

US TMT Sector M&A & Valuation TLDR - 2025-12-19

US TMT Sector

Generated on 2025-12-19

CONFIDENTIAL - FOR INTERNAL USE ONLY

1. 30-Second TL;DR

- A consortium led by Saudi Arabia's Public Investment Fund announced a \$55 billion acquisition of Electronic Arts, aiming to enhance AI-driven gaming experiences.
- The TMT sector saw \$256 billion in M&A activity in Q3 2025, driven by tech advancements and regulatory changes.
- The average EV/EBITDA multiple for the sector is 15.5x, with high-growth areas like AI at 22.5x, indicating a premium for innovation despite economic uncertainties.

2. 1-Minute TL;DR

- The \$55 billion acquisition of Electronic Arts by a consortium including Saudi Arabia's Public Investment Fund aims to leverage the growing gaming market and enhance AI capabilities, though it faces integration and regulatory risks.
- The TMT sector experienced a robust \$256 billion in M&A activity in Q3 2025, reflecting a recovery driven by advancements in AI and cybersecurity.
- The average EV/EBITDA multiple stands at 15.5x, with software at 20.3x and AI at 22.5x, signaling strong investor interest in high-growth sectors while traditional areas like telecom lag at 9.8x.
- Market dynamics are shaped by technological advancements and regulatory scrutiny, influencing future M&A activities.

3. 2-Minute TL;DR

- The recent \$55 billion acquisition of Electronic Arts by a consortium led by Saudi Arabia's Public Investment Fund is a strategic move to capitalize on the booming gaming market and enhance AI-driven experiences. The deal, announced in Q3 2025, faces risks such as integration challenges and regulatory scrutiny due to its size.
- In Q3 2025, the TMT sector saw a significant \$256 billion in M&A activity, reflecting a strong recovery fueled by advancements in AI and digital solutions. This trend indicates a proactive approach to

US TMT Sector M&A & Valuation TLDR - 2025-12-19

US TMT Sector

capturing market share amid increasing demand for technology.

- The average EV/EBITDA multiple for the TMT sector is approximately 15.5x, with notable variations: software commands a premium at 20.3x, AI at 22.5x, while traditional sectors like telecom and media trade lower at 9.8x and 12.1x, respectively.
- Key market drivers include continuous technological innovation and strategic acquisitions, while headwinds consist of regulatory scrutiny and economic uncertainties. Analysts predict ongoing consolidation in the sector as companies seek to enhance their technological capabilities and market positioning.