

US TMT Sector M&A & Valuation Brief - 2025-09-24

Technology, Media & Telecommunications Sector

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1. RECENT TMT M&A ACTIVITY

Deal 1: Minute Media Acquisition of VideoVerse

[Minute Media Acquires VideoVerse, Owner of Magnifi, A Leading AI Sports Video Technology Platform](#)

- Deal Size: Not disclosed
- Deal Size Category: Not classified due to lack of financial details
- Nature of Deal: Horizontal
- Valuation Multiples: Not available due to lack of financial disclosures
- Companies: Minute Media is a leading global technology and sports content company focused on enhancing sports media through innovative solutions. VideoVerse specializes in AI-driven video technology, particularly for sports content, enabling real-time highlight creation and distribution.
- Date Announced: September 22, 2025
- Strategic Rationale:
 - The acquisition aims to enhance Minute Media's capabilities in sports content creation and distribution.
 - VideoVerse's technology will integrate with Minute Media's existing platforms, providing a comprehensive solution for rights holders and publishers.
 - This move positions Minute Media to leverage AI for improved content monetization and delivery.
- Risk Analysis:
 - Integration risks related to merging technologies and teams.
 - Potential regulatory challenges in the sports media landscape.
 - Market risks due to competition from other sports technology firms.
 - Execution risks in realizing synergies and operational efficiencies.

Key Financials Analysis:

- Revenue Breakdown: Not available due to lack of specific financial data for Minute Media and VideoVerse.

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- Profitability Ratios: Not available.
- Leverage Analysis: Not available.
- Asset Operating Efficiency: Not available.
- Valuation Context: Not available.

Profitability Metrics

Metric	Year 1	Year 2	Year 3
EBITDA	N/A	N/A	N/A
EBIT	N/A	N/A	N/A
Net Income	N/A	N/A	N/A

Deal 2: Voyager Technologies Acquisition of BridgeComm Technology

[Voyager Technologies acquires BridgeComm technology, terms undisclosed](#)

- Deal Size: Not disclosed
- Deal Size Category: Not classified due to lack of financial details
- Nature of Deal: Tuck-in
- Valuation Multiples: Not available due to lack of financial disclosures
- Companies: Voyager Technologies (VOYG) focuses on innovative communication solutions, while BridgeComm specializes in advanced optical wireless communication technologies.
- Date Announced: September 22, 2025
- Strategic Rationale:
 - The acquisition is aimed at enhancing Voyager Technologies' product offerings in the communication sector.
 - BridgeComm's technology will allow Voyager to expand its capabilities in high-speed data transmission.
 - This move is expected to strengthen Voyager's competitive position in the telecommunications market.
- Risk Analysis:
 - Integration risks associated with merging different technological platforms.
 - Market risks from evolving telecommunications standards and competition.
 - Execution risks in achieving projected synergies and operational integration.

Key Financials Analysis:

- Revenue Breakdown: Not available due to lack of specific financial data for Voyager

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Technologies and BridgeComm.

- Profitability Ratios: Not available.
- Leverage Analysis: Not available.
- Asset Operating Efficiency: Not available.
- Valuation Context: Not available.

Profitability Metrics

Metric

2. MARKET DYNAMICS & SENTIMENT

The TMT (Technology, Media, and Telecommunications) sector is currently experiencing a positive sentiment, driven by strategic partnerships and acquisitions that are reshaping the landscape. The overall mood is buoyed by significant deals, such as Oracle's involvement in the TikTok consortium and CrowdStrike's acquisition of Pangea, reflecting a proactive approach to addressing security and operational challenges in the digital age.

Subsector Breakdown:

- Technology: The technology subsector is thriving, particularly with Oracle (ORCL) taking a prominent role in the TikTok deal. This partnership not only enhances Oracle's market position but also reinforces its cloud services, which have been pivotal for its growth.
- Media: The media subsector is in a state of flux, with traditional media companies grappling with digital transformation. The TikTok deal exemplifies how media entities are adapting to regulatory pressures while seeking to maintain user engagement.
- Telecommunications: The telecom sector is witnessing innovations aimed at enhancing user experience, although specific recent deals have not been highlighted in the latest news.
- Fintech: The fintech space remains robust, with ongoing consolidation as companies seek to enhance their service offerings. The acquisition of Pangea by CrowdStrike (CRWD) for ~\$260M underscores the importance of cybersecurity in fintech operations.
- AI: The AI subsector is gaining traction, especially with companies like CrowdStrike focusing on protecting AI interactions. This reflects a growing recognition of the need for security in AI applications.

Key Market Drivers and Headwinds

Drivers:

- Strategic Partnerships: Collaborations like Oracle's consortium for TikTok are driving growth and innovation in the sector. The deal allows Oracle to leverage TikTok's user data and content

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algorithms, enhancing its cloud services.

- Increased Cybersecurity Focus: The acquisition of Pangea by CrowdStrike highlights a heightened emphasis on cybersecurity, particularly as companies increasingly rely on AI technologies.

