



M&A trends in tech, media, and telecom

Q4 2025 M&A trends report

Scaling for AI, resilience, and growth

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Bold moves define a volatile year

2025 marked a decisive turning point for the TMT sector. AI investment didn't just dominate the narrative; it propped up the economy itself, accounting for as much as half of US GDP growth in early 2025. And, although valuations in some equity segments appeared stretched, the underlying buildout of semiconductors, data centers, and cloud infrastructure signaled a cycle grounded in real assets and long horizon demand. Against this backdrop, TMT companies recalibrated strategies to navigate persistent tariff pressure, evolving regulatory signals, and shifting consumer expectations, setting the stage for more focused and capital-disciplined mergers and acquisitions (M&A) out of semiconductors, data centers, and cloud infrastructure signaled a cycle grounded in real assets and long-horizon demand. Against this backdrop, TMT companies recalibrated strategies to navigate persistent tariff pressure, evolving regulatory signals, and shifting consumer expectations, setting the stage for a more focused and capital-disciplined deal environment.

Q4'25 highlights

1,428
deals

↓ -7.6%
decrease in number of
deals QoQ

\$267.5
deal value
(in \$US billions)

↑ 7.3%
increase in deal
value QoQ

2025 highlights

6,019
deals

↓ -0.05%
decrease in number
of deals YoY

\$826.5
deal value
(in \$US billions)

↑ 86.5%
increase in deal value YoY

After a challenging first quarter (Q1'25) shaped by trade policy shifts and geopolitical volatility, capital markets regained their footing. By midyear, dealmakers no longer chased every AI-adjacent asset but instead hunted for scale and strategic control. The focus sharpened around AI-native platforms, cybersecurity hardening, semiconductor design, and massive datacenter buildouts. Even as overall deal counts stayed soft, deregulation quietly opened the door for larger, more complex deals to clear, fueling a wave of consolidation among technology operators, media giants, and telecom infrastructure owners-adjacent asset-native -center build-outs. Even as overall deal counts stayed soft, deregulation quietly opened the door for larger, more complex deals to clear, fueling a wave of consolidation among technology operators, media giants, and telecom infrastructure owners.

Q3'25 delivered fewer transactions but far bigger checks, punctuated by several record-setting take-privates and aggressive consolidation. Q4'25 turned into a value-driven sprint as capital concentrated in megadeals tied directly to AI compute capacity and data rich-rich platforms, as tech buyers sought assets resilient to tariffs, labor constraints, and geopolitical shocks. Media added its own gravitational pull, with a blockbuster M&A moment, streaming consolidation, and the monetization of premium sports assets reshaping the competitive landscape. Telecom, meanwhile, surged on the back of AI infrastructure, with fiber, spectrum, and next-gen network investments to meet latency and bandwidth demands.

By yearend, TMT had generated its strongest value quarter since 2022. Despite continued geopolitical uncertainty, tariff policy shifts, and a labor market showing signs of strain, the sector exited 2025 with momentum and entered 2026 positioned for disciplined but decisive growth.^{1 2 3 4 5}

¹ David R. King and The Conversation, "Netflix-Warner deal would drive streaming market further down the road of 'Big 3' domination," Fortune.com, December 8, 2025.

² Randall Boe, "2025 Perspectives in Private Equity: Sports," AkinGump.com, February 12, 2025.

³ April Roach, "Data center deals hit record \$61 billion in 2025 amid construction frenzy," CNBC.com, December 22, 2025.

⁴ Peter Barber, "Data centre boom sparks deals rush," FT.com, December 9, 2025.

⁵ Kobi Barkan, "Cyber M&A Unique Deal Terms and Emerging Trends," AmericanBar.org, October 15, 2025.



