



M&A trends in tech, media, and telecom

Q2 2025 M&A trends report

Dealmakers stay selective, disciplined,
and value-driven

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Strategic calm amid shifting tides in Q2'25

Despite macroeconomic tremors and geopolitical noise in the second quarter of 2025 (Q2'25), the technology, media, and telecom (TMT) sector demonstrated a resilient and strategically focused mergers and acquisitions (M&A) environment. While overall deal volume declined modestly quarter-over-quarter (QoQ), overall deal value remained stable, with strategic value reaching its highest level since Q2'22. The quarter reflects a market that is increasingly selective, disciplined, and driven by long-term value creation, thanks to a convergence of AI-led innovation, infrastructure consolidation, and a recalibration of private equity (PE) strategies in response to tightening capital markets and regulatory scrutiny.^{1 2 3}

Q2'25 unfolded against a backdrop of cautious optimism. The Federal Reserve held rates steady, inflation showed signs of moderation, and capital markets began to stabilize following tariff-induced volatility in the first half of the year. Strategic acquirers leaned into AI-native capabilities, cybersecurity, and data infrastructure, while PE firms recalibrated toward bolt-on and carve-out deals amid a more challenging fundraising

environment. Notably, dealmakers continued to prioritize integration readiness and value capture planning earlier in the deal lifecycle—a trend accelerated by GenAI adoption across diligence and postmerger integration workflows.^{4 5 6}

In the technology subsector, there was a clear shift from prioritizing revenue and customer acquisition toward acquiring AI talent and infrastructure. Companies are absorbing talent, and investing in data centers and storage, rather than just acquiring companies to remain competitive in AI and agentic AI. In media and telecom, ongoing consolidation efforts remain likely as companies seek to compete with streaming services and capture growth with wireless-fiber convergence, highlighted by the Charter and Cox merger and the AT&T/Lumen transaction. In PE, firms now consider the AI-readiness of potential acquisitions to ensure sustainability in an AI-driven market, reflecting AI's growing influence on business models.

In this report, we dissect the quarter's key M&A metrics, spotlight sector-specific deal themes, and offer forward-looking insights for dealmakers navigating the evolving TMT landscape.

¹ Audrey Weiss, "Is Deal Activity on the Rise? 3 Signs We See Now," J.P. Morgan Private Bank, June 20, 2025.

² Jefferies Editorial Team, "Tariffs, Valuations, and Cautious Optimism: The Outlook for Tech M&A," Jefferies, May 19, 2025.

³ James Coker, "Cybersecurity M&A Roundup: AI Advancements Drive Activity in June," Infosecurity Magazine, June 30, 2025.

⁴ Ha Dao Thu, "The Rise of AI Infrastructure Investment," SmartDev, April 14, 2025.

⁵ "Channel M&A: Managed Services, Cybersecurity, Compliance Spur Growth," ChannelE2E, May 28, 2025.

⁶ Jordan Smith, "May Roundup: Mergers and Acquisitions From Around the Channel," Channel Insider, June 2, 2025.

Q2 2025 highlights

1,460
deals

↓ -7.6%
decrease in number
of deals QoQ

\$146.0
deal value (in \$US bn)

↑ 0.5%
increase in deal
value QoQ

"For AI and agentic AI, there is a dual arms race right now. One is for talent. The other is for investment in digital infrastructure."

