



TMT M&A Global Review H1-24 and Outlook

July 2024

TMT FINANCE EQUIPS CLIENTS WITH PROPRIETARY TMT M&A AND INVESTMENT INTELLIGENCE

Key Findings

H1 2024 saw strong growth in the European M&A market, passing pre-pandemic levels, with 849 new deals announced marking a 57.3% rise in value on the previous half year. Despite a difficult economic background of uncertainty and high interest rates, core drivers of consolidation and advances in technology are expected to keep M&A moving. In Asia volumes have risen 33.7% on the previous half year by 59 deals, while values have come off from US\$48.68bn to US\$46.94bn. Technology was the largest subsector in deals completed at 161,

a fall from the 296 deals made in the same subsector for all of 2023. More than three quarters of deals were done by strategic buyers, suggesting a move towards synergy in the region. In the Americas, the US was the most active region for tech M&A with 980 deals, Americas overall saw 1186 deals up on the previous half year by 254. Americas telecoms however, rose significantly in value US\$26.96bn vs US\$16bn YoY, but only slightly in volume, 1.85%, 110 deals v 108 YoY.

Asia: deal volumes up 33.7% on the previous half year, but values down US\$1.74bn



Three quarters of all Americas deals made by strategic buyers



European TMT marks a 57.3% rise in value on H2 2023



Americas: Telecoms up by over \$10bn in value YoY



Europe: Small deals dominate in H1 2024, but high-value transactions show confidence



Asia: Cloud the most active subsector during the half year



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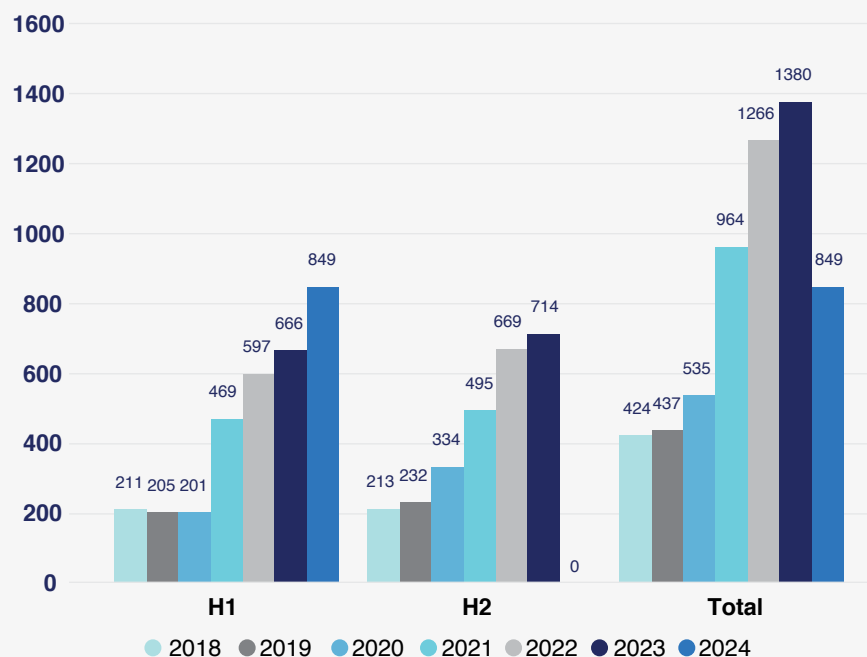
The European TMT market saw 849 new M&A deals announced in the first half of 2024 marking a total deal value of over E106.8bn, a 57.3% increase in value and a 27.5% increase in volume compared to H1 of the previous year.

H1 2024 volumes surpassed the entire year's total for each year up to 2020.

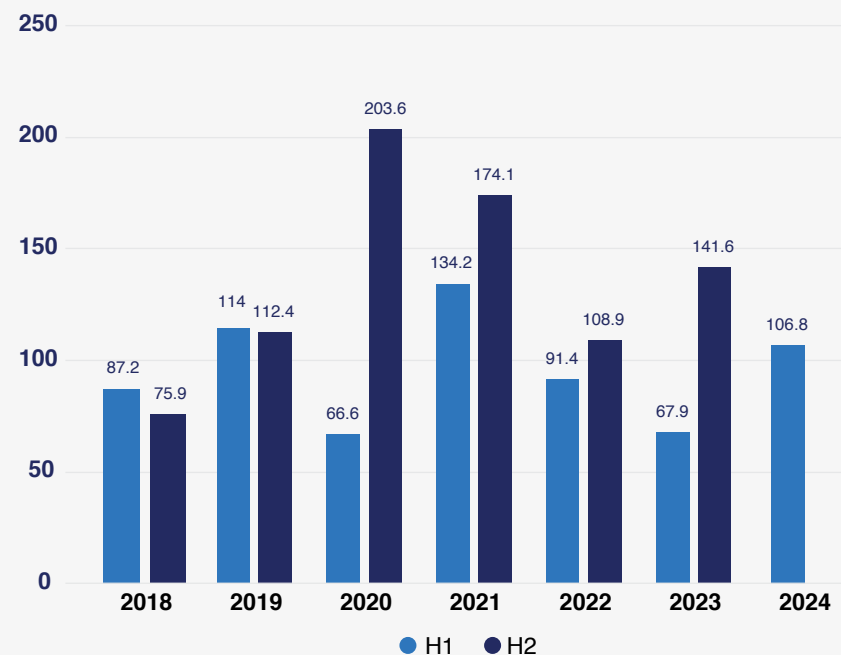
The market has shown remarkable resilience and growth in H1 2024, driven by strategic consolidations and technological

advancements despite a challenging economic backdrop. While high interest rates and economic uncertainties present risks, the sector's underlying growth drivers are likely to sustain robust M&A activity in the near term.

European Deal Volume breakdown by half year



European Deal Value breakdown by half year, Ebn



Like other regions, small-size deals have dominated the Europe region in H1 2024 with over 94% of the transactions being below E500m. Compared to last year, there is a dramatic increase in the deals with deal values between E1bn & E5bn. Deals over E5bn remain a smaller portion of the total, indicating a cautious approach towards ultra-large deals.

