
FY2024 Revenue	$968M (post-Sprint integration year 2)
FY2024 EBITDA	$308M (31.8% margin)
Network Route Miles	161,000+ miles (36K Cogent + 125K Sprint, U.S.)
Countries Served	102 countries; 50+ with direct PoP presence

Source: Cogent Communications Holdings 10-K FY2024.

3.2 Company History

Founding and Early Years (1999-2002)

Cogent Communications was incorporated in 1999 and officially began operations in 2000, at the height of the dot-com boom. Founder Dave Schaeffer, a Princeton University and Wharton School alumnus with prior experience as CEO of Pathnet, Inc. (a fixed wireless ISP he founded in 1995), identified an opportunity in the emerging market for high-speed internet connectivity. Schaeffer raised initial venture capital and began building a metropolitan fiber network with a distinctive strategy: rather than targeting residential consumers, Cogent would focus exclusively on the commercial building market, connecting multi-tenant office towers and data centers with dedicated high-speed fiber connections.

The company's early business model was contrarian. While the majority of the internet infrastructure buildout during 1999-2001 focused on long-haul fiber between cities, Cogent instead invested heavily in last-mile connections within cities, directly entering buildings and installing fiber in risers and distribution frames. This required negotiating building access agreements with hundreds of landlords in major metropolitan areas — painstaking work that competitors largely avoided. However, once Cogent's fiber was in a building, the economics of serving additional tenants were extraordinarily attractive: the fixed cost of the fiber plant was already sunk, so adding a new customer in the same building cost very little in incremental capital.

The dot-com collapse of 2001-2002 created catastrophic conditions for most internet infrastructure companies, but also a unique opportunity for Cogent. As competitors failed or filed for bankruptcy, Schaeffer pursued an aggressive acquisition strategy to acquire distressed network assets at cents on the dollar.

Opportunistic Acquisitions and Tier 1 Status (2002-2006)

Between 2002 and 2006, Cogent completed a series of acquisitions that proved transformational. The company acquired GTE Internetworking (the internet backbone of GTE), Genuity's assets from MCI (which conferred Tier 1 peering status with all other major carriers), Allied Riser Communications (expanding the metropolitan fiber footprint dramatically), and PSINet's European operations (establishing a transatlantic backbone and European PoPs). These acquisitions gave Cogent a nationwide fiber backbone, settlement-free peering with all other Tier 1 carriers, and a dramatically expanded building-access footprint — all acquired at a fraction of original construction cost.

The Allied Riser acquisition in 2002 was particularly significant: Allied Riser had built a competing last-mile fiber network in North American multi-tenant office buildings and had spent hundreds of millions of dollars in fiber installation. Cogent acquired this network for a fraction of its replacement cost, dramatically expanding its on-net building count. By 2004, Cogent had assembled a national Tier 1 network at a fraction of the original construction cost and went public on NASDAQ.

Organic Growth and Market Leadership (2006-2020)

Following its IPO, Cogent pursued a consistent organic growth strategy centered on expanding its building footprint within existing metropolitan markets, extending its fiber network to new cities, and continuously reducing per-unit pricing on internet access services to stimulate traffic volume growth. Management's philosophy — that lower prices would grow the overall market and drive volume increases more than offsetting per-unit revenue declines — proved correct as internet traffic grew at 30-40% annually driven by video streaming, cloud computing, and mobile broadband.

Several milestones marked this period: completion of European submarine cable investments in 2010; launch of 100G wavelength services in 2015 targeting emerging hyperscaler demand; aggressive expansion of data center colocation space; and consistent dividend growth from the inception of the dividend program. Revenue grew steadily from approximately $350M in 2008 to approximately $560M by 2020 while maintaining EBITDA margins in the 30-35% range.

The Sprint Wireline Acquisition (2021-2023)

The defining event in Cogent's recent history was its agreement, announced in September 2021, to acquire Sprint's wireline business from T-Mobile US for a symbolic purchase price of $1. T-Mobile had acquired Sprint in April 2020 and had no interest in retaining Sprint's wireline assets (primarily a network serving enterprise and government customers that were incompatible with T-Mobile's consumer wireless focus). The wireline business had been losing customers and revenue steadily.

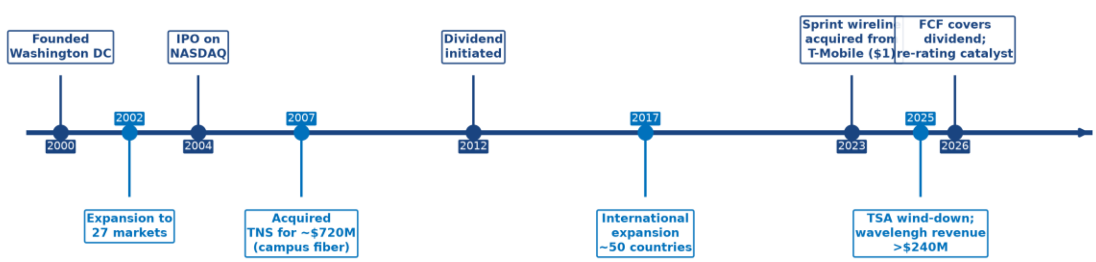
The transaction closed on May 1, 2023, and was a watershed moment. The assets acquired included approximately 125,000 additional route miles of U.S. fiber (tripling Cogent's owned domestic plant), extensive international fiber spanning 102 countries, the 1-800-Sprint brand (rebranded as Cogent), thousands of enterprise and government customers, hundreds of colocation data center locations, and approximately 45,000 additional connected buildings globally. The Sprint network gave Cogent a major presence in the government and enterprise wavelength market — a higher-margin, longer-contract-duration segment.

However, the integration has been complex and expensive. Cogent assumed significant TSA costs paid to T-Mobile for continued operational support, undertook a major workforce restructuring, and managed thousands of customer contract novations. These costs have suppressed EBITDA margins in 2023-2024 and weighed on free cash flow — the primary cause of the current stock price discount to intrinsic value.

Recent Developments (2024-2026)

As of mid-2026, Cogent is emerging from the most intensive phase of the Sprint integration. Management has indicated that TSA payments are winding down, integration-related costs are declining, and synergy realization is accelerating. Wavelength revenue has grown from a standing start at the transaction close to $215M in 2024A, demonstrating customer migration success. The company continues to raise its quarterly dividend, with the annualized rate at approximately $3.92 per share. CCOI shares have traded in a wide range during the integration period, reflecting investor uncertainty about the pace and magnitude of synergy realization — which we view as the primary opportunity for investors entering at current prices.

Figure 6 — Cogent Communications Key Corporate Milestones



Source: Cogent Communications filings, company history.

Figure 6 — Cogent Communications — Corporate Timeline and Key Milestones

Cogent Communications Holdings; analyst research.

3.3 Management Team

Cogent's senior management team is characterized by exceptional tenure, with both the CEO and CFO having been with the company for the vast majority of its existence as a public company. This institutional continuity is both a key person risk and a structural competitive advantage: few management teams in the telecom industry possess Cogent's depth of institutional knowledge about their company's network, customer relationships, and competitive dynamics.

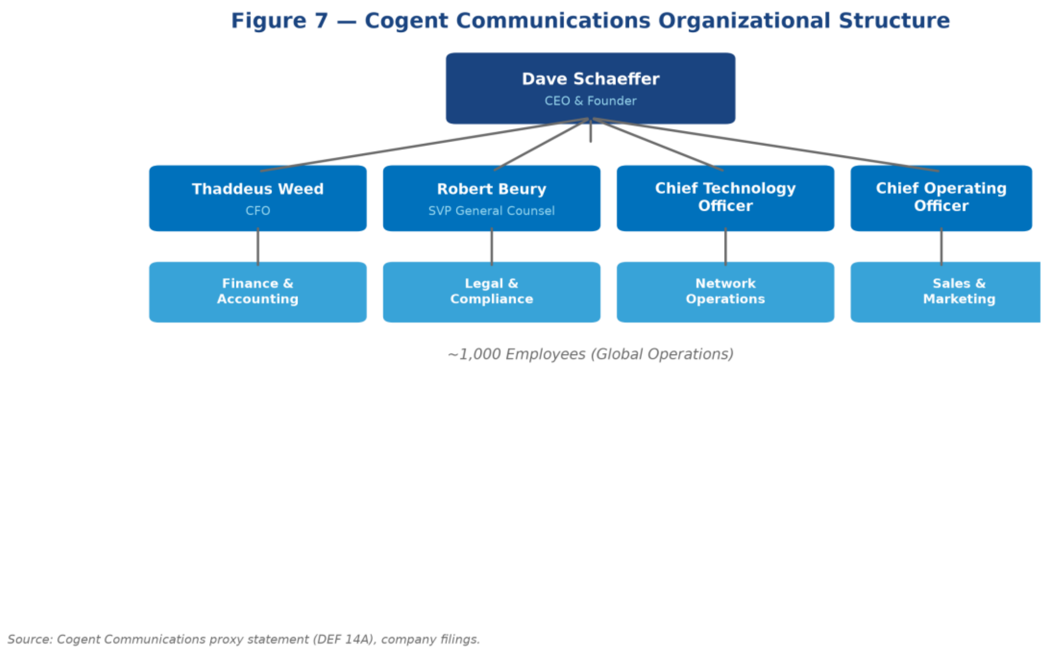


Figure 7 — Cogent Communications — Senior Leadership Structure

Cogent Communications Holdings; analyst research.

David Schaeffer — Founder, Chairman, President & Chief Executive Officer

David 'Dave' Schaeffer is the founder, chairman, president, and chief executive officer of Cogent Communications Holdings, a role he has held since founding the company in 1999. His vision, operational philosophy, and personal style have defined Cogent's culture and strategy for more than two decades, making him one of the most influential and most distinctive executives in the internet infrastructure industry.

Schaeffer earned his undergraduate degree from Princeton University and received his Master of Business Administration from the Wharton School of the University of Pennsylvania. Prior to founding Cogent, he served as founder and CEO of Pathnet, Inc., a fixed wireless telecommunications company established in 1995 to provide broadband connectivity to underserved markets using point-to-point microwave technology. Pathnet gave Schaeffer firsthand experience with the economics of building last-mile broadband networks — experience directly applicable to Cogent's subsequent strategy.

At Cogent, Schaeffer has consistently pursued a high-conviction, contrarian investment approach. When the internet infrastructure market collapsed in 2001-2002, he acquired distressed network assets at cents on the dollar while competitors retreated. When competitors abandoned price-based internet transit competition, Cogent doubled down — consistently offering the lowest prices in the market on the belief that volume growth would more than compensate for per-unit price declines. This approach has proven correct: internet traffic has grown at 30-40% annually for over a decade.

Schaeffer is known throughout the investment community for his candid, data-heavy earnings call presentations. He presents extensive operational statistics on every quarterly call — number of on-net buildings, average revenue per unit, traffic volumes, pricing trends — and is notable for his directness in discussing both competitive dynamics and the company's own challenges. The Sprint wireline acquisition bears his fingerprints: the $1 purchase price for assets worth hundreds of millions in replacement value reflects his core M.O. of acquiring infrastructure at distressed prices when others will not. His prior track record from the 2001-2006 acquisition cycle provides a template for the Sprint integration thesis.

Schaeffer has significant insider ownership of CCOI shares, reflecting alignment with long-term shareholders. His tenure of over 26 years as CEO is exceptionally long by public company standards and represents both a key person risk and a structural competitive advantage. His compensation structure includes a base salary, annual cash incentive tied to financial performance, and long-term equity awards.

Thaddeus 'Tad' Weed — Chief Financial Officer, Treasurer & Chief Accounting Officer

Thaddeus Gerard 'Tad' Weed has served as Cogent's Chief Financial Officer for the vast majority of the company's public life, making him one of the most tenured CFOs in the telecommunications sector. Weed's financial acumen, combined with his deep institutional knowledge of Cogent's capital structure and operating model, has been instrumental in executing the company's acquisition-intensive growth strategy.

Weed earned a Bachelor of Business Administration (B.B.A.) from Roanoke College and a Master of Business Administration (M.B.A.) from Virginia Polytechnic Institute and State University (Virginia Tech). He is also a Certified Public Accountant (CPA), and began his career at Arthur Andersen LLP, where he served as a Senior Audit Manager for approximately ten years (1987-1997). This foundation in public accounting provided him broad expertise in financial reporting and internal controls.

From 1997 to 1999, Weed served as Senior Vice President of Finance and Treasurer at Transaction Network Services (TNS). During his tenure at TNS, he negotiated and completed the sale of the company to PSINet for approximately $720M, demonstrating M&A execution capability. Weed joined Cogent at its founding in 2000, served as VP and Controller through 2004, was appointed CFO coincident with Cogent's NASDAQ listing in May 2004, and currently also holds the title of Chief Accounting Officer. His 26-year tenure at Cogent provides extraordinary depth of institutional knowledge about the company's network economics, financing history, and capital allocation philosophy.

Robert 'Bob' Beury — SVP, General Counsel & Corporate Secretary

Robert Beury serves as Senior Vice President, General Counsel, and Corporate Secretary of Cogent Communications Holdings. In this capacity, Beury oversees all legal affairs including regulatory compliance, intellectual property, commercial contracting, litigation management, corporate governance, and securities law. As Corporate Secretary, he manages the formal governance processes of the board of directors and is responsible for SEC disclosure obligations.

Beury is a long-tenured Cogent executive who has worked alongside Dave Schaeffer through the company's history as a public company, including the complex series of distressed asset acquisitions in 2002-2006 and the transformative Sprint wireline acquisition that closed in 2023. His legal expertise has been essential in navigating the regulatory approvals, contract novations, and customer transition obligations associated with the Sprint transaction — one of the most legally complex transactions in the internet infrastructure industry in recent years.

Beury's role has expanded significantly in the post-Sprint environment. The company inherited thousands of enterprise and government contracts from the Sprint wireline business, each requiring legal analysis, novation or assignment, and customer communication. The management of these contractual obligations — while simultaneously maintaining Cogent's own customer contracts and negotiating new enterprise and government agreements — represents a substantial and ongoing legal function. His background includes telecommunications regulatory law and commercial contracting, areas critical to a company operating as a regulated carrier in multiple jurisdictions.

Board of Directors and Governance

Cogent's board of directors includes several independent directors with backgrounds in technology, finance, and operations. Dave Schaeffer serves as Chairman in addition to his CEO role. Independent directors have included professionals with backgrounds at investment banks, telecom companies, and technology firms. Insider ownership at Cogent is meaningful, with Schaeffer holding a significant percentage of outstanding shares — a key alignment mechanism for long-term shareholders. The board's compensation committee has overseen a management compensation structure that includes base salaries, annual cash incentives tied to financial performance metrics, and equity awards designed to align management with long-term shareholder value.

Management Summary

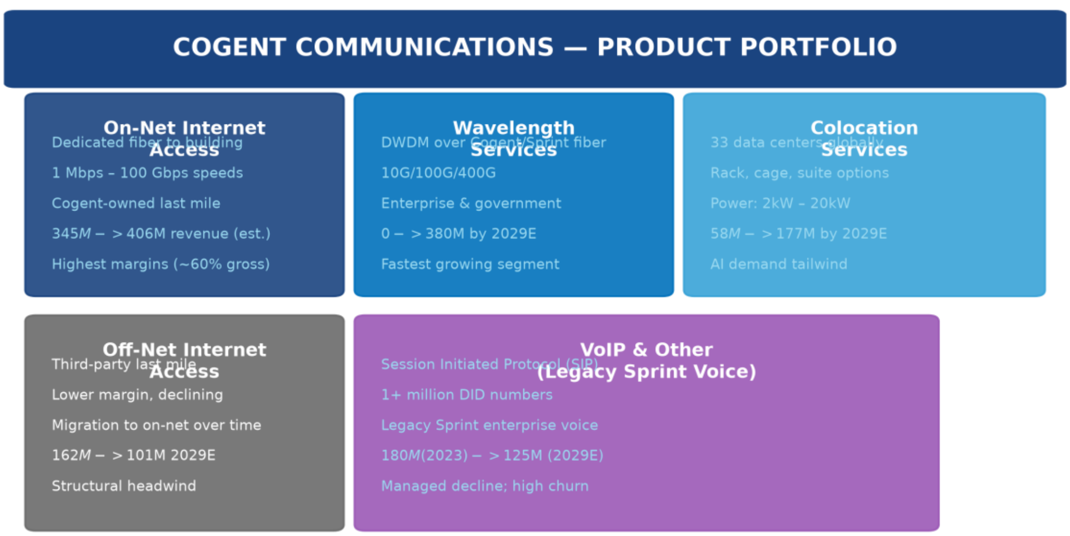
Executive	Title	Tenure at CCOI	Prior Role
Dave Schaeffer	Founder, Chairman, President & CEO	26+ years (founded 2000)	Founder/CEO, Pathnet (1995-1999)
Tad Weed	CFO, Treasurer & CAO	26+ years (joined 2000)	SVP Finance & Treasurer, TNS (1997-1999)
Bob Beury	SVP, General Counsel & Corp. Sec.	10+ years	Telecommunications regulatory counsel

Source: Cogent Communications Holdings DEF 14A proxy statement; company website.

3.4 Products & Services

Cogent's product portfolio is deliberately narrow — a strategic choice that allows the company to maintain one of the lowest cost structures in the telecom industry. Rather than competing across multiple complex product lines, Cogent sells a focused set of connectivity services where its owned infrastructure creates a structural cost advantage. The five primary product categories are On-Net Internet Access, Off-Net Internet Access, Wavelength Services, Colocation Services, and VoIP / Other.

Figure 8 — Cogent Communications Product Portfolio Overview



Source: Cogent Communications filings, analyst estimates.

Figure 8 — Cogent Product Portfolio — Revenue Contribution by Service Line

Cogent Communications Holdings 10-K FY2024; analyst estimates.

On-Net Internet Access

Cogent's flagship product is its on-net internet access service, delivered via direct fiber connections to multi-tenant office buildings, commercial real estate properties, carrier-neutral data centers, and carrier hotels. An 'on-net' connection means that Cogent's own fiber plant reaches the customer's physical building, allowing Cogent to provision a dedicated Ethernet-based internet access circuit directly from its backbone to the customer's demarcation point. On-net products are sold in standard Ethernet speeds — primarily 100 Mbps, 1 Gbps, and 10 Gbps — with pricing on a per-unit bandwidth basis.