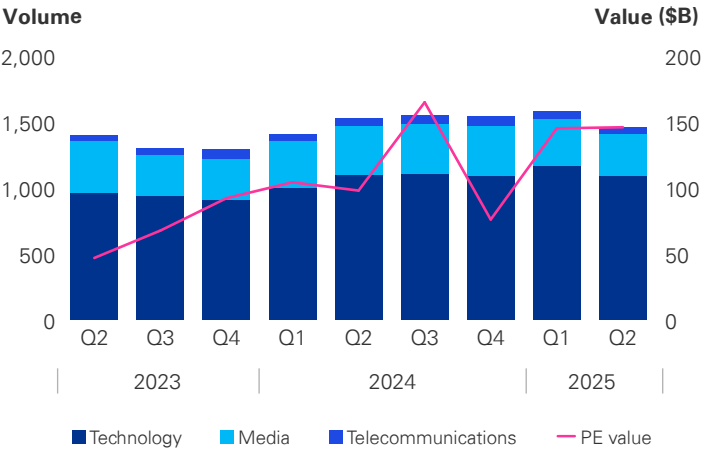


—Philip Wong
Principal, Advisory,
Performance Transformation, KPMG LLP

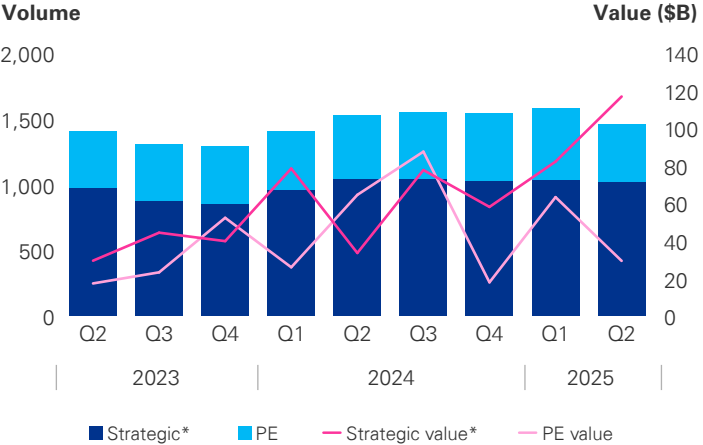
Steady valuations on softer volume

In Q2'25, the TMT sector recorded a 4.3 percent decline in deal volume year-over-year (YoY), reflecting a more selective approach to dealmaking compared to the same quarter in 2024. However, deal value held steady, increasing 0.5 percent QoQ, signaling sustained appetite for high-quality, strategic transactions despite macroeconomic headwinds. Compared to Q2'24, total deal value was up 49.1 percent, underscoring a shift toward larger, more complex deals even as the number of transactions tapered off.

Technology, media and telecom deal volume and value



Strategic/PE deal volume and value

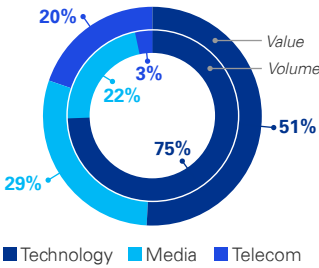


*Data also contains figures for SPAC deals.

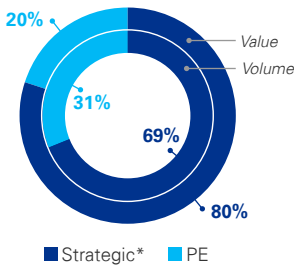
Tech companies dominate dealmaking in Q2'25

Technology, media and telecom - Q2'25

Sector mix

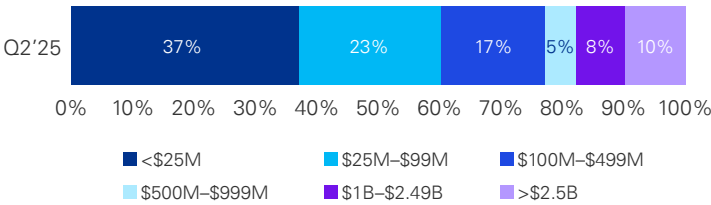


PE/strategic mix



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

Technology, media and telecom deal size mix - Q2'25



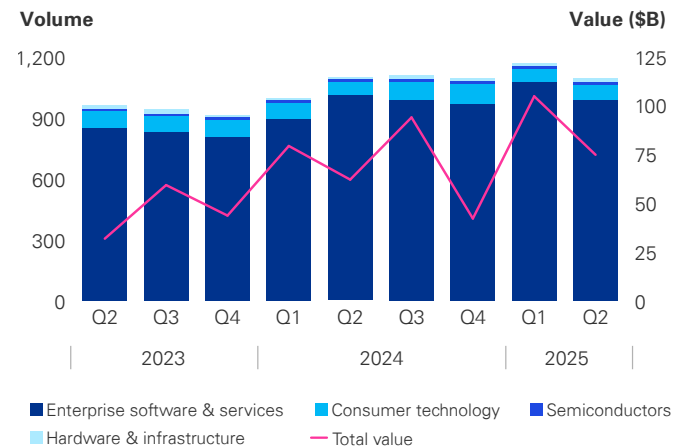
Note: Deals with disclosed values only. Values may not add to 100% due to rounding.

Complex, transformative deals dominated the Q2'25 transaction landscape

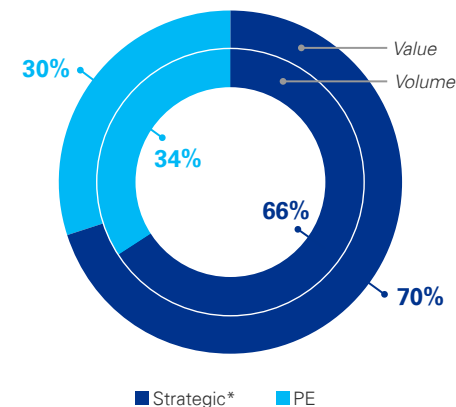
Technology: Strategic recalibration in tech

Technology remained the most active subsector, though it experienced a 6.3 percent drop in deal volume QoQ and a 0.5 percent decline YoY, indicating a cooling in transaction count after a strong Q1'25. Deal value fell 28.7 percent QoQ, but remained up 20.6 percent YoY, driven by continued investment in AI infrastructure, cybersecurity, and semiconductor assets. The sector's strategic focus on full-stack AI integration and data infrastructure consolidation continues to attract large-scale capital deployment.⁷

