

APAC TMT Sector M&A & Valuation TLDR - 2025-12-22

APAC TMT Sector

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1. 30-Second TL;DR

- A \$20 billion Photonic AI Manufacturing City is set to be developed in Malaysia, aiming to position the country as a semiconductor leader and create 60,000 jobs.
- Arm China is establishing an R&D center in Hong Kong to enhance its AI capabilities, reflecting a trend of tech firms expanding in favorable markets.
- 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

- The Photonic AI Manufacturing City project, a \$20 billion initiative in Malaysia, aims to create a semiconductor hub and generate 60,000 jobs, enhancing local economic growth and positioning Malaysia as a leader in advanced manufacturing.
- Arm China is expanding its footprint by establishing an R&D center in Hong Kong, focusing on AI and robotics, which aligns with the trend of tech firms leveraging favorable business environments.
- The TMT sector is characterized by cautious optimism, with an average EV/EBITDA multiple of 15.5x. High-growth areas like AI (22.5x) and software (20.3x) command premiums, while traditional sectors like telecom (9.8x) face challenges.
- Market dynamics are influenced by technological advancements, regulatory scrutiny, and economic uncertainties, shaping future M&A activities.

3. 2-Minute TL;DR

- The \$20 billion Photonic AI Manufacturing City in Malaysia, a collaboration between the Hosein and Gan Family Offices, aims to establish a semiconductor manufacturing hub, creating 40,000 skilled jobs and 20,000 indirect jobs. This initiative positions Malaysia as a leader in advanced manufacturing and semiconductor technology, although it faces integration and regulatory risks.
- Arm China is establishing an R&D center in Hong Kong to enhance its AI capabilities, reflecting a

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strategic move to tap into local talent and align with the growing trend of tech firms expanding in favorable markets. This investment is crucial for maintaining competitiveness in the rapidly evolving AI landscape.

- The TMT sector is navigating a landscape of cautious optimism, with an average EV/EBITDA multiple of 15.5x. High-growth sectors like software (20.3x) and AI (22.5x) are attracting investor interest, while traditional sectors like telecom (9.8x) and media (12.1x) face challenges due to slower growth.

- Key market drivers include technological advancements and strong investment 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 to enhance technological capabilities and market positioning.