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

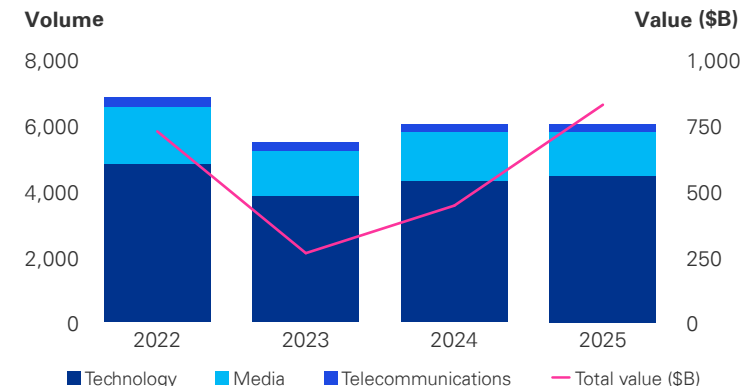
TMT dealmaking in 2025 unfolded as a year of rising conviction. Even as overall transaction counts drifted from 1,580 in Q1 to 1,428 in Q4, buyers became more selective, more strategic, and far more willing to pay for the right assets. Value told the real story: Each quarter outperformed the last, culminating in a year high \$267.5 billion in Q4'25 and a full year total of \$826.5 billion, up an exceptional 86.5 percent over 2024.

This divergence between fewer deals and higher value defined the market. Capital concentrated around opportunities with scale and strategic clarity, leaving total annual volume essentially flat with 2024 while conviction strengthened. Strategic buyers led the way, with Q4'25

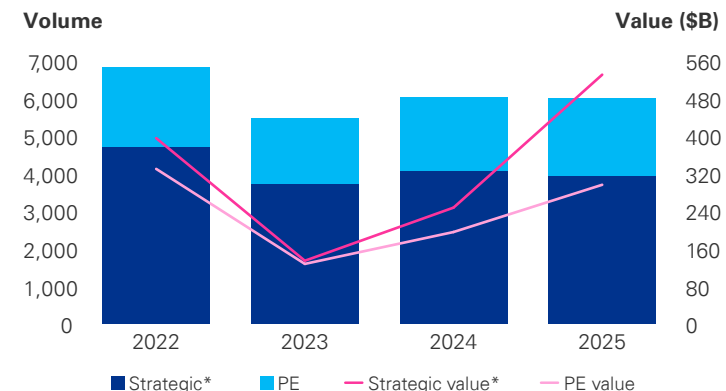
strategic value rising 36.5 percent quarter over quarter and more than doubling year-over-year. Private equity activity was more measured quarter to quarter but far bolder on a full year basis, deploying nearly \$300 billion—over 50 percent more than in 2024.

Deal size also shifted decisively upward. Megadeals surged, climbing from 13 in Q3 to 19 in Q4 and reaching 61 for 2025, well above 2024's 38. Midsized deals nearly doubled as well. The result was a market focused squarely on impact—where disciplined buyers pursued high quality assets with long term strategic fit, and where fewer deals still delivered the strongest value performance in years.

Technology, media and telecom deal volume and value

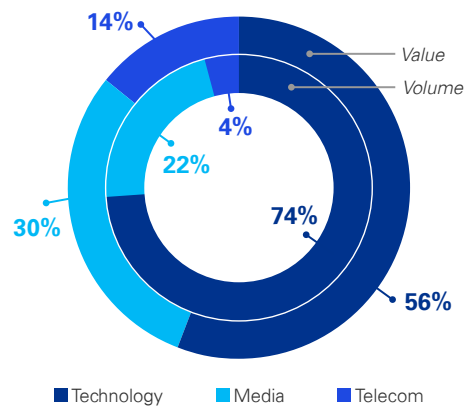


Technology, media and telecom strategic/PE deal volume and value

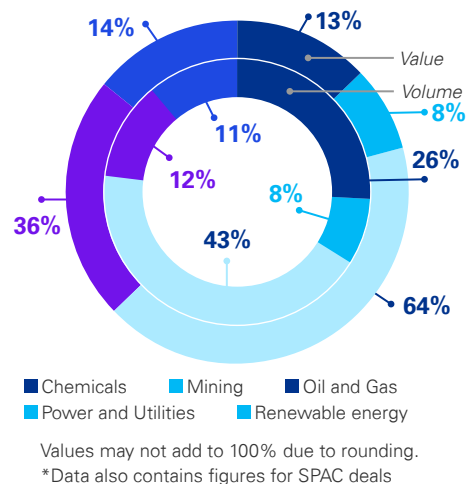


*Data also contains figures for SPAC deals.