Technology deals by subsector



Technology strategic/PE mix - Q2'25

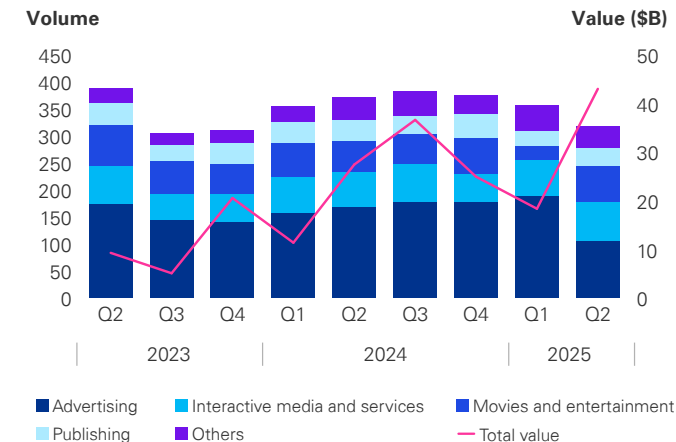


Values may not add to 100% due to rounding.
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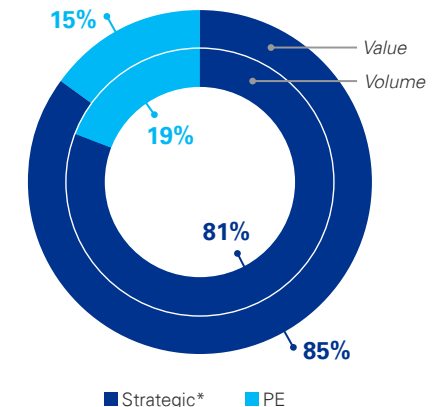
Media: Transformative consolidations continue

Media deal volume declined 10.7 percent QoQ and 14.5 percent decline YoY, reflecting ongoing consolidation and cautious optimism amid regulatory scrutiny. However, deal value surged 135.7 percent QoQ and rose 56.9 percent YoY, fueled by the Charter/Cox transaction and high-profile acquisitions in streaming services and cloud gaming, including Scopely's portfolio-expanding acquisition of Niantic. This rebound in value suggests that while fewer deals are being done, those that are executed are increasingly transformative and aimed at scaling digital content delivery.

Media deals by subsector



Media strategic/PE mix - Q2'25



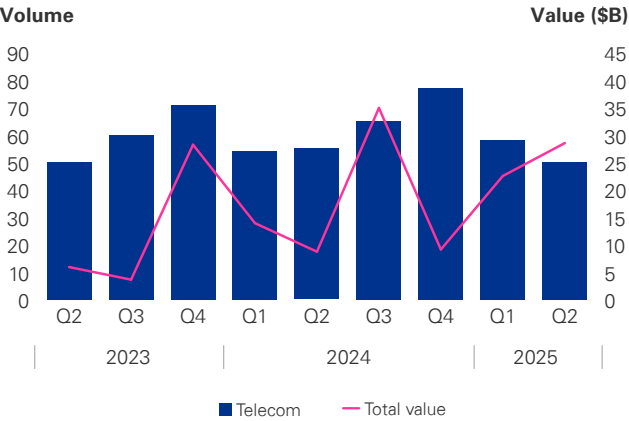
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⁷Ha Dao Thu, "The Rise of AI Infrastructure Investment," SmartDev, April 14, 2025.

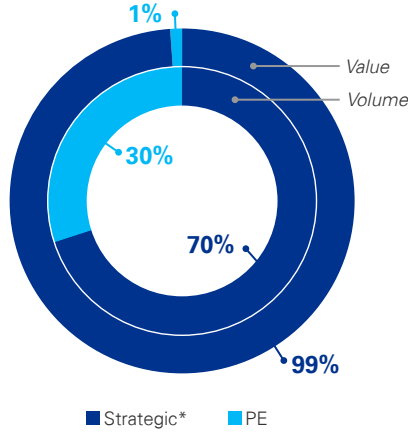
Telecommunications: Fiber fuels telecom value surge

Telecom saw a 13.8 percent decline in deal volume QoQ and a 9.1 percent drop YoY, consistent with a sector undergoing strategic realignment and infrastructure-focused consolidation. Despite the volume dip, deal value rose 26.5 percent QoQ, and 226.9 percent YoY, driven by the periodic large strategic deals in the sector which included Hotwire and ATT/Lumen in Q2’25. Fiber-to-the-Home network expansion in quality assets and convergence remain key drivers of telecom M&A, with private capital playing a growing role in reshaping the landscape. We expect smaller deals and related volume to return once interest rates and multiples decline—like the broader deal market.

