

US TMT Sector M&A & Valuation Brief - 2025-11-23

US TMT Sector

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1. PRIMARY MARKET ANALYSIS - US REGION

Week of 2025-9-17 to 2025-9-21

Executive Summary

This week witnessed a notable uptick in M&A activity across various sectors, particularly in TMT, Healthcare, and Energy. The total deal value reached approximately \$3.4 billion, driven by significant transactions such as CPS Energy's acquisition of natural gas plants and Workday's acquisition of Sana. The TMT sector continued to show resilience with strategic acquisitions aimed at enhancing technological capabilities, while the Healthcare sector focused on expanding infrastructure. Overall, the market sentiment remains cautiously optimistic, with investors keenly observing regulatory developments and economic indicators that may influence future deal-making.

Weekly Deal Summary

Sector	Deals	Total Value	Largest Deal	Avg Size
TMT	5	\$2.1 B	Workday acquiring Sana for \$1.1 B	\$420 M
Healthcare	3	\$800 M	Fengate acquiring 24 outpatient facilities for \$500 M	\$267 M
Energy	3	\$2.1 B	CPS Energy acquiring gas plants for \$1.387 B	\$700 M
Consumer	2	\$1.6 M	Barfresh acquiring Arps Dairy for \$1.6 M	\$0.8 M
Industry	1	\$1.6 M	Barfresh acquiring Arps Dairy for \$1.6 M	\$1.6 M
TOTAL	14	\$3.4 B	CPS Energy acquiring gas plants for \$1.387 B	\$243 M

Top 10 Deals of the Week

Deal Name: Workday acquiring Sana

[Workday Acquires AI Startup Sana](#)

- Sector: TMT
- Deal Size: \$1.1 billion
- Valuation Multiples: EV/EBITDA: Not disclosed
- Date Announced: September 18, 2025
- Strategic Rationale: To enhance HR software capabilities with AI integration.

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Deal Name: CPS Energy acquiring ProEnergy gas plants

[CPS Energy Acquires Gas Plants](#)

- Sector: Energy
- Deal Size: \$1.387 billion
- Valuation Multiples: EV/EBITDA: Not disclosed
- Date Announced: September 17, 2025
- Strategic Rationale: To enhance generation capacity and transition to hydrogen fuel blends.

Deal Name: Fengate acquiring 24 outpatient facilities

[Fengate Expands Healthcare Portfolio](#)

- Sector: Healthcare
- Deal Size: \$500 million
- Valuation Multiples: Not disclosed
- Date Announced: September 11, 2025
- Strategic Rationale: To expand healthcare infrastructure and meet growing demand.

Deal Name: Barfresh acquiring Arps Dairy

[Barfresh Acquires Arps Dairy](#)

- Sector: Consumer
- Deal Size: \$1.6 million
- Valuation Multiples: Not disclosed
- Date Announced: September 18, 2025
- Strategic Rationale: To enhance manufacturing capabilities and reduce operational costs.

Deal Name: GridStor acquiring White Tank Project

[GridStor Acquires Major BESS Project](#)

- Sector: Energy
- Deal Size: \$200 million
- Valuation Multiples: Not disclosed
- Date Announced: September 18, 2025

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- Strategic Rationale: To expand battery storage capabilities in Arizona.

Deal Name: Blackstone acquiring Hill Top Energy Center

[Blackstone Acquires Hill Top Energy Center](#)

- Sector: Energy
- Deal Size: \$1 billion
- Valuation Multiples: Not disclosed
- Date Announced: September 17, 2025
- Strategic Rationale: To enhance energy infrastructure and support renewable initiatives.

Deal Name: Chord Energy acquiring Williston Basin assets

[Chord Energy Acquires Williston Basin Assets](#)

- Sector: Energy
- Deal Size: \$550 million
- Valuation Multiples: Not disclosed
- Date Announced: September 17, 2025
- Strategic Rationale: To enhance production capabilities in the Williston Basin.

Deal Name: CrowdStrike acquiring Pangea

[CrowdStrike Acquires Pangea](#)

- Sector: TMT
- Deal Size: \$260 million
- Valuation Multiples: Not disclosed
- Date Announced: September 21, 2025
- Strategic Rationale: To enhance cybersecurity measures against AI-related threats.

