

APAC TMT Sector M&A & Valuation TLDR - 2025-12-24

APAC TMT Sector

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1. 30-Second TL;DR

- The TMT sector shows cautious optimism, with varied performance across subsectors driven by technological advancements and regulatory scrutiny.
- Key deals include Clearwater Analytics' \$8.4 billion acquisition, highlighting fintech consolidation.
- Average EV/EBITDA multiple stands at 15.5x, with software and AI commanding higher valuations at 20.3x and 22.5x, respectively.
- Investors should focus on high-growth areas while monitoring regulatory developments and economic uncertainties.

2. 1-Minute TL;DR

- The TMT sector is characterized by cautious optimism, influenced by macroeconomic factors and regulatory developments. Notable activity includes Clearwater Analytics' \$8.4 billion acquisition, indicating ongoing fintech consolidation.
- The average EV/EBITDA multiple for the sector is 15.5x, with software and AI leading at 20.3x and 22.5x, respectively, while traditional sectors like telecom and media lag behind.
- Market dynamics are shaped by technological advancements, particularly in AI and cloud computing, alongside headwinds from regulatory scrutiny and economic uncertainties.
- Investors are advised to prioritize high-growth sectors and stay informed about regulatory changes that could impact valuations and M&A activities.

3. 2-Minute TL;DR

- The TMT sector is navigating a landscape of cautious optimism, driven by technological advancements and regulatory scrutiny. Recent M&A activity includes Clearwater Analytics' \$8.4 billion acquisition, reflecting strong investor confidence in fintech consolidation.
- The average EV/EBITDA multiple for the TMT sector is approximately 15.5x, with software (20.3x) and

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AI (22.5x) commanding premiums due to robust growth prospects. In contrast, traditional sectors like telecom (9.8x) and media (12.1x) face challenges from slower growth.

- Key market drivers include continuous innovation in AI and cloud computing, while headwinds consist of increased regulatory scrutiny and economic uncertainties that may impact consumer spending.
- Investors should focus on high-growth areas such as AI and fintech, while being cautious with traditional sectors. Monitoring regulatory developments is crucial for assessing risks in tech investments.
- The current banking pipeline reflects a dynamic environment, with expected revenues of \$30 million from live, mandated, and pitching-stage deals, indicating strong demand for advisory services in retail and e-commerce.
- Overall, the TMT sector presents both opportunities and challenges, and strategic focus on technological advancements and market dynamics will be essential for success.