In H1 2024 Europe witnessed a total of 23 deals with values ranging between E500m and E1bn. Additionally, there were

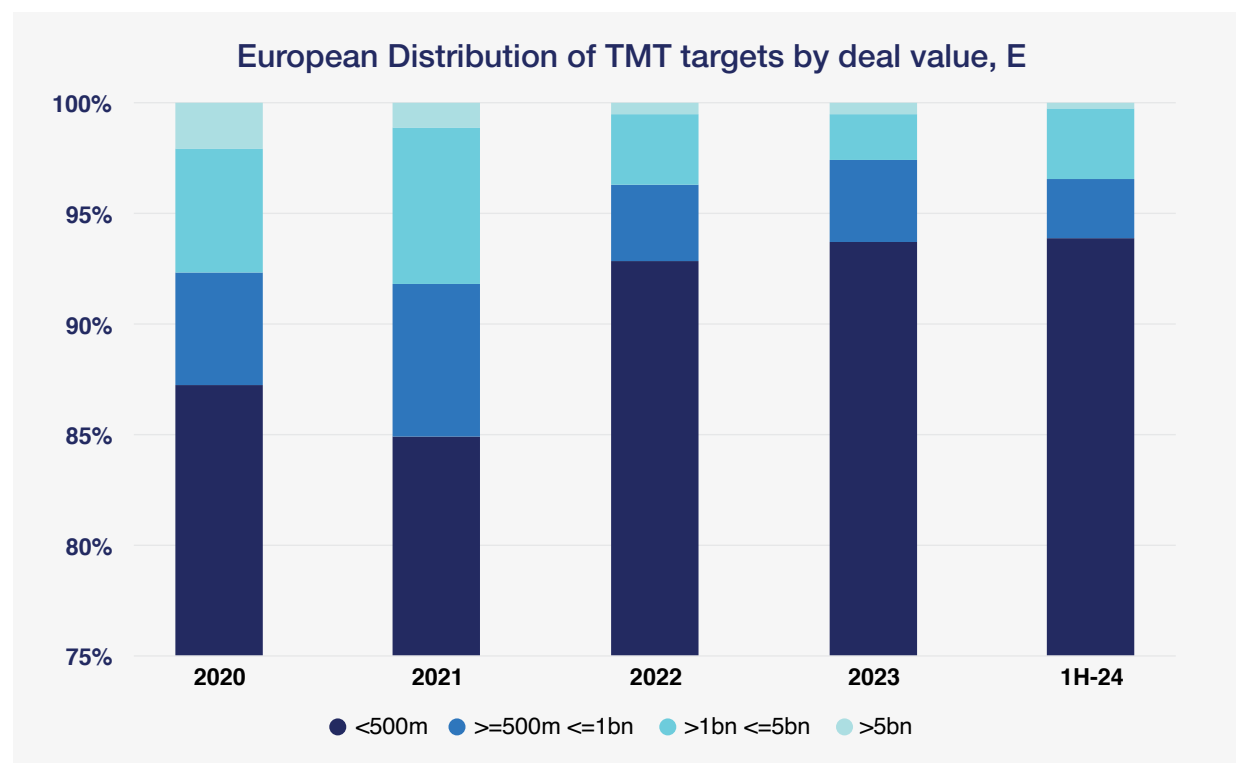
29 deals exceeding the E1bn mark, of which two surpassed E5bn. The two notable mega deals in this period were the Intel Ireland Fab34 Joint Venture deal and Swisscom's acquisition of Vodafone Italy.

In March 2024, Vodafone Group signed a binding agreement to sell Vodafone Italy to Swisscom for E8bn.

In June 2024, Intel and Apollo announced a definitive agreement under which Apollo-managed funds and affiliates

will lead an investment of E10.1bn (US\$11bn) to acquire from Intel a 49% equity interest in a joint venture entity related to Intel's Fab 34 in Leixlip, Ireland.

The proportion of deals valued between E1bn and E5bn has shown a noticeable increase in 1H 2024 compared to previous years, reflecting greater market confidence and strategic investments in the TMT sector despite economic uncertainties.

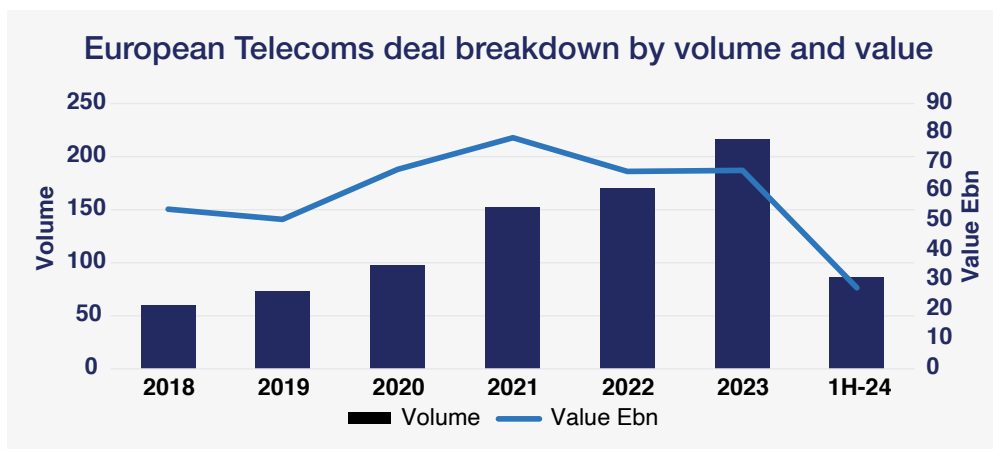
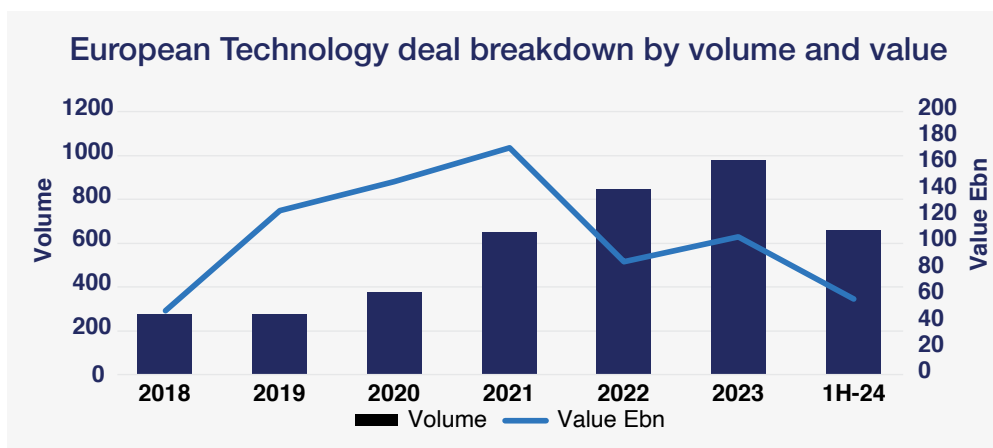
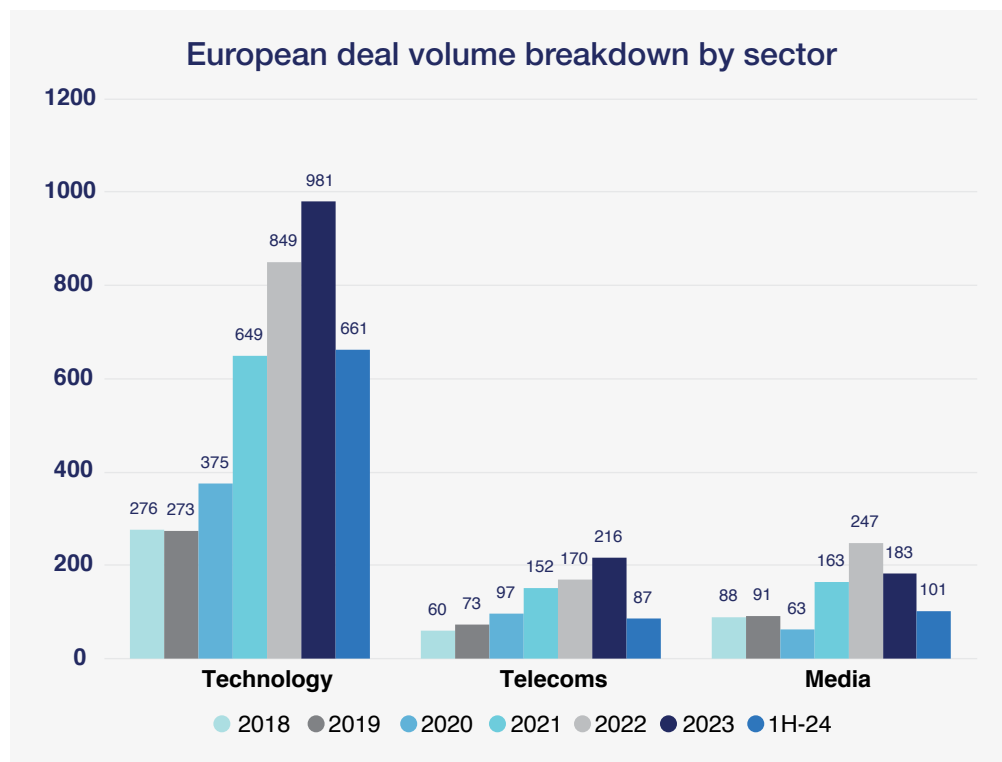