Telecom deals by subsector



Telecom strategic/PE mix - Q2’25



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

Top deals

Acquirer: Charter Communications, Inc. Target: Cox Communications, Inc.	Value (billions) \$34.5
Acquirer: Salesforce, Inc. Target: Informatica Inc.	Value (billions) \$8.0
Acquirer: Brookfield Infrastructure Partners L.P. Target: Hotwire Communications, LLC	Value (billions) \$7.0
Acquirer: AT&T Target: Lumen Technologies, Inc	Value (billions) \$5.8
Acquirer: Siemens AG Target: GraphPad Software, LLC (dba Dotmatics)	Value (billions) \$5.1

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.

Quality, not quantity: PE and corporates are ready to place strategic, long-term bets

The second half of 2025 is poised to deliver steady M&A activity in the TMT sector. While macroeconomic uncertainty and regulatory scrutiny remain headwinds, the underlying fundamentals—AI and emerging agentic AI adoption, digital infrastructure demand, and strategic realignment—continue to support a healthy deal pipeline.^{8,9}

Strategic acquirers are expected to double down on AI talent and capabilities, cybersecurity, and vertical integration plays to expand offering portfolio capabilities and secure critical resources. PE firms, facing pressure to return capital, will likely pursue creative structures such as minority recaps, GP-led secondaries, and bolt-ons in AI-adjacent verticals. Deal pacing may remain uneven, but the quality of transactions is expected to improve as buyers focus on integration readiness and value realization.^{10,11,12}



Technology

In technology, dealmakers will continue to prioritize the pursuit of talent, infrastructure and AI portfolio expansion. Expect continued investment in AI/agentic AI capabilities, data infrastructure, and cybersecurity (especially in emerging areas related to Trusted AI). Strategic buyers will prioritize full-stack control and ecosystem integration.



Media

Improving regulatory conditions and changing consumer behaviors favor dealmaking in media. Consolidation in streaming and gaming will intensify. Legacy media will pursue digital pivots, with AI-driven content creation and personalization at the core.



Telecommunications

Fiber is the future in telecom. Infrastructure-focused M&A will remain strong, particularly in fiber and the data center value chain. Expect more provider consolidation and private capital inflows into broadband assets, with regulatory environments encouraging mergers and leading to a reshaping of the competitive landscape. Changes to Broadband Equity, Access, and Deployment funding allocations will also likely lead to operators revisiting business plans and M&A strategies in the impacted markets.

⁸ Audrey Weiss, “Is Deal Activity on the Rise? 3 Signs We See Now,” J.P. Morgan Private Bank, June 20, 2025.

⁹ Jefferies Editorial Team, “Tariffs, Valuations, and Cautious Optimism: The Outlook for Tech M&A,” Jefferies, May 19, 2025.

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Key considerations as we look ahead

TMT industry dealmakers should consider the following factors:

01

Double down on diligence:

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

02

Replatform media for monetization:

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

03

Accelerate fiber-first telecom strategy:

Telecom players must prioritize fiber consolidation. Infrastructure scale is now a competitive moat, especially in AI and cloud connectivity.

04

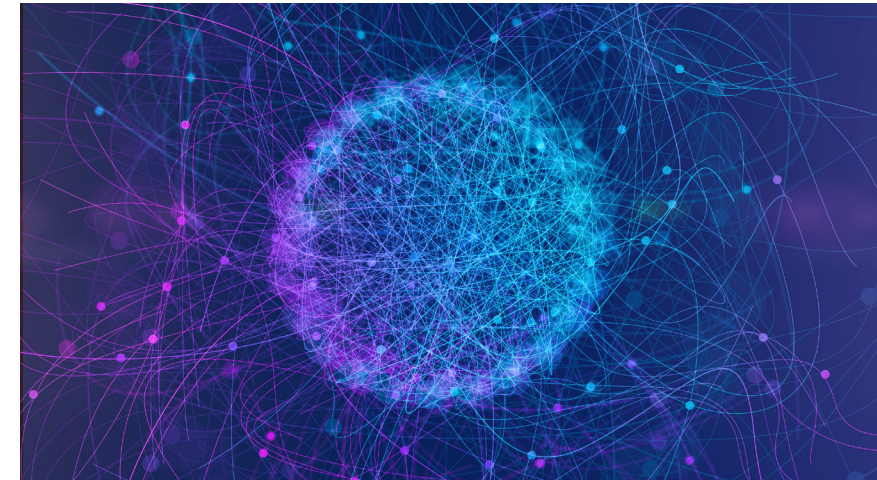
Watch the regulators:

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

05

Capitalize on AI convergence:

AI is no longer a vertical—it's a horizontal enabler. Deals that embed AI across infrastructure, operations, and customer experience will command premium valuations.





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.



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