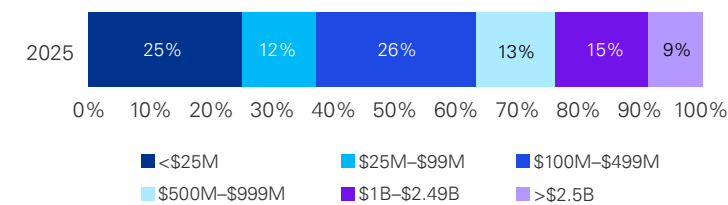
Technology, media and telecom sector mix - 2025



Technology, media and telecom strategic/PE mix - 2025



Technology, media and telecom deal size mix - 2025



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



Sector Data

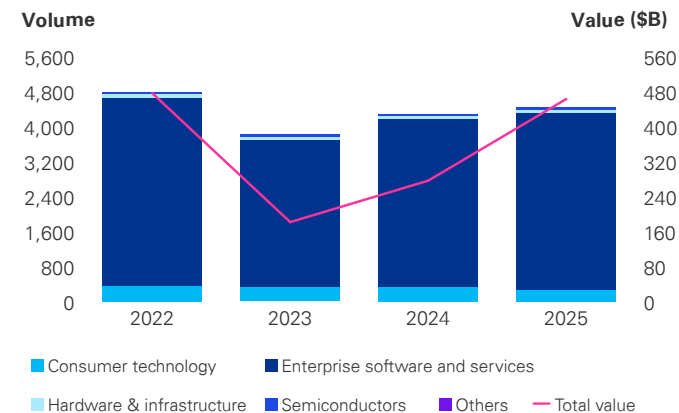
Tech reshapes around infrastructure and capabilities

Tech M&A closed 2025 with a clear message: Even as buyers became more measured in how many deals they pursued, their conviction in the right opportunities intensified. Q4 deal volume dipped 5.9 percent from Q3, but the real story was in the value behind those deals. Capital surged toward technology assets throughout the year, with deal value climbing more than a third between Q3'25 and Q4'25, and 67.7 percent year-over-year. Buyers were no longer paying for experimentation—instead, they were paying for scale, capability, and AI alignment. over year. Buyers were no longer paying for experimentation—instead, they were paying for scale, capability, and AI alignment.

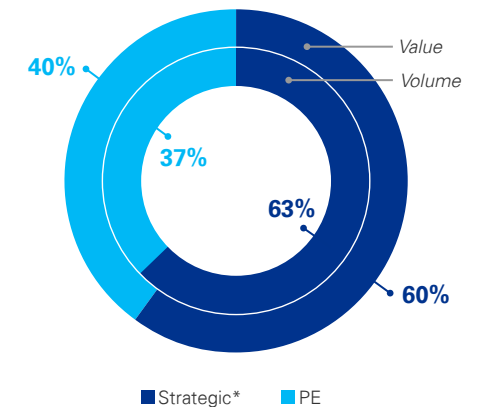
Across the sector, acquirers gravitated toward platforms that form the backbone of enterprise-grade AI. That shift came to life in several headline transactions: IBM moved to acquire Confluent to deepen its realtime datastreaming infrastructure; Qualcomm advanced its datacenter ambitions with the acquisition of Alphawave Semi; and Palo Alto Networks agreed to acquire CyberArk to strengthen identitysecurity foundations. Each of these deals underscored the same conclusion: Technology buyers were positioning themselves for an AI-driven era that requires more throughput, more resilience, and more secure data flows.⁵ grade AI. That shift came to life in several headline transactions: IBM moved to acquire Confluent to deepen its real time data streaming infrastructure; Qualcomm advanced its data center ambitions with the acquisition of security foundations-driven.

By year end, technology stood out as the strongest value engine in TMT M&A. Fewer deals, bigger bets, and a decisive tilt toward assets that could scale AI safely and efficiently defined the landscape. The result was a sector that didn't just grow—it reshaped itself around the infrastructure and capabilities that will anchor the next decade of digital competitiveness.

Technology deals by subsector



Technology strategic/PE mix - 2025



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*Data also contains figures for SPAC deals.

⁵ Kobi Barkan, "Cyber M&A Unique Deal Terms and Emerging Trends," AmericanBar.org, October 15, 2025.