There were 661 deals announced in the Technology sector in Europe in H1 2024. This figure represents approximately 78% of total Europe TMT activity, underscoring the continued dominance and attractiveness of the technology sector for investors and companies alike. By comparison, in FY 2023 there were 981 deals, with 849 in FY 2022. The basic pillars

of technology businesses – particularly Enterprise Software, Cloud and IT Services – remain strong with 229 and 146 deals respectively during H1 2024. The growth in the sector is backed by the digitalisation drive precipitated by the pandemic.

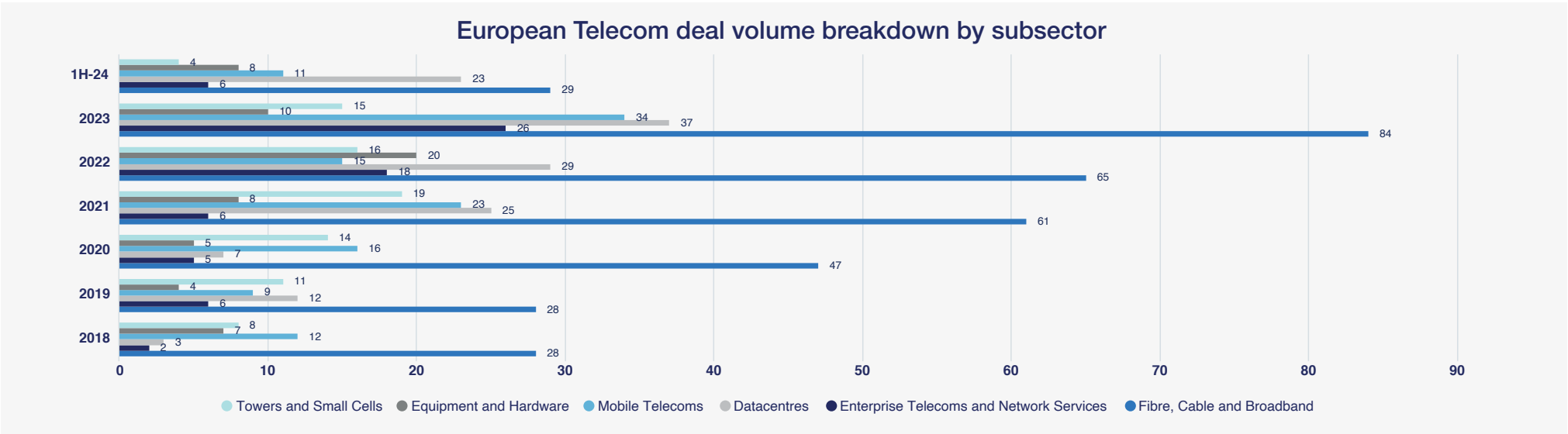
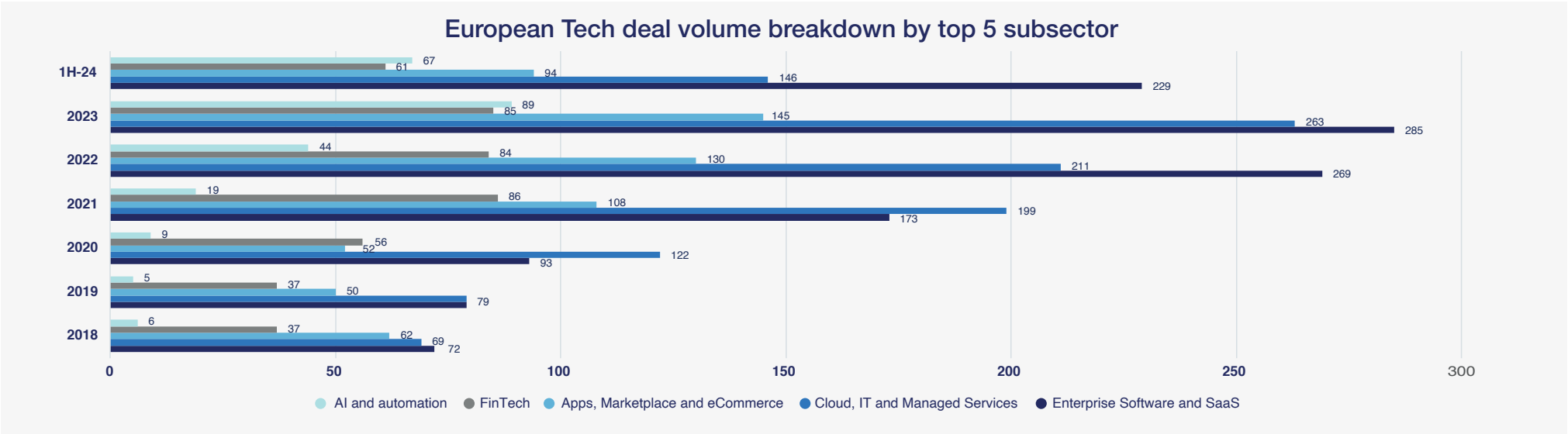
In recent years, M&A activity in AI and automation has experienced remarkable growth, driven by its increasing

significance across various industries. During the first half of 2024, the AI and automation sector witnessed a surge in M&A deals, marking a significant milestone in transaction volumes. A total of 67 deals were recorded during this period, surpassing the yearly deal count observed from FY 2018 to FY 2022.



Compared to the deal values of H1 2023, the Technology sector showed an increase of 57.6% (E57.8bn vs E36.7bn), the

Telecom sector showed a rise of 14.2% (E27.4bn vs E24bn) and Media showed a rise of 201.7% (E21.6bn vs E7.2bn).

