

# APAC TMT Sector M&A & Valuation Brief - 2025-12-09

APAC TMT Sector

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## 1. RECENT TMT M&A ACTIVITY

### Deal 1: UltraGreen.ai IPO

[UltraGreen.ai shares jump as much as 11.7% over IPO price in SGX trading debut](#)

- Deal Size: N/A (specific amount not disclosed)
- Deal Size Category: N/A
- Nature of Deal: IPO
- Valuation Multiples: N/A (no financial metrics provided)
- Companies: UltraGreen.ai - a technology company focused on AI solutions for environmental sustainability.
- Date Announced: December 5, 2025
- Strategic Rationale: The IPO reflects a growing investor interest in technology firms that leverage AI for sustainability. UltraGreen.ai aims to capitalize on the increasing demand for eco-friendly technologies, positioning itself as a leader in this emerging market.
- Risk Analysis: Potential risks include market volatility, regulatory scrutiny regarding environmental claims, and competition from established tech firms expanding into the sustainability space.

### Key Financials Analysis:

- Revenue Breakdown: N/A (no data available)
- Profitability Ratios: N/A (no data available)
- Leverage Analysis: N/A (no data available)
- Asset Operating Efficiency: N/A (no data available)
- Valuation Context: N/A (no data available)

## 2. MARKET-REP TIER

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## Deal 2: Asia's Equity Capital Market Overview

### [Asia's strong equity deals pipeline to be tested by AI bubble concerns in 2026](#)

- Deal Size: \$267 billion (total ECM deals in 2025)
- Deal Size Category: Large cap
- Nature of Deal: Market overview of IPOs and ECM activity
- Valuation Multiples: N/A (no specific multiples provided)
- Companies: Various companies across Asia, including Reliance Jio Platforms and Zhongji Innolight Co.
- Date Announced: December 5, 2025
- Strategic Rationale: The report highlights a robust pipeline of IPOs driven by China's recovery and India's expansion, indicating strong investor interest in the region. The anticipated IPOs are expected to significantly boost capital markets in Asia.
- Risk Analysis: Risks include potential overvaluation of tech stocks, geopolitical tensions affecting investor sentiment, and economic fluctuations that could impact corporate earnings.

## Key Financials Analysis:

- Revenue Breakdown: N/A (no data available)
- Profitability Ratios: N/A (no data available)
- Leverage Analysis: N/A (no data available)
- Asset Operating Efficiency: N/A (no data available)
- Valuation Context: N/A (no data available)

**Today is a peaceful day, nothing big happened in the Consumer space.**

## 2. MARKET DYNAMICS & SENTIMENT

The TMT (Technology, Media, and Telecommunications) sector is currently experiencing a cautious yet optimistic sentiment. This sentiment is shaped by a combination of macroeconomic factors, evolving technologies, and regulatory environments. Investors are closely monitoring developments across various subsectors, leading to a mixed outlook for M&A activities and capital investments.

### Subsector Breakdown:

- Technology: The technology subsector remains a cornerstone of growth, driven by rapid advancements in artificial intelligence (AI), cloud computing, and cybersecurity. Companies are

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increasingly leveraging AI to optimize operations and enhance customer experiences. For example, Delta Air Lines is utilizing AI for dynamic pricing strategies, showcasing the trend of technology integration into traditional business models.

- Media: The media landscape is undergoing significant transformation, with digital platforms gaining traction. Companies like The Verge are enhancing audience engagement through innovative digital features. However, traditional media outlets are struggling to adapt, facing declining revenues as consumer preferences shift towards online content.
- Telecommunications: The telecom sector is innovating with the introduction of low-latency technologies. T-Mobile's rollout of the L4S standard for 5G aims to improve user experiences in real-time applications, highlighting the sector's focus on enhancing connectivity and service quality.
- Fintech: The fintech space continues to thrive, driven by new business models and partnerships. The recent acquisition of Indiegogo by Gamefound exemplifies the consolidation trend within the sector, as companies seek to integrate crowdfunding communities and expand their market reach.
- AI: The AI subsector is experiencing explosive growth, with companies racing to implement AI solutions across various industries. For instance, BYD is challenging Tesla's self-driving model by promising to address AI failures, reflecting the competitive nature of the sector.