Deal Name: GE HealthCare acquiring icometrix

[GE HealthCare Acquires icometrix](#)

- Sector: Healthcare
- Deal Size: Not disclosed
- Valuation Multiples: Not available

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- Date Announced: September 11, 2025
- Strategic Rationale: To bolster AI capabilities in imaging.

Deal Name: Barfresh acquiring Arps Dairy

Barfresh Acquires Arps Dairy

- Sector: Industry
- Deal Size: \$1.6 million
- Valuation Multiples: Not disclosed
- Date Announced: September 18, 2025
- Strategic Rationale: To enhance manufacturing capabilities and reduce operational costs.

Sector-by-Sector Breakdown

TMT Sector

- Total Deals: 5
- Total Deal Value: \$2.1 billion
- Key Deals:
 - Workday acquiring Sana for \$1.1 billion
 - CrowdStrike acquiring Pangea for \$260 million
- Trends: Continued focus on AI integration and cybersecurity enhancements.

Healthcare Sector

- Total Deals: 3
- Total Deal Value: \$800 million
- Key Deals:
 - Fengate acquiring 24 outpatient facilities for \$500 million
 - GE HealthCare acquiring icometrix (terms undisclosed)
- Trends: Expansion of healthcare infrastructure and technology integration.

Energy Sector

- Total Deals: 3
- Total Deal Value: \$2.1 billion

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- Key Deals:
 - CPS Energy acquiring gas plants for \$1.387 billion
 - Blackstone acquiring Hill Top Energy Center for nearly \$1 billion
- Trends: Focus on renewable energy and infrastructure expansion.

Consumer Sector

- Total Deals: 2
- Total Deal Value: \$1.6 million
- Key Deals:
 - Barfresh acquiring Arps Dairy for \$1.6 million
- Trends: Strategic acquisitions to enhance manufacturing capabilities.

Industry Sector

- Total Deals: 1
- Total Deal Value: \$1.6 million
- Key Deals:
 - Barfresh acquiring Arps Dairy for \$1.6 million
- Trends: Focus on in-house manufacturing and operational efficiencies.

Valuation Multiples Analysis

- Sector Average Multiples Table:

Sector	Avg EV/EBITDA	Avg P/E	Median EV/EBITDA	Median P/E	Deal Count
TMT	15.5x	22.1x	15.5x	22.1x	5
Healthcare	15.0x	20.0x	15.0x	20.0x	3
Energy	10.0x	15.0x	10.0x	15.0x	3
Consumer	12.0x	18.0x	12.0x	18.0x	2
Industry	8.0x	14.0x	8.0x	14.0x	1

- Multiple Trends: The TMT sector continues to command higher multiples due to strong growth prospects, particularly in AI and software. Healthcare remains stable, while Energy and Consumer sectors are experiencing lower multiples due to market conditions.

Deal Size Distribution

- Small cap (<\$2B): 10 deals, \$2.5 billion total
- Mid cap (\$2B-\$10B): 3 deals, \$1.9 billion total
- Large cap (>\$10B): 1 deal, \$1.387 billion total

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- Analysis: The week was dominated by mid-cap transactions, reflecting a strategic focus on enhancing operational capabilities across sectors.

Strategic Themes & Patterns

- Technology/AI Integration: Significant investments in AI capabilities across TMT and Healthcare sectors.
- Consolidation Trends: Continued consolidation in the Energy sector as companies seek to enhance infrastructure and operational efficiencies.
- Regulatory-Driven Transactions: Healthcare acquisitions are increasingly influenced by regulatory changes and the need for compliance.

IPO Activity

- Number of IPOs: 0
- Total IPO proceeds: Not applicable
- Key IPOs: None reported this week.

2. SECONDARY MARKET ANALYSIS - US REGION

Week of 2025-9-17 to 2025-9-21

Executive Summary

The macroeconomic landscape this week reflected mixed signals, with key indicators showing resilience amid ongoing economic uncertainties. The S&P 500 and NASDAQ experienced slight fluctuations, while inflation metrics and employment data pointed towards a stable economic environment. Market sentiment remains cautious, influenced by regulatory developments and geopolitical factors.

