

US TMT Sector M&A & Valuation TLDR - 2025-10-26

US TMT Sector

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1. 30-Second TL;DR

- Crusoe raised \$1.38 billion to enhance AI data center capabilities, valued over \$10 billion.
- CoreWeave is negotiating to acquire Core Scientific, originally valued at \$9 billion, to expand its AI and blockchain services.
- 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

- Crusoe's recent funding round of \$1.38 billion aims to bolster its AI data center operations, positioning it for significant growth in AI processing power, with a valuation exceeding \$10 billion.
- CoreWeave is in talks to acquire Core Scientific for \$9 billion, enhancing its service offerings in AI and blockchain amidst rising demand.
- The TMT sector reflects cautious optimism, with an average EV/EBITDA multiple of 15.5x. High-growth areas like AI (22.5x) and software (20.3x) attract premiums, while traditional sectors like telecom (9.8x) face challenges.
- Market dynamics are shaped by technological advancements, regulatory scrutiny, and economic uncertainties, influencing future M&A activities.

3. 2-Minute TL;DR

- Crusoe, a cloud infrastructure partner of OpenAI, recently completed a funding round of \$1.38 billion, enhancing its capabilities in AI data center construction. Valued at over \$10 billion, this funding positions Crusoe to meet the growing demand for AI processing power, with projected revenues of \$23 billion by 2025. Key risks include market competition and regulatory scrutiny.
- CoreWeave is negotiating to acquire Core Scientific, valued at \$9 billion, to strengthen its AI and blockchain service offerings. This acquisition is crucial as demand for these services surges, although risks include shareholder opposition and regulatory hurdles.

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- The TMT sector is characterized by cautious optimism, with an average EV/EBITDA multiple of 15.5x. High-growth sectors like AI and software command higher multiples, while traditional sectors like telecom and media trade lower due to slower growth prospects.
- Key market drivers include continuous technological advancements and robust investment in fintech and AI, while headwinds consist of regulatory scrutiny and economic uncertainties. Analysts predict ongoing consolidation in the sector, highlighting the importance of strategic partnerships and acquisitions to enhance technological capabilities.