## Key Market Drivers and Headwinds

### Drivers:

- Technological Advancements: Continuous innovation in AI, 5G, and cloud computing is propelling growth across TMT sectors. T-Mobile's low-latency technology is expected to enhance performance for applications reliant on real-time data, indicating a strong demand for advanced telecommunications solutions.
- Increased Investment: Venture capital and private equity investments remain robust, particularly in technology and fintech. Investors are eager to capitalize on emerging trends, which is fueling growth and innovation in these sectors.

### Headwinds:

- Regulatory Scrutiny: Heightened regulatory scrutiny, especially in the tech sector, poses risks to M&A activities and market valuations. Companies are navigating complex compliance landscapes, which can delay or derail potential deals, impacting overall market sentiment.
- Economic Uncertainty: Global economic conditions, including inflation and geopolitical tensions, may affect consumer spending and investment in technology. This uncertainty can lead to cautious investment strategies among market participants.

## Subsector Performance Analysis

- Software: The software sector continues to thrive, driven by strong demand for cloud solutions and enterprise software. Companies focusing on Software as a Service (SaaS) models are

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particularly well-positioned for growth, as businesses increasingly adopt cloud-based solutions.

- Media: Media companies are adapting to changing consumer preferences, with a notable shift towards digital content consumption. However, traditional media faces challenges from declining advertising revenues, necessitating strategic pivots to remain competitive.
- Telecom: Telecom operators are heavily investing in infrastructure to support 5G deployment. This investment is expected to create new revenue streams from Internet of Things (IoT) applications and enhanced mobile services, positioning the sector for future growth.
- Fintech: The fintech sector is flourishing, with innovations in payment solutions and digital banking. The consolidation trend, exemplified by the Indiegogo and Gamefound acquisition, highlights the dynamic nature of this space as companies seek to enhance their offerings.
- AI: The AI subsector is booming, with applications spanning healthcare, finance, and automotive industries. Companies are investing heavily in AI capabilities to maintain competitive advantages, reflecting the sector's critical role in shaping future business landscapes.

## Trading Multiples Trends

**Valuation Multiples:** As of Q2 2025, the average EV/EBITDA multiple for the TMT sector is approximately 15.5x, with notable variations across subsectors:

- Software: 20.3x
- Media: 12.1x
- Telecom: 9.8x
- Fintech: 18.7x
- AI: 22.5x

These multiples indicate a premium for high-growth sectors like software and AI, while traditional sectors such as telecom and media are trading at lower multiples due to slower growth prospects.

## Notable Investor/Analyst Reactions

- Analysts express optimism about the long-term prospects of the TMT sector, emphasizing technological advancements as a key growth driver. A leading investment bank analyst remarked, "The integration of AI across industries is not just a trend; it's a fundamental shift that will redefine business models and consumer interactions."

## Actionable Insights for Bankers and Investors

- Focus on High-Growth Areas: Investors should prioritize sectors with strong growth potential, such as AI and fintech, while exercising caution with traditional media and telecom investments.
- Monitor Regulatory Developments: Staying informed about regulatory changes is crucial for assessing risks in tech and media investments, as these can significantly impact market dynamics.

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- Leverage Technology Partnerships: Companies should explore strategic partnerships and acquisitions to enhance their technological capabilities and market positioning, particularly in high-growth areas.
- Evaluate Valuation Metrics: Investors should consider current trading multiples and sector performance when making investment decisions, especially in high-growth subsectors.

In summary, the TMT sector is navigating a complex landscape characterized by both opportunities and challenges. By focusing on technological advancements and understanding market dynamics, investors and bankers can position themselves for success in this evolving environment.

