

US TMT Sector M&A & Valuation TLDR - 2025-10-21

US TMT Sector

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1. 30-Second TL;DR

- The TMT sector is showing cautious optimism, driven by tech advancements and significant investments, particularly in software and AI.
- Deel raised \$300M at a \$17B valuation, while AMD is pursuing a strategic partnership with OpenAI.
- The average EV/EBITDA multiple for the sector is 15.5x, with software and AI commanding higher premiums.
- Regulatory scrutiny and economic uncertainties pose challenges, impacting M&A activities.

2. 1-Minute TL;DR

- The TMT sector is characterized by cautious optimism, with Deel securing \$300M at a \$17B valuation, indicating strong investor confidence in HR tech.
- AMD is in due diligence for a partnership with OpenAI, expected to enhance its AI GPU deployment.
- The average EV/EBITDA multiple for the sector stands at 15.5x, with software at 20.3x and AI at 22.5x, reflecting high growth potential.
- Key drivers include technological advancements and robust investments, while headwinds consist of regulatory scrutiny and economic uncertainties, which may affect future M&A activities.

3. 2-Minute TL;DR

- The TMT sector is experiencing a mix of growth opportunities and regulatory challenges, with Deel raising \$300M at a \$17B valuation, showcasing strong investor confidence in the HR tech space.
- AMD is currently in due diligence for a strategic partnership with OpenAI, which could significantly enhance its AI GPU deployment, projected to generate substantial revenue.
- The average EV/EBITDA multiple for the TMT sector is approximately 15.5x, with software and AI sectors commanding higher multiples of 20.3x and 22.5x, respectively, while traditional sectors like telecom and media trade lower due to slower growth.

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- Market dynamics are influenced by continuous technological advancements and significant investments, particularly in software and compliance solutions, while regulatory scrutiny and economic uncertainties pose risks to valuations and M&A activities.
- The current banking pipeline indicates a robust mix of live deals, with AMD and NVIDIA exploring strategic partnerships, while the fintech sector shows consolidation trends, highlighting the evolving landscape of the TMT market.