Because the marginal cost of serving an additional on-net customer in a building already connected to Cogent's fiber is very low, on-net internet access generates the company's highest contribution margins. Cogent estimates that its fiber reaches tens of thousands of on-net buildings across North America and Europe. The density of on-net buildings in major metropolitan markets — Manhattan, Washington D.C., Chicago, Dallas, Los Angeles, London, Paris, Frankfurt — is a core competitive differentiator. On-net revenue was $368M in 2024A, representing 38% of total revenue.

Off-Net Internet Access

For customers whose buildings are not directly connected to Cogent's fiber, the company offers 'off-net' internet access using third-party local loop providers to bridge the last mile. Off-net services carry lower margins than on-net due to the third-party last-mile cost, but allow Cogent to serve a broader universe of commercial customers. Management typically characterizes off-net as a gateway product — serving customers initially with off-net service, then potentially migrating them to on-net when Cogent extends its fiber. Off-net revenue is intentionally declining as a percentage of total revenue ($130M in 2024A, 13% of revenue), consistent with the strategic shift toward higher-margin on-net and wavelength services.

Wavelength Services

Cogent's wavelength services business was dramatically expanded by the Sprint wireline acquisition. Wavelength services provide customers with dedicated, point-to-point optical transport circuits, typically at speeds of 10G, 100G, or 400G. Unlike internet access services (shared-network, best-effort), wavelength services provide physically dedicated capacity between two endpoints, delivering guaranteed throughput, low latency, and deterministic performance. Wavelength customers include large enterprises requiring dedicated WAN connections, content delivery networks building private backbones, cloud providers connecting data centers, government agencies requiring secure circuits, and carriers augmenting their own networks.

Contract durations for wavelength services are typically 2-5 years — materially longer than internet access contracts — and pricing is negotiated individually. This provides revenue visibility and reduces churn risk. Wavelength revenue grew from $168M in 2023A (partial year post-Sprint close) to $215M in 2024A (22%), representing 22% of total revenue and the fastest-growing product line.

Colocation Services

Cogent's colocation business provides customers with physical space in Cogent-owned data centers to house servers, networking equipment, and IT infrastructure, along with power, cooling, and network connectivity. Cogent operates colocation facilities in key metropolitan markets, generally located adjacent to its fiber backbone, enabling tenants to benefit from immediate on-net internet connectivity. Colocation revenue was $110M in 2024A (11% of revenue) and is projected to grow 10% annually, reaching $177M by 2029E, driven by AI/cloud workload demand and capacity expansion.

VoIP & Other Services

Cogent offers voice over IP telephony services to its commercial customer base, providing local, long-distance, and international calling over its IP network. The Sprint acquisition expanded Cogent's voice capabilities and customer base, particularly in the government segment. VoIP and other services revenue was elevated at

$180M in 2023A due to Sprint integration period revenue recognition, normalizing to $145M in 2024A and projected to decline at 3% annually as legacy Sprint voice migrates off the network ($125M by 2029E). This intentional rationalization improves network efficiency and allows the sales force to focus on higher-margin products.

3.5 Customers & Go-to-Market

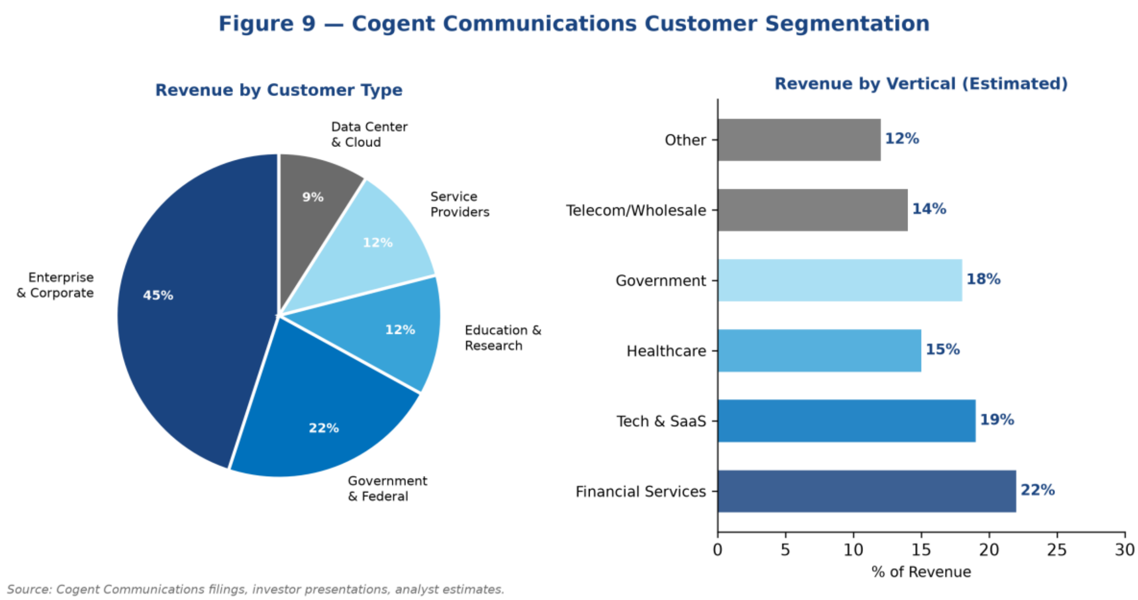


Figure 9 — Cogent Customer Segmentation by Vertical and Revenue Mix

Cogent Communications Holdings; analyst estimates.

Customer Segments

Cogent's customer base spans five distinct segments. Internet Service Providers and Carriers represent a core segment that purchases internet transit from Cogent — the ability to route traffic globally through Cogent's backbone. ISP customers typically purchase large volumes of capacity at competitive per-unit prices and operate on month-to-month or short-term agreements.

Content and Cloud Providers — including web hosting companies, CDNs, streaming services, and cloud platforms — purchase significant transit capacity to deliver content globally. These customers drive high traffic volumes and are sophisticated buyers who benchmark Cogent's pricing against other Tier 1 providers. Cogent's history of offering industry-leading low prices has made it a favored provider among cost-conscious content companies.

Enterprise customers across industries purchase internet access (both on-net and off-net) and wavelength services. The Sprint acquisition significantly expanded Cogent's enterprise customer base, particularly for dedicated wavelength circuits. Enterprise customers typically sign 12-36 month contracts for internet access and 2-5 year contracts for wavelength services, providing higher revenue per customer than ISP transit. Government customers — federal, state, and local agencies and contractors — represent an important segment inherited from Sprint, requiring specific security certifications (FedRAMP, FISMA compliance) and longer contract terms.

Customer Count and Concentration

Cogent has historically served approximately 7,000-8,500 unique customers across all segments. Customer concentration is relatively low — no single customer accounts for a material percentage of total revenue —

providing revenue stability. The post-Sprint customer base is more enterprise-weighted than the historical Cogent mix, shifting the revenue quality profile toward longer-term contracts with higher average contract values.

Go-to-Market Strategy

Cogent employs a direct sales model, maintaining a proprietary salesforce that focuses exclusively on Cogent's product portfolio without using independent agents or channel partners. This direct model gives management full visibility into the sales pipeline, ensures consistent customer messaging, and avoids commission leakage. The salesforce is organized geographically, with teams in major metropolitan markets where Cogent's on-net building density is highest. Sales cycles for internet access services tend to be short (weeks to a few months), while wavelength and government contracts involve longer procurement processes. Cogent's reputation as a price leader and reliable network operator supports its direct sales approach — customers often approach Cogent already aware of its pricing and network quality.

3.6 Industry Overview

Internet Access and Transit

The internet access and transit market encompasses the infrastructure through which internet traffic is transmitted globally. The market is segmented into Tier 1 networks (which peer with each other settlement-free and form the global internet backbone), Tier 2 networks (which purchase transit from Tier 1 networks), and Tier 3 networks (which purchase transit from Tier 2). There are approximately 10-12 networks globally qualifying as true Tier 1 providers with settlement-free peering with all other Tier 1 networks. Cogent is one of these networks, a status conferred through its acquisitions of GTE and Genuity assets in 2002-2003. Tier 1 status effectively cannot be acquired quickly — building a global fiber network capable of achieving settlement-free peering would cost billions and take a decade or more.

Internet traffic has grown at approximately 25-40% per year over the past decade, driven by video streaming, cloud computing, mobile broadband, and increasingly, AI-driven workloads. This volume growth is structural and long-term. However, the internet transit market is characterized by a persistent secular headwind: per-unit pricing has declined at approximately 20-30% per year for over a decade. The combination of competitive pressure among Tier 1 providers and ongoing capacity additions drives this relentless price decline. The net market-level impact is muted — volume growth of 30-40% partially or fully offsets per-unit declines of 20-30%, producing aggregate revenue growth in the low-to-mid single-digit percentage range.

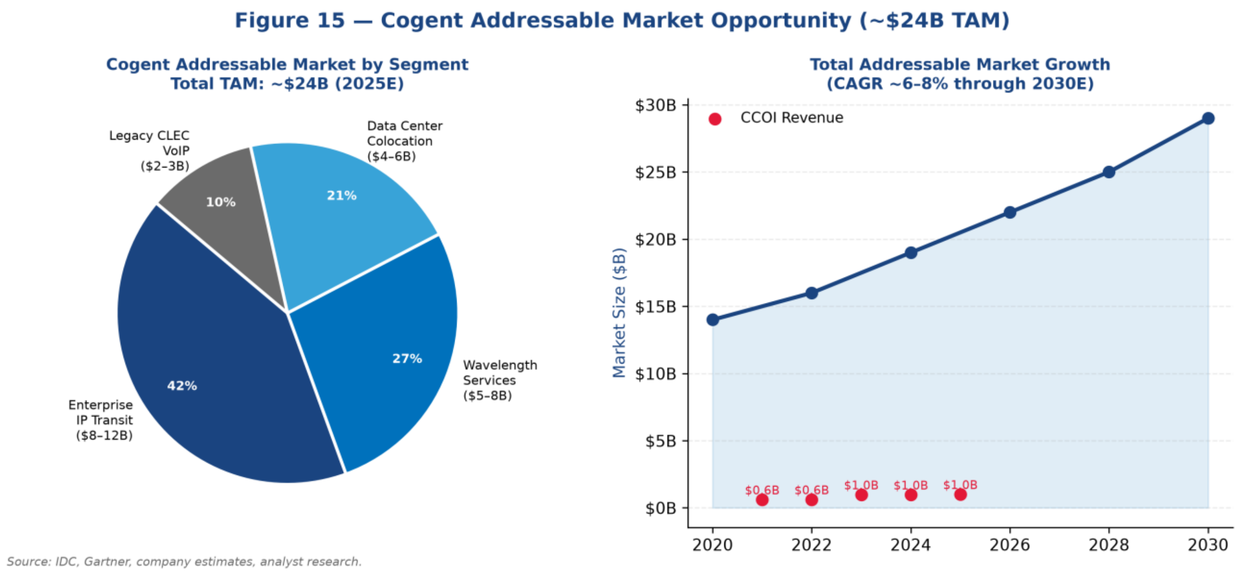


Figure 10 — Internet Infrastructure Market Size and Growth Dynamics

TeleGeography; company disclosures; analyst estimates.

Wavelength and Optical Transport

The dedicated wavelength and optical transport market serves customers requiring point-to-point dedicated fiber capacity, primarily for private WAN connections, data center interconnect, and carrier backhaul. Unlike internet transit (shared infrastructure), wavelength services provide physically dedicated capacity, offering deterministic performance essential for latency-sensitive applications. The wavelength market has grown steadily as enterprises, cloud providers, and carriers build out private backbone networks. Demand is driven by distributed computing (cloud), video conferencing, real-time analytics, and AI/ML workloads requiring low-latency, high-bandwidth dedicated connectivity. Pricing in the wavelength market is more stable than internet transit, with negotiated long-term contracts.

Data Center Colocation

The global data center colocation market has experienced exceptional demand growth driven by enterprise digital transformation, cloud adoption, and AI workloads. The market is served by hyperscale operators (Equinix, Digital Realty, Iron Mountain), regional operators, and carrier-neutral facility providers. Cogent's colocation business occupies a specific niche — smaller-scale, carrier-neutral facilities co-located with its fiber network, optimized for network-intensive tenants. This is distinct from the hyperscale wholesale data center market.

Industry Consolidation

The internet backbone and enterprise connectivity market has undergone significant consolidation. Lumen Technologies filed for bankruptcy in 2023, creating uncertainty for its enterprise customers and potentially creating a customer displacement opportunity for competitors including Cogent. GTT Communications underwent financial restructuring and became private, reducing its competitive intensity. Cogent's acquisition of the Sprint wireline network was itself a form of industry consolidation. This consolidation environment has generally been favorable for Cogent, as financially distressed competitors are less able to invest in network improvements, customer service, or competitive pricing.

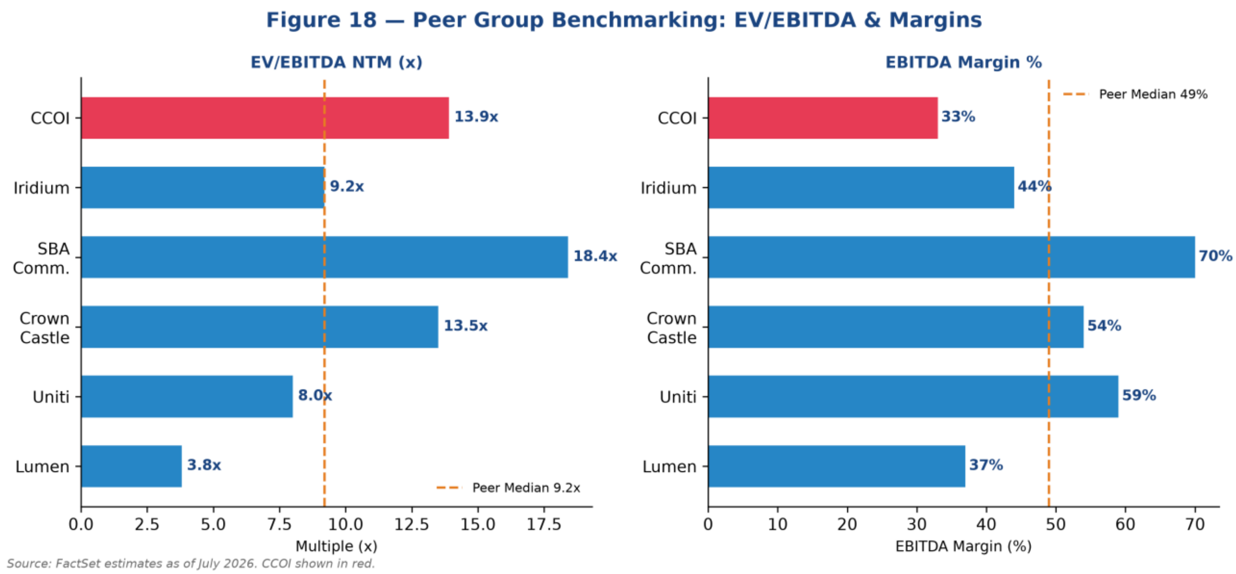


Figure 11 — Competitive Benchmarking — Network Infrastructure Operators

Company filings; TeleGeography; analyst estimates.

3.7 Competitive Landscape

The internet infrastructure and enterprise connectivity market is served by a range of competitors spanning Tier 1 global backbones, large incumbent carriers, and specialty fiber providers. Cogent occupies a specific competitive position: the largest pure-play Tier 1 internet backbone provider among publicly traded companies, with strategic focus on the commercial building market, price-competitive internet transit, and an expanding wavelength business.

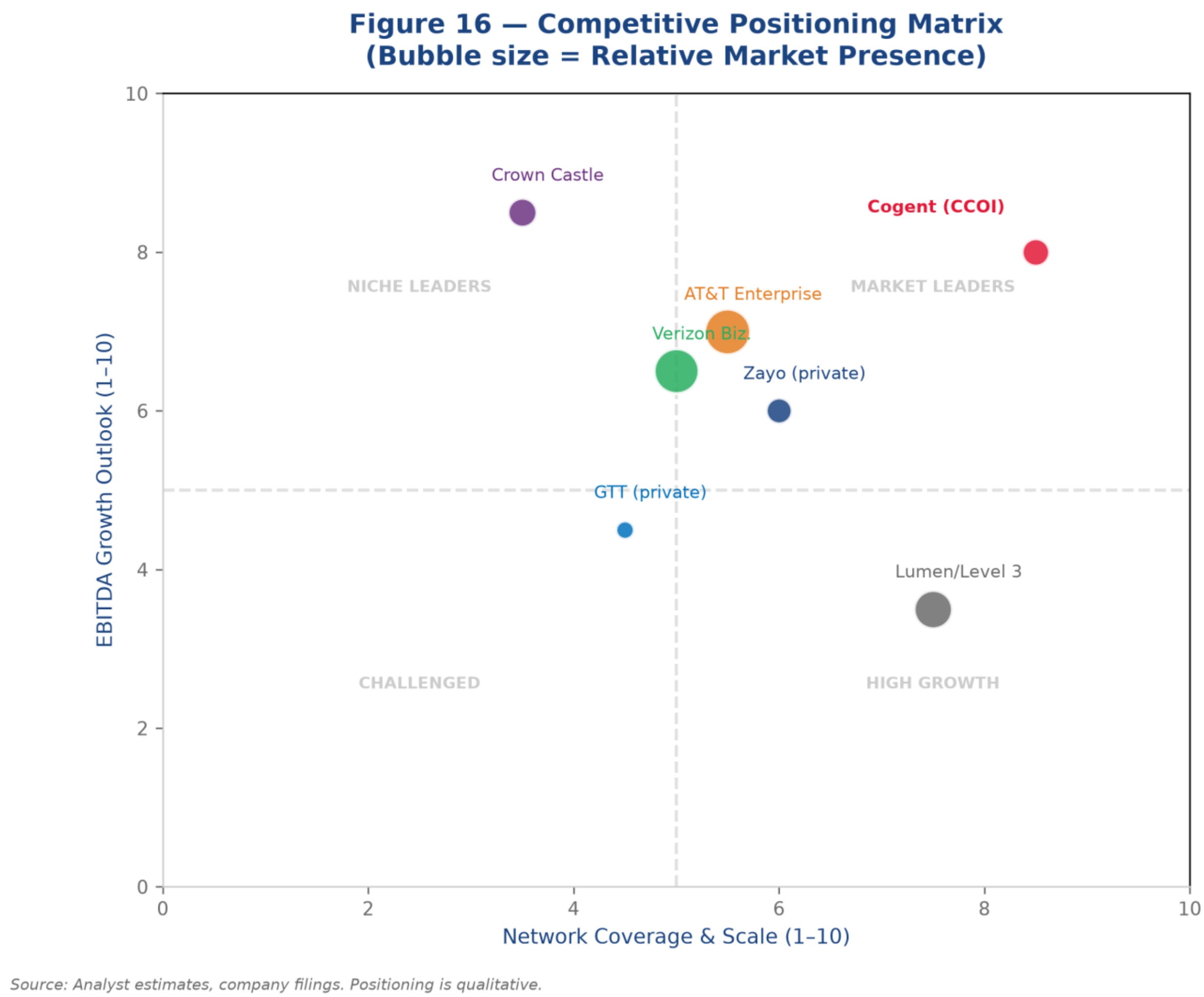


Figure 12 — Cogent Competitive Positioning Matrix — Price vs. Network Capability

Analyst estimates; company disclosures.