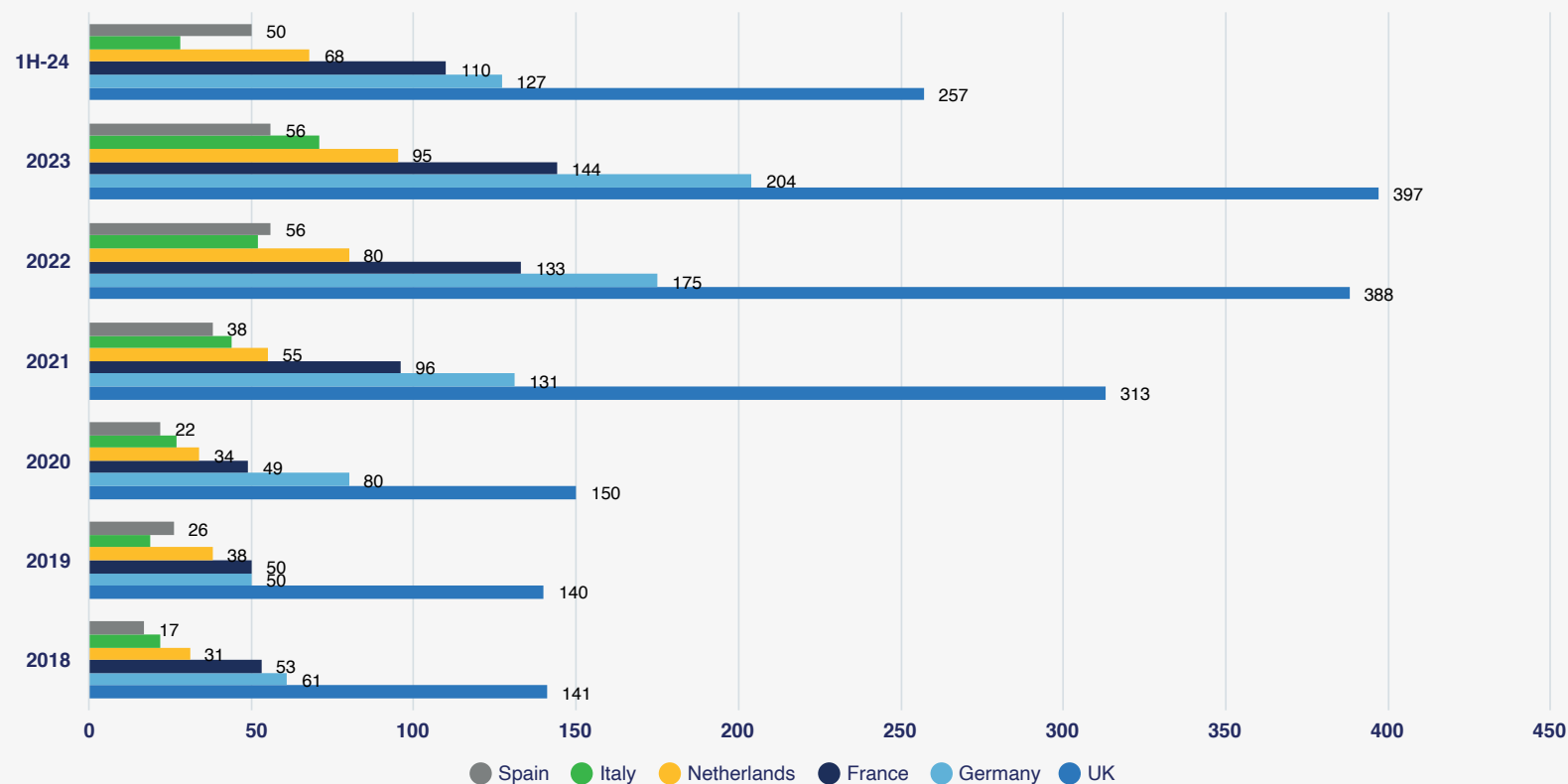


The UK continues to be the most represented target country with almost 30% of total deal activity in Europe in H1 2024, a modest increase from 29% in FY 2023 and a small decrease from 32% in FY 2022.

Germany was the second busiest market after the UK, accounting for 15% of deals in H1 2024, maintaining a similar level as in FY 2022, followed by France with 13% (up from 10% in 2023) and the Netherlands with 8% (up from 7% in 2023).

Spain showed an increased activity this year with 50 announced deals and 6% share of activity (4% in 2023) while Italy showed a slight decline to 3% from 5% in 2023.

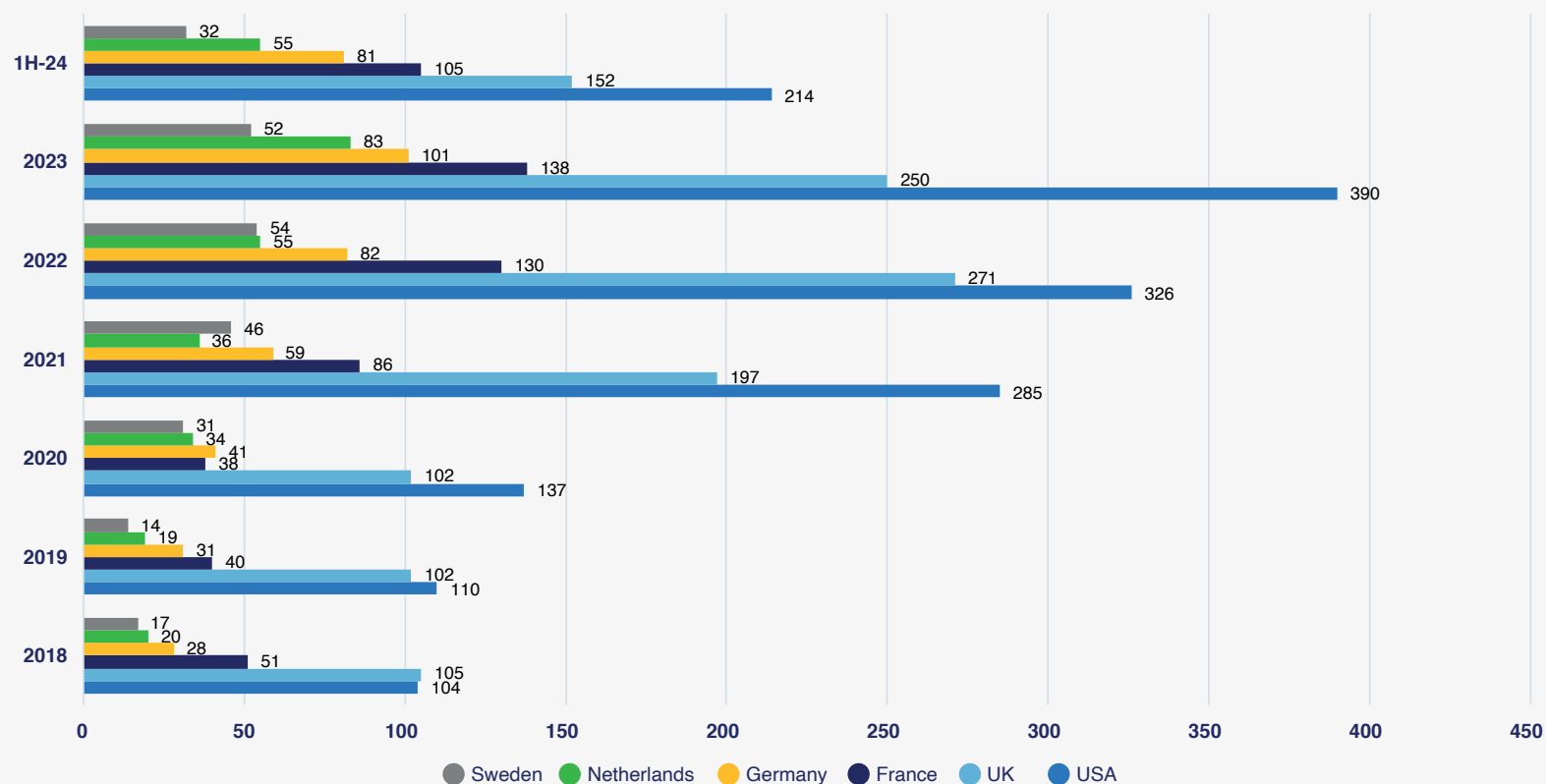
European TMT deal volume breakdown by top 6 target country



