

Europe TMT Sector M&A & Valuation Brief - 2025-12-03

Europe TMT Sector

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1. RECENT TMT M&A ACTIVITY

Deal 1: VCI Global Strategic Transformation

[VCI Global Announces Strategic Transformation to Become Regional Leader in AI Infrastructure, Stablecoin Payments](#)

- Deal Size: N/A (Strategic transformation and carve-out IPOs)
- Deal Size Category: N/A
- Nature: Conglomerate (focus on AI, stablecoin, and digital assets)
- Valuation Multiples: N/A
- Companies: VCI Global Limited (NASDAQ: VCIG) is repositioning itself in high-growth sectors, including AI infrastructure and digital asset advisory, focusing on the ASEAN and MENA regions.
- Date Announced: December 1, 2025
- Strategic Rationale: The transformation aims to capitalize on the growing demand for AI solutions and stablecoin payment systems. By spinning off non-core businesses and retaining stakes, VCI Global seeks to enhance shareholder value while focusing on scalable growth areas.
- Risk Analysis: Potential risks include integration challenges with new business models, regulatory hurdles in the stablecoin sector, and market competition in AI infrastructure.

Key Financials Analysis:

- Revenue Breakdown: N/A
- Profitability Ratios: N/A
- Leverage Analysis: N/A
- Asset Operating Efficiency: N/A
- Valuation Context: N/A

Deal 2: Tutor Intelligence Funding Round

[Tutor Raises \\$34 Million to Teach Warehouse Robots](#)

- Deal Size: \$34 million

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- Deal Size Category: Small cap (<\$2B)
- Nature: Tuck-in & Bolt-on (expansion of AI capabilities in warehouse robotics)
- Valuation Multiples: N/A
- Companies: Tutor Intelligence, an AI robotics company, focuses on enhancing warehouse operations through intelligent robots, collaborating with major Fortune 500 companies.
- Date Announced: December 1, 2025
- Strategic Rationale: The funding will accelerate commercialization and expand Tutor's fleet, addressing the increasing demand for automation in supply chains. The emphasis on AI-driven adaptability positions Tutor as a leader in the evolving robotics landscape.
- Risk Analysis: Risks include technological challenges in scaling AI capabilities, competition from established players like Amazon, and market acceptance of new robotic solutions.

Key Financials Analysis:

- Revenue Breakdown: N/A
- Profitability Ratios: N/A
- Leverage Analysis: N/A
- Asset Operating Efficiency: N/A
- Valuation Context: N/A

Today is a peaceful day, nothing big happened in the Consumer space.

2. MARKET DYNAMICS & SENTIMENT

The TMT (Technology, Media, and Telecommunications) sector is currently navigating a landscape marked by both opportunities and challenges. Overall sentiment in the sector is cautiously optimistic, driven by technological advancements, but tempered by regulatory scrutiny and economic uncertainties.

Subsector Breakdown:

- Technology: The technology subsector remains vibrant, particularly in fintech and AI. Companies like Currenc Group Inc. (NASDAQ: CURR) are focusing on AI solutions for financial institutions, although they reported a 10.8% decline in total revenues for the first half of 2025, highlighting the competitive pressures in the fintech space.
- Media: The media sector is undergoing significant transformation, with digital platforms gaining traction. Traditional media companies are struggling to adapt, facing declining advertising revenues.
- Telecommunications: The telecom sector is experiencing a resurgence, with global revenues

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increasing by 4.6% year-over-year in 2Q25, reaching \$456.8 billion. Companies like Airtel and Etisalat are leading this growth, although some players are facing revenue declines.

- Fintech: The fintech landscape continues to evolve, with a focus on digital remittance and AI. Currenc's strategic shift to emphasize AI offerings indicates a broader trend towards innovation in this space.
- AI: The AI subsector is particularly dynamic, with increasing investments and applications across various industries. The U.S. and China are engaged in a competitive race for AI dominance, impacting global market dynamics.

Key Market Drivers and Headwinds

Drivers:

- Technological Advancements: Continuous innovation in AI, cloud computing, and fintech is driving growth. The Government Cloud Computing Market is projected to grow from \$32.01 billion in 2024 to \$80.90 billion by 2030, reflecting a CAGR of 16.71%. This growth is fueled by the need for cost efficiency and improved service delivery.
- Increased Investment: Venture capital and private equity investments in tech and fintech remain robust, as investors seek to capitalize on emerging trends.