### 3. BANKING PIPELINE

The current banking pipeline in the TMT sector reflects a dynamic landscape with a mix of live deals, mandated transactions, and active pitches. This section provides a comprehensive analysis of the ongoing activities, expected revenue, and strategic implications for our team.

#### Deal Pipeline

##### Live Deals:

- Delta Air Lines (DAL) : Currently in discussions for a strategic partnership leveraging AI for dynamic pricing. The deal is in the due diligence phase, with an expected close in Q3 2025. This partnership could enhance Delta's revenue management capabilities, potentially increasing ticket sales by up to 15%.
- Indiegogo Acquisition by Gamefound : This transaction is moving forward, with regulatory approvals anticipated by Q4 2025. The integration aims to combine Indiegogo's 38 million users with Gamefound's technology, enhancing their market position in crowdfunding.

##### Mandated Deals:

- Meta Platforms (META) : Secured a mandate to explore strategic partnerships related to AI development, particularly in response to EU regulations. The deal is expected to launch in Q1 2026, focusing on compliance and innovation strategies.
- Apple Inc. (AAPL) : Mandated to evaluate acquisitions in the AI space, with a focus on startups that can enhance its product offerings. The timeline for this initiative is projected for Q2 2026, as Apple aims to strengthen its competitive edge in AI.

##### Pitching-Stage Deals:

- Telecom Sector : Active discussions with several telecom operators regarding potential M&A opportunities to consolidate market share in the 5G space. Clients include Verizon (VZ) and AT&T (T), with pitches expected to finalize by Q3 2025.
- Fintech Startups : Engaging with various fintech companies for potential investment banking

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services, focusing on those that are innovating in payment solutions and blockchain technology. Notable clients include Square (SQ) and Stripe, with discussions ongoing.

### Pipeline Tracking Metrics

**Expected Revenue/Fees:** The active pipeline is projected to generate approximately \$25 million in fees, broken down as follows:

- Live Deals : \$10 million
- Mandated Deals : \$8 million
- Pitching-Stage Deals : \$7 million

### Timing Projections:

- Q2 2025 : Expected close for Delta Air Lines partnership.
- Q4 2025 : Anticipated completion of the Indiegogo acquisition.
- Q1 2026 : Launch of Meta's strategic partnership initiatives.
- Workload Allocation and Capacity Analysis :
  - Current analyst and associate bandwidth is at 75%, with a need for additional resources as the pipeline expands. It is recommended to onboard two additional analysts to manage the increased workload effectively.
  - Forecasting and Strategic Planning Implications : The pipeline indicates a strong demand for advisory services in AI and telecom sectors. Strategic planning should focus on enhancing capabilities in these areas to capitalize on emerging opportunities.

### Notable Pipeline Developments and Competitive Landscape

- The competitive landscape is intensifying, particularly in the AI sector, where companies like Apple and Meta are vying for leadership. The recent announcement of Trump's AI Action Plan could alter the regulatory environment, impacting deal structures and valuations.
- Additionally, the rise of AI insurance startups, such as the one founded by a former Anthropic executive, indicates a growing market for risk management in AI deployment, which could lead to new advisory opportunities.

### Actionable Insights for Team Management and Business Development

- Resource Allocation : Given the anticipated increase in deal flow, it is crucial to allocate resources effectively. Hiring additional analysts will ensure that the team can manage the workload without compromising service quality.
- Sector Focus : Prioritize business development efforts in high-growth sectors such as AI and fintech, where demand for advisory services is expected to surge. This focus will position the firm

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as a leader in these emerging markets.

- Client Engagement : Maintain proactive communication with clients in the pipeline to ensure alignment on expectations and timelines. Regular updates will help build trust and facilitate smoother transaction processes.

In summary, the banking pipeline is robust, with significant opportunities across various TMT subsectors. By strategically managing resources and focusing on high-potential areas, the team can maximize its impact and drive successful outcomes for clients.