The US was the most active bidder country for European TMT acquisitions in H1 2024 with 214 deals (25.2%), a minor decrease in its proportion from 28.3% in FY 2023. The US is followed by the UK with 152 deals (18.1% vs 17.9% in 2023)

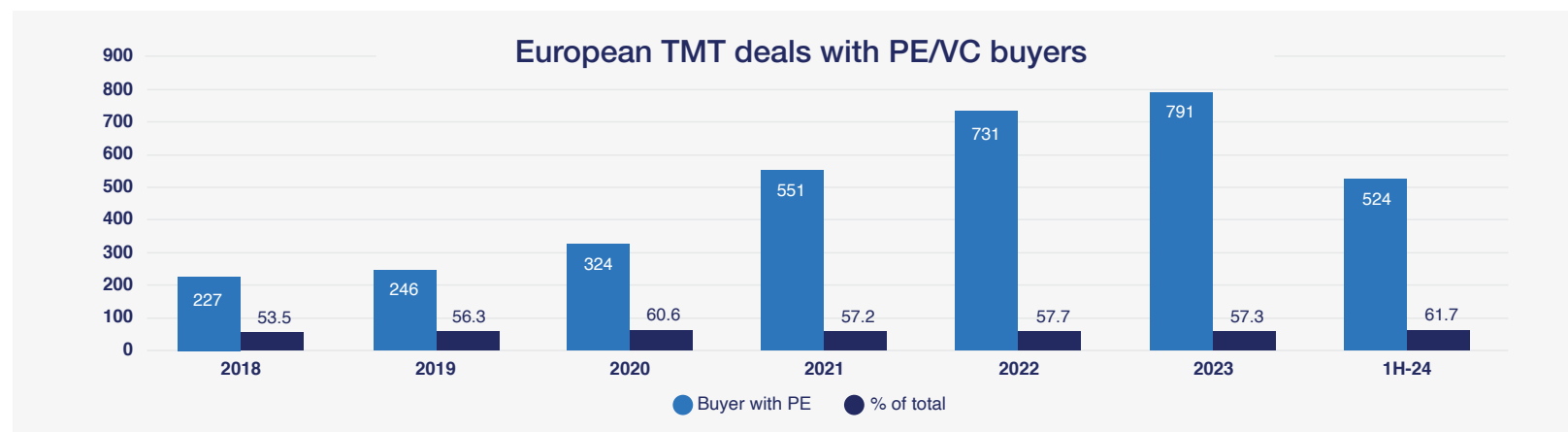
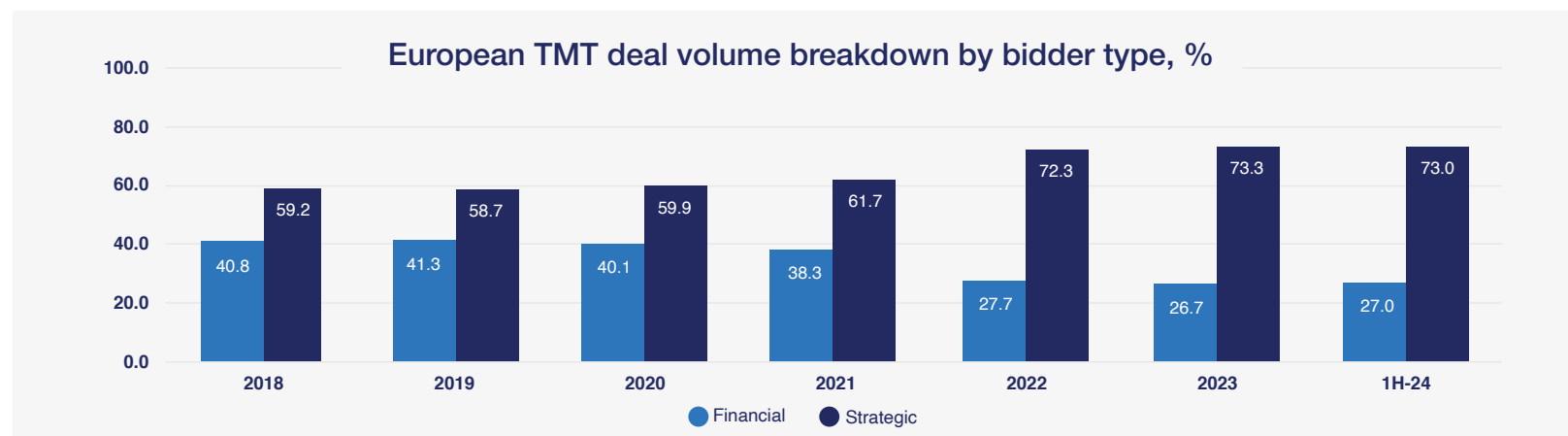
and France with 105 deals (12.4 % vs 10% in 2023). The other active buyers were Germany (9.5% vs 7.3% in 2023 and the Netherlands (6.5% vs 6% in 2023).

European TMT deal volume breakdown by top 6 bidder country



Acquisitions made by strategic buyers continue to dominate the TMT deal landscape in Europe. In H1 2024, 73% of announced deals were completed by strategic buyers, a negligible decline from 73.3% in FY 2023.

So far this year deals backed by private equity or venture capital have increased with 61.7% of all announced deals vs 57.3% and 57.2% in FY 2023 and FY 2022 respectively.



MEA showed an active start for the year, with 69 deals announced, with a total value of US\$14.4bn in H1 2024. The trend shows an increase of 9.5% in volume and 94.6% in value compared to H1 2023.

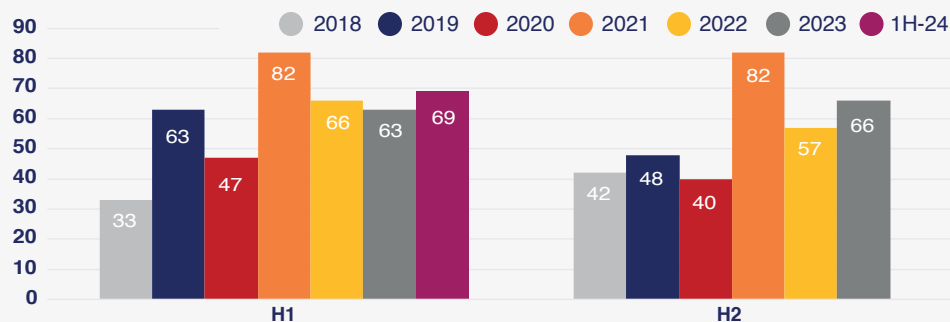
In H1 2024 the MEA region was dominated by smaller-size deals with 87% of the total announced transactions falling under US\$500m, in comparison to 95.3% in FY 2023, 87.1%

in FY 2022 and 86% in FY 2021. In this year five deals were above US\$1bn in value, compared to three in FY 2023. The five large acquisition deals were GEMS Education, MultiChoice, WalkMe, Telecommunications Towers Company (TAWAL) and G42.