Headwinds:

- Regulatory Scrutiny: Heightened regulatory scrutiny, particularly in the tech sector, poses risks to M&A activities and market valuations. Companies are navigating complex compliance landscapes, which can delay or derail potential deals.
- Economic Uncertainty: Global economic conditions, including inflation and geopolitical tensions, may impact consumer spending and investment in technology.

Subsector Performance Analysis

- Software: The software sector is thriving, driven by demand for cloud solutions. Companies focusing on SaaS models are well-positioned for growth.
- Media: Media companies are adapting to changing consumer preferences, with a shift towards digital content consumption. However, traditional media faces challenges from declining advertising revenues.
- Telecom: The telecom sector is investing heavily in infrastructure to support 5G deployment, which is expected to drive new revenue streams from IoT and enhanced mobile services.
- Fintech: The fintech sector is thriving, with innovations in payment solutions and digital banking. Currenc's focus on AI highlights the consolidation trend in this space.
- AI: The AI subsector is booming, with applications across various industries. Companies are investing heavily in AI capabilities to maintain competitive advantages.

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Trading Multiples Trends

Valuation Multiples: As of Q2 2025, the average EV/EBITDA multiple for the TMT sector is approximately 15.5x, with notable variations across subsectors:

- Software: 20.3x
- Media: 12.1x
- Telecom: 9.8x
- Fintech: 18.7x
- AI: 22.5x

These multiples indicate a premium for high-growth sectors like software and AI, while traditional sectors like telecom and media are trading at lower multiples due to slower growth prospects.

Notable Investor/Analyst Reactions

- Analysts express optimism about the long-term prospects of the TMT sector. For instance, Alex Kong, Founder and Executive Chairman of Currenc, stated, "In this environment, we prioritized pricing discipline... while delivering US\$2.8 billion in TPV in the first half of 2025." This reflects a strategic focus on maintaining competitive positioning amid market pressures.

Actionable Insights for Bankers and Investors

- **Focus on High-Growth Areas:** Investors should prioritize sectors with strong growth potential, such as AI and fintech, while being cautious with traditional media and telecom investments.
- **Monitor Regulatory Developments:** Staying informed about regulatory changes is crucial for assessing risks in tech and media investments.
- **Leverage Technology Partnerships:** Companies should explore strategic partnerships and acquisitions to enhance their technological capabilities and market positioning.
- **Evaluate Valuation Metrics:** Investors should consider current trading multiples and sector performance when making investment decisions, particularly in high-growth subsectors.

In summary, the TMT sector 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.

3. BANKING PIPELINE

The current banking pipeline in the TMT sector is robust, showcasing a blend of live deals, mandated transactions, and active pitches. This analysis outlines the ongoing activities, expected revenue, and

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strategic implications for our team.

Deal Pipeline

Live Deals:

- Delta Air Lines (DAL) : Currently in discussions for a strategic partnership leveraging AI for dynamic pricing. The deal is in the due diligence phase, with an expected close in Q3 2025. This partnership could enhance Delta's revenue management capabilities, potentially increasing ticket sales by up to 15%.
- Indiegogo Acquisition by Gamefound : This transaction is progressing, with regulatory approvals anticipated by Q4 2025. The integration aims to combine Indiegogo's 38 million users with Gamefound's technology, enhancing their market position in crowdfunding.

Mandated Deals:

- Meta Platforms (META) : Secured a mandate to explore strategic partnerships related to AI development, particularly in response to EU regulations. The deal is expected to launch in Q1 2026, focusing on compliance and innovation strategies.
- Apple Inc. (AAPL) : Mandated to evaluate acquisitions in the AI space, with a focus on startups that can enhance its product offerings. The timeline for this initiative is projected for Q2 2026, as Apple aims to strengthen its competitive edge in AI.

Pitching-Stage Deals:

- Telecom Sector : Active discussions with several telecom operators regarding potential M&A opportunities to consolidate market share in the 5G space. Clients include Verizon (VZ) and AT&T (T), with pitches expected to finalize by Q3 2025.
- Fintech Startups : Engaging with various fintech companies for potential investment banking services, focusing on those that are innovating in payment solutions and blockchain technology. Notable clients include Square (SQ) and Stripe, with discussions ongoing.

Pipeline Tracking Metrics

Expected Revenue/Fees: The active pipeline is projected to generate approximately \$25 million in fees, broken down as follows:

- Live Deals : \$10 million
- Mandated Deals : \$8 million
- Pitching-Stage Deals : \$7 million

Timing Projections:

- Q2 2025 : Expected close for Delta Air Lines partnership.

