



M&A trends in tech, media, and telecom

Q3 2025 M&A trends report

Disciplined dealmaking,
transformative transactions

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AI, infrastructure, and portfolio shaping: The TMT playbook

The technology, media, and telecom (TMT) sector maintained its resilience in the third quarter of 2025 (Q3'25), with AI-driven innovation, infrastructure consolidation, and disciplined dealmaking shaping the landscape.

TMT navigated persistent economic and geopolitical pressures while delivering a surge in deal activity,—including the largest take-private on record.¹ Companies managed tariff shifts, regulatory hurdles, and volatile markets yet continued to invest in AI and digital infrastructure. Corporate buyers and private equity (PE) firms emphasized disciplined execution and early integration planning, and overall, the market remained selective and focused on strategic priorities.²

This resilience played out against a backdrop of uncertainty. Inflation edged above the Fed's 2 percent target, driven by tariffs and uneven consumer spending. A late-quarter government shutdown disrupted official data, forcing reliance

on private indicators. Each week of closure trimmed GDP by an estimated 0.2 percentage points, while the Fed—operating with limited visibility—signaled a cautious path toward rate cuts later in the year.

Within TMT, AI dominated strategy, shaping technology M&A and influencing media and telecom moves. Despite a slight dip in overall volume, fundamentals held strong, supported by transformative, high-profile transactions as valuations stayed high on expectations of AI-led transformation.^{2,3} In tech, buyers shifted from customer acquisition to securing AI talent, data centers, and scalable platforms. In media, companies consolidated to expand digital reach while investors turned their attention to sports as an asset class. In telecom, operators accelerated fiber and spectrum investments to future-proof networks.

¹ Martina Castellanos, "Electronic Arts Sells (\$55B) In Largest-Ever Private Buyout," Forbes.com, September 29, 2025.

² Nicolas Provenzano, "The Current State of Tech in M&A: Innovations, AI, Regulations and Trends," Pipeline Capital.

³ Charlotte Cannell, "Tech sector M&A outlook: Strategic insights for 2025 & beyond," Shoosmiths, August 21, 2025.

Q3 2025 highlights

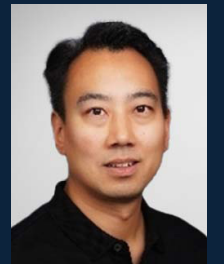
1,395
deals

↓ -4.8%
decrease in number
of deals QoQ

\$239.9
deal value (in \$US bn)

↑ 45.7%
increase in deal
value QoQ

"EA set a big precedent. We used to talk about a \$20 or \$30 billion deal being the upper end of take-privates. But now, private credit is a more material part of the market."

