Zayo announced that the Company is postponing its Analyst Day. The Board of Directors and management said they are currently evaluating strategic alternatives that may enhance shareholder value. The Company is postponing its Analyst Day to allow time to explore these alternatives, while retaining focus on execution and driving organic growth.

“Zayo’s purpose is to provide mission-critical bandwidth to the world’s most impactful companies. We accomplish this by executing a focused strategy centered on communications infrastructure. With our deep and expansive fiber networks in North America and Europe, we play a unique and compelling role at the core of our customers’ networks,” said Dan Caruso, Zayo Chairman and CEO. “Whether public or private, this will remain Zayo’s focus and we will continue to expand the depth and breadth of our fiber infrastructure.”

According to Reuters, activist hedge fund Starboard Value LP has acquired a 4% stake in the company – enough to have significant influence in the direction of the telecom infrastructure provider, and has requested that the board consider a sale. Reuters cites a letter sent by Starboard to Zayo.

The company’s stock price jumped 13 percent after the company said it was cancelling the analyst day as it sought ways to enhance shareholder value. In today’s pre-market, the company’s share price was indicated up another 2 percent.

The company had lost 25% of its market value in the last year, which the Reuters report blamed on amid anemic revenue growth and heavy capital expenditure. Additionally, Zayo has previously rejected earlier offers to purchase the company.

Citing the letter, which Reuters said it had reviewed, Starboard says it thinks the best way to boost shareholder value is to sell the company. “Starboard in its letter blamed a string of poorly integrated acquisitions, senior leadership turnover and lack of spending discipline for the company’s revenue growth decreasing from 7.8% in September 2015 to 3.6% at the end of 2018. Were Zayo to decide to remain independent, it would need to streamline its operations, adopt a more disciplined approach to capital allocation, and improve oversight of the company, the New York-based fund wrote.” Perhaps most of all, Starboard wants Zayo to pick a strategy and stick to it. Over the past year, Zayo has announced, then walked back, plans to split into two publicly traded companies by the end of 2019. It also explored the possibility of converting to a real-estate investment trust, or REIT, as a way to reduce its tax bill and increase shareholder value.

Zayo, with a market value of just under $6 billion, operates a 130,865-mile optical fiber network in North America and Europe that helps connect data centers and also serves wireless and landline phone companies.

Zayo also has about $6 billion in debt. If private equity firms succeed in acquiring Zayo, it would represent one of the largest leveraged buyouts of the year. Since 2014, Zayo has spent $2.7 billion on acquisitions and another $2.8 billion of growth-related capital expenditures. However, despite commentary from the Company claiming to have realized significant synergies and generated positive returns from acquisitions and capital investments, an analysis depicts a different outcome. As of December 31, 2014 total enterprise value was approximately $10.2 billion. Currently, Zayo’s enterprise value is $11.7 billion, which is an increase of only $1.5 billion. This implies that since 2014, despite $5.5 billion of spending on acquisitions and investments, only $1.5 billion of incremental enterprise value has been created, signaling significant value destruction.

Digital Colony, a communications infrastructure-focused firm formed by investor Tom Barrack's Colony Capital Inc and Digital Bridge Holdings, is part of a potential buyer group planning to bid for Zayo, Bloomberg reported, citing a person with knowledge of the matter.

Both Digital Colony and Zayo declined to comment.

The Company notes that there can be no assurance that any strategic alternative will result from this evaluation. Zayo has not set a timetable for the evaluation of its options, although it anticipates a minimum of several weeks to months, and does not intend to comment further unless it determines that further disclosure is appropriate or required by law.