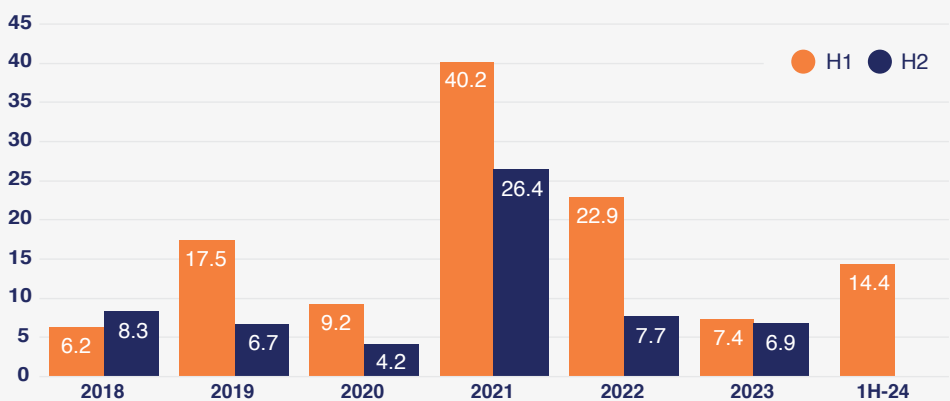
In April 2024 Public Investment Fund signed a definitive agreement to acquire a 51% stake in Telecommunications

Towers Company (TAWAL) from the Saudi Telecommunication Company (STC). Under the deal terms, TAWAL's full enterprise value on a cash- and debt-free basis was estimated at SAR21.94bn (US\$5.85bn). An analyst quoted by Reuters said STC was a beneficiary from the deal of as the sale price of Tawal is bigger than five times its book value and five times its revenues.

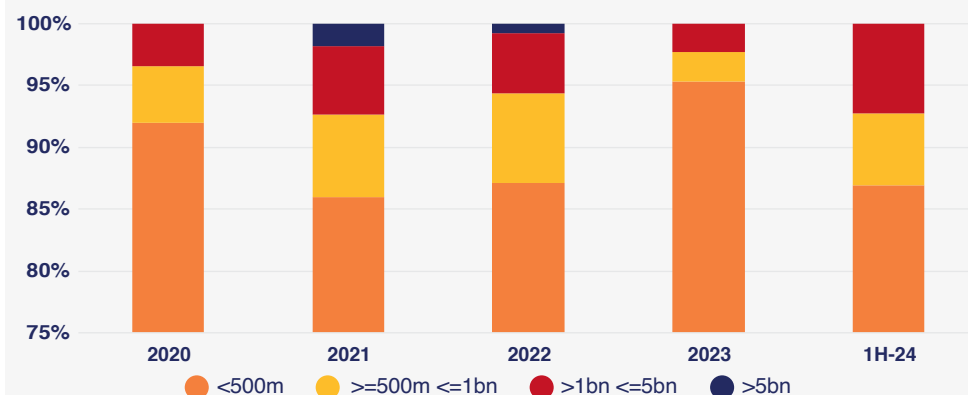
MEA Deal Volume breakdown by half year



MEA Deal Value breakdown by half year, US\$bn



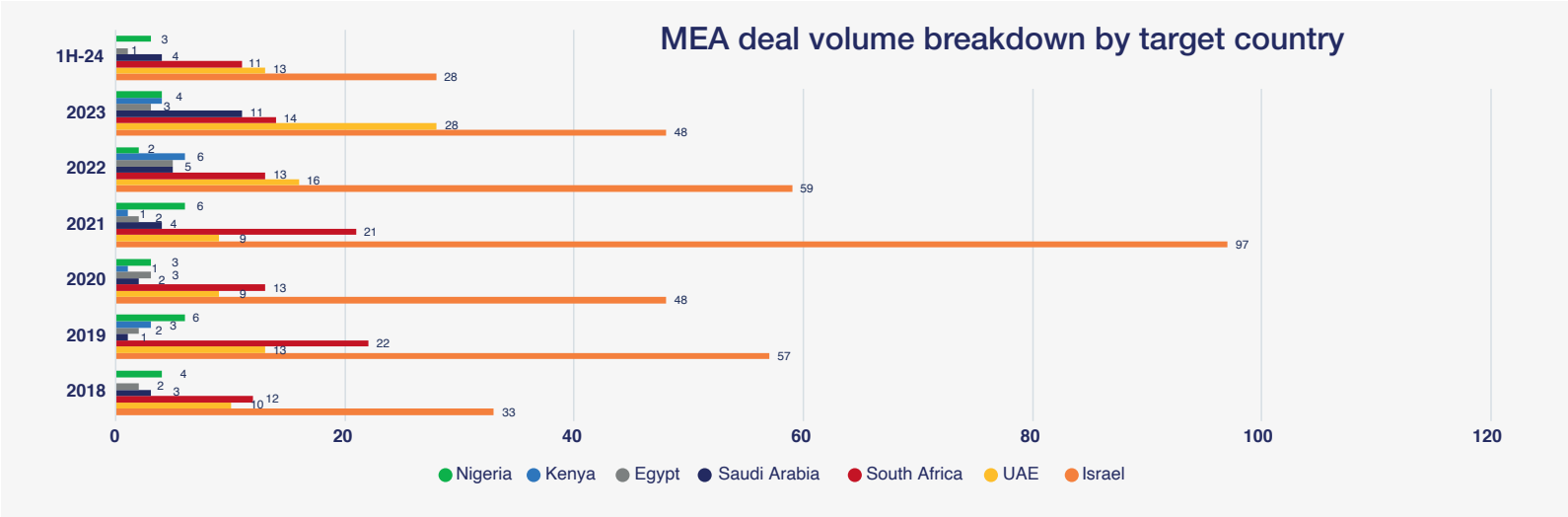
MEA Distribution of TMT targets by deal value, US\$