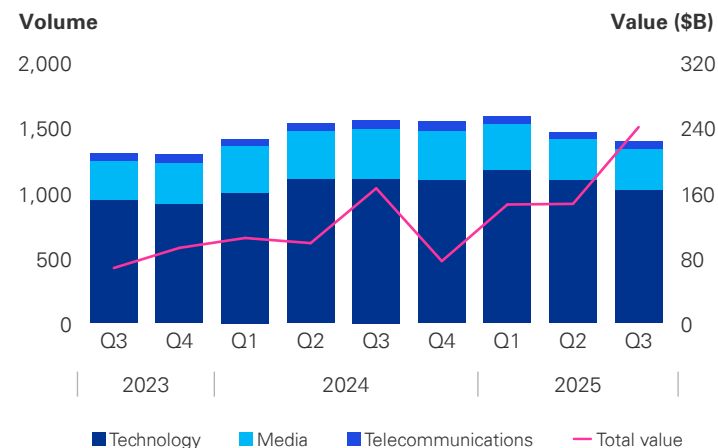


—Scott Purdy
Principal, National Media Industry
Leader, KPMG LLP

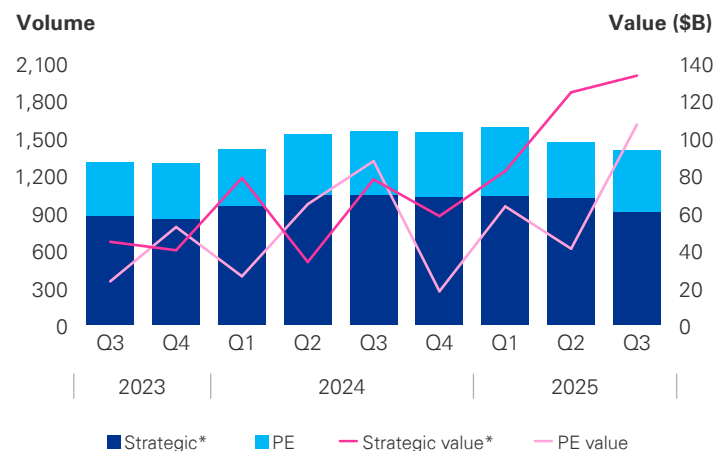
AI, digital infrastructure, and disciplined capital keep TMT fundamentals strong

The market increasingly focused on larger, transformative transactions, even as the number of deals shrank. Strategic buyers accounted for over 60 percent of deal volume, with PE activity shifting toward bolt-ons and minority recaps. The sector's fundamentals remain robust, underpinned by AI, digital infrastructure, and disciplined capital deployment. Overall, TMT recorded 1,395 deals in Q3'25, a 4.8 percent decrease QoQ and a 10.0 percent decline YoY. Despite this, total deal value reached \$239.9 billion, an increase of 45.7 percent QoQ and 45.4 percent YoY.

Technology, media and telecom deal volume and value



Technology, media and telecom strategic/PE deal volume and value

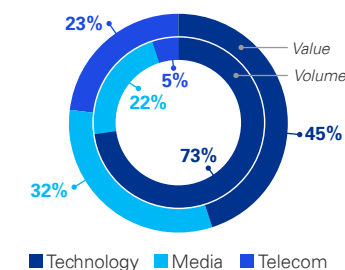


*Data also contains figures for SPAC deals.

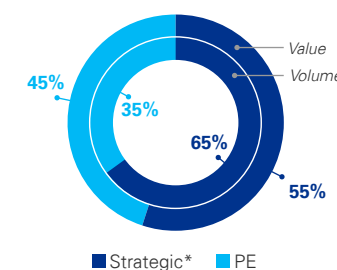
Tech companies dominate dealmaking in Q3'25

Technology, media and telecom - Q3'25

Sector mix



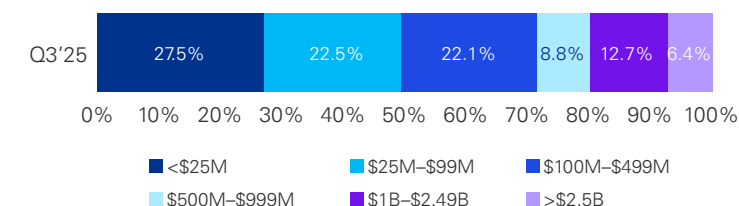
PE/strategic mix



Values may not add to 100% due to rounding.

*Data also contains figures for SPAC deals.

Technology, media and telecom deal size mix - Q3'25



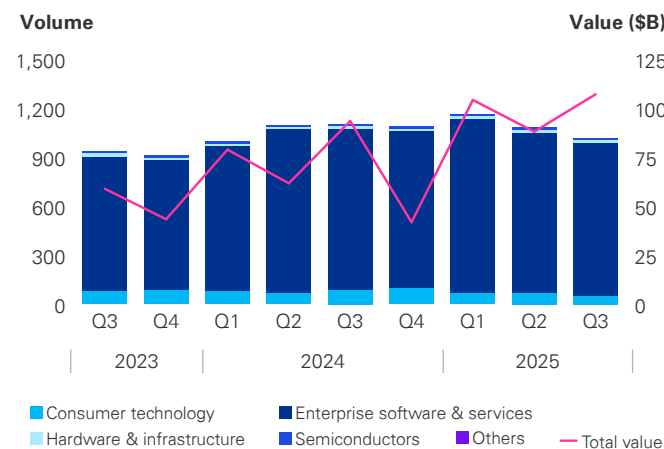
Note: Deals with disclosed values only. Values may not add to 100% due to rounding.