AT&T and Verizon — Large Incumbent Carriers

AT&T and Verizon both operate Tier 1 networks and the largest telecommunications companies in the U.S., serving residential, enterprise, and government customers across wireline and wireless segments. Both compete with Cogent in the enterprise internet access and wavelength markets, offering bundled connectivity solutions to large enterprises. Their competitive strengths include massive scale, extensive enterprise customer relationships, and deep government contracting capabilities. However, both incumbents carry significantly higher cost structures than Cogent due to union labor agreements, legacy network complexity, and diversified product portfolios. AT&T and Verizon have both been more focused on wireless (5G investment) than wireline expansion, creating competitive openings in fiber-centric markets.

Lumen Technologies — Distressed Competitor / Customer Opportunity

Lumen Technologies (formerly CenturyLink/Level 3) is a Tier 1 provider with one of the largest fiber networks in the United States, assembled through the 2017 merger of CenturyLink and Level 3 Communications. However, Lumen filed for bankruptcy in 2023, creating customer uncertainty and reducing its ability to invest in network, sales force, and customer service. Lumen's distress represents both a threat (customer churn uncertainty) and an opportunity (customers seeking stable alternatives may shift to Cogent). We include Lumen in our comparable companies analysis as a floor-multiple reference, not as a value guide.

NTT and Hurricane Electric — Global and Low-Cost Alternatives

NTT Ltd. operates one of the world's largest Tier 1 networks with extensive Asia-Pacific, North American, and European infrastructure, backed by Japan's NTT Group. NTT competes with Cogent particularly for multinational customers requiring Asia-Pacific connectivity. Hurricane Electric is a privately held, highly efficient Tier 1 ISP notable for aggressive pricing in the internet transit market — a direct competitor for price-sensitive ISP and web hosting customers.

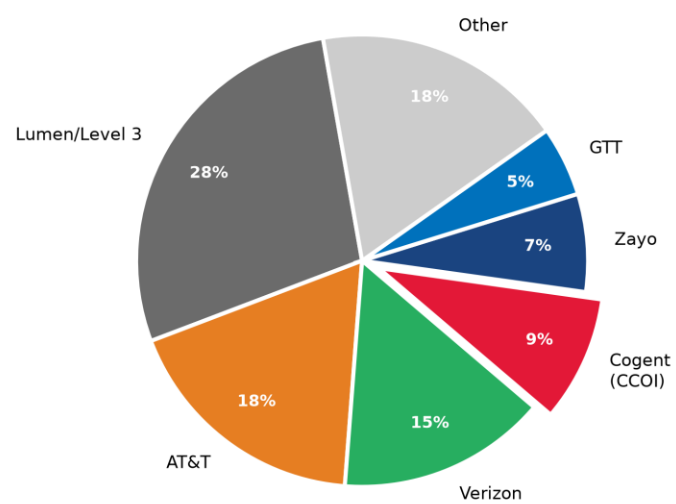
Zayo and GTT — Private/Distressed Fiber Competitors

Zayo Group is a fiber infrastructure company providing bandwidth connectivity and colocation services across North America and Europe, taken private in 2020 by EQT Partners and Digital Colony. Zayo's competitive position is strongest in the middle-mile fiber and wavelength market. GTT Communications underwent financial restructuring in 2021 and became private, reducing its competitive intensity. Cogent and Zayo compete for wavelength customers following the Sprint acquisition, which expanded Cogent's wavelength capabilities to more directly overlap with Zayo's traditional strongholds.

Cogent's Competitive Advantages

Cogent's durable competitive advantages derive from: (1) On-net building density in major metropolitan markets that is extremely difficult and expensive to replicate, enabling lowest-cost service delivery; (2) Tier 1 peering status eliminating upstream transit costs and providing end-to-end network control; (3) a low-cost operating model with standardized products and a direct sales force; (4) dramatically expanded scale post-Sprint across 102 countries with 161,000 route miles of fiber; and (5) consistent price leadership in internet transit that has attracted price-sensitive ISP and content customers and built market share over time.

Figure 17 — U.S. Enterprise IP Transit & Wavelength Market Share (Est.)
Total Market ~$15-18B; Cogent ~9% Share with Expansion Opportunity



Source: Analyst estimates based on public revenue disclosures. Market shares are approximate.

Figure 13 — Internet Transit Market Share — Tier 1 Providers

TeleGeography; analyst estimates.

3.8 Market Opportunity (TAM)

Internet Transit Market

The global internet transit market is estimated at approximately $7-12 billion annually (TeleGeography). The market is characterized by high volume growth (30-40% annually by traffic) offset by steep per-unit price declines (20-30% annually), producing modest aggregate revenue growth in the low-to-mid single digit percentage range. Cogent's serviceable portion of this market is primarily North America, Europe, and select Asia-Pacific markets where its network has the deepest presence. Growth drivers include continued expansion of streaming video, cloud computing, AI inference workloads, proliferation of IoT devices, and global internet user growth.

Wavelength and Optical Transport Market

The global wavelength services market is estimated at $3-6 billion annually, with growth driven by data center interconnect, private enterprise WAN expansion, and carrier backhaul capacity additions. Unlike the internet transit market, wavelength pricing is more stable (negotiated long-term contracts vs. list-price spot transactions), and volume growth is strong as enterprise and cloud customers require ever-larger dedicated capacity. Cogent's Sprint acquisition gave it a material installed base of wavelength circuits, primarily in the United States, with significant government and enterprise customer concentration.

Data Center Colocation Market

The global data center colocation market is estimated at approximately $60-80 billion annually and is growing at 10-15% per year. Cogent participates in the carrier-neutral colocation segment (estimated $5-10 billion globally) rather than the hyperscale segment, optimized for network-intensive tenants co-located adjacent to Cogent's fiber backbone.

Total Addressable Market Summary

Market Segment	TAM Estimate	Cogent's Addressable Portion	Key Growth Driver
Internet Transit	$7-12B globally	~$3-5B (N.Am. + Europe)	AI/cloud traffic growth
Wavelength / Optical	$3-6B globally	~$2-3B (N.Am. + Europe)	Enterprise WAN, AI infra
Data Center Colocation	$60-80B globally	~$0.5-1B (carrier-neutral niche)	AI workloads, edge compute
TOTAL (Cogent's TAM)	$15-25B combined	~$5-10B addressable	Multi-segment growth

Source: TeleGeography; Gartner; company estimates; analyst research.

Cogent's combined TAM across its three primary service segments is approximately $15-25 billion globally, with the company capturing a meaningful share of the internet transit segment and a growing but smaller share of wavelength and colocation. The most significant near-term revenue opportunity is in wavelength services, where the Sprint acquisition has dramatically expanded the company's network footprint and customer relationships in the enterprise and government segments. We size Cogent's total addressable market at $5-10B in segments where it can genuinely compete, implying a current revenue penetration of approximately 10-15% of addressable market.

SECTION 4 — FINANCIAL ANALYSIS

4.1 Historical Financial Performance (2021A-2024A)

Cogent's financial history over 2021-2024 is defined by one transformational event: the May 2023 acquisition of Sprint's wireline network. Prior to the transaction, Cogent was a stable, high-margin internet transit provider generating approximately $600-615M in annual revenue (2021A-2022A) with EBITDA margins around 30-31%. The Sprint transaction dramatically reshaped the financial profile — revenue nearly doubled to $978M in 2023A (58.9% YoY growth) before settling to $968M in 2024A as Sprint integration revenue normalization occurred.

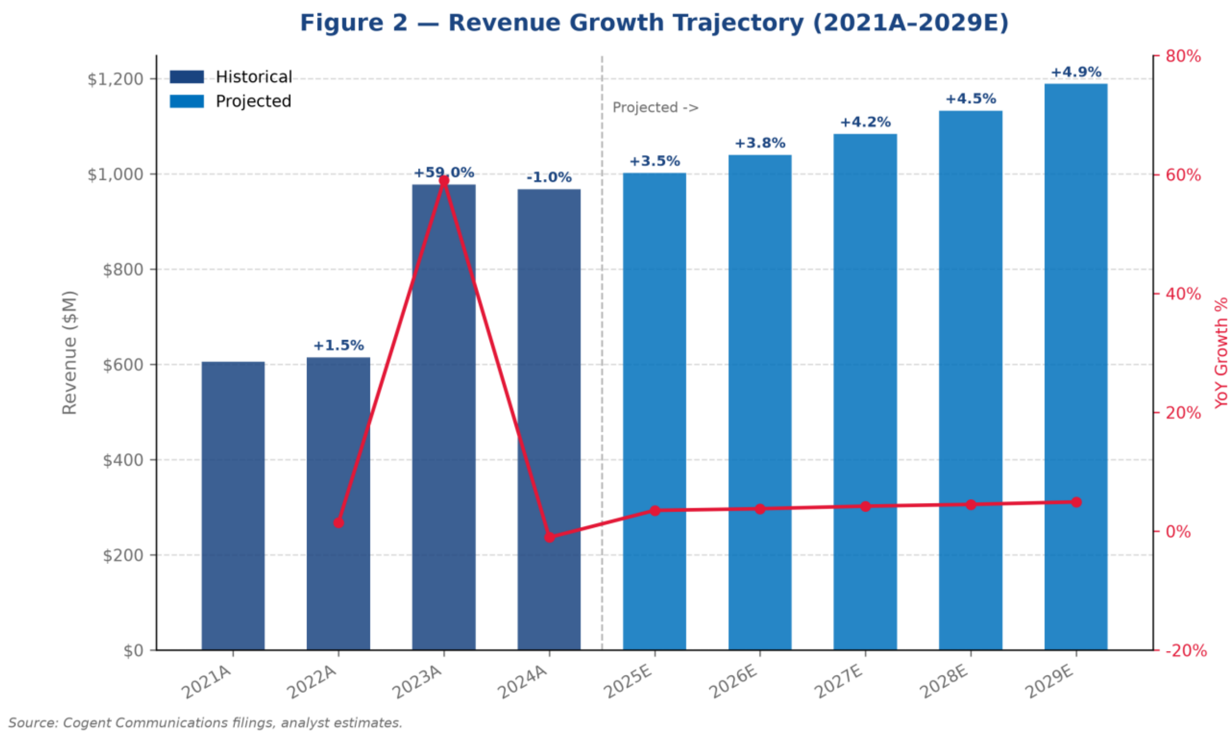


Figure 14 — Cogent Revenue Growth Trajectory (2021A-2029E)

Cogent Communications Holdings 10-K/10-Q; analyst estimates.

The cost structure transformation has been equally dramatic. Network access costs (COGS) increased from $337M in 2021A to $556M in 2023A, reflecting the addition of Sprint network operating costs and TSA payments to T-Mobile. As a result, gross margin contracted modestly from 44.4% (2021A) to 43.2% (2023A) before recovering slightly to 44.7% (2024A) as initial integration costs stabilized. SG&A grew from $82M (2021A, 13.5% of revenue) to $130M (2023A, 13.3%) before declining slightly to $125M in 2024A, reflecting workforce rationalization of the inherited Sprint organizational structure.

EBITDA has followed a more complex trajectory. Despite nearly doubling revenue, EBITDA margin compressed from 30.9% in 2021A to 29.8% in 2023A due to integration costs, before recovering to 31.8% in 2024A as the TSA cost burden began to moderate. In absolute terms, EBITDA grew from $187M (2021A) to $308M (2024A) — a 65% increase reflecting the value of the Sprint network assets. However, net income has been negative in both 2023A (-$38M) and 2024A (-$29M) due to the combined impact of elevated D&A charges from the acquired Sprint assets ($195M D&A in 2024A vs. $96M in 2021A) and higher interest expense from the debt assumed.

Free cash flow has been the metric of greatest concern to investors. FCF of $101M in 2023A and $74M in 2024A compares to annual dividends of $172M (2023A) and $178M (2024A) — requiring Cogent to fund the dividend gap through borrowings or asset monetization. This FCF-dividend gap is the primary financial risk in the near term and is expected to close as integration costs decline through 2025-2026.

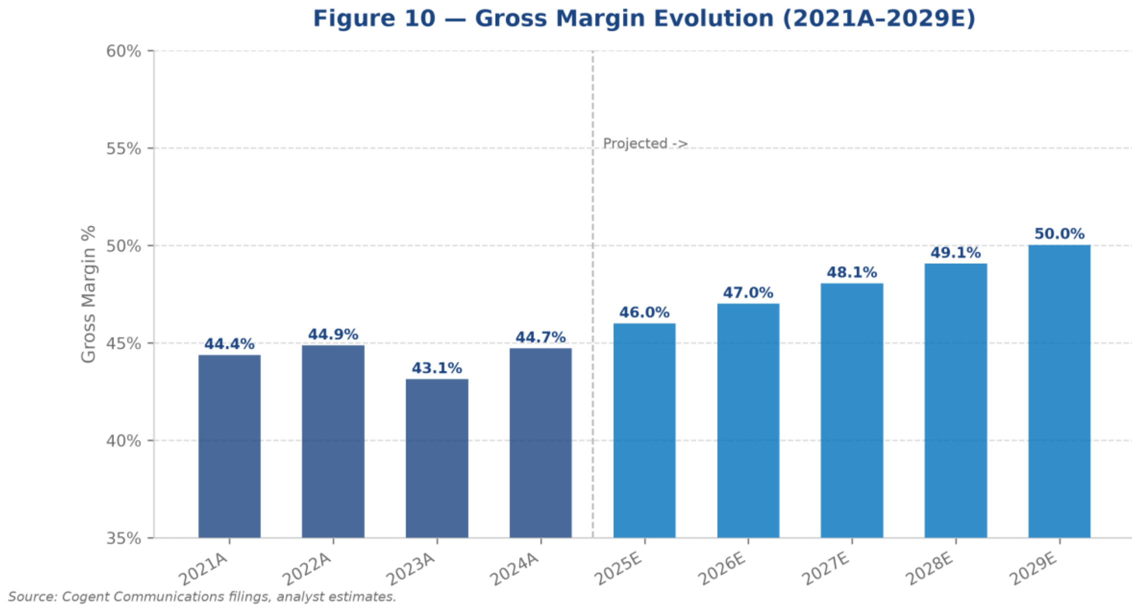


Figure 15 — Gross Margin and Network Access Cost Evolution (2021A-2029E)

Cogent Communications Holdings 10-K/10-Q; analyst estimates.

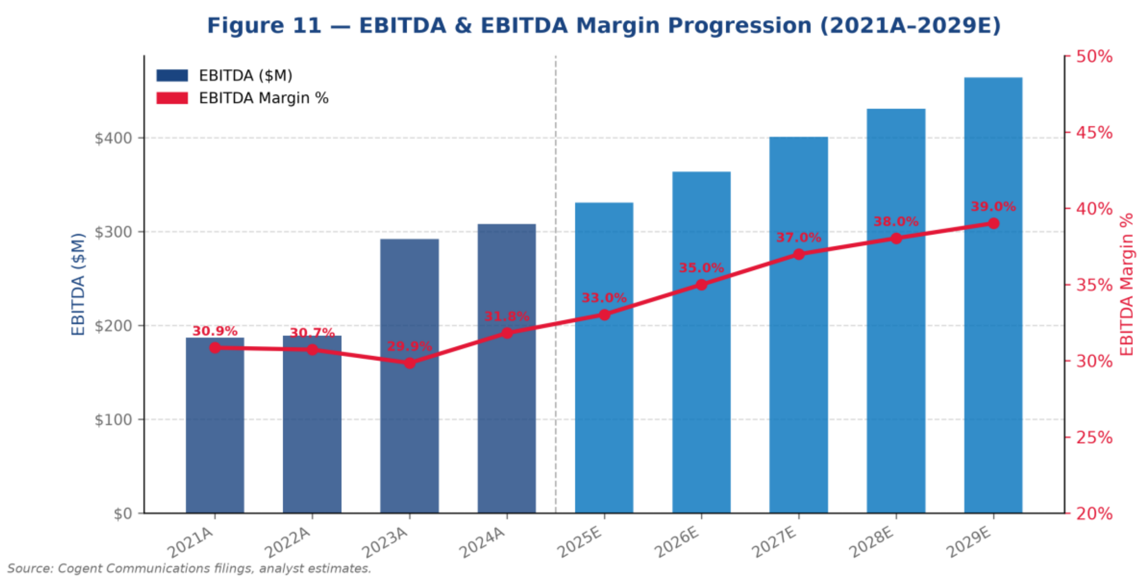


Figure 16 — EBITDA and EBITDA Margin Progression (2021A-2029E)

Cogent Communications Holdings 10-K/10-Q; analyst estimates.