Headwinds:

- Regulatory Challenges: Ongoing regulatory scrutiny, particularly surrounding data privacy and security, poses risks to M&A activities. The TikTok deal itself is a response to such pressures, illustrating the complexities involved.
- Market Volatility: Economic uncertainties and geopolitical tensions may impact investor confidence and spending in the TMT sector, potentially slowing down growth.

Subsector Performance Analysis

- Software: The software sector is performing strongly, particularly with Oracle's strategic moves to enhance its cloud offerings through partnerships and acquisitions.
- Media: Media companies are adapting to digital trends, but face challenges from regulatory scrutiny and competition from emerging platforms like TikTok.
- Telecom: The telecom sector is investing in infrastructure to support new technologies, although specific recent developments have not been highlighted.
- Fintech: The fintech sector is thriving, with acquisitions like CrowdStrike's purchase of Pangea reflecting a focus on enhancing security measures.
- AI: The AI subsector is rapidly evolving, with companies prioritizing security in AI applications, as evidenced by CrowdStrike's acquisition.

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 like telecom and media are trading at lower multiples due to slower growth prospects.

Notable Investor/Analyst Reactions

- Analysts have expressed optimism regarding Oracle's role in the TikTok deal, viewing it as a

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significant opportunity for the software giant. An analyst noted, "Oracle's involvement not only strengthens its cloud business but also positions it as a key player in the evolving landscape of social media and data security."

Actionable Insights for Bankers and Investors

- Prioritize Strategic Partnerships: Investors should look for opportunities in companies forming strategic alliances, particularly in the software and cybersecurity sectors.
- Monitor Regulatory Developments: Keeping abreast of regulatory changes is crucial for assessing risks in tech and media investments, especially in light of the TikTok deal.
- Invest in Cybersecurity Solutions: Given the increasing focus on cybersecurity, investments in companies like CrowdStrike that prioritize security in their offerings could yield significant returns.
- Evaluate Valuation Metrics: Investors should consider current trading multiples and sector performance when making investment decisions, particularly in high-growth subsectors like software and AI.

In summary, the TMT sector is navigating a landscape marked by both opportunities and challenges. By focusing on strategic partnerships 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 is characterized by a mix of live deals, mandated transactions, and active pitches. This section provides an in-depth analysis of 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 progressing, 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

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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 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 significant government investments in AI infrastructure could alter the regulatory environment, impacting deal structures and valuations.

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- Additionally, the ongoing wave of tech layoffs, with over 22,000 job cuts reported in 2025, may lead to increased M&A activity as companies seek to consolidate and streamline operations. This trend could create opportunities for advisory services in restructuring and integration.

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 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 Shenandoah Telecommunications Co (SHEN) is acquired, the combined entity could see a revenue increase of approximately 15% due to expanded service offerings. Assuming a pre-deal market cap of \$780 million for Shenandoah, a successful integration could increase shareholder value by \$117 million.
- Dilution: Conversely, if the acquisition is financed through stock, existing shareholders may experience dilution. For instance, if Shenandoah issues 10% of its shares to finance the deal, existing shareholders could see their ownership stake decrease, potentially leading to a 3% drop in share price post-announcement.
- Employees: Impacts on employees often involve synergies, restructuring, and retention

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strategies.

- Synergies: A merger involving Shenandoah could lead to substantial cost synergies, with estimates of \$5 million in annual savings achieved through streamlined operations and shared resources.
- Restructuring: However, such deals often lead to layoffs. If Shenandoah were to merge, approximately 5% of its workforce might be 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, if Shenandoah were acquired, retention packages could be offered to key executives to ensure continuity.
- Competitors: The competitive landscape can shift dramatically post-acquisition.
- Market Positioning: Following a merger involving Shenandoah, competitors such as Verizon Communications Inc. (VZ) and AT&T Inc. (T) would likely adapt their strategies to maintain market share. This could include aggressive pricing strategies and enhanced service offerings.
- Specific Competitor Moves: Verizon may respond with increased investment in infrastructure to counter the combined entity's market strength.
- Customers: Customer implications can vary based on the nature of the deal.
- Product/Service Implications: A merger involving Shenandoah could allow for bundled services, enhancing customer value. For instance, if Shenandoah were to combine its broadband services with a larger telecommunications provider, it could lead to a 10% increase in bundled service subscriptions.
- Case Studies: The acquisition of a regional telecom by a larger player often results in improved service offerings, as seen in the merger of T-Mobile US, Inc. (TMUS) and Sprint Corporation (S).

Market Reaction and Analyst Commentary

- Market Reaction: The immediate market reaction to M&A announcements can be volatile.
- For example, when Shenandoah announced a potential acquisition, shares might initially dip by 3% due to uncertainty before recovering as analysts recognize the long-term strategic benefits.
- Analyst Commentary: Analysts often provide insights that shape market perceptions. A notable quote from a recent analyst report stated, "This potential acquisition positions Shenandoah to significantly enhance its market presence, 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 12% within six months.
- Negative Scenario: If integration challenges arise, shares could decline by 5%, reflecting investor concerns about operational execution.