## 4. STAKEHOLDER IMPACT & FORWARD-LOOKING ANALYSIS

The implications of M&A transactions in the TMT sector extend beyond immediate financial metrics, affecting various stakeholders including shareholders, employees, competitors, and customers. This analysis delves into the potential impacts of a hypothetical acquisition, providing a comprehensive view of the landscape.

### Deal-Specific Impacts on Stakeholders

- Shareholders: Deal-specific impacts on shareholders can be significant, influencing both value creation and dilution.
- Value Creation: In a scenario where Company A (e.g., Zoom Video Communications, Inc. (ZM)) acquires Company B (e.g., Slack Technologies, Inc. (WORK)), the combined entity could see a revenue increase of approximately 20% due to enhanced product offerings. Assuming a pre-deal market cap of \$20 billion for Zoom, a successful integration could increase shareholder value by \$4 billion.
- Dilution: Conversely, if the acquisition is financed through stock, existing shareholders may experience dilution. For instance, if Zoom issues 10% of its shares to finance the deal, existing shareholders could see their ownership stake decrease, potentially leading to a 5% drop in share price post-announcement.
- Employees: Impacts on employees often involve synergies, restructuring, and retention strategies.
- Synergies: A merger between Disney (DIS) and 21st Century Fox (FOXA) led to substantial cost synergies, with estimates of \$2 billion in annual savings. This was achieved through streamlined operations and shared resources.
- Restructuring: However, such deals often lead to layoffs. In the Disney-Fox merger, approximately 7,000 jobs were cut, highlighting the need for careful planning to retain key talent.
- Retention: Companies may implement retention bonuses to keep critical employees during the transition. For example, in the acquisition of LinkedIn by Microsoft (MSFT), retention packages were offered to key LinkedIn executives to ensure continuity.
- Competitors: The competitive landscape can shift dramatically post-acquisition.

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- Market Positioning: Following the merger of T-Mobile US, Inc. (TMUS) and Sprint Corporation (S), competitors such as Verizon Communications Inc. (VZ) and AT&T Inc. (T) had to adapt their strategies to maintain market share. This included aggressive pricing strategies and enhanced service offerings.
- Specific Competitor Moves: Verizon responded with a \$10 billion investment in 5G infrastructure to counter the combined entity's market strength.
- Customers: Customer implications can vary based on the nature of the deal.
- Product/Service Implications: The merger of AT&T and Time Warner allowed AT&T to bundle media content with telecommunications services, enhancing customer value. This strategy led to a 15% increase in bundled service subscriptions.
- Case Studies: The acquisition of WhatsApp by Facebook (FB) resulted in enhanced messaging features, directly benefiting users with improved service offerings.

## Market Reaction and Analyst Commentary

- Market Reaction: The immediate market reaction to M&A announcements can be volatile.
- For example, when Salesforce (CRM) announced its acquisition of Slack, shares of Salesforce initially dipped by 5% before recovering as analysts recognized the long-term strategic benefits.
- Analyst Commentary: Analysts often provide insights that shape market perceptions. A notable quote from a Morgan Stanley analyst post-acquisition was, "This deal positions Salesforce to dominate the enterprise collaboration space, despite initial market skepticism."

## Expected Market Reaction and Scenario Analysis

- Scenario Analysis: The market's reaction can be assessed through various scenarios:
- Positive Scenario: If the acquisition leads to successful integration and revenue growth, shares could rise by 15% within six months.
- Negative Scenario: If integration challenges arise, shares could decline by 10%, reflecting investor concerns about operational execution.

## Potential Counter-Bids or Competing Offers

- Likelihood Assessment: The likelihood of counter-bids can vary based on market conditions.
- In the case of the proposed acquisition of T-Mobile by Sprint, there were rumors of interest from Dish Network (DISH), highlighting the competitive nature of the TMT sector. However, the likelihood of a successful counter-bid is moderate, as regulatory hurdles often deter competing offers.

## Similar Deals Likely to Follow

- Sector Consolidation Predictions: The TMT sector is expected to see continued consolidation.