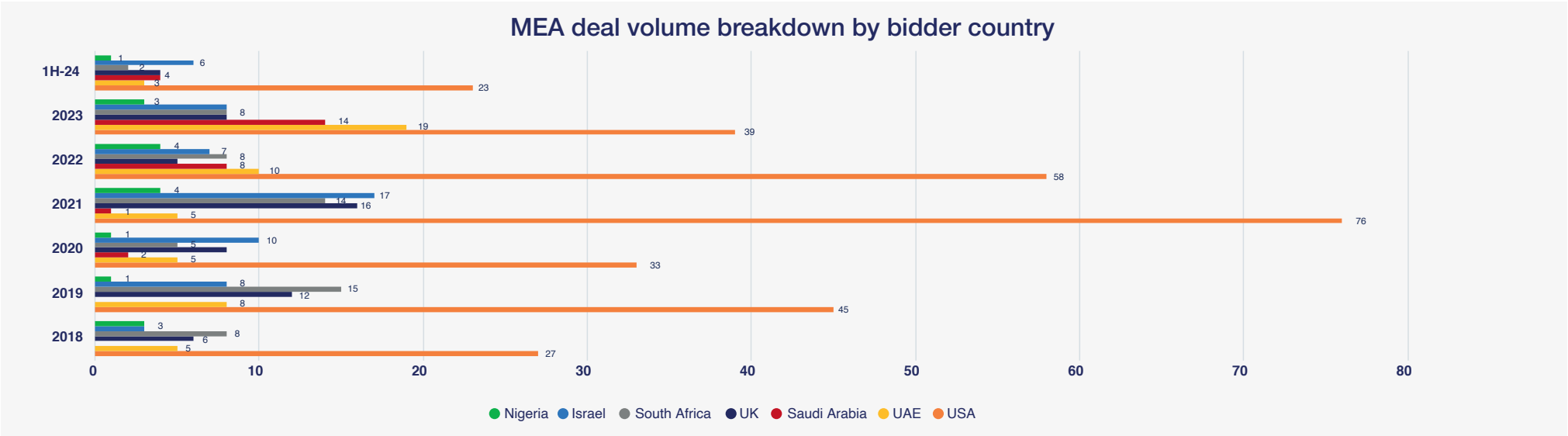
Israel still dominated as the target country with 28 deals in H1 2024, representing 40.6% of the total deals announced, an

increase from 37.2% in FY 2023. UAE was the second busiest country with 13 deals, representing 18.8% of the total deals

announced, followed by South Africa with a 15.9% proportion (10.9% in 2023) and Saudi Arabia with 5.8% (8.5% in 2023).



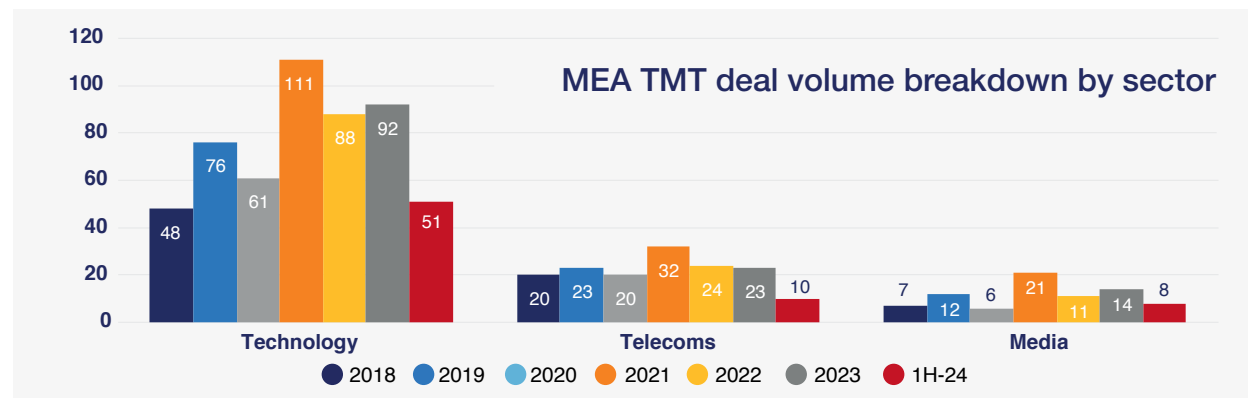
In H1 the US was the most active bidder in the region with 23 deals indicating 33% of all deals announced this year, a nominal increase from 30.2% in FY 2023. Israel was the second most active bidder with 8.7% of deals in H1 2024, followed by Saudi Arabia and the UK with 5.8% of total deals each.



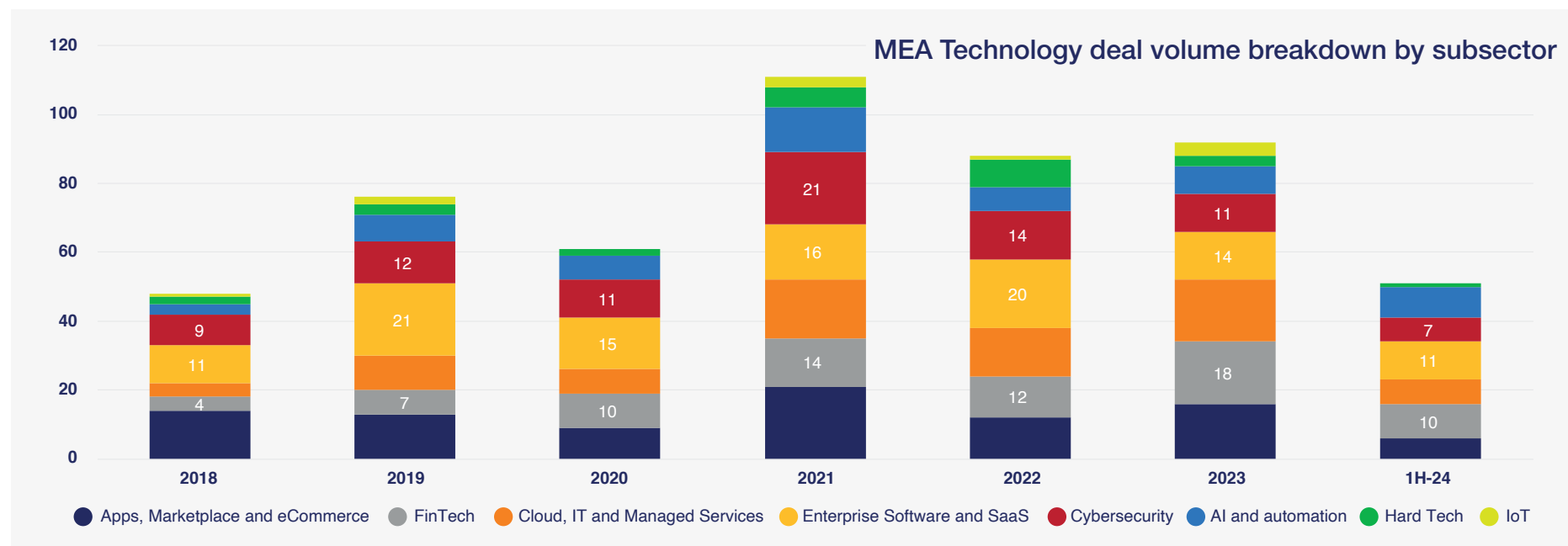
Technology remained the most active sector in MEA, with 73.9% share, increasing from 71.3% in FY 2023.

In the Technology Sector, Enterprise Software and SaaS was the leading subsector with a 21.6% share of activity compared to 15.2% in FY 2023. There was an evident increase in activity

in AI and automation with 17.6% compared to 8.7% in FY 2023.