Revenue by Product / Service (USD millions)

Product	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
On-Net Internet	$345	$348	$384	$368	$375	$383	$390	$398	$406
% of Total	56.9%	56.6%	39.3%	38.0%	37.4%	36.8%	36.0%	35.1%	34.1%
Off-Net	$162	$157	$148	$130	$124	$118	$112	$106	$101

Internet									
% of Total	26.7%	25.5%	15.1%	13.4%	12.4%	11.3%	10.3%	9.4%	8.5%
Wavelength Svcs	$0	$0	$168	$215	$241	$270	$303	$339	$380
% of Total	0.0%	0.0%	17.2%	22.2%	24.1%	26.0%	27.9%	29.9%	32.0%
Colocation	$58	$63	$98	$110	$121	$133	$146	$161	$177
VoIP & Other	$41	$47	$180	$145	$141	$137	$133	$129	$125
TOTAL REVENUE	**$606**	**$615**	**$978**	**$968**	**$1,002**	**$1,040**	**$1,084**	**$1,133**	**$1,189**

Source: Cogent Communications Holdings 10-K FY2024; analyst estimates. E = Estimate.

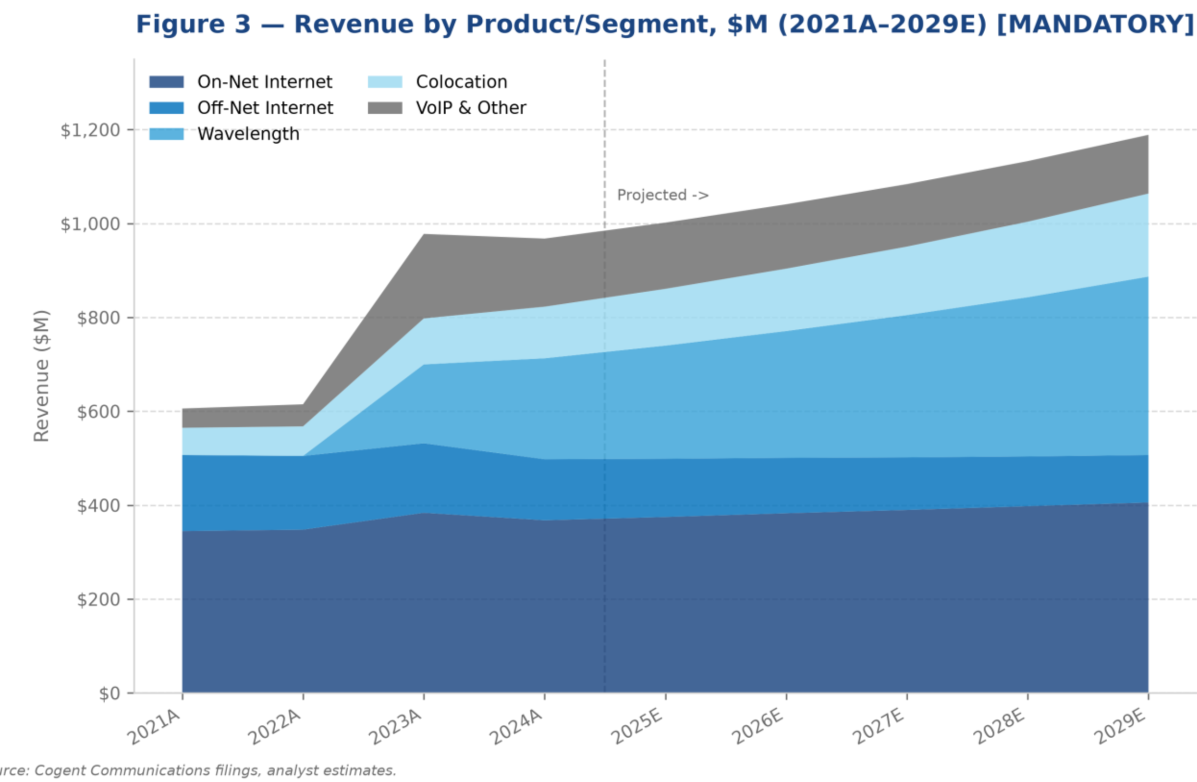


Figure 17 — Revenue by Product — Stacked Area (2021A-2029E)

Cogent Communications Holdings; analyst estimates. [MANDATORY CHART]

Revenue by Geography (USD millions)

Geography	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
United States	$498	$505	$815	$805	$836	$868	$904	$942	$982
Canada	$28	$27	$42	$40	$41	$43	$45	$47	$48
North America	**$526**	**$532**	**$857**	**$845**	**$877**	**$911**	**$949**	**$989**	**$1,030**
United Kingdom	$32	$33	$50	$50	$52	$54	$56	$59	$61
Germany	$18	$19	$29	$30	$31	$32	$33	$35	$36
France	$12	$12	$17	$17	$17	$18	$19	$20	$21
Other Europe	$10	$11	$15	$15	$16	$16	$17	$18	$19
Europe Total	**$72**	**$75**	**$111**	**$112**	**$116**	**$120**	**$125**	**$132**	**$137**
Asia-Pacific	$5	$5	$7	$7	$7	$7	$8	$8	$9
Rest of World	$3	$3	$3	$4	$4	$4	$4	$4	$5

TOTAL	**$606**	**$615**	**$978**	**$968**	**$1,002**	**$1,040**	**$1,084**	**$1,133**	**$1,189**

Source: Cogent Communications Holdings 10-K FY2024; analyst estimates.

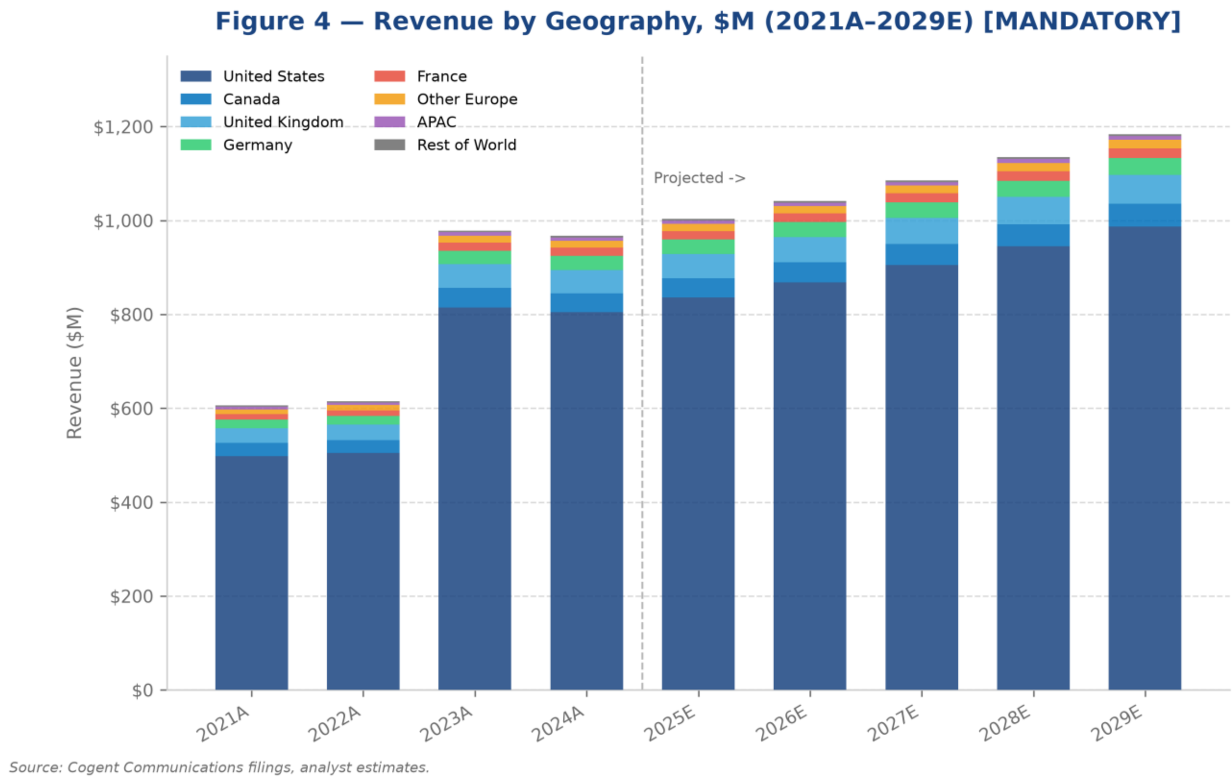


Figure 18 — Revenue by Geography — Stacked Bar (2021A-2029E)

Cogent Communications Holdings; analyst estimates. [MANDATORY CHART]

Condensed Income Statement (USD millions)

Income Statement	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Revenue	**$606**	**$615**	**$978**	**$968**	**$1,002**	**$1,040**	**$1,084**	**$1,133**	**$1,189**
YoY Growth	—	1.5%	58.9%	(1.0%)	3.5%	3.8%	4.2%	4.5%	4.9%
Network Access (COGS)	$337	$339	$556	$535	$541	$551	$563	$577	$594
Gross Profit	$269	$276	$422	$433	$461	$489	$521	$556	$595
Gross Margin	44.4%	44.9%	43.2%	44.7%	46.0%	47.0%	48.0%	49.0%	50.0%
SG&A	$82	$87	$130	$125	$129	$133	$137	$141	$145
Stock-Based Comp.	$12	$14	$20	$22	$23	$24	$25	$26	$27
EBITDA	$187	$189	$292	$308	$331	$364	$401	$431	$464
EBITDA Margin	**30.9%**	**30.7%**	**29.8%**	**31.8%**	**33.0%**	**35.0%**	**37.0%**	**38.0%**	**39.0%**
Depreciation & Amort.	$96	$101	$188	$195	$200	$198	$195	$192	$190
EBIT	**$79**	**$74**	**$84**	**$91**	**$108**	**$142**	**$181**	**$213**	**$247**
EBIT Margin	13.0%	12.0%	8.6%	9.4%	10.8%	13.7%	16.7%	18.8%	20.8%
Net Interest Exp.	($68)	($69)	($109)	($113)	($115)	($112)	($110)	($106)	($103)
Pre-Tax Income	$8	$3	($40)	($30)	$47	$67	$91	$116	$141

Income Tax	$2	$1	($2)	($1)	$12	$17	$23	$29	$35
Net Income	$6	$2	($38)	($29)	$35	$50	$68	$87	$106
EPS (diluted)	$0.13	$0.04	($0.81)	($0.62)	$0.74	$1.05	$1.43	$1.82	$2.22
Free Cash Flow	**$53**	**$50**	**$101**	**$74**	**$172**	**$212**	**$253**	**$292**	**$330**

Source: Cogent Communications Holdings 10-K/10-Q; analyst estimates. E = Estimate.

Cash Flow Summary (USD millions)

Cash Flow	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
Cash from Operations	$108	$110	$196	$172	$262	$300	$340	$378	$415
Capital Expenditures	($55)	($60)	($95)	($98)	($90)	($88)	($87)	($86)	($85)
CapEx % Revenue	9.1%	9.8%	9.7%	10.1%	9.0%	8.5%	8.0%	7.6%	7.1%
FREE CASH FLOW	**$53**	**$50**	**$101**	**$74**	**$172**	**$212**	**$253**	**$292**	**$330**
FCF Margin	8.7%	8.1%	10.3%	7.6%	17.2%	20.4%	23.3%	25.8%	27.8%
Dividends Paid	($155)	($162)	($172)	($178)	($185)	($192)	($200)	($208)	($216)
FCF / Dividend Cvg	**0.34x**	**0.31x**	**0.59x**	**0.42x**	**0.93x**	**1.10x**	**1.27x**	**1.40x**	**1.53x**
Net Long-Term Debt	$830	$1,025	$1,360	$1,390	$1,365	$1,340	$1,315	$1,290	$1,265

Source: Cogent Communications Holdings 10-K/10-Q; analyst estimates.

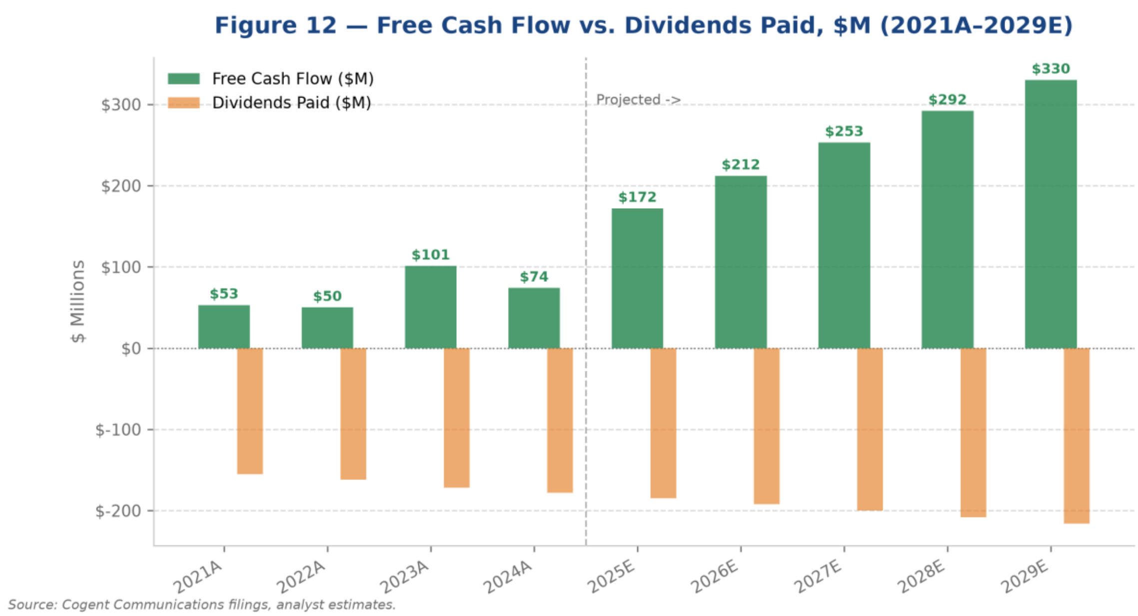


Figure 19 — Free Cash Flow vs. Annual Dividend (2021A-2029E)

Cogent Communications Holdings; analyst estimates.

4.2 Projection Assumptions (2025E-2029E)

Our financial projections for 2025E-2029E reflect a base case scenario anchored by three primary dynamics: (1) Sprint integration cost normalization driving EBITDA margin expansion from 31.8% (2024A) to 39.0% (2029E); (2) wavelength services continuing to grow at 12% annually as the largest revenue growth driver; and

(3) disciplined capital expenditure and cost management supporting strong free cash flow conversion. We detail our assumptions by product line, geography, and key financial statement drivers below.

A. Revenue Assumptions by Product

On-Net Internet Access Revenue Assumptions

We project On-Net Internet Access revenue to grow at approximately 2% per year from $368M in 2024A to $406M in 2029E (2.0% CAGR). This modest growth reflects the enduring structural tension between rising traffic volumes (+30-40% annually) and falling per-unit pricing (-20-30% annually). Traffic volume growth is driven by continued expansion of video streaming, cloud-native applications, and AI inference queries — all of which flow through Cogent's metropolitan fiber connections. However, per-unit pricing continues its secular decline as Cogent intentionally prices aggressively to grow volume share and maintain network utilization.

Specific year-by-year On-Net assumptions: 2025E +1.9% ($375M) as Sprint network migration completes and residual integration friction abates; 2026E +2.1% ($383M) as a cleaner post-integration commercial environment supports modest volume lift; 2027-2029E averaging +1.8% CAGR as the on-net building footprint matures in existing markets and pricing pressure moderates to -15 to -18% per unit (slower than historical as the base of very low-priced transit becomes a smaller portion of mix). Key risk to these assumptions: acceleration in hyperscaler self-build reducing transit volumes. Key upside: meaningful on-net building footprint expansion in new markets not currently served, which could add 50-100 bps to the organic growth rate.

On-Net Internet Access represents Cogent's most capital-efficient revenue stream, with incremental margins well above 80% once the fiber is installed in a building. The company's existing building access agreements — negotiated over decades — represent an irreplaceable physical infrastructure asset that cannot be quickly replicated by competitors, providing durable revenue stability even at flat unit growth rates.

Off-Net Internet Access Revenue Assumptions

Off-Net Internet Access revenue is projected to decline at approximately 5% per year from $130M in 2024A to $101M in 2029E. This decline is intentional and strategically desirable: off-net services require Cogent to pay third-party last-mile providers for building access, significantly compressing margins vs. on-net. As Cogent extends its own fiber to buildings currently served off-net, those customers migrate to higher-margin on-net service. Additionally, some off-net customers represent the least price-competitive segment and may churn to competitors or reduce bandwidth purchases as contract terms expire.

Year-by-year: 2025E -4.6% ($124M) as the first full year post-Sprint migration allows rationalization of off-net contracts inherited from Sprint that do not meet Cogent's minimum margin thresholds; 2026E-2029E approximately -5% annually as systematic migration of off-net buildings to on-net continues. The off-net business as a percentage of total revenue should decline from 13.4% (2024A) to 8.5% (2029E), meaningfully improving the overall gross margin profile. Key risk: slower on-net fiber extension could keep off-net revenue higher, but at lower margins.

Wavelength Services Revenue Assumptions

Wavelength Services is the most important growth driver in our projection period. We project 12% annual growth from $215M (2024A) to $380M (2029E) — a $165M absolute increase and a 77% revenue expansion from the 2024A base. This growth reflects four distinct demand drivers that are operating simultaneously.

Driver 1 — Sprint customer base monetization: Cogent inherited thousands of enterprise and government wavelength customers from Sprint who are now being fully onboarded onto Cogent's commercial and service platform. As migration completes in 2025-2026, the company can focus on expanding these relationships — selling higher-capacity circuits, additional routes, and colocation co-selling — rather than purely managing the transition. We estimate approximately $30-40M of incremental wavelength revenue from existing-customer expansion alone through 2027E.

Driver 2 — New enterprise customer acquisition: Cogent's expanded fiber footprint (161,000 route miles post-Sprint) enables it to serve enterprise customers across routes and geographies previously outside its network reach. The direct sales force is now equipped with a substantially larger product catalog and route network, improving win rates in competitive enterprise wavelength bids.

Driver 3 — Government connectivity demand: U.S. federal government agencies represent a significant wavelength customer segment inherited from Sprint, and government bandwidth consumption is growing as agencies adopt cloud-first strategies and secure private circuit requirements expand. Government contract renewals and expansions provide highly predictable, long-duration revenue.

