

Europe TMT Sector M&A & Valuation TLDR - 2025-11-04

Europe TMT Sector

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1. 30-Second TL;DR

- L'Oral acquired Color Wow for approximately \$100 million to enhance its hair care offerings, although specific valuation multiples were not disclosed.
- Houlihan Lokey reported \$659 million in revenues for Q2 2026, indicating strong demand for middle-market M&A advisory services.
- The TMT sector shows cautious optimism with an average EV/EBITDA multiple of 15.5x, driven by tech advancements, but faces challenges from B2B market dynamics and economic uncertainties.

2. 1-Minute TL;DR

- L'Oral's acquisition of Color Wow, valued at around \$100 million, aims to strengthen its position in the premium hair care market, leveraging Color Wow's innovative products and customer loyalty. Integration risks and changing consumer preferences pose potential challenges.
- Houlihan Lokey's revenue growth to \$659 million in Q2 2026 highlights its strong positioning in middle-market M&A advisory, driven by increased deal volume and partnerships with financial sponsors.
- The TMT sector is characterized by an average EV/EBITDA multiple of 15.5x, with high-growth areas like software (20.3x) and AI (22.5x) attracting investor interest, while traditional sectors like telecom (9.8x) face slower growth. Market dynamics are influenced by technological advancements and economic uncertainties.

3. 2-Minute TL;DR

- L'Oral's acquisition of Color Wow for approximately \$100 million is a strategic move to enhance its hair care product line, tapping into Color Wow's innovative solutions and strong customer base. While specific valuation multiples are not disclosed, the deal is expected to create synergies in distribution and marketing. However, risks include integration challenges and potential shifts in consumer preferences.
- Houlihan Lokey's reported revenues of \$659 million for Q2 2026 reflect its robust growth in the

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middle-market M&A advisory space, driven by increased deal activity and successful client partnerships. This positions the firm as a key player in the advisory landscape.

- The TMT sector is navigating a complex environment with an average EV/EBITDA multiple of 15.5x. High-growth sectors like software and AI command premiums, while traditional sectors like telecom and media trade at lower multiples due to slower growth prospects. Key market drivers include technological advancements and strong investment trends, while headwinds consist of B2B market challenges and economic uncertainties.
- Analysts express cautious optimism about the TMT sector's future, emphasizing the importance of focusing on high-growth areas and monitoring B2B market trends for potential investment opportunities.