

APAC TMT Sector M&A & Valuation TLDR - 2025-12-16

APAC TMT Sector

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1. 30-Second TL;DR

- Contemporary Amperex Technology Co. (CATL) raised \$5.3 billion in an IPO to fund global expansion in the EV market.
- BYD Co. secured over \$5 billion through a share placement to enhance production capabilities in electric vehicles.
- 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

- CATL's IPO aims to support its growth in the electric vehicle sector, leveraging the capital for R&D and production capacity, although risks include market volatility and competition.
- BYD's share placement focuses on expanding its EV production and R&D, positioning it against competitors like Tesla.
- The TMT sector is characterized by cautious optimism, with an average EV/EBITDA multiple of 15.5x, with high-growth areas like software (20.3x) and AI (22.5x) commanding premiums, while traditional sectors like telecom (9.8x) lag behind.
- Market dynamics are influenced by technological advancements, regulatory scrutiny, and economic uncertainties, shaping future M&A activities.

3. 2-Minute TL;DR

- CATL's recent IPO, raising \$5.3 billion, is part of its strategy to enhance its position in the electric vehicle market, focusing on R&D and production capacity. The deal's valuation multiples are not disclosed, but the capital raised is expected to improve its competitive edge against peers like LG Chem and Panasonic. Risks include market volatility and regulatory challenges.
- BYD's share placement, exceeding \$5 billion, aims to bolster its production capabilities and R&D in electric vehicles, aligning with global sustainability trends. This capital will strengthen BYD's market

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position against rivals like Tesla and NIO.

- 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) attract investor interest, while traditional sectors like telecom (9.8x) and media (12.1x) face challenges due to slower growth.

- Key market drivers include interest rate cuts and strong earnings expectations, while headwinds consist of regulatory scrutiny and economic uncertainties. Analysts predict continued consolidation in the sector, emphasizing the importance of focusing on high-growth areas and monitoring regulatory developments.