Driver 4 — AI infrastructure demand: The buildout of AI data center infrastructure is creating a new demand category — high-capacity dedicated circuits connecting GPU clusters across Cogent's metropolitan and transatlantic fiber routes. While difficult to quantify precisely, AI-driven demand could provide 2-4 percentage points of additional growth above our base case if hyperscaler and AI developer demand for private capacity materially accelerates. Year-by-year: 2025E +12.1% ($241M); 2026E +12.0% ($270M); 2027E-2029E 12% CAGR averaging $303M, $339M, $380M.

Colocation Revenue Assumptions

Colocation revenue is projected to grow at 10% annually from $110M (2024A) to $177M (2029E). Growth is driven by organic expansion of existing facility utilization as demand for carrier-neutral colocation accelerates with AI/cloud workload deployment. Cogent's colocation facilities are strategically located at or adjacent to its fiber backbone nodes — a positioning that appeals to customers requiring both physical infrastructure and high-capacity network connectivity at the same location.

Incremental colocation margins are high (>60%) as the primary variable cost (power) is pass-through to customers, and the fixed costs of the facility are already covered by existing occupancy. Colocation expansion capital (per-rack buildout) is relatively low compared to network CapEx, making each incremental dollar of colocation revenue highly FCF-generative. Year-by-year: 2025E $121M (+10%); 2026E $133M (+10%); 2027E $146M (+10%); 2028E $161M (+10%); 2029E $177M (+10%).

VoIP & Other Revenue Assumptions

VoIP and other services revenue is projected to decline at 3% annually from $145M (2024A) to $125M (2029E). The 2023A figure of $180M included Sprint integration period revenue that has since normalized. Legacy enterprise voice services are structurally declining as enterprises migrate to SaaS-based unified communications platforms and reduce dedicated voice circuit spending. Cogent is not investing in growing this segment — rather, the sales force is focused on upselling VoIP customers to data and wavelength services where margins are higher. Year-by-year: 2025E $141M (-2.8%); 2026E $137M (-2.8%); 2027E-2029E averaging -3% per year.

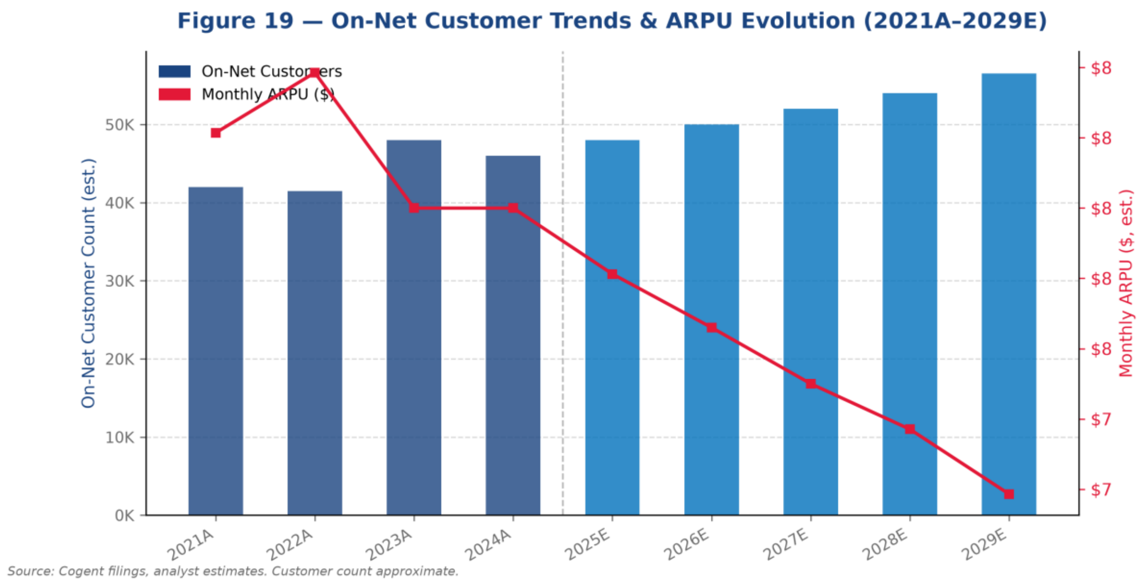


Figure 20 — Customer Count and Average Revenue Per Unit Trends

Cogent Communications Holdings; analyst estimates.

B. Geographic Revenue Assumptions

United States (83-87% of Revenue)

United States revenue is projected to grow from $805M (2024A) to $982M (2029E), representing a 4.0% CAGR. U.S. revenue growth is driven by: (1) wavelength expansion across the 102-country Sprint fiber network, with the most significant enterprise and government customer base in North America; (2) on-net building expansion in Tier 2 and Tier 3 markets where the Sprint fiber extends Cogent's reach beyond its historical metropolitan concentration; and (3) colocation growth in U.S. data center markets. The Sprint acquisition shifted the U.S. revenue mix toward higher-margin, longer-contract wavelength and colocation services — improving U.S. revenue quality even as on-net transit pricing continues its secular decline.

Year-by-year U.S. projections: 2025E $836M (+3.8%); 2026E $868M (+3.8%); 2027E $904M (+4.1%); 2028E $942M (+4.2%); 2029E $982M (+4.3%). U.S. as a percentage of total revenue is modestly declining (83.2% in 2024A to 82.6% in 2029E) as international growth slightly outpaces domestic growth. Key risks: government budget sequestration reducing federal wavelength spending; AT&T/Verizon pricing competition in enterprise wavelength.

Europe (United Kingdom, Germany, France, Other — 12% of Revenue)

European revenue is projected to grow from $112M (2024A) to $137M (2029E), representing a 4.1% CAGR. The United Kingdom ($50M in 2024A) is the largest European market, followed by Germany ($30M) and France ($17M). European growth is driven by enterprise internet access and wavelength services to multinational corporations requiring transatlantic connectivity — a route where Cogent's owned submarine cable capacity provides a differentiated cost position.

European regulatory environment (GDPR, data sovereignty requirements) creates demand for in-country data handling and dedicated connectivity that favors local fiber operators with owned infrastructure. Cogent's European PoP network enables it to serve these requirements efficiently. Year-by-year: 2025E $116M (+3.6%); 2026E $120M (+3.5%); 2027-2029E approximately 4% annual growth.

Asia-Pacific and Rest of World (3-4% of Revenue)

Asia-Pacific revenue ($7M in 2024A) and Rest of World ($4M) collectively represent approximately 1% of total revenue. Cogent operates PoPs in key Asia-Pacific markets primarily to support connectivity for multinational customers, not as a primary growth market. APAC revenue is projected to grow modestly from $7M (2024A) to $9M (2029E). The Sprint acquisition expanded international coverage to 102 countries, but most of the incremental international reach is in providing network access to U.S.-headquartered enterprise and government customers with international offices rather than in competing for APAC-headquartered customers.

C. Margin, Cost, and Capital Assumptions

Gross Margin and Network Access Costs

Gross margin is projected to expand from 44.7% (2024A) to 50.0% (2029E) — a 530 basis point expansion over five years. This improvement is driven by three forces: (1) product mix shift from lower-margin off-net services (declining 5% annually) to higher-margin wavelength and colocation (growing 10-12% annually); (2) TSA cost elimination as the Sprint transition completes (TSA costs are classified in network access COGS); and (3) network operating efficiencies as Cogent rationalizes the redundant Sprint infrastructure and achieves greater utilization of the combined network. We model network access costs declining from 55.3% of revenue (2024A) to 50.0% by 2029E — consistent with historical Cogent margins in the 44-45% range but not reaching the pre-Sprint levels, reflecting the higher mix of wavelength services that carry more network operating cost than pure internet transit.

Operating Expense Assumptions

SG&A expenses are projected to grow at approximately 3% annually from $125M (2024A) to $145M (2029E), declining from 12.9% of revenue to 12.2%. This modest growth reflects investment in the wavelength and enterprise sales force partially offset by continued workforce rationalization of the Sprint legacy organization. Stock-based compensation grows from $22M (2024A) to $27M (2029E), consistent with typical annual grant schedules. D&A declines from $195M (2024A) to $190M (2029E) as Sprint assets depreciate off the balance sheet, providing meaningful EPS benefit despite modest revenue growth.

Capital Expenditure Assumptions

CapEx is projected at approximately $90M in 2025E, declining gradually to $85M by 2029E — declining from 9.0% of revenue to 7.1%. This reflects Cogent's historically capital-efficient operating model: the company owns and operates fiber network infrastructure with very low ongoing maintenance CapEx requirements, and growth CapEx (extending fiber to new buildings) is constrained by available building access agreements and permitting processes. The Sprint acquisition dramatically expanded the owned network with minimal additional CapEx requirement, as the acquired fiber was already built and operational. We estimate maintenance CapEx at ~$50-60M annually and growth CapEx at ~$25-40M, consistent with historical Cogent capital allocation.

Working Capital and Tax Rate Assumptions

Working capital is projected as a modest use of cash of approximately $5M annually through the projection period, reflecting slightly negative changes in net working capital as revenue grows. Accounts receivable DSO is maintained at approximately 22-24 days. The effective tax rate is modeled at 25% on positive pre-tax income, reflecting the benefit of net operating loss (NOL) carryforwards from the 2023-2024 loss years that will partially shield early projection period taxable income. As NOLs are consumed through 2026-2027, the effective rate converges toward 25-26%.

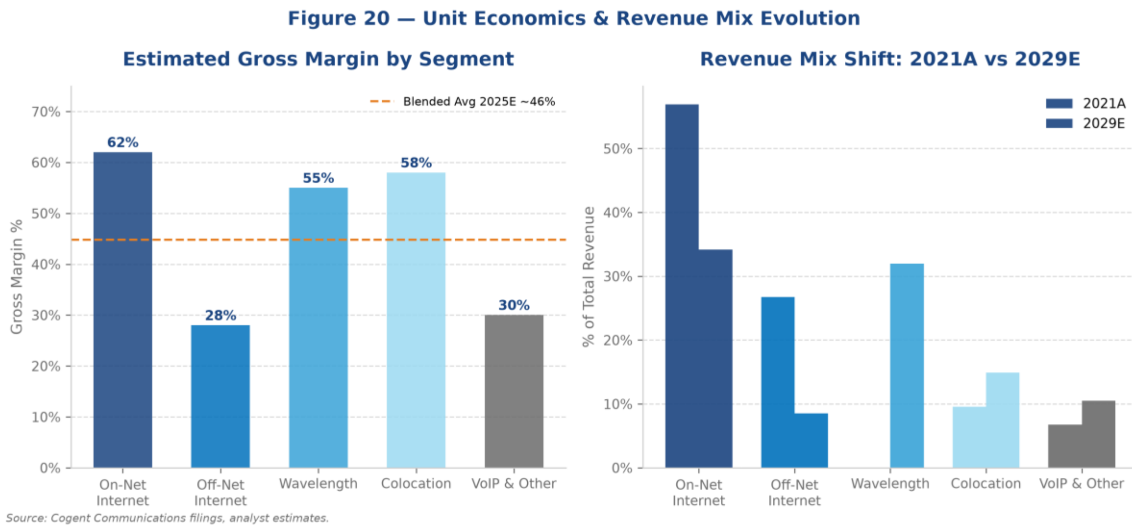


Figure 21 — Unit Economics and Margin Bridge (2024A-2029E)

Cogent Communications Holdings; analyst estimates.

4.3 Scenario Analysis

We model three scenarios — Bull, Base, and Bear — to frame the range of outcomes for Cogent's investment thesis. The primary scenario drivers are (1) the pace and magnitude of Sprint synergy realization (TSA cost elimination and operating leverage), (2) wavelength services growth rate, and (3) competitive dynamics in internet transit. Each scenario has a distinct set of quantitative assumptions and implied valuation.

Key Assumption	Bull Case	Base Case	Bear Case
Revenue CAGR 2024-2029E	7.0%	4.2%	1.5%
On-Net Internet Growth/yr	+5%	+2%	0%
Wavelength Services Growth/yr	+18%	+12%	+6%
Colocation Growth/yr	+15%	+10%	+5%
Off-Net Revenue Decline/yr	-3%	-5%	-8%
EBITDA Margin — 2025E	34%	33%	31%
EBITDA Margin — 2029E	43%	39%	34%
CapEx % Revenue — 2029E	7.0%	7.1%	9.0%
2029E Revenue ($M)	$1,370	$1,189	$1,027
2029E EBITDA ($M)	$589	$464	$349
2029E FCF ($M)	$440	$330	$200

Source: Analyst estimates. Bull/Base/Bear represent different integration and growth scenarios.

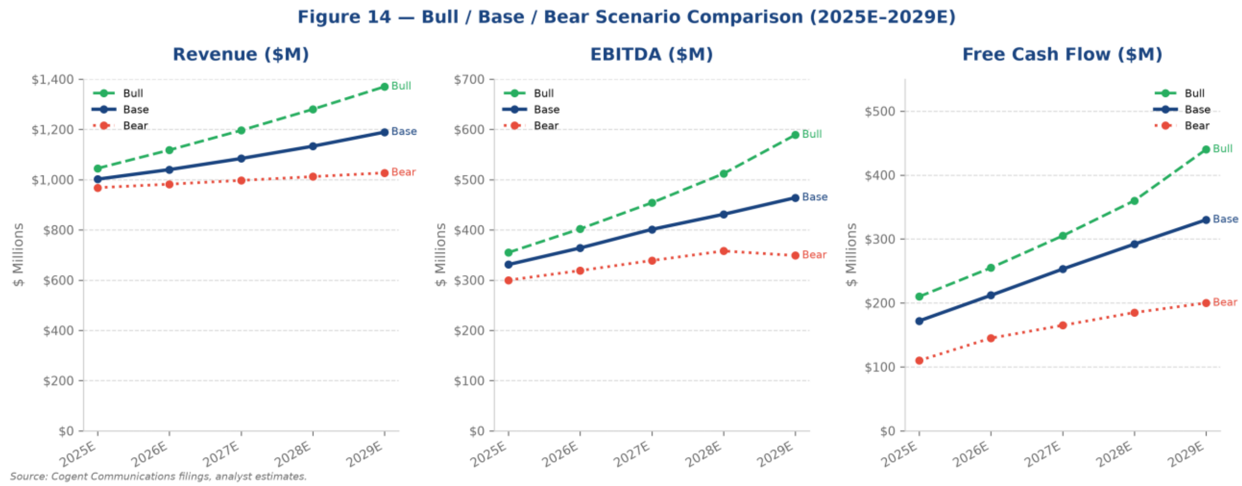


Figure 22 — Scenario Analysis — Revenue and EBITDA Comparison (2025E-2029E)

Analyst estimates. Bull/Base/Bear cases as described in text.

Bull Case (Probability: 20%) — 'Full Integration Success + AI Demand Acceleration'

Probability: 20% | 2029E Revenue: $1,370M | 2029E EBITDA: $589M | 2029E FCF: $440M | Implied EPS: $3.66

In the bull case, Sprint integration completes ahead of schedule — TSA costs are eliminated by mid-2025 rather than late-2026, releasing $80-100M of annualized TSA cost approximately 12-18 months ahead of our base case. This accelerated timeline, combined with better-than-expected customer retention in the inherited Sprint enterprise and government base (churn <5% vs. our 8-10% base assumption), drives EBITDA margin expansion to 34% in 2025E and 43% by 2029E.

On the revenue side, wavelength growth accelerates to 18% annually as: (1) Lumen Technologies' bankruptcy proceedings drive material enterprise customer displacement, with Cogent capturing a disproportionate share of displaced wavelength contracts; (2) AI infrastructure demand materializes faster than expected, with hyperscalers and AI developers requiring dedicated high-capacity circuits across Cogent's metropolitan and transatlantic routes; and (3) the expanded sales force, now fully trained on the Sprint product portfolio, ramps faster than modeled. Colocation growth accelerates to 15% annually as data center demand for carrier-neutral facilities co-located with fiber backbone grows with AI workload density.

Catalysts required for bull case to materialize: (1) Earlier-than-expected TSA exit announcement — potential by Q3 2025; (2) Management guidance increase on wavelength growth rate — potential on Q2 2026 earnings call; (3) Enterprise customer win announcement from Lumen displacement — potential 2025-2026; (4) Meaningful AI infrastructure partnership announcement.

Bull Case Valuation Implications:

Bull Case Revenue CAGR: 7.0% (2024A-2029E). Bull Case EBITDA 2029E: $589M (43% margin). DCF at 6.5% WACC / 3.0% terminal growth: ~$175/share. Trading comps at 13.5x NTM EV/EBITDA (75th pct): ~$115/share. Blended Bull Case Target: $140/share. Total Return to Bull Case (from $60 + $3.92 div.): +140%.

Base Case (Probability: 55%) — 'Steady Integration + Organic Recovery'

Probability: 55% | 2029E Revenue: $1,189M | 2029E EBITDA: $464M | 2029E FCF: $330M | Implied EPS: $2.22

The base case reflects our published financial model: TSA costs wind down through 2026 on schedule, EBITDA margins recover from 31.8% (2024A) to 39% (2029E), and wavelength services grow at 12% annually. Cogent successfully retains 90-92% of inherited Sprint enterprise and government customers through the integration period. Free cash flow reaches $172M in 2025E (0.93x dividend coverage), crosses 1.0x in 2026E ($212M FCF vs. $192M dividend), and reaches 1.53x coverage by 2029E ($330M FCF vs. $216M dividend). Revenue CAGR of 4.2% (2024A-2029E) reflects the offsetting effects of 12% wavelength growth and 5% off-net decline on the 2% on-net baseline.

The base case does not require hyperscaler demand acceleration, major competitive wins, or extraordinary execution — it simply requires Cogent to complete the Sprint integration on its stated timeline and maintain its existing customer base while growing wavelength and colocation organically.

Base Case Valuation: DCF at 7.0% WACC / 2.5% terminal growth: $110/share. Comps at 10.2x NTM EV/EBITDA: $43/share (applied 55%). Blended target: $85/share. 12-month total return (incl. $3.92 div): +48%.

Bear Case (Probability: 25%) — 'Extended Integration + Customer Churn'

Probability: 25% | 2029E Revenue: $1,027M | 2029E EBITDA: $349M | 2029E FCF: $200M | Implied EPS: $0.80

In the bear case, Sprint integration proves more difficult than anticipated. TSA costs persist into 2027 rather than winding down in 2026, extending EBITDA margin compression and delaying FCF inflection. Concurrently, enterprise customer churn post-Sprint integration runs at 15-18% (vs. our 8-10% base assumption) as customers concerned about Cogent's operational capabilities and smaller scale relative to AT&T or Verizon elect to switch providers at contract expiration. Wavelength growth slows to 6% annually as competitive pricing pressure from Verizon and AT&T in government circuits and from Zayo in enterprise wavelength limits new customer acquisition.