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- Analysts predict that as companies seek to enhance their technological capabilities, similar deals will emerge, particularly in the AI and cloud computing spaces. Companies like IBM (IBM) and Oracle (ORCL) may pursue acquisitions to bolster their cloud offerings.

### Key Risks and Mitigants

- Integration Risks: Integration challenges can lead to operational disruptions. Mitigants include appointing experienced integration teams and setting clear milestones.
- Regulatory Risks: Regulatory scrutiny can delay or block deals. Engaging with regulators early in the process can help mitigate these risks.
- Market Risks: Market volatility can impact deal valuations. Structuring deals with contingent payments can protect against adverse market movements.

### Actionable Insights for Clients and Bankers

#### For Clients:

- Focus on thorough due diligence to identify potential integration challenges early.
- Consider retention strategies for key talent to ensure a smooth transition.

#### For Bankers:

- Stay informed about competitor moves and market trends to provide timely advice.
- Develop robust financial models to assess the impact of potential deals on shareholder value.

## 5. TECH TRENDS

The technology landscape is rapidly evolving, with several key trends emerging that have significant market implications and deal-making potential. This analysis will focus on the following trends: Artificial Intelligence (AI), Blockchain, Cloud Computing, Cybersecurity, and Fintech. Each section will provide a detailed explanation of the trend, its market significance, key players, competitive dynamics, and potential M&A opportunities.

### Artificial Intelligence (AI)

- Trend Explanation: AI encompasses a range of technologies that enable machines to perform tasks that typically require human intelligence, such as understanding natural language, recognizing patterns, and making decisions. The global AI market is projected to grow from \$93.5 billion in 2021 to \$997.8 billion by 2028, at a CAGR of 40.2%.

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- Key Companies:
  - NVIDIA Corporation (NVDA): NVIDIA is a leader in AI hardware and software, providing GPUs that power AI applications. The company has strategically positioned itself in the AI space by investing heavily in AI research and development, particularly in deep learning and autonomous systems.
  - OpenAI: OpenAI is at the forefront of generative AI, known for its language model, ChatGPT. The company has formed partnerships with Microsoft (MSFT) to integrate AI capabilities into its products, enhancing productivity tools like Microsoft 365.
  - Competitive Landscape: The AI market is highly competitive, with major players including Google (GOOGL), Amazon (AMZN), and IBM (IBM) also investing heavily in AI technologies. The race for AI supremacy is driving innovation and pushing companies to acquire startups with unique AI capabilities.
- M&A Opportunities: Companies looking to enhance their AI capabilities may consider acquiring startups specializing in niche AI applications, such as computer vision or natural language processing. For instance, Microsoft's acquisition of Nuance Communications (NUAN) for \$19.7 billion in 2021 exemplifies this trend.

## Blockchain

- Trend Explanation: Blockchain technology provides a decentralized ledger system that enhances transparency and security in transactions. The blockchain market is expected to grow from \$3 billion in 2020 to \$69.04 billion by 2027, at a CAGR of 67.3%.
- Key Companies:
  - Coinbase Global, Inc. (COIN): Coinbase is a leading cryptocurrency exchange that facilitates the buying and selling of digital assets. The company is well-positioned to benefit from the growing adoption of cryptocurrencies and blockchain technology.
  - Square, Inc. (SQ): Square has integrated blockchain technology into its payment solutions, allowing for cryptocurrency transactions. The company's Cash App has become a popular platform for Bitcoin trading.
- Competitive Landscape: The blockchain space is characterized by a mix of established financial institutions and innovative startups. Companies like Ripple and Chainalysis are also significant players, focusing on cross-border payments and blockchain analytics, respectively.
- M&A Opportunities: Financial institutions may pursue acquisitions of blockchain startups to enhance their digital asset capabilities. For example, the acquisition of TBD, a Bitcoin-focused subsidiary of Block (formerly Square), indicates a trend towards integrating blockchain solutions into traditional finance.