Sector Data

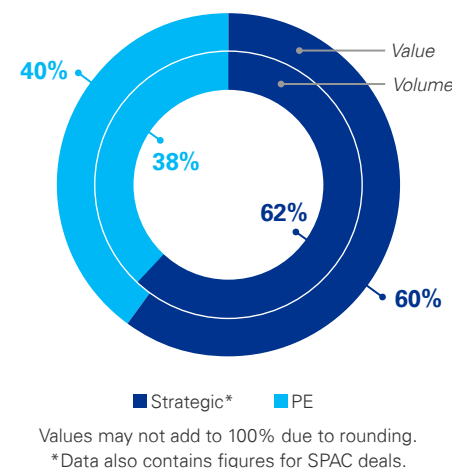
In technology, AI and infrastructure drove value

The ongoing AI boom and the strategic race for digital infrastructure drove dealmaking in tech in Q3'25. Acquirers prioritized AI-native platforms, data centers, and cybersecurity, with landmark deals like Palo Alto Networks' \$25 billion CyberArk acquisition, Thoma Bravo's \$12.3 billion Dayforce acquisition and CoreWeave's \$9 billion purchase of Core Scientific (subject to shareholder approval), underscoring the sector's pivot toward scalable, innovation-led assets. PE activity centered on bolt-ons and carve-outs, as firms sought future-proof portfolios.⁴ Tech deal volume declined by 7.0 percent QoQ and 7.9 percent YoY, while deal value increased by 21.7 percent QoQ and 14.7 percent YoY.

Technology deals by subsector



Technology strategic/PE mix - Q3'25



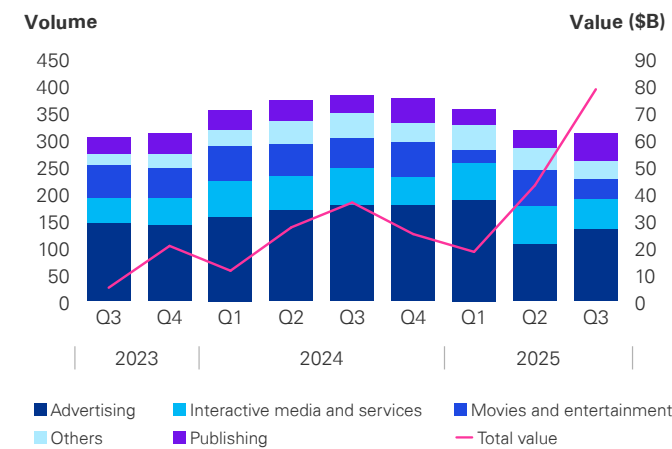
⁴ "CoreWeave to Acquire Core Scientific," CoreWeave.com, July 7, 2025.

⁵ "Nexstar Media Group, Inc. Enters into Definitive Agreement to Acquire TEGNA Inc. For \$6.2 Billion In Accretive Transaction," Tegna.com, August 19, 2025

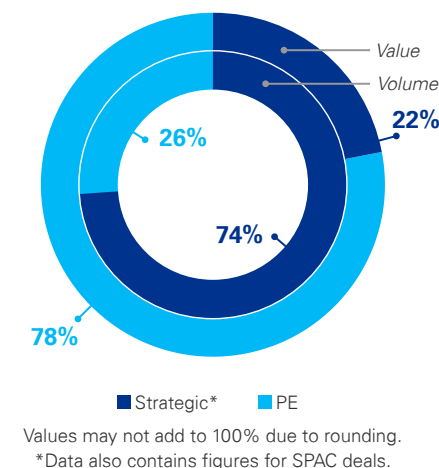
Consolidation and digital pivots create value in media

The media sector's consolidation wave intensified as companies sought scale and digital monetization in response to cord-cutting and declining ad revenues. Major deals such as Nexstar's \$6.2 billion acquisition of TEGNA and the \$55 billion Electronic Arts buyout highlighted the shift toward digital content ecosystems and platform scalability, while AI and GenAI adoption accelerated innovation and operational efficiency.⁵ Transformative transactions in the media sector created a sharp divergence between volume and value in Q3'25: Deal volume dropped 2.5 percent QoQ and 18.3 percent YoY, but deal value surged 67.1 percent QoQ and 109.9 percent YoY.