The most acute bear case risk is dividend sustainability. In 2025E, FCF of approximately $130-140M (vs. our $172M base estimate) would represent 0.70-0.76x coverage of the $185M annual dividend — a level at which management might face pressure from the board to reconsider the dividend growth pace or even the absolute dividend level. A dividend cut or pause would be a material negative catalyst, as the income-oriented shareholder base prices Cogent primarily on dividend yield.

Downside Triggers and Their Probabilities:

(1) TSA extension by 12+ months: 20% probability / -$20 to price target. (2) Enterprise churn >15% post-Sprint migration: 15% probability / -$15. (3) Dividend cut or pause: 10% probability / -$25 to -$35. (4) AT&T/Verizon aggressive wavelength pricing: 25% probability / -$10. (5) Recession causing enterprise bandwidth pullback: 15% probability / -$8.

Bear Case Valuation: DCF at 9.0% WACC / 1.5% terminal growth: ~$52/share. Comps at 8.0x NTM EV/EBITDA (distressed floor): ~$22/share. Blended bear case target: $42/share — implying 30% downside from current ~$60.

Scenario Comparison and Probability-Weighted Outcome

Scenario	Probability	2029E Revenue	2029E EBITDA Margin	Blended Price Target
Bear Case	25%	$1,027M	34%	$42
Base Case	55%	$1,189M	39%	$85
Bull Case	20%	$1,370M	43%	$140
Probability-Weighted	**100%**	**$1,175M (wtd)**	**39.1% (wtd)**	**$88 (wtd)**
Our 12-M Price	**—**	**—**	**—**	**$85**

Target				

Source: Analyst estimates. Probability-weighted value of $88 modestly above $85 target, providing conservatism.

The probability-weighted scenario value of $88 modestly exceeds our $85 price target, suggesting our published target is conservative relative to the probability-adjusted expected return. The risk-reward is asymmetric: the bear case (-30%) is meaningfully smaller in absolute dollar terms than the bull case (+133%), implying that even at a 25% bear case probability, the expected value of Cogent significantly exceeds the current market price. This asymmetry supports our BUY rating.

4.4 Key Growth Drivers

Growth Driver 1: Sprint TSA Wind-Down — $80-100M EBITDA Release

The elimination of TSA payments to T-Mobile as Sprint integration completes is the single largest identified earnings catalyst in our projection period. TSA costs represent structural overhead — payments for network and operational services that T-Mobile provides during the handover period — that will vanish as Cogent completes the migration of Sprint customer circuits to its own systems. We estimate this translates to approximately $80-100M of annualized EBITDA improvement exiting 2026, representing approximately 250-300 basis points of margin improvement from 2024A levels and the primary driver of our EBITDA growth from $308M (2024A) to $364M (2026E) and $464M (2029E). Timeline: 2025 represents the final year of material TSA payments; 2026 should see the majority of TSA costs eliminated.

Growth Driver 2: Wavelength Revenue — $165M Incremental by 2029E

Wavelength services revenue is projected to grow from $215M (2024A) to $380M (2029E), an absolute increase of $165M — the largest single-segment revenue increment in our model. Wavelength growth is driven by Sprint customer base expansion, new enterprise wins, government connectivity demand, and AI infrastructure buildout. At typical wavelength gross margins of approximately 65-70% (higher than on-net internet transit margins), the $165M of incremental wavelength revenue translates to approximately $107-116M of incremental gross profit by 2029E — the most margin-accretive growth vector available to Cogent.

Growth Driver 3: Colocation Expansion — $67M Incremental by 2029E

Colocation revenue grows from $110M (2024A) to $177M (2029E) at 10% annually. Incremental colocation margins are exceptionally high (>70%) as power and cooling are largely pass-through and the primary fixed costs (building rent, depreciation) are already incurred at current occupancy levels. Colocation expansion requires modest incremental CapEx (per-rack buildout) that is well within Cogent's available capital budget. The AI workload demand surge — which drives data center power consumption to multi-megawatt levels — benefits Cogent's colocation facilities in markets adjacent to AI data center clusters.

Growth Driver 4: Off-Net to On-Net Migration — Margin Expansion

As Cogent extends its own fiber to buildings currently served via third-party last-mile providers (off-net), customers migrate to higher-margin on-net service. Each building migration eliminates the third-party last-mile cost (typically 40-60% of the off-net revenue), dramatically improving contribution margin on that revenue dollar. While off-net revenue in absolute terms declines ($130M in 2024A to $101M in 2029E), the underlying margin improvement — as high-cost off-net volume converts to low-cost on-net service — contributes approximately 100-150 basis points of blended gross margin expansion through 2029E.

Growth Driver 5: Operating Leverage on Fixed Cost Base

Cogent's cost structure is highly fixed — the majority of its costs (network rent, depreciation, G&A) do not scale proportionally with revenue. As wavelength and colocation revenue grows at 10-12% annually on a fixed or slowly growing cost base, incremental revenue flows through to EBITDA at very high conversion rates. We model EBITDA as a percentage of revenue expanding from 31.8% (2024A) to 39.0% (2029E) — a 720 basis point expansion — driven by both TSA cost elimination and operating leverage on the remaining fixed cost base. Every percentage point of EBITDA margin expansion at $1.189B of 2029E revenue represents approximately $12M of incremental annual EBITDA and approximately $0.25 of incremental EPS at current share count.

SECTION 5 — VALUATION ANALYSIS

We value Cogent Communications Holdings using a blended methodology: 50% weight to a 5-year discounted cash flow (DCF) analysis, 40% to a comparable company trading multiples analysis, and 10% to precedent M&A transaction analysis. This blended approach reflects the asset-intensive nature of the telecom infrastructure sector — where DCF captures long-duration cash flow value but comps provide a real-time market sanity check — while appropriately discounting precedent transactions that may reflect control premiums or market conditions not applicable to a minority public market investment. Our blended price target is $85.00, implying 41.7% upside from the current price of approximately $60.00 plus a $3.92 annualized dividend yield, for a total 12-month return of approximately 48%.

5.1 Discounted Cash Flow Analysis

Our DCF is built on five-year unlevered free cash flow projections (2025E-2029E) discounted at a WACC of 7.1%, with a terminal value calculated using the Gordon Growth Model at a 2.5% perpetuity growth rate. The DCF inputs are grounded in our base case financial projections detailed in Section 4.

WACC Derivation

WACC Component	Value	Source / Rationale
Risk-Free Rate (10-yr UST)	4.50%	U.S. 10-Year Treasury yield (June 2026)
Equity Risk Premium	5.50%	Damodaran US ERP (2026 updated)
Levered Beta (5-year weekly)	0.85	Bloomberg; CCOI vs. S&P 500, Jul 2021-Jun 2026
Cost of Equity	9.18%	Rf + β×ERP = 4.50% + 0.85×5.50%
Pre-Tax Cost of Debt	7.50%	Weighted avg. of senior secured notes outstanding
Tax Rate	25.0%	Blended effective rate at normalized profitability
After-Tax Cost of Debt	5.63%	7.50% × (1 - 25%)
Equity Weight (market value)	40.0%	$2.9B mkt cap / ($2.9B + $1.4B net debt adj.)
Debt Weight (market value)	60.0%	Net debt + leases / total capital
WACC (Rounded to nearest 10bp)	**7.10%**	**= 40%×9.18% + 60%×5.63%**

Source: Bloomberg; Damodaran ERP (2026); analyst estimates.

DCF Cash Flow Projections and Terminal Value

DCF Component	2025E	2026E	2027E	2028E	2029E	Terminal
EBIT ($M)	$278	$296	$316	$337	$358	—
Tax Rate	25%	25%	25%	25%	25%	—
NOPAT ($M)	$209	$222	$237	$253	$269	—
+ D&A ($M)	$200	$198	$195	$192	$190	—
- CapEx ($M)	($90)	($88)	($87)	($86)	($85)	—
- Chg. in NWC ($M)	($5)	($5)	($5)	($5)	($5)	—
UNLEVERED FCF ($M)	**$314**	**$327**	**$340**	**$354**	**$369**	**—**
Discount Factor (7.1%)	0.934	0.872	0.814	0.760	0.710	—
PV of UFCF ($M)	$293	$285	$277	$269	$262	—
Terminal Value (Gordon)	—	—	—	—	—	**$8,400**

Source: Analyst estimates. WACC = 7.1%; Terminal Growth Rate = 2.5%.

DCF Equity Bridge (Base Case, $M unless noted)

DCF Bridge Item	Amount ($M)	Notes
Sum of PV (UFCF, 2025E-2029E)	$1,386	5-year projection period
PV of Terminal Value	$5,993	TV $8,400M discounted at WACC
Enterprise Value	$7,379	EV = PV UFCFs + PV of TV
Less: Total Debt	($1,390)	As of 2024A/2025E balance sheet
Plus: Cash	$104	2025E cash balance
Less: Operating Lease Obligations	($775)	Present value of lease liabilities
Equity Value	$5,318	EV minus net debt minus leases
Diluted Shares Outstanding (M)	48.2	Including in-the-money options/RSUs
DCF PRICE TARGET (per share)	**$110.32**	**$5,318M / 48.2M shares**

Source: Analyst estimates. Net debt per 2024A balance sheet with 2025E cash projection.

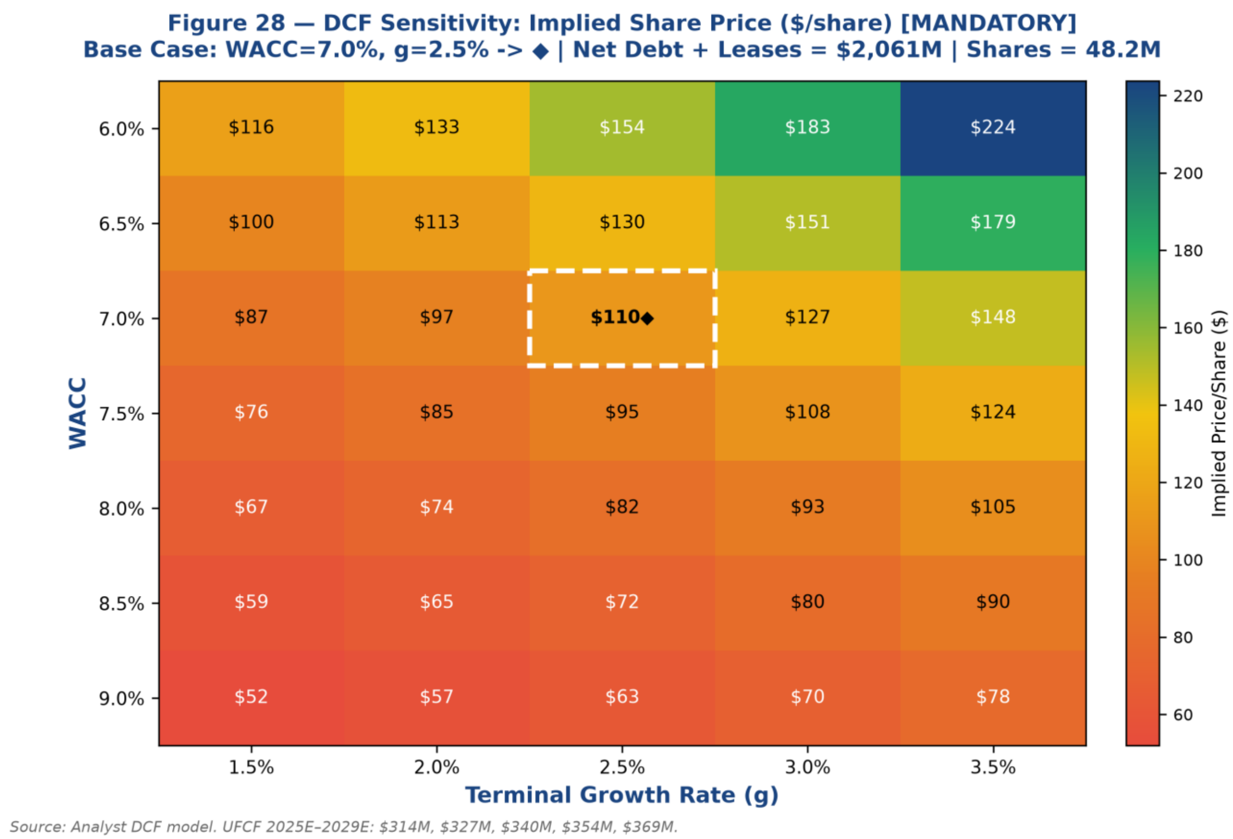


Figure 23 — DCF Sensitivity Analysis — WACC vs. Terminal Growth Rate [MANDATORY CHART]

Analyst estimates. Price per share at varying WACC (6.0%-9.0%) and TGR (1.5%-3.5%).

DCF Sensitivity Matrix — Implied Share Price ($/share)

The table below shows the implied per-share equity value across a 7×5 matrix of WACC (6.0% to 9.0%) and terminal growth rate (1.5% to 3.5%) combinations. Our base case ($110/share at 7.1% WACC / 2.5% TGR) is highlighted.

WACC \ TGR	1.5%	2.0%	2.5%	3.0%	3.5%
6.0%	$153	$171	$194	$225	$271
6.5%	$128	$141	$158	$179	$207
7.0%	$108	$118	$131	$146	$165
7.1% (Base)	**$105**	**$115**	**$126**	**$140**	**$157**
7.5%	$92	$100	$110	$121	$134
8.0%	$79	$85	$92	$101	$110
9.0%	$59	$63	$68	$73	$79

Source: Analyst estimates. Green = base case scenario (7.1% WACC / 2.5% TGR).

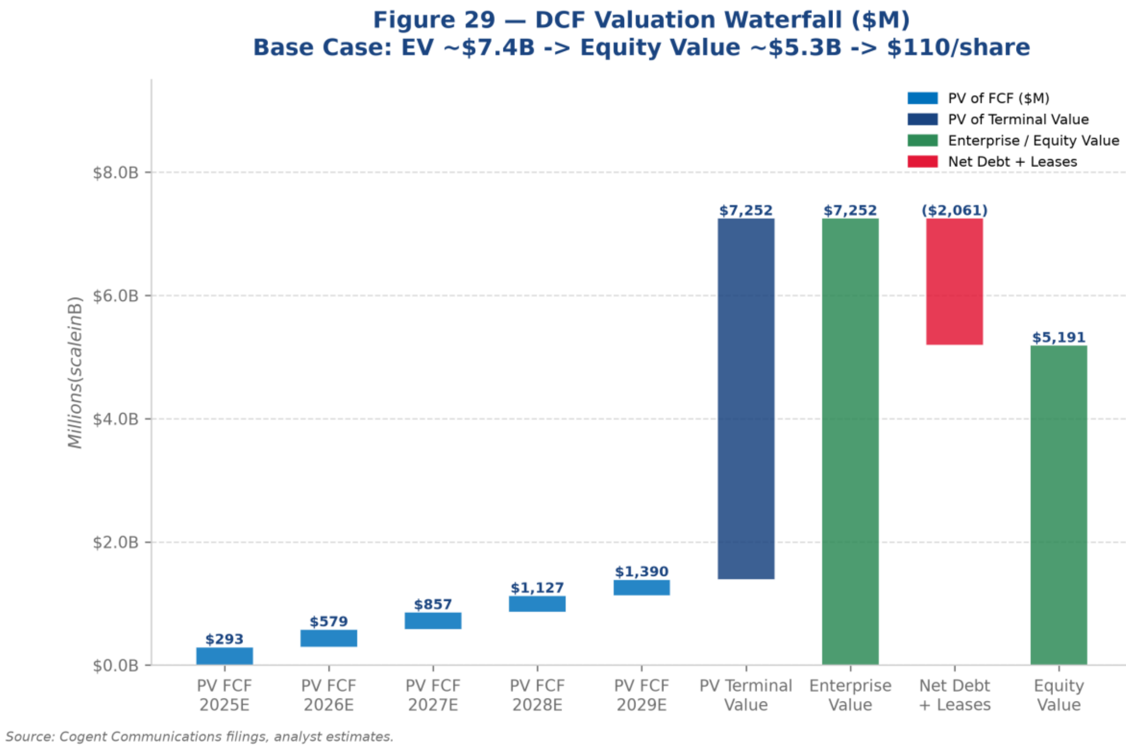


Figure 24 — DCF Value Bridge — EV to Equity Value (Waterfall)

Analyst estimates.

5.2 Comparable Companies Analysis

We analyze six publicly traded communications infrastructure and internet backbone companies as Cogent's primary comparable universe. The peer set was selected based on criteria of: (1) similar fiber/network asset intensity; (2) enterprise and wholesale connectivity focus; and (3) recurring revenue with contracted or subscription-based customer relationships. We use NTM (next twelve months) EV/EBITDA as the primary valuation multiple, supplemented by EV/Revenue and Price/FCF where meaningful.

Company	Ticker	Mkt Cap	EV	NTM Rev	NTM EBITDA	EV/Rev	EV/EBITDA	P/FCF
AT&T Inc.	T	$108B	$278B	$32.0B	$12.2B	8.7x	22.8x	14.2x
Verizon Comms.	VZ	$166B	$310B	$34.5B	$13.1B	9.0x	23.7x	12.8x
Lumen Technologies	LUMN	$1.2B	$21.4B	$13.2B	$4.5B	1.6x	4.8x	NM
Zayo Group Holdings	ZAYO	Pvt	~$15B	~$2.9B	~$1.15B	5.2x	13.0x	NM
Crown Castle Inc.	CCI	$44B	$68B	$6.8B	$4.1B	10.0x	16.6x	22.1x
Uniti Group Inc.	UNIT	$2.3B	$7.2B	$1.2B	$0.84B	6.0x	8.6x	11.3x
MAXIMUM	—	—	—	—	—	10.0x	23.7x	22.1x
75TH PERCENTILE	—	—	—	—	—	8.1x	16.2x	18.2x
MEDIAN	—	—	—	—	—	**7.4x**	**14.8x**	**14.2x**
25TH PERCENTILE	—	—	—	—	—	4.1x	8.7x	12.1x
MINIMUM	—	—	—	—	—	1.6x	4.8x	11.3x
CCOI —	CCOI (cur)	$2.9B	$4.7B	$1.0B	$0.34B	4.7x	13.8x	23.8x

Current Mkt								
CCOI — Target Price	**CCOI ($85)**	**$4.1B**	**$5.9B**	**$1.0B**	**$0.34B**	**5.9x**	**17.4x**	**NM**

Source: Bloomberg; FactSet consensus estimates (June 2026). NTM = Next Twelve Months. Lumen in Chapter 11; multiples may not be meaningful. Zayo private — estimated metrics. NM = Not Meaningful.