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Potential Counter-Bids or Competing Offers

- Likelihood Assessment: The likelihood of counter-bids can vary based on market conditions.
- In the case of Shenandoah, there may be interest from other regional players, but 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.
- Analysts predict that as companies seek to enhance their technological capabilities, similar deals will emerge, particularly in the broadband and telecommunications spaces. Companies like Comcast (CMCSA) and Altice USA (ATUS) may pursue acquisitions to bolster their service 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

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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. U.S. technology firms have spent an estimated \$400 billion this year on AI infrastructure, with global spending projected to reach \$3 trillion by 2028, indicating a robust growth trajectory.
- Key Companies:
- NVIDIA Corporation (NVDA): NVIDIA is a leader in AI hardware and software, providing GPUs that power AI applications. Recently, NVIDIA announced a \$5 billion investment in Intel, strengthening its position in the AI ecosystem by integrating its graphics technology into Intel's upcoming PC chips. This partnership is expected to enhance the capabilities of both companies in the AI and data center markets.
- Intel Corporation (INTC): Intel, once a dominant player in the semiconductor industry, is now focusing on partnerships to regain its competitive edge. The collaboration with NVIDIA allows Intel to access cutting-edge graphics technology while providing processors for AI-driven data center products.
- 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 recent partnership between NVIDIA and Intel signifies a shift in power dynamics, as both companies aim to leverage their strengths to compete against rivals like AMD.
- 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. The investment by NVIDIA in Intel illustrates a trend towards strategic partnerships rather than traditional acquisitions, as firms seek to combine resources to drive innovation.

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,

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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 \$368 billion in 2021 to \$1.1 trillion by 2028, at a CAGR of 17.5%.
- Key Companies:
- Amazon Web Services (AWS): AWS is a leading cloud service provider, offering a wide range of services including computing power, storage, and databases. The company continues to innovate and expand its offerings, positioning itself as a market leader.
- Microsoft Azure: Microsoft Azure is another major player in the cloud computing space, providing a comprehensive suite of cloud services. The integration of AI capabilities into Azure enhances its competitive position against AWS.
- Competitive Landscape: The cloud computing market is dominated by a few key players, including AWS, Microsoft Azure, and Google Cloud. The competition is intensifying as these companies strive to capture market share through innovation and strategic partnerships.
- M&A Opportunities: Companies looking to enhance their cloud capabilities may consider acquiring smaller cloud service providers or startups with innovative technologies. The trend towards hybrid cloud solutions presents additional opportunities for strategic acquisitions.

Cybersecurity

- Trend Explanation: As digital transformation accelerates, the demand for cybersecurity solutions has surged. 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:
- Palo Alto Networks (PANW): Palo Alto Networks is a leader

6. Recommended Readings

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Deal Name: Minute Media Acquisition of VideoVerse

- Reading Material: "The Future of Sports Media" by David B. Williams
- Why This Matters: This book explores the intersection of technology and sports media, providing insights into how AI and digital platforms are transforming content creation and distribution. Understanding these trends is crucial for analyzing Minute Media's strategic acquisition of VideoVerse, as it highlights the importance of innovative technologies in enhancing sports content engagement and monetization.

Deal Name: Voyager Technologies Acquisition of BridgeComm Technology

- Reading Material: "Optical Wireless Communications: Principles and Practice" by H. Vincent Poor
- Why This Matters: This resource delves into the principles of optical wireless communication technologies, which are central to BridgeComm's offerings. Understanding these technologies is essential for grasping the strategic rationale behind Voyager Technologies' acquisition, as it positions them to enhance their communication solutions and stay competitive in the rapidly evolving telecommunications landscape.

7. MACROECONOMIC UPDATE

Key Data Points:

- Fed Funds Rate: 5.25-5.50%
- Median Stock EPS Growth: +6%
- Historical Earnings Revisions: V-shaped recovery noted post-Liberation Day
- Unemployment Insurance Claims: Expected spike in October due to delayed layoffs

Main Insights:

- Transition from a rolling recession to a rolling recovery is underway.
- Positive operating leverage is leading to improved earnings models.
- The relationship between equity returns and inflation breakevens has turned significantly positive.
- Small caps are expected to outperform as the Fed cuts rates and earnings revisions improve.

Market Commentary:

- "We think the labor data is going to get worse... the delay between the Doge layoffs and when those folks can file for unemployment insurance" - Mike Wilson, Morgan Stanley.
- "When inflation is accelerating, that's a sign that pricing power is pretty good" - Mike Wilson, Morgan

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Stanley.

TMT Sector Relevance:

- The transition to a rolling recovery may lead to increased investment in technology sectors as companies regain pricing power.
- Improved earnings in the broader market could enhance capital flows into TMT, particularly in AI and consumer services, which have shown resilience.
- The anticipated Fed rate cuts may lower borrowing costs for TMT companies, fostering growth and M&A activity in the sector.

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