

US TMT Sector M&A & Valuation TLDR - 2025-10-29

US TMT Sector

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1. 30-Second TL;DR

- GigaCloud Technology Inc announced an \$18 million acquisition of New Classic Home Furnishings to enhance its e-commerce capabilities.
- NTT DATA is acquiring Alchemy Technology Services to strengthen its insurance technology offerings, though deal size is 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 \$18 million acquisition of New Classic Home Furnishings aims to boost its e-commerce capabilities by integrating a robust supplier network.
- NTT DATA's acquisition of Alchemy Technology Services focuses on enhancing its digital transformation efforts in the insurance sector, although 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 software (20.3x) and AI (22.5x) attract 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 is a strategic move to enhance its e-commerce capabilities by integrating New Classic's supplier network. This acquisition diversifies GigaCloud's supply chain and strengthens its position in brick-and-mortar retail. Risks include integration challenges and market competition.
- NTT DATA's acquisition of Alchemy Technology Services aims to bolster its insurance technology consultancy capabilities, addressing the growing demand for agile solutions in the sector. Specific

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financial details remain undisclosed, but the integration is expected to enhance NTT DATA's market presence.

- The TMT sector is navigating a landscape of cautious optimism, with an average EV/EBITDA multiple of 15.5x. High-growth sectors like software and AI command higher multiples, while traditional sectors like telecom and media trade lower due to slower growth prospects.

- Key market drivers include technological advancements and robust investments in tech and fintech, while headwinds consist of regulatory scrutiny and economic uncertainties. Analysts predict continued consolidation in the sector, emphasizing the importance of strategic partnerships and acquisitions for growth.