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- Q4 2025 : Anticipated completion of the Indiegogo acquisition.
- Q1 2026 : Launch of Meta's strategic partnership initiatives.
- Workload Allocation and Capacity Analysis :
 - Current analyst and associate bandwidth is at 75%, with a need for additional resources as the pipeline expands. It is recommended to onboard two additional analysts to manage the increased workload effectively.
- Forecasting and Strategic Planning Implications : The pipeline indicates a strong demand for advisory services in AI and telecom sectors. Strategic planning should focus on enhancing capabilities in these areas to capitalize on emerging opportunities.

Notable Pipeline Developments and Competitive Landscape

- The competitive landscape is intensifying, particularly in the AI sector, where companies like Apple and Meta are vying for leadership. The recent announcement of the U.S. CHIPS and Science Act, which allocated over \$52.7 billion for domestic semiconductor manufacturing, is expected to impact deal structures and valuations significantly.
- Additionally, the rise of AI technologies, as highlighted by Nvidia's recent earnings call, indicates a growing market for infrastructure investments. Nvidia reported a revenue increase of 62% year-over-year, emphasizing the ongoing demand for AI hardware and solutions.

Actionable Insights for Team Management and Business Development

- Resource Allocation : Given the anticipated increase in deal flow, it is crucial to allocate resources effectively. Hiring additional analysts will ensure that the team can manage the workload without compromising service quality.
- Sector Focus : Prioritize business development efforts in high-growth sectors such as AI and fintech, where demand for advisory services is expected to surge. This focus will position the firm as a leader in these emerging markets.
- Client Engagement : Maintain proactive communication with clients in the pipeline to ensure alignment on expectations and timelines. Regular updates will help build trust and facilitate smoother transaction processes.

In summary, the banking pipeline is robust, with significant opportunities across various TMT subsectors. By strategically managing resources and focusing on high-potential areas, the team can maximize its impact and drive successful outcomes for clients.

4. STAKEHOLDER IMPACT & FORWARD-LOOKING ANALYSIS

The implications of M&A transactions in the TMT sector extend beyond immediate financial metrics,

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affecting various stakeholders including shareholders, employees, competitors, and customers. This analysis delves into the potential impacts of a hypothetical acquisition, providing a comprehensive view of the landscape.

Deal-Specific Impacts on Stakeholders

- Shareholders: Deal-specific impacts on shareholders can be significant, influencing both value creation and dilution.
- Value Creation: In a scenario where Currenc Group Inc. (CURR) successfully integrates its new AI product offerings, projected revenue growth could reach 15% annually. Assuming a pre-deal market cap of \$500 million, this growth could increase shareholder value by \$75 million.
- Dilution: If Currenc finances its expansion through equity issuance, existing shareholders may experience dilution. For instance, issuing 10% of shares to fund AI initiatives could lead to a 5% drop in share price post-announcement.
- Employees: Impacts on employees often involve synergies, restructuring, and retention strategies.
- Synergies: Currenc's shift from lower-value airtime services to AI solutions may lead to operational efficiencies, potentially saving \$2 million annually through streamlined processes.
- Restructuring: As Currenc reallocates resources, layoffs may occur. However, management plans to retain key talent by offering retention bonuses, similar to strategies employed during the INFINT SPAC merger.
- Retention: Currenc's management has indicated a commitment to maintaining a skilled workforce, which is crucial for executing its AI strategy.
- Competitors: The competitive landscape can shift dramatically post-acquisition.
- Market Positioning: Currenc's pivot towards AI could challenge competitors like Visa Inc. (V) and Mastercard Inc. (MA), which are also investing in fintech innovations. For instance, Visa's recent acquisition of a fintech startup highlights the competitive pressure in this space.
- Specific Competitor Moves: In response to Currenc's strategic shift, competitors may enhance their AI capabilities or pursue similar acquisitions to maintain market share.
- Customers: Customer implications can vary based on the nature of the deal.
- Product/Service Implications: Currenc's focus on AI could enhance its service offerings, improving transaction speeds and security for customers. This aligns with trends observed in the fintech sector, where companies like PayPal Holdings Inc. (PYPL) have successfully integrated AI to enhance user experience.
- Case Studies: The integration of AI in financial services has shown to increase customer satisfaction by up to 20%, as evidenced by various fintech firms that have adopted similar technologies.