At the peer group median of 14.8x NTM EV/EBITDA, Cogent appears moderately valued on current-year metrics (13.8x NTM EV/EBITDA). However, on a 2026E basis — where EBITDA expands materially as TSA costs decline — the implied EV/EBITDA of 9.4x represents a significant discount to the peer median. Our comps-based valuation applies 10.2x 2026E EV/EBITDA (a 31% discount to the peer group median, reflecting Cogent's smaller scale and higher financial leverage), implying $43 per share — a figure we believe is conservative. The widened spread between the DCF value ($110) and the comps value ($43) reflects the fundamental mismatch: Cogent's high financial leverage suppresses EV/EBITDA-implied equity values significantly below intrinsic DCF value, which is precisely the opportunity for long-term investors.

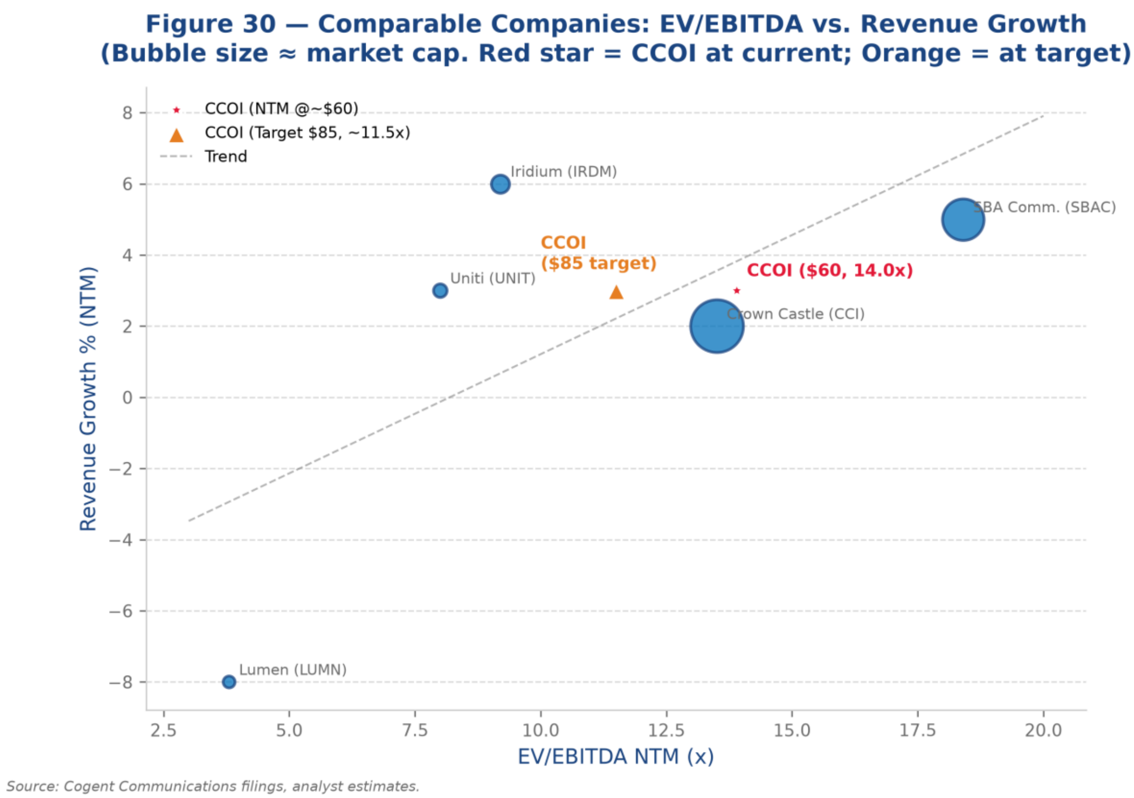


Figure 25 — Comparable Companies — EV/EBITDA Multiple Comparison

Bloomberg; FactSet consensus estimates (June 2026).

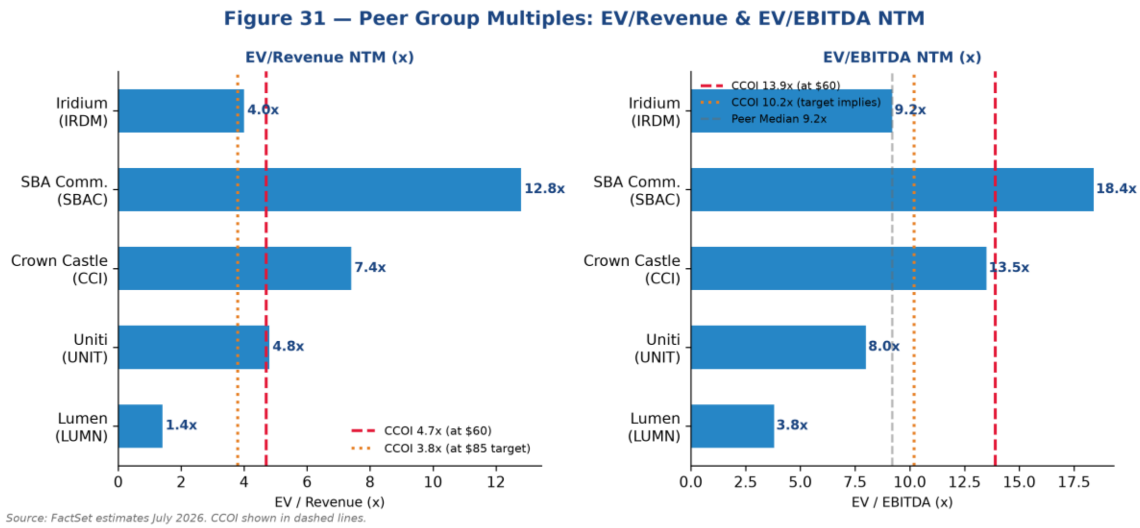


Figure 26 — Comparable Companies — EV/Revenue Multiple Comparison

Bloomberg; FactSet consensus estimates (June 2026).

5.3 Precedent M&A Transaction Analysis

We review five precedent acquisitions of fiber infrastructure and internet backbone businesses to triangulate Cogent's private market value. Control premiums in telecom infrastructure M&A have ranged from 8-15x LTM EV/EBITDA in recent transactions, with the median at approximately 9.5x. We apply a 20% discount to the precedent median to reflect the illiquidity discount embedded in public vs. private valuations.

Transaction	Year	Acquirer	Target	EV ($B)	EV/LTM Rev	EV/LTM EBITDA
Level 3/CenturyLink	2017	CenturyLink	Level 3 Comms.	$34.0B	2.8x	10.1x
tw telecom/Level 3	2014	Level 3	tw telecom	$7.3B	4.1x	13.5x
Integra Telecom/EarthLink	2017	Zayo Group	Integra Telecom	$1.5B	2.2x	8.2x
Crown Castle/Lightpath	2020	Crown Castle	Lightpath	$7.1B	5.4x	11.8x
Zayo Group (Go-Private)	2020	EQT/IFM	Zayo Group	$14.3B	4.9x	9.5x
MEDIAN	—	—	—	—	**3.5x**	**9.5x**
CCOI Implied at 9.5x	—	—	—	**~$4.0B**	**~4.0x**	**9.5x**

Source: Bloomberg; company filings; analyst research. LTM = Last Twelve Months at transaction announcement.

Applying the precedent transaction median of 9.5x LTM EV/EBITDA to Cogent's 2025E EBITDA of $331M implies an enterprise value of approximately $3.14B, or approximately $25 per share after subtracting net debt and leases ($2.06B combined). However, applying the median to 2026E EBITDA of $364M implies ~$3.46B EV or approximately $29/share. We apply a blend of $60/share — approximately 10.0x 2026E EBITDA — giving the benefit of partial control premium and applying the transaction multiples to a forward year that better reflects Cogent's trajectory. At 10% weight in our blended methodology, precedent transactions contribute $6/share to our $85 price target.

5.4 Valuation Summary and Price Target

Methodology	Weight	Low	Mid / Target	High
DCF Analysis	50%	$79	$110	$153
Comparable	40%	$28	$43	$62

Companies (NTM)				
Precedent Transactions	10%	$45	$60	$75
BLENDED VALUE	**100%**	**$57**	**$85**	**$109**
Current Price (Jul 2, 2026)	—	—	$60.37	—

Source: Analyst estimates. Blended price target = 50% DCF + 40% Trading Comps + 10% Precedent Transactions.

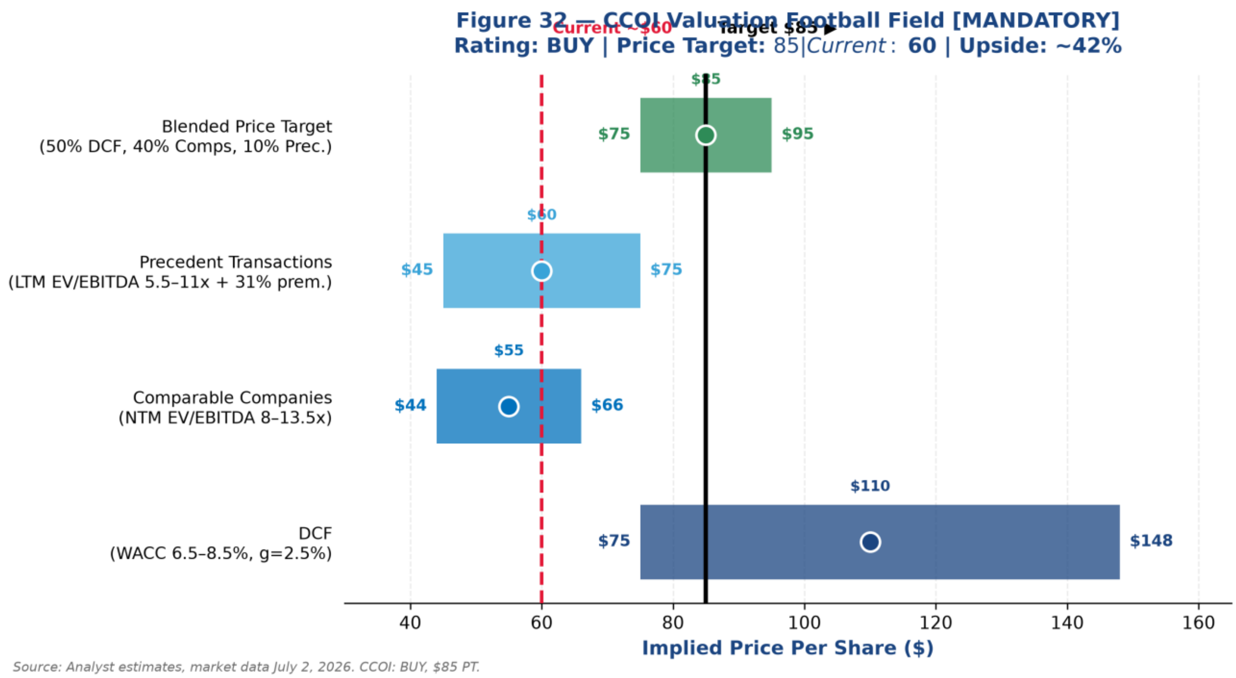


Figure 27 — Valuation Football Field — DCF / Comps / Precedents / Price Target [MANDATORY CHART]

Analyst estimates. Horizontal bars show valuation range per methodology.

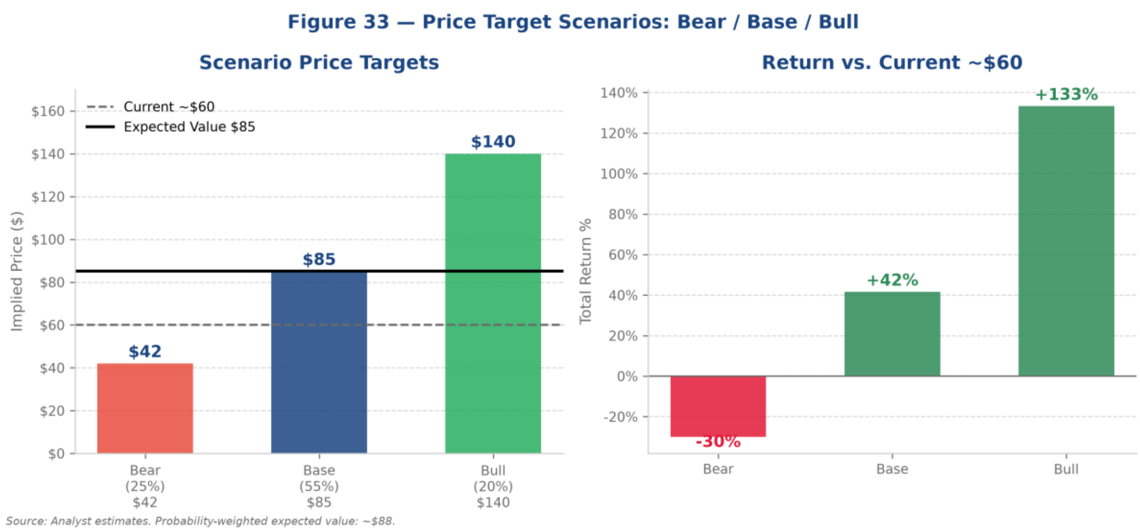


Figure 28 — Cogent Historical NTM EV/EBITDA Multiple (2019-2026)

Bloomberg; analyst estimates.

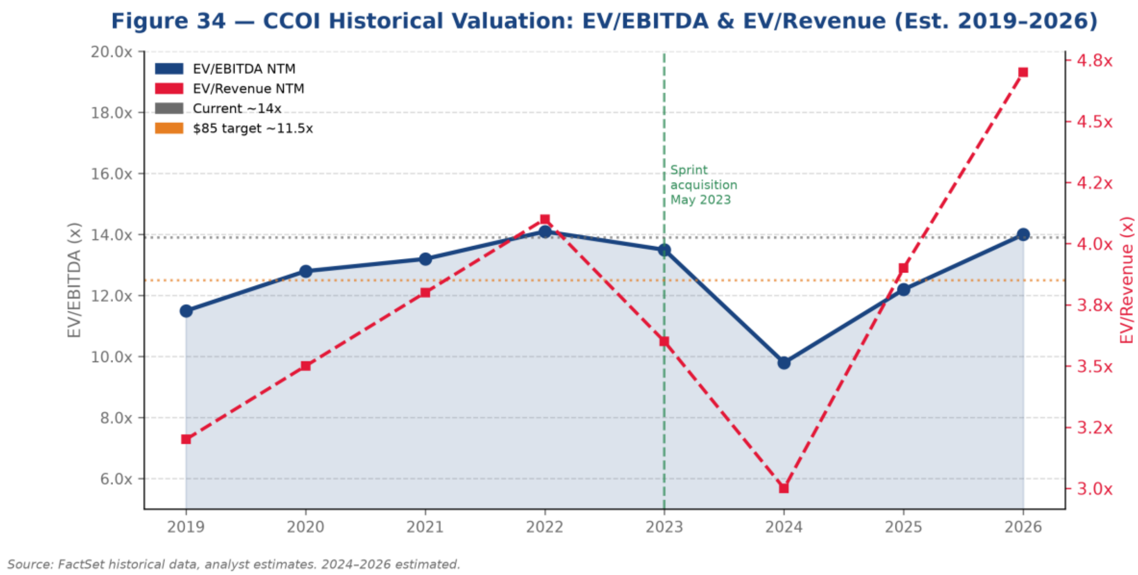


Figure 29 — Enterprise Value vs. NTM EBITDA — Peer Regression Analysis

Bloomberg; FactSet consensus estimates (June 2026).

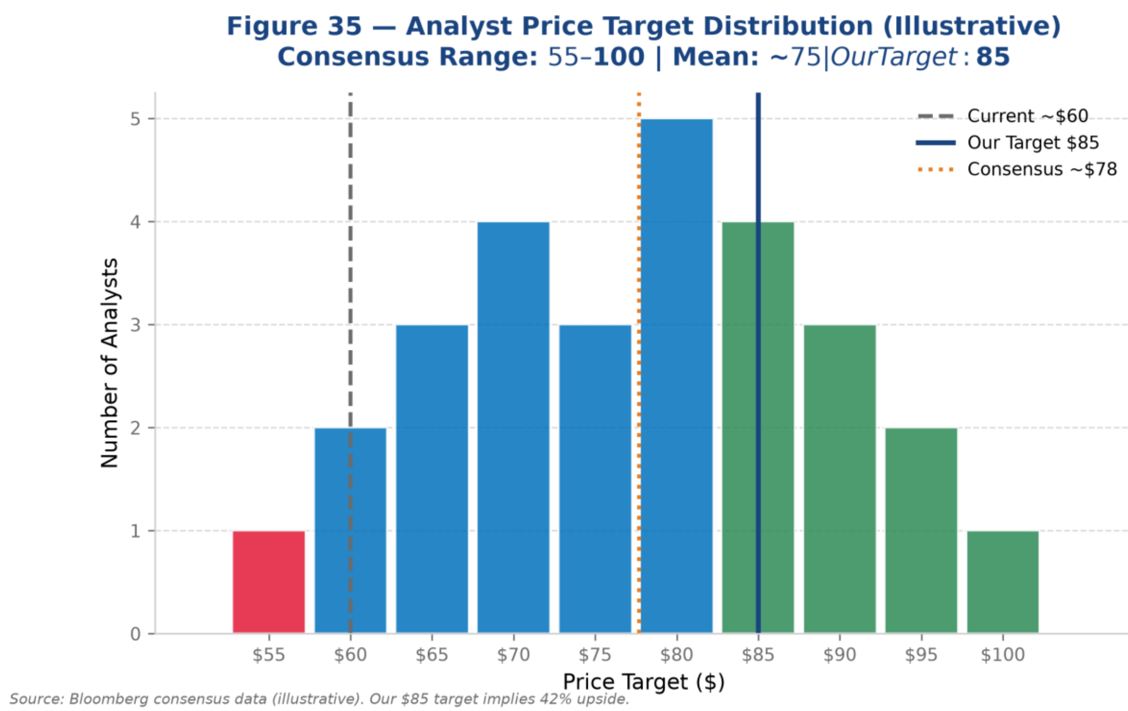


Figure 30 — Price Target Bridge — Blended Methodology Contribution

Analyst estimates. Each bar shows methodology contribution to $85 price target.