In Media, premium content drove valuations

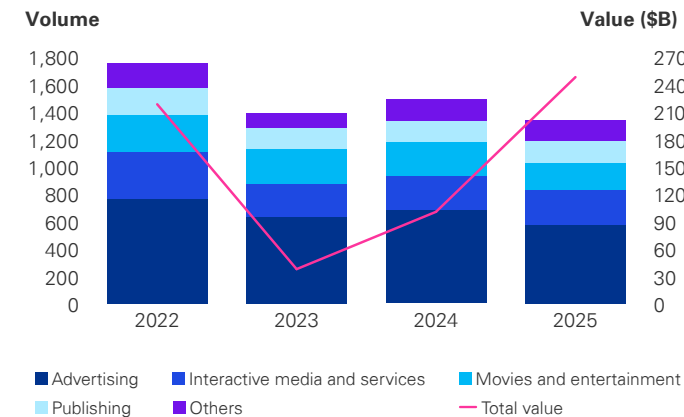
Media M&A in 2025 told a story of fewer deals but far bigger swings. Although activity slowed throughout the year, with deal volume declining 9 percent quarter over quarter and 10.1 percent from 2024, the sector delivered one of the most dramatic value surges in TMT. By Q4, deal value accelerated sharply from Q3 and climbed to \$105.5 billion, and over the full year posted the strongest value expansion in the entire sector. Total deal value jumped from \$100 billion in 2024 to nearly \$250 billion in 2025, powered by a wave of bold, strategic bets.

What fueled this surge was a decisive shift in what buyers were willing to chase. As subscriber growth stabilized and the streaming wars matured, investors refocused on assets with staying power: monetizable IP, scalable distribution networks, and the next generation of AI-enabled advertising capabilities. This pivot came to life through a set of enabled advertising capabilities. This pivot came to life through a set of headline-grabbing mega transactions, led by the landmark Netflix–Warner Bros. Discovery deal, announced in Q4’25, which signaled that scale and premium content remain the most important currency in a crowded market.

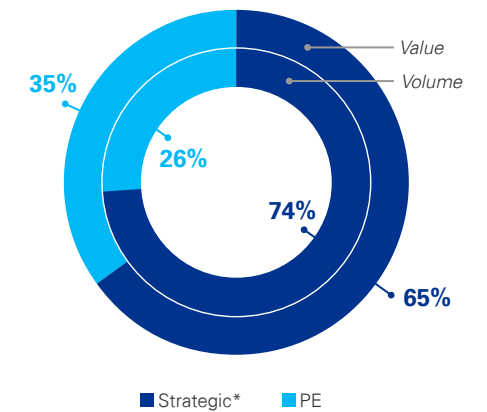
In a world where consumer attention is fragmented, premium sports rights and immersive gaming environments offer some of the last remaining “must have” content categories. 2025 marked a breakout moment as investors leaned into assets with global resonance and deeply engaged fan bases for their predictable revenue and cross platform monetization potential. The Koch family’s minority stake investment in the New York Giants and the \$55 billion take private of Electronic Arts underscored that appetite.

Together, these moves reshaped Media. The result was a sector that delivered extraordinary value despite declining volume, showing that in 2025, Media dealmaking was about quality, not quantity. ^{1 2 6 7 8}

Media deals by subsector



Media strategic/PE mix - 2025



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*Data also contains figures for SPAC deals.

¹ David R. King and The Conversation, “Netflix-Warner deal would drive streaming market further down the road of ‘Big 3’ domination,” Fortune.com, December 8, 2025.

² Randall Boe, “2025 Perspectives in Private Equity: Sports,” AkinGump.com, February 12, 2025.

⁶ Michael Ozanian, “NFL approves sale of minority stake in New York Giants to Julia Koch at a \$10.3B valuation,” CNBC.com, October 22, 2025.

⁷ “The Rise of Game Franchises in M&A: Why Entertainment Franchises Are Driving Megadeals,” DelMorganCO.com, July 29, 2025.

⁸ Adriana Garcia, “U.S.-based firm Apollo buys majority stake in Atletico Madrid,” ESPN.com, November 10, 2025.

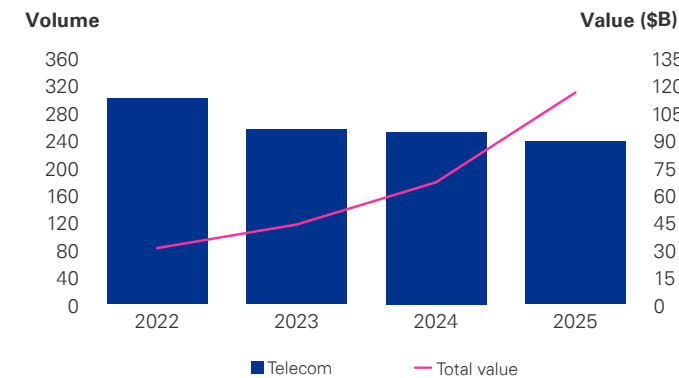
Telecom dealmakers prioritize network readiness