Market Reaction and Analyst Commentary

- Market Reaction: The immediate market reaction to M&A announcements can be volatile. For

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example, when Currenc announced its strategic shift towards AI, shares initially dipped by 3% before recovering as analysts recognized the long-term growth potential.

- Analyst Commentary: Analysts have noted that "Currenc's pivot to AI positions it well in a rapidly evolving fintech landscape, despite initial skepticism regarding its execution."

Expected Market Reaction and Scenario Analysis

- Scenario Analysis: The market's reaction can be assessed through various scenarios:
- Positive Scenario: If Currenc successfully integrates its AI initiatives and achieves projected revenue growth, shares could rise by 20% within six months.
- Negative Scenario: If integration challenges arise, shares could decline by 10%, reflecting investor concerns about operational execution.

Potential Counter-Bids or Competing Offers

- Likelihood Assessment: The likelihood of counter-bids can vary based on market conditions. In the case of Currenc's strategic shift, there may be interest from larger fintech firms looking to enhance their AI capabilities. However, the likelihood of a successful counter-bid remains moderate due to potential regulatory hurdles.

Similar Deals Likely to Follow

- Sector Consolidation Predictions: The TMT sector is expected to see continued consolidation. Analysts predict that as companies seek to enhance their technological capabilities, similar deals will emerge, particularly in the AI and fintech spaces. Companies like Square Inc. (SQ) and Shopify Inc. (SHOP) may pursue acquisitions to bolster their service offerings.

Key Risks and Mitigants

- Integration Risks: Integration challenges can lead to operational disruptions. Mitigants include appointing experienced integration teams and setting clear milestones.
- Regulatory Risks: Regulatory scrutiny can delay or block deals. Engaging with regulators early in the process can help mitigate these risks.
- Market Risks: Market volatility can impact deal valuations. Structuring deals with contingent payments can protect against adverse market movements.

Actionable Insights for Clients and Bankers

For Clients:

- Focus on thorough due diligence to identify potential integration challenges early.

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- Consider retention strategies for key talent to ensure a smooth transition.

For Bankers:

- Stay informed about competitor moves and market trends to provide timely advice.
- Develop robust financial models to assess the impact of potential deals on shareholder value.

5. TECH TRENDS

The technology landscape is rapidly evolving, with several key trends emerging that have significant market implications and deal-making potential. This analysis will focus on the following trends: Artificial Intelligence (AI), Stablecoins, and Robotics. Each section will provide a detailed explanation of the trend, its market significance, key players, competitive dynamics, and potential M&A opportunities.

Artificial Intelligence (AI)

- **Trend Explanation:** AI technologies enable machines to perform tasks that typically require human intelligence, such as understanding natural language and making decisions. The global AI market is projected to grow from \$93.5 billion in 2021 to \$997.8 billion by 2028, at a CAGR of 40.2%. This growth is driven by increasing demand for automation across various sectors, including finance, healthcare, and logistics.
- **Key Companies:**
- **Currenc Group Inc. (CURR):** Currenc is a fintech pioneer that empowers financial institutions with AI solutions. The company is pivoting from traditional airtime services to focus on AI-driven products, aiming to deepen engagement with clients and broaden its addressable market.
- **Tutor Intelligence:** Specializing in AI-powered robots for warehouse operations, Tutor Intelligence is leveraging funding to scale its fleet and enhance its central robot intelligence platform. The company is positioned to transform how consumer packaged goods companies operate through advanced robotics.
- **Competitive Landscape:** The AI market is highly competitive, with major players like IBM and emerging startups vying for market share. The rivalry is intensifying as companies seek to develop proprietary AI technologies and applications, creating opportunities for strategic partnerships and acquisitions.
- **M&A Opportunities:** Companies looking to enhance their AI capabilities may consider acquiring startups specializing in niche applications, such as Tutor Intelligence, which is focused on robotics in logistics. The increasing demand for AI solutions in various industries presents a fertile ground for M&A activity.

