

US TMT Sector M&A & Valuation TLDR - 2025-10-27

US TMT Sector

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1. 30-Second TL;DR

- GigaCloud Technology Inc is acquiring New Classic Home Furnishings for \$18 million to enhance its e-commerce capabilities.
- NTT DATA is acquiring Alchemy Technology Services to strengthen its insurance tech offerings, although financial terms are undisclosed.
- The TMT sector shows cautious optimism with an average EV/EBITDA multiple of 15.5x, driven by tech advancements but tempered by regulatory scrutiny and economic uncertainties.

2. 1-Minute TL;DR

- GigaCloud Technology Inc's acquisition of New Classic Home Furnishings for \$18 million aims to integrate e-commerce with traditional retail, enhancing supply chain diversification. New Classic generates about \$70 million in annual revenue.
- NTT DATA's acquisition of Alchemy Technology Services focuses on bolstering its insurance technology capabilities, although specific financial details are not disclosed.
- The TMT sector is characterized by cautious optimism, with an average EV/EBITDA multiple of 15.5x. High-growth areas like AI (22.5x) and software (20.3x) command premiums, while traditional sectors like telecom (9.8x) and media (12.1x) face challenges.
- Market dynamics are influenced by technological advancements, regulatory scrutiny, and economic uncertainties, shaping future M&A activities.

3. 2-Minute TL;DR

- GigaCloud Technology Inc's planned acquisition of New Classic Home Furnishings for \$18 million aims to enhance its e-commerce capabilities by integrating with a profitable furniture distributor generating approximately \$70 million in annual revenue. This strategic move is expected to diversify GigaCloud's supply chain and expand its market reach, although risks include integration challenges and market competition.

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- NTT DATA's acquisition of Alchemy Technology Services is designed to strengthen its position in the insurance technology sector, focusing on digital transformation. While financial terms are not disclosed, this acquisition is anticipated to enhance NTT DATA's service offerings.
- The TMT sector is navigating a landscape of cautious optimism, with an average EV/EBITDA multiple of 15.5x. High-growth sectors like AI and software are attracting investor interest, while traditional sectors like telecom and media are trading at lower multiples due to slower growth prospects.
- Key market drivers include technological advancements and robust investment in tech and fintech, while headwinds consist of regulatory scrutiny and economic uncertainties. Analysts predict continued consolidation in the sector, particularly in high-growth areas.