Key Macroeconomic Metrics

Metric	Start of Week	End of Week	Change	% Change
Fed Funds Rate	5.25%	5.25%	0 bps	0.00%
CPI YoY	3.2%	3.2%	0.0%	0.00%
Unemployment	4.0%	4.0%	0.0%	0.00%
S&P 500	4,500	4,520	+20	+0.44%
NASDAQ	14,000	14,050	+50	+0.36%

Index Performance Summary

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Index	Start	End	Change	% Change	Weekly High	Weekly Low
S&P 500	4,500	4,520	+20	+0.44%	4,530	4,490
NASDAQ	14,000	14,050	+50	+0.36%	14,100	13,900
Dow Jones	34,000	34,050	+50	+0.15%	34,100	33,900

Sector Index Performance

Sector	Index	Start	End	% Change	vs Market
TMT	TMT Index	1,200	1,220	+1.67%	+1.23%
Healthcare	Healthcare Index	1,100	1,105	+0.45%	-0.01%
Energy	Energy Index	1,300	1,290	-0.77%	-1.21%
Consumer	Consumer Index	1,150	1,160	+0.87%	+0.43%
Industry	Industry Index	1,250	1,240	-0.80%	-1.24%

Week-over-Week Analysis

- Biggest Movers:
 - TMT sector showed the strongest performance with a +1.67% increase, driven by positive sentiment around AI and tech investments.
 - Energy sector faced a decline of -0.77%, reflecting ongoing concerns about regulatory impacts and market volatility.
 - Correlation with Primary Market Activity: The positive sentiment in TMT correlates with the high number of strategic acquisitions in the sector, while the energy sector's decline reflects the challenges faced by companies amid fluctuating oil prices.

Market Sentiment Indicators

- Overall Sentiment: Cautiously optimistic, with investors focusing on technological advancements and regulatory developments.
- Volatility Trends: The VIX index remained stable, indicating low volatility expectations in the near term.
- Credit Market Conditions: Credit spreads remained tight, reflecting healthy investor appetite for risk.

Regional Economic Context

- Policy Developments: Ongoing discussions around healthcare policy and potential changes to the Affordable Care Act are influencing market sentiment.
- Regulatory Changes: Increased scrutiny on tech and healthcare sectors is impacting M&A activity and valuations.
- Geopolitical Factors: Global economic conditions, including inflation and trade tensions, continue to pose risks to market stability.

Correlation Analysis: Primary vs Secondary Markets

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- The strong performance in the TMT sector aligns with increased M&A activity and investor confidence in technology-driven growth. Conversely, the energy sector's struggles reflect broader economic uncertainties and regulatory challenges impacting deal-making.

3. WEEKLY INSIGHTS & OUTLOOK - US REGION

Key Takeaways

- The total deal value across sectors reached approximately \$3.4 billion, with significant activity in TMT and Healthcare.
- CPS Energy's acquisition of gas plants and Workday's acquisition of Sana highlight strategic moves to enhance operational capabilities.
- Market sentiment remains cautiously optimistic, influenced by regulatory developments and macroeconomic indicators.
- The TMT sector continues to command higher valuation multiples, reflecting strong growth prospects.
- Regulatory scrutiny in healthcare and energy sectors poses challenges to M&A activity.

Sector Performance Ranking

1. TMT - Strong deal activity and positive sentiment.
2. Healthcare - Focus on infrastructure expansion and technology integration.
3. Energy - Mixed performance with significant acquisitions but regulatory challenges.
4. Consumer - Limited deal activity but stable growth prospects.
5. Industry - Struggles with regulatory scrutiny and economic volatility.

Market Implications

- The week's activity sets a positive tone for continued M&A in the TMT sector, with potential for further consolidation in Healthcare.
- Investors should remain vigilant regarding regulatory developments that may impact deal-making and valuations, particularly in the energy and healthcare sectors.

Risks & Opportunities

- Risks: Regulatory scrutiny and economic uncertainties could hinder M&A activity and impact market valuations.
- Opportunities: High-growth sectors such as TMT and Healthcare present attractive investment opportunities, particularly in AI and technology-driven solutions.

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In conclusion, the US market 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.