Media deals by subsector



Media strategic/PE mix - Q3'25



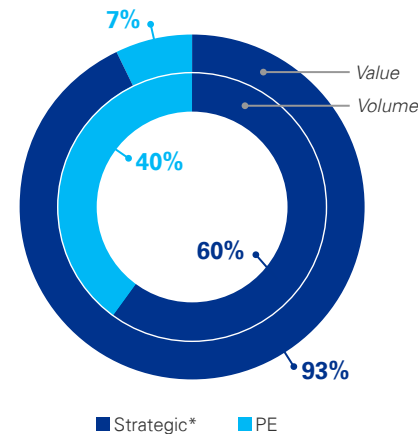
Telecommunications: Fiber and spectrum deals reshape the landscape

Large-scale infrastructure consolidation and the pursuit of fiber and spectrum assets defined telecom dealmaking in telecom in Q3'25. Operators and investors targeted fiber network expansion and spectrum acquisitions to meet surging demand for high-speed connectivity, with headline deals including AT&T's \$23 billion spectrum purchase and Amphenol's \$10.5 billion acquisition of CommScope's CCS business. Private capital continued to play a growing role, as the sector positioned itself for long-term digital infrastructure growth.⁶ Deal volume increased 26.4 percent QoQ and 3.1 percent YoY, deal value also rose 83.1 percent QoQ and 60.0 percent YoY, reflecting the impact of major strategic transactions.

Telecom deals by quarter



Telecom strategic/PE mix - Q3'25



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

⁶Linda Hardesty, "Fiber operators and investors have different worries amid consolidation," Fierce-Network.com, September 30, 2025.

Top deals

Acquirer: Affinity Partners (Miami), Saudi Arabia's Public Investment Fund, Silver Lake Target: Electronic Arts	Value (billions) \$55.0
Acquirer: Palo Alto Networks, Inc. Target: CyberArk Software Ltd.	Value (billions) \$25.0
Acquirer: AT&T Mobility II LLC Target: EchoStar Corporation (600MHz and 3.45 GHz band licenses)	Value (billions) \$23.0
Acquirer: Space Exploration Technologies Corp. Target: EchoStar (AWS-4 and H-block spectrum licenses)	Value (billions) \$17.0
Acquirer: Abu Dhabi Investment Authority, Thoma Bravo Target: Dayforce (Business/Productivity Software)	Value (billions) \$12.3

Deal data has been sourced from Capital IQ and Pitchbook, and then further refined and analyzed by KPMG LLP. The cited values and volumes cover inbound, domestic, and outbound US deals announced during the timeframe, including both majority and minority stakes. Deal values are based on publicly available data and are not exhaustive. Previously published statistics may be revised to incorporate new data or changes.

Strong fundamentals support cautious optimism

AI, infrastructure, and regulatory shifts will shape the deal landscape.

Looking ahead to Q4'25 and into 2026, TMT will continue to face ongoing concerns around tariffs, inflation, and regulatory scrutiny, even as sector fundamentals remain strong. AI will continue to drive dealmaking across TMT, with strategic buyers focusing on talent, infrastructure, and integration and PE firms seeking creative deal structures. Media companies are shifting toward digital monetization and immersive content, using AI for personalization and efficiency. Telecom operators will prioritize successful closure of fiber acquisitions announced earlier in the year; they will also focus on acquiring new customers using creative convergence offerings that combine fiber, fixed wireless access, and other non-telecom services. Regulatory environments will stay fluid, with heightened antitrust scrutiny for large tech and telecom deals, but dealmakers who engage proactively with regulators and structure flexible transactions will be best positioned to seize new opportunities.^{7 8}

“Investors now rank power availability and permitting as the greatest risk, ahead of financing cost. Expect nuclear, small modular reactors, and long term utility partnerships in the M&A playbook.”