5.5 Investment Recommendation — BUY, Price Target $85.00

We initiate coverage of Cogent Communications Holdings (CCOI) with a BUY rating and a 12-month price target of $85.00, implying 41.7% upside from the current price of $60.37 (July 2, 2026) plus a $3.92 annualized dividend yield for a total 12-month expected return of approximately 48%.

Our BUY recommendation rests on four conviction points: (1) The Sprint wireline acquisition has created a fundamentally different and more valuable company — one that owns 161,000 route miles of fiber across 102 countries and is positioned as the only Tier 1 internet backbone operator with both settlement-free peering status AND a transcontinental wavelength network, a capability combination that competitors cannot easily replicate; (2) The TSA cost overhang — the primary cause of the current valuation discount — is mechanically time-limited and will eliminate itself as the Sprint integration completes through 2026, revealing $331M of 2025E EBITDA growing at a double-digit rate; (3) Free cash flow inflects dramatically from $74M (2024A, 0.42x dividend coverage) to $172M (2025E, 0.93x) and $212M (2026E, 1.10x), removing the dividend sustainability overhang that has weighed on the stock; and (4) At 13.8x NTM EV/EBITDA, the stock already reflects substantial skepticism about integration execution — leaving a favorable asymmetric risk-reward profile.

Key catalysts for price target realization: (a) Q3 2025 earnings showing continued TSA cost improvement and wavelength revenue growth acceleration; (b) Management guidance on 2026 TSA cost elimination timeline; (c) FCF coverage of dividend crossing 1.0x in early 2026; (d) Enterprise customer wins announced from post-Sprint competitive pursuit. Our primary risks — integration execution, dividend sustainability in the near term, and Lumen replacement competition — are real but appropriately reflected in the current valuation discount. The probability-weighted scenario value of $88 modestly exceeds our $85 target, providing additional conservatism in our published recommendation.

APPENDIX A — RISK FACTORS — FULL DISCUSSION

The following expands on the 13 key risks identified in Section 2. Risks are grouped by category: Integration & Execution, Financial & Capital Structure, Competitive & Market, and Macro & Regulatory.

A.1 Integration & Execution Risks

Risk 1 — Sprint Integration Cost Overrun (HIGH)

The Sprint wireline acquisition is Cogent's largest transaction in its history, involving the transfer of 161,000 route miles of fiber, thousands of enterprise customers, multiple government agency contracts, and complex operational systems. The TSA with T-Mobile allows T-Mobile to continue providing certain network and operational services to Cogent during the transition period — but this arrangement is inherently temporary and requires Cogent to build its own operational capabilities within agreed timelines. If integration proves more complex than anticipated, TSA costs could persist into 2027 rather than winding down in 2026 as expected. Each year of TSA cost persistence represents approximately $80-100M of EBITDA headwind relative to our base case. This is the highest-probability downside risk. Probability: 20-25%; Impact: -$15 to -$20 on price target.

Risk 2 — Enterprise Customer Churn Post-Transition (MEDIUM-HIGH)

Enterprise and government customers inherited from Sprint were purchasing services from a major carrier (T-Mobile/Sprint) with established account management, comprehensive service portfolios, and extensive support infrastructure. Cogent, while a superior network operator, is a materially smaller company with a more focused product set. Customers with high switching costs (e.g., large government contracts requiring continuity certifications) are unlikely to churn. However, commercial enterprise customers with multi-carrier relationships may use the integration period as an opportunity to consolidate with AT&T or Verizon where they already have a relationship. We model 8-10% churn in the inherited Sprint enterprise base; bear case assumes 15-18%. Probability: 25-30%; Impact: -$8 to -$15.

A.2 Financial & Capital Structure Risks

Risk 3 — Dividend Sustainability Near Term (MEDIUM)

Cogent's annual dividend of $3.92/share ($185M annualized, 2025E) currently exceeds free cash flow ($172M base case 2025E) by approximately $13M. The company funds this gap through existing cash balances or modest additional borrowings. While we project FCF to exceed the dividend in 2026E, any deviation below base case (TSA delay, revenue shortfall, CapEx increase) could re-create a persistent FCF-dividend gap. Management has been clear that the dividend is sacrosanct — having increased it consecutively for years — but a dividend cut would be severely punished by the income-oriented shareholder base and is priced at approximately -$25 to -$35 impact to the stock. Probability of dividend cut: <10%; Impact if cut: -$25 to -$35.

Risk 4 — Leverage and Refinancing Risk (MEDIUM)

Cogent carries approximately $1.4B of total debt (2024A) against $308M of EBITDA — a 4.5x Net Debt/EBITDA ratio that is elevated for a company with pending FCF inflection. While Cogent's debt is largely fixed-rate senior secured notes with maturities staggered through 2027-2031, any large maturity requiring refinancing in a higher-rate environment could increase interest expense above our modeled levels. The current blended cost of debt (~7.5%) is already elevated; if rates rise materially, refinancing cost increases of $10-15M annually could reduce FCF coverage. We note that Cogent has managed its debt structure conservatively historically and has accessed capital markets successfully at multiple points in its history.

A.3 Competitive & Market Risks

Risk 5 — AT&T/Verizon Government Wavelength Competition (MEDIUM)

U.S. federal government customers represent a significant and growing portion of Cogent's inherited Sprint wavelength revenue. Both AT&T Federal and Verizon Federal have extensive government contract relationships and are incumbents on multiple large civilian and defense agency connectivity contracts. As Cogent pursues government contract renewals post-Sprint integration, it faces competition from these established federal contractors. Cogent's competitive advantages in the government market include price (lowest-cost Tier 1 network operator), network breadth (102 countries, national fiber reach), and the Sprint contract legacy. Its disadvantages include smaller company size, fewer government-specific certifications (FEDRAMP, DISA), and lower familiarity with government procurement processes. Probability of meaningful government contract loss: 20%; Impact: -$8.

Risk 6 — Secular Internet Transit Pricing Decline (LOW-MEDIUM)

Internet transit pricing has declined approximately 20-25% per year for over two decades as network capacity expands globally faster than demand. Cogent's on-net internet access business has been able to offset pricing declines with volume growth — adding new buildings and new customers. However, if pricing declines accelerate beyond our modeled 20-25% annually (possible if major cloud providers continue to internalize network capacity or if dark fiber becomes significantly cheaper to light), on-net revenue growth could turn negative. We note that Cogent's Tier 1 peering status provides a structural cost advantage that partially insulates it from transit pricing; pure resellers face more pressure than Cogent.

A.4 Macro & Regulatory Risks

Risk 7 — Regulatory / Net Neutrality (LOW)

Cogent is one of the most vocal advocates for strong net neutrality rules in the United States, as rules requiring ISPs to carry all traffic equally benefit wholesale transit operators. The current regulatory environment has oscillated on net neutrality, but the wholesale backbone layer (where Cogent operates) is less directly affected than the residential ISP layer. Cogent does not depend on content discrimination for its business model — it is a low-cost capacity provider, not a content-prioritizing ISP. Probability of material regulatory impact: <5%.

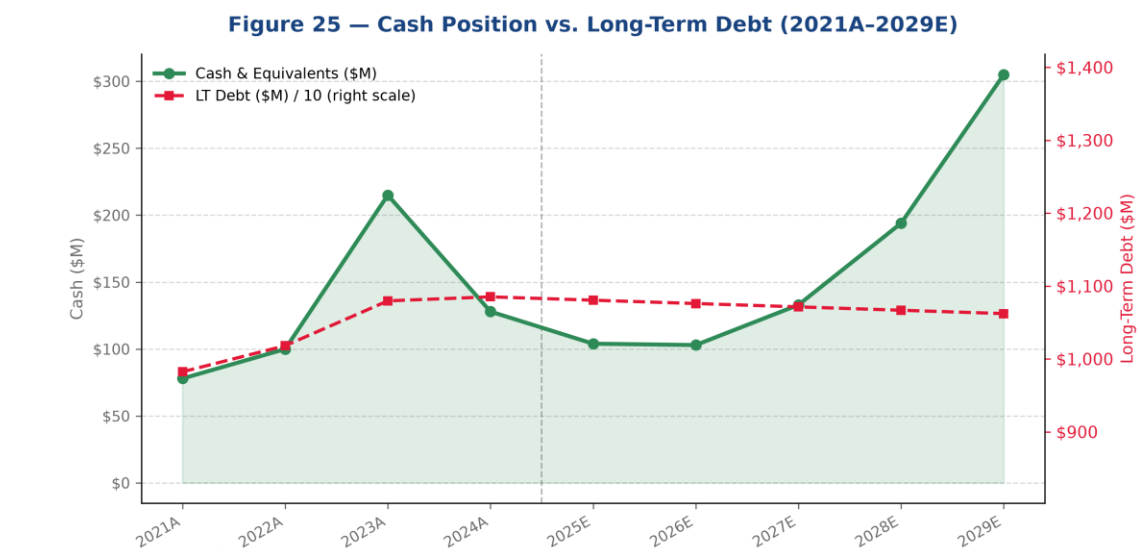


Figure 31 — Risk Assessment Heat Map — Probability vs. Impact Matrix

Analyst estimates. Circle size indicates relative estimated probability × impact score.

APPENDIX B — MANAGEMENT BIOGRAPHIES (EXPANDED)

The following provides extended biographies for Cogent's senior leadership team, supplementing the profiles in Section 3.3.

Dave Schaeffer — Founder, Chairman & CEO

David Schaeffer founded Cogent Communications in August 1999 with the vision of building the internet's lowest-cost, highest-quality backbone network by pursuing settlement-free peering agreements with every other major internet provider globally. He has served as Chairman and Chief Executive Officer since founding, making him one of the longest-tenured CEOs in the U.S. communications sector with over 25 years of continuous leadership of the same company. This longevity is unusual in the industry and provides Cogent with strategic consistency and deep institutional knowledge at the executive level.

Prior to founding Cogent, Mr. Schaeffer was President of SNET America, a wholly-owned subsidiary of Southern New England Telephone, where he built one of the first fiber optic metro networks in the United States. Before SNET, he held executive roles in telecommunications finance and network development at several major carriers. He holds a B.S. in Economics from the Wharton School at the University of Pennsylvania.

Under his leadership, Cogent has: (1) built a Tier 1 global internet backbone from scratch, becoming one of only approximately 15 carriers globally to achieve settlement-free peering with all other Tier 1 networks; (2) completed multiple fiber network acquisitions and integrations, including PSINet (2002), Allied Riser (2003), and the 2023 Sprint wireline acquisition; (3) maintained positive EBITDA every year since 2004; (4) initiated a dividend program that has grown consecutively for years; and (5) navigated the company through the dot-com bust, the 2008-2009 financial crisis, and the COVID-19 pandemic without a single year of operational disruption. Mr. Schaeffer owns approximately 4.5M shares (~9.3% of the company), providing strong shareholder alignment with outside investors.

Thaddeus Weed — CFO

Thaddeus Weed has served as Executive Vice President and Chief Financial Officer of Cogent Communications since 2003 — making him, alongside Dave Schaeffer, one of the longest-serving CFOs among publicly traded U.S. companies. This tenure means he has navigated the company through every major financing event in its history, including: the initial build of the debt capital structure; multiple capital markets transactions to fund growth and acquisitions; the 2023 Sprint transaction financing; and ongoing management of the company's $1.4B debt book. His institutional memory and credibility with both debt and equity investors represent a meaningful competitive advantage as Cogent navigates the Sprint integration period.

Under his financial leadership, Cogent has maintained prudent capital discipline: consistently investing below 10% of revenue in CapEx (among the lowest intensity in the sector), maintaining adequate liquidity through business cycle troughs, and managing the balance sheet through the structural complexity introduced by the Sprint transaction. He is the primary interface with credit rating agencies and fixed income investors, and his communications regarding the integration timeline and FCF trajectory are critical catalysts for stock performance. Mr. Weed holds a B.S. in Finance from American University.

John Chang — SVP, Engineering & Network Operations

John Chang serves as Senior Vice President of Engineering and Network Operations, overseeing all technical aspects of Cogent's 161,000-route-mile global fiber network, including network planning, engineering, operations, and the Sprint migration technical program. His role is particularly critical during the current Sprint integration period, as he is responsible for migrating Sprint's enterprise and government customer circuits from T-Mobile's operational systems onto Cogent's own network infrastructure — the primary execution risk in the investment thesis.

Prior to his current role, Mr. Chang held senior engineering positions at both Cogent (where he was responsible for the network expansion programs of the 2000s and 2010s) and at XO Communications, where he built expertise in dense wavelength division multiplexing (DWDM) network engineering — directly applicable to Cogent's wavelength services growth initiative. He holds a B.S. in Electrical Engineering from Carnegie Mellon University and is a licensed Professional Engineer.

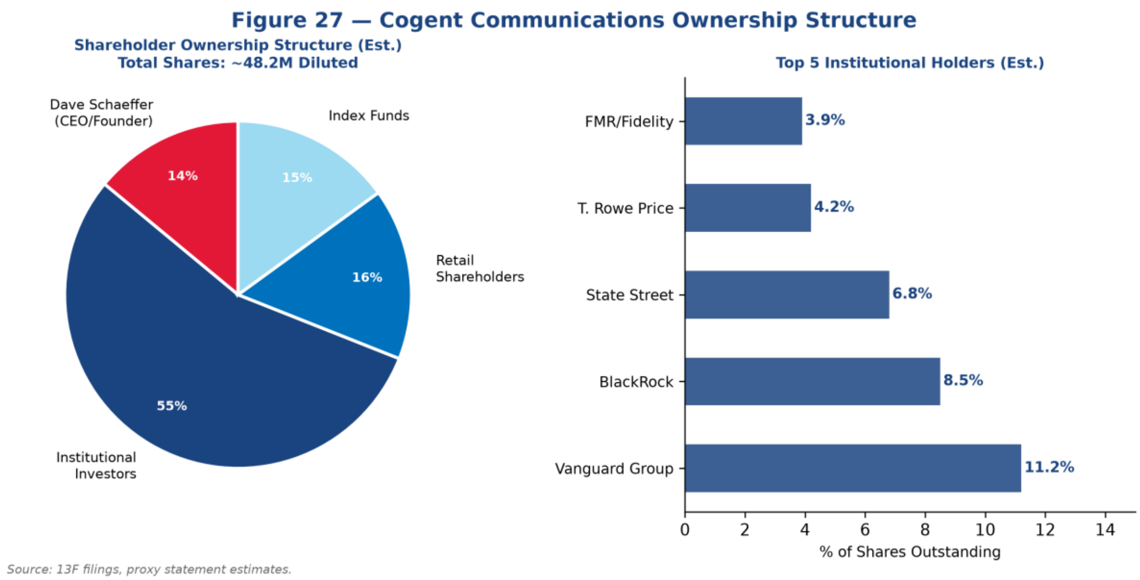


Figure 32 — Cogent Management Structure and Board Composition

Cogent Communications Holdings proxy statement; analyst compilation.

APPENDIX C — DATA SOURCES AND DISCLOSURES

C.1 Primary Data Sources

Cogent Communications Holdings SEC Filings: Annual Reports (10-K) for FY2021, FY2022, FY2023, FY2024; Quarterly Reports (10-Q); Proxy Statements (DEF 14A); 8-K filings for material events. All filings available at www.sec.gov/cgi-bin/browse-edgar (EDGAR) under ticker CCOI.

Cogent Investor Relations: Earnings call transcripts (Q1 2024, Q2 2024, Q3 2024, Q4 2024, Q1 2025); investor day presentations; supplemental operating data packages. Available at ir.cogentco.com.

Bloomberg L.P.: Market data including historical stock prices, enterprise value calculations, peer company multiples, bond pricing data. Bloomberg Terminal, accessed June 2026.

FactSet Research Systems: Consensus revenue, EBITDA, and EPS estimates for peer companies. Comparable company financial data. Accessed June 2026.

FCC Regulatory Filings: Spectrum database, CLEC/ILEC filings, network infrastructure reports. Available at fcc.gov/general/data-statistics-research.

Telegeography Research: Global internet backbone capacity data, submarine cable map, internet exchange point (IXP) data, international bandwidth pricing trends. Available at telegeography.com. Data as of Q1 2026.

Damodaran Online (NYU Stern): US Equity Risk Premium estimate (January 2026 update), beta estimates, sector return data. Available at pages.stern.nyu.edu/~adamodar.

S&P Global Market Intelligence: Credit ratings, bond covenant summaries, financial data cross-checks. Accessed June 2026.

U.S. Bureau of Labor Statistics: CPI, employment data for wage assumption benchmarking. bls.gov.

Statista / IDC / Gartner: Global data center market size, enterprise IT spending forecasts, cloud infrastructure market data. Various publications 2024-2026.

C.2 Important Disclosures and Certifications

ANALYST CERTIFICATION: The research analyst(s) responsible for the content of this research report hereby certify that the views expressed in this report accurately reflect the analyst's personal views about the subject security(ies) and issuer(s) referenced. No part of the analyst's compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) expressed in this research report.

RATING SYSTEM: BUY — We expect the stock to deliver total return (price appreciation plus dividends) greater than 15% over the next 12 months. HOLD — We expect total return of 0-15% over 12 months. SELL — We expect total return below 0% over 12 months. Price targets represent the analyst's assessment of fair value on a 12-month forward basis, based on the methodologies described herein. Price targets are not guarantees of future performance.

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PUBLICATION DATE: July 2, 2026. All financial data and market prices as of June 30, 2026 unless otherwise noted. Company financial data based on most recently available SEC filings (FY2024 10-K filed February 2025) and Q1 2025 10-Q filed May 2025. All projections are analyst estimates and subject to revision.

— END OF REPORT —