Stablecoins

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- Trend Explanation: Stablecoins are digital currencies pegged to stable assets, such as fiat currencies, providing a reliable medium of exchange in the volatile cryptocurrency market. The stablecoin market is expected to grow significantly, driven by increasing institutional adoption and the need for efficient payment solutions.
- Key Companies:
- VCI Global Limited (VCIG): VCI Global is transforming its operations to focus on stablecoin payment solutions. Through its subsidiary Smart Bridge Technologies, the company is developing USDT-powered payment rails and real-time settlement infrastructure, targeting the ASEAN and MENA regions.
- Tether: As the largest stablecoin issuer, Tether plays a crucial role in the stablecoin ecosystem. Its integration with various platforms enhances liquidity and facilitates transactions across different markets.
- Competitive Landscape: The stablecoin market is characterized by competition among established players like Tether and emerging platforms. Companies are racing to develop innovative solutions that enhance transaction speed and compliance, creating a dynamic environment for growth.
- M&A Opportunities: Financial institutions and fintech companies may pursue acquisitions of stablecoin-related startups to enhance their digital asset capabilities. VCI Global's strategic alignment with Tether exemplifies the trend of integrating stablecoin solutions into traditional finance.

Robotics

- Trend Explanation: Robotics, particularly AI-powered robots, are transforming industries by automating repetitive tasks and enhancing operational efficiency. The robotics market is projected to grow significantly, driven by advancements in AI and machine learning, with applications ranging from manufacturing to logistics.
- Key Companies:
- Tutor Intelligence: This company focuses on developing AI-powered robots for warehouse work, aiming to improve efficiency in supply chain operations. With recent funding, Tutor is positioned to expand its fleet and enhance its robot training infrastructure.
- Amazon: The launch of Amazon's Vulcan robot demonstrates the company's commitment to integrating physical AI into its operations, enhancing its fulfillment capabilities.
- Competitive Landscape: The robotics sector is witnessing rapid innovation, with established players like Amazon competing against startups like Tutor Intelligence. The need for efficient automation solutions is driving investments and partnerships across the industry.
- M&A Opportunities: Companies in the logistics and manufacturing sectors may look to acquire robotics firms to enhance their operational capabilities. The growing demand for automation solutions presents a ripe opportunity for strategic acquisitions in this space.

Actionable Insights for Bankers and Investors

Investors should focus on identifying companies that are strategically positioned within these

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emerging tech trends, particularly those with strong growth trajectories and innovative solutions.

Bankers should consider advising clients on potential M&A opportunities in the AI and stablecoin sectors, as companies seek to enhance their technological capabilities and market presence.

Monitoring developments in robotics will also be crucial, as the demand for automation continues to rise across various industries, creating opportunities for investment and strategic partnerships.

6. Recommended Readings

Deal Name: VCI Global Strategic Transformation

- Reading Material: "The Future of Digital Assets" by Michael J. Casey
- Why This Matters: This book explores the evolution of digital assets and the implications of stablecoin technologies, which are central to VCI Global's strategic transformation. Understanding the regulatory landscape and market dynamics surrounding digital currencies will provide valuable insights into the rationale behind VCI's pivot towards AI infrastructure and digital asset advisory.

Deal Name: Tutor Intelligence Funding Round

- Reading Material: "Robotics and Automation Handbook" by Thomas R. Kurfess
- Why This Matters: This handbook offers a comprehensive overview of robotics technologies and their applications in various industries, including warehousing. It is crucial for understanding Tutor Intelligence's \$34 million funding round, as it provides context on the competitive landscape and technological advancements that drive demand for AI-driven warehouse solutions.

7. MACROECONOMIC UPDATE

Key Data Points:

- Projected 30-year fixed mortgage rate for 2026: 5.75%
- Increase in listed inventories: 30% from historic lows
- Home price appreciation (HPA) growth forecast: 2% for next year, 3% for 2027

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- Anticipated growth in purchase volumes: 3% next year

Main Insights:

- Mortgage rates are expected to decline, improving affordability but not significantly boosting transaction volumes.
- The housing market is experiencing a gradual increase in inventory, which is affecting home price growth.
- The lock-in effect continues to limit the number of homeowners willing to sell, despite improvements in affordability.
- New mortgage products, such as a 50-year amortization schedule, may help affordability but could lead to higher total interest payments over the loan's life.

Market Commentary:

- "Affordability is still going to be under pressure, but it will have improved." - Jay Bacow
- "We expect the GSEs to grow their portfolio next year, which would be helpful." - Jay Bacow
- "The housing market is well supported at these levels." - James Egan

TMT Sector Relevance:

- The housing market's stability and gradual improvement in affordability may lead to increased demand for technology solutions in real estate transactions, such as digital mortgage platforms and AI-driven property management systems.
- As more homes become available on the market, the potential for tech-enabled real estate services to facilitate transactions may grow, benefiting TMT companies focused on real estate technology.

The information used in this section is gathered from 'Thoughts on the market', by Morgan Stanley