Telecom M&A in 2025 navigated sharp quarterly swings but maintained steady strategic momentum, with deal volume falling more than 27 percent in the final quarter and full year activity landing slightly below 2024 levels. Q4 deal value also contracted sharply after a surge earlier in the year, making the quarter appear quiet on the surface. But that late year dip masked a much more important trend: Across 2025, Telecom still delivered a substantial 74 percent year-over-year increase in total deal value, fueled by several large infrastructure transactions completed earlier in the cycle.

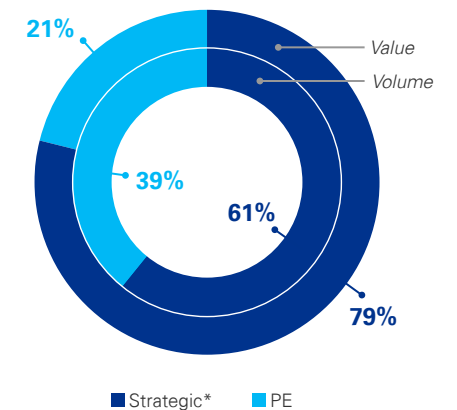
Throughout 2025, operators and investors concentrated on the foundational elements of tomorrow’s networks: fiber reach, spectrum positioning, and digital infrastructure that brings them closer to cloud and AI workloads. These priorities came through in headline deals such as AT&T’s acquisition of EchoStar’s 600 MHz and 3.45 GHz spectrum licenses, which are critical ingredients for next generation wireless performance. Amphenol’s \$10.5 billion acquisition of CommScope’s CCS business signaled continued demand for fiber and connectivity hardware, as did the \$34.5 billion Charter-Cox merger.

Together, these moves reflected a sector reshaping itself for the next wave of bandwidthintensive demand. Even with fewer transactions late in the year, the strategic direction was unmistakable: Telecom players are preparing for an environment defined by intensive demand. Even with fewer transactions late in the year, the strategic direction was unmistakable: Telecom players are preparing for an environment defined by Aldriven traffic, driven traffic, edge heavy architectures, and the rising importance of data center adjacency. The result was a sector where value concentrated early, conviction stayed high, and network readiness—not deal volume—became the defining motive for M&A.^{9 10 11}

Telecom deals by year



Telecom strategic/PE mix - 2025



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

⁹ Sarah Barry James, “Moorgate sees fiber demand driving M&A among large, midsize operators into 2026,” SPGlobal.com, October 22, 2025.

¹⁰ Stephen Mayhew, “SoftBank’s \$4B DigitalBridge deal signals power play for distributed AI and edge infrastructure,” EdgelR.com, January 7, 2026.

¹¹ Jill Goldsmith, “Media Spin Cycle: The M&A Outlook in 2026,” Deadline.com, December 28, 2025.

Top deals

Acquirer: Netflix, Inc. Target: Warner Bros. Discovery, Inc.	Value (billions) \$82.7
Acquirer: Affinity Partners (Miami), Saudi Arabia's Public Investment Fund, Silver Lake Target: Electronic Arts	Value (billions) \$55.0
Acquirer: BlackRock Global Infrastructure Partners, Kuwait Investment Authority, MGX, Microsoft, Nvidia, Temasek Holdings Target: Aligned Data Centers	Value (billions) \$40.0
Acquirer: Charter Communications, Inc. Target: Cox Communications, Inc.	Value (billions) \$34.5
Acquirer: Google LLC Target: Wiz, Inc.	Value (billions) \$32.0

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.

10 trends to watch in 2026 TMT dealmaking

As TMT enters 2026, look for the dealmaking landscape to be shaped by AI's accelerating influence, shifting competitive boundaries, and a renewed willingness among buyers to pursue transformative moves. Capital is abundant, strategic urgency is rising, and both corporate leaders and private equity investors are preparing for a cycle defined by bold acquisitions, creative financing, and intensified regulatory scrutiny. From cross industry convergence to the resurgence of megadeals, these themes capture the forces that will shape the market in 2026.

"The year ahead will see TMT buyers navigate an AI- powered supercycle of opportunity, marked by convergence, large scale transactions, flexible financing, and growing geopolitical and regulatory pressures."