—Anuj Bahal

Principal, US National TMT Deal Advisory and Strategy Leader, KPMG LLP



⁷ “2025 M&A Outlook,” GoldmanSachs.com.

⁸ Nicolas Provenzano, “The Current State of Tech in M&A: Innovations, AI, Regulations and Trends,” Pipeline Capital.



In tech, national security and supply chain resilience will drive US chip strategy in Q4'25

Tech M&A will focus on AI, data centers, and cybersecurity, but deal pace may slow as buyers navigate economic and regulatory headwinds. National security concerns are reshaping semiconductor strategy, driving government investment into Intel and rare earth minerals players. These moves aim to reduce reliance on overseas production and establish a domestic champion to secure supply chain resilience.



Media deals will reflect a digital monetization push

In Q4'25, we expect continued portfolio shaping will enable companies to scale quickly. Media deals will continue targeting sports assets, digital content, and AdTech, with consolidation and innovation in monetization remaining top priorities.



Convergence with focus will define telecom dealmaking

Telecom M&A will accelerate around the convergence of wireless, fiber, and FWA, as operators continue with footprint expansion and private capital drives the next wave of consolidation. There may be opportunities to divest non-core assets and services as operators renew their focus on gaining and retaining new subscribers under increased competition and stagnated population growth.



Key considerations as we look ahead

TMT industry dealmakers should consider the following factors:

01

Double down on diligence:

Early-stage diligence—especially around AI capabilities, talent, data governance, and integration readiness—is critical. With intense competition for fewer high-quality deals, thorough vetting is non-negotiable.

04

Watch the regulators:

Antitrust scrutiny is intensifying, particularly for large tech and telecom deals. Dealmakers must proactively engage with regulators and structure deals with flexibility to avoid delays and maximize value.

02

Accelerate fiber-first telecom strategy:

Telecom players must prioritize completing their earlier fiber acquisitions and accelerating the value delivered. Infrastructure scale is now a competitive moat, especially in AI and cloud connectivity. Regulatory changes will require nimble strategy adjustments.

05

Capitalize on AI convergence:

AI is now a vertical—it's a horizontal enabler. Deals that embed AI across infrastructure, operations, and customer experience will command premium valuations and future-proof portfolios.

03

Replatform media for monetization:

Prioritize assets enabling GenAI personalization and immersive content. Streaming saturation and ad decline demand sharper portfolio decisions and operational agility.



See our past perspectives



Q2 2025 Technology, media and telecom (July 2025)



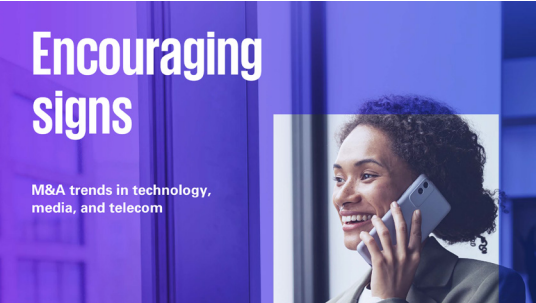
Q1 2025 Technology, media and telecom (May 2025)



Q4 2024 Technology, media and telecom (February 2025)



Q3 2024 Technology, media and telecom (December 2024)



Q2 2024 Technology, media and telecom (August 2024)



Q1 2024 Technology, media and telecom (May 2024)



Q4 2023 Technology, media and telecom (January 2024)



Q3 2023 Technology, media and telecom (October 2023)



How KPMG can help

KPMG helps its clients overcome deal obstacles by taking a truly integrated approach to delivering value, leveraging its depth in the TMT industry, data-supported and tools-led insights, and full M&A capabilities across the deal lifecycle.

With a TMT specialization, our teams bring both transactional and operational experience, delivering rapid results and value creation.

Our team

Experience wins the deal.

Each member of our deal team brings extensive industry experience and functional depth, working together to help you win the right deals, divest successfully and create long-term value.

**Anuj Bahal**

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**Scott Purdy**

*National Media Industry
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**Phil Wong**

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