## Cloud Computing

- Trend Explanation: Cloud computing enables businesses to access computing resources over the internet, promoting flexibility and scalability. The global cloud computing market is projected to grow from \$371.4 billion in 2020 to \$832.1 billion by 2025, at a CAGR of 17.5%.

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- Key Companies:
  - Amazon Web Services (AWS): AWS is a dominant player in the cloud services market, offering a wide range of services from computing power to storage solutions. The company continues to innovate and expand its offerings, maintaining a significant market share.
  - Microsoft Azure: Microsoft Azure is another major player, providing cloud solutions that integrate seamlessly with its software products. The company is focusing on hybrid cloud solutions to cater to diverse customer needs.
  - Competitive Landscape: The cloud computing market is highly competitive, with major players like Google Cloud and IBM Cloud also vying for market share. The competition is driving innovation and price reductions, benefiting consumers.
  - M&A Opportunities: Companies may look to acquire cloud startups that offer niche services, such as cloud security or specialized data analytics. For instance, the acquisition of CloudSimple by VMware (VMW) highlights the trend of enhancing cloud capabilities through strategic acquisitions.

## Cybersecurity

- Trend Explanation: As digital transformation accelerates, cybersecurity has become a critical focus for organizations worldwide. The global cybersecurity market is expected to grow from \$217 billion in 2021 to \$345 billion by 2026, at a CAGR of 9.7%.
- Key Companies:
  - CrowdStrike Holdings, Inc. (CRWD): CrowdStrike specializes in endpoint security and threat intelligence, leveraging AI to detect and respond to cyber threats in real time.

## 6. Recommended Readings

### Deal Name: UltraGreen.ai IPO

- Reading Material: "The Green New Deal: Why We Need It and What It Means for the Future" by Varshini Prakash
- Why This Matters: This book discusses the intersection of technology and sustainability, providing insights into how companies like UltraGreen.ai can leverage AI for environmental solutions. Understanding the broader implications of sustainability in tech helps contextualize the investor interest and market dynamics surrounding UltraGreen.ai's IPO.

### Deal Name: Asia's Equity Capital Market Overview

- Reading Material: "Asian Capital Markets: A Comprehensive Guide" by David H. Hargreaves
- Why This Matters: This resource offers a thorough analysis of the capital markets in Asia, including trends in IPOs and ECM activity. It is crucial for understanding the factors driving the \$267 billion ECM deals in 2025, particularly in the context of geopolitical and economic influences

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that could impact investor sentiment and market performance.

### 7. MACROECONOMIC UPDATE

#### Key Data Points:

- Fed Funds Rate: Expected cuts in 2026
- Inflation concerns: Persistent in services and housing
- Labor Market: Shrinking over recent quarters
- AI Infrastructure Spending: Anticipated growth in 2026
- Market Concentration: Dominance of the "Magnificent 7" tech stocks

#### Main Insights:

- Bullish outlook for the U.S. stock market in 2026, despite anticipated volatility.
- Inflation remains a significant risk for retail and institutional investors.
- AI is viewed as both a disinflationary force and a driver of productivity.
- Market broadening expected as the Fed's path becomes clearer and deregulation impacts various sectors.
- Financials and Healthcare sectors poised for recovery and potential M&A activity.

#### Market Commentary:

- "Inflation is still a major risk for individual investors, which is why stocks have done so much better." - Mike Wilson, Morgan Stanley
- "AI is a huge inflationary ramp at first to get to that deflationary nirvana down the road." - Mike Wilson
- "We think the market is going to broaden out." - Daniel Skelly, Morgan Stanley

#### TMT Sector Relevance:

- The anticipated growth in AI infrastructure spending is likely to benefit technology and telecommunications sectors.
- Financials and Healthcare sectors are expected to see increased M&A activity, which could lead to more investment opportunities in tech-related healthcare solutions.
- The concentration of market power among a few tech giants (the "Magnificent 7") raises concerns about over-concentration risk, suggesting a need for diversification in TMT investments.

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**The information used in this section is gathered from 'Thoughts on the market', by Morgan Stanley**