—Scott Purdy

Principal, National Media Industry Leader, KPMG LLP



AI will continue to drive TMT M&A in 2026, with generative AI fueling an "innovation supercycle" as companies seek AI capabilities, data, and talent to stay competitive. Expect intense bidding and high valuations for AI start-ups, cloud providers, and semiconductor firms, alongside heightened regulatory scrutiny on data and IP.



Tech, media, and telecom sectors are converging, driving cross-industry M&A as companies seek integrated digital services and new revenue streams such as sports rights. Expect unconventional pairings (e.g., tech acquiring telecom or media assets) and consortium deals, offering synergies but posing cultural and regulatory challenges.



Creative financing will shape 2026 M&A, with buyers and private equity firms increasingly using private credit, mezzanine capital, and alternative structures such as earn-outs and convertible debt to overcome high rates and fund large deals. Access to flexible capital will be a key competitive edge, driving bespoke deal terms and partnerships.



Shareholder activism is increasingly shaping TMT M&A, with investors pressuring companies to pursue acquisitions or breakups to unlock value. Activists will leverage strong market conditions to push for sales, spin-offs, or bold growth moves, making them both catalysts and challengers in dealmaking strategies.



Megadeals (\$10B+) will continue as CEOs leverage strong macro conditions, stable interest rates, and improved financing to pursue large-scale, transformative acquisitions across sectors. This trend could push M&A values to record highs, but dealmakers must manage complex integrations and heightened antitrust scrutiny.



Carve-outs and portfolio realignments will accelerate as companies shed non-core assets and PE firms adopt “buy-and-split” strategies to unlock value. Expect a surge in divestiture opportunities, though these deals require complex separation planning and will attract strong competition from corporates and sponsors.



Cross-border M&A is expected to rebound in 2026 as companies seek global growth and supply chain resilience, with the US, India, and Asia as key hotspots. While opportunities abound, dealmakers must navigate complex regulatory reviews, geopolitical risks, and cultural integration challenges.



Private equity firms, backed by record levels of dry powder and flexible private credit financing, are expected to dominate TMT M&A, focusing on software, cybersecurity, and fintech. Moderating valuations and willing sellers create opportunities for large take-privates, carve-outs, and consortium deals, intensifying competition with corporate buyers.



Telecom and digital infrastructure M&A will surge, driven by 5G rollout, fiber expansion, and soaring demand for data centers and cloud facilities. Expect carrier consolidations, infrastructure spin-offs, and major investments from funds and sovereign wealth players, though regulatory and partnership complexities will be key challenges.



Regulatory and political scrutiny will remain a major factor, with tougher antitrust and foreign investment reviews, especially for Big Tech and AI deals. While some policy shifts may ease approvals, dealmakers must plan for longer timelines, proactive engagement, and potential remedies to navigate complex compliance challenges.

Key considerations as we look ahead

Market players should prepare for a fast-paced TMT M&A environment in 2026, with a focus on large, transformative deals driven by abundant capital, AI adoption, and scale imperatives. While the pipeline looks strong, careful execution is critical given high valuations and potential shifts in rates or regulations.

01

Capitalize on AI convergence:

AI is now horizontal infrastructure. Deals that embed AI across workflows, infrastructure, and customer touchpoints will capture premium valuations and long-term defensibility.

02

Replatform media for monetization:

Streaming saturation and advertising cyclicality demand sharper portfolio choices. AdTech, CTV measurement, and AI-enabled content intelligence will drive value.

03

Rebalance portfolios toward monetizable IP:

In media and gaming, monetization—not scale—is the differentiator. IP durability, cross-platform capability, and GenAI amplification should drive target selection.

04

Fiber-first, spectrum-smart telecom strategy:

Operators must secure long-term positions in fiber and spectrum before AI workloads stress existing networks. Expect regulatory fluidity; structure deals for contingencies.

05

Double down on early diligence:

Early-stage diligence must integrate AI-readiness, cybersecurity posture, data governance, and integration feasibility—especially as deal value concentrates in fewer, transformative assets.

06

Regulatory and geopolitical wildcards:

Although dealmakers benefited from a more permissive US regulatory climate in 2025, regulatory and geopolitical conditions remain wildcards for 2026. Antitrust scrutiny could increase and global politics may shift, making navigating approvals and geopolitical sensitivities an even more complex undertaking.



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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