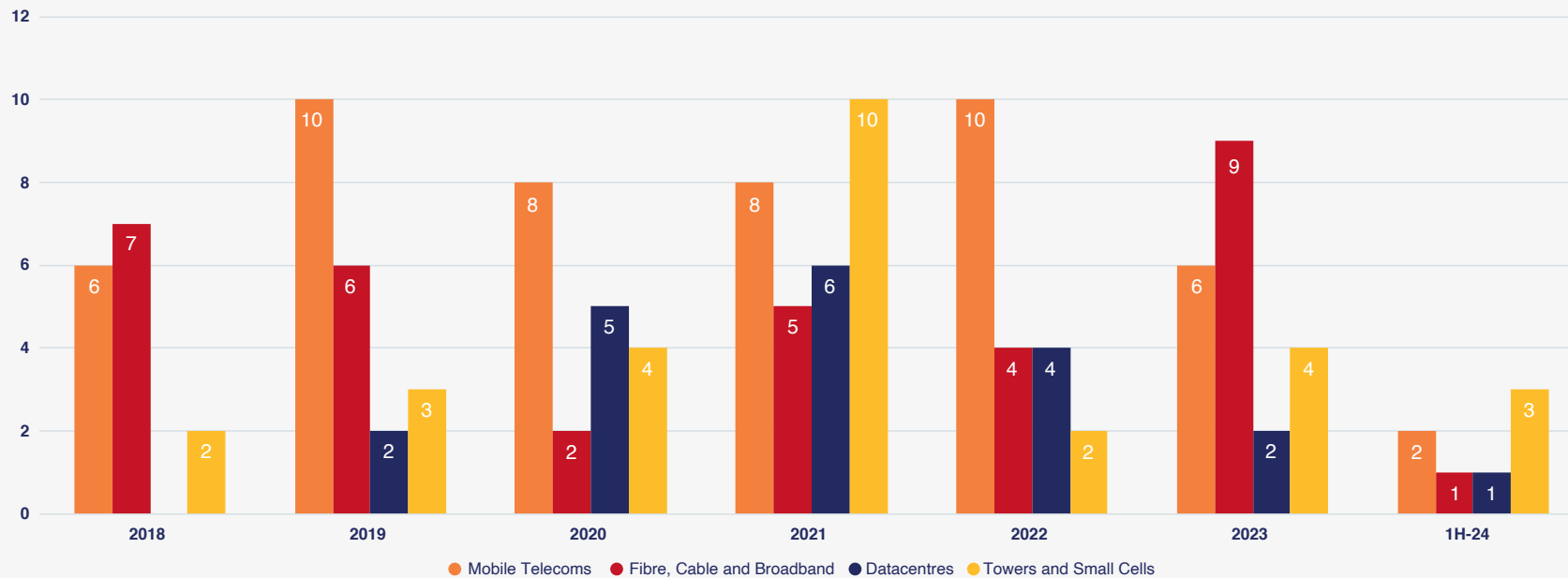
The Internet of Things (IoT) sector experienced a significant decline in activity this year, with no deals recorded in the first half of 2024, compared to holding a 4.3% share in the full year of 2023. Similarly, the Cloud, IT, and Managed Services subsector also saw a downturn, with its share dropping to 13.7% in H1 2024 from 19.6% in FY 2023.



Telecoms recorded decreasing activity, 14.5% in H1 compared to 17.8% in FY 2023. There was a significant decline in the share of activity in Fibre, Cable and Broadband sub sector, it

taking a 10% share in H1 2024 from 39.1% in FY 2023. Mobile Telecoms also showed a decline in its activity with a 20% share, from 26.1% in FY 23.

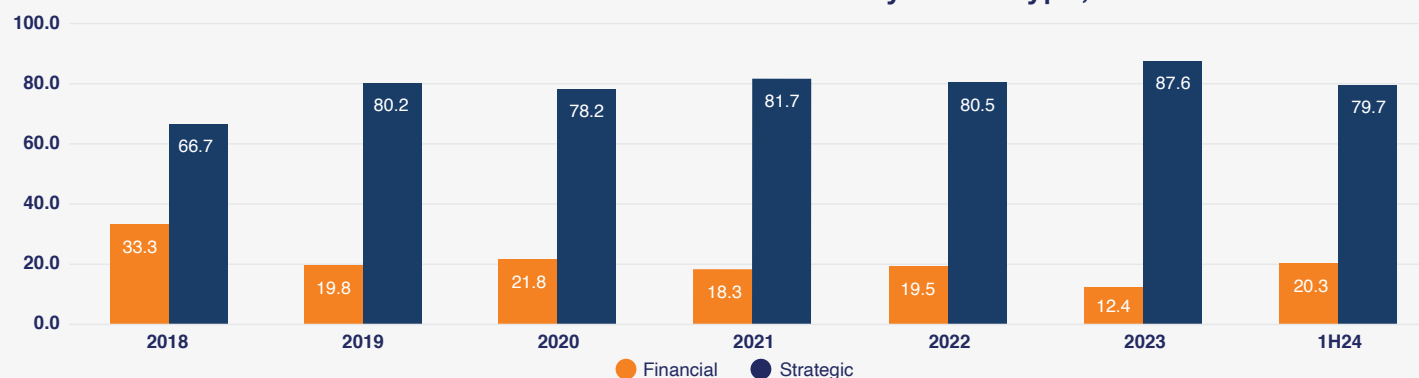
MEA Telecom deal volume breakdown by subsector



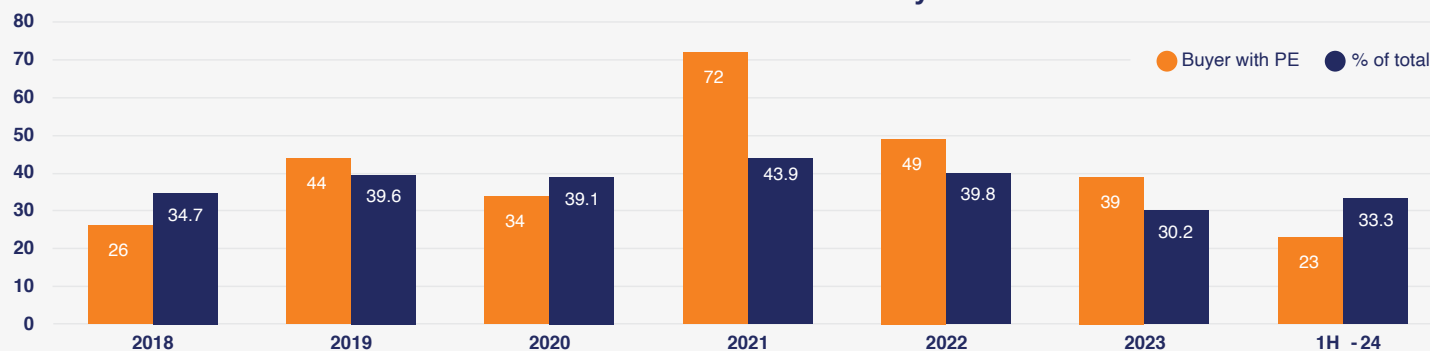
In H1 the MEA region saw a noticeable shift in the dynamics of deal-making. The proportion of deals involving strategic buyers decreased to 79.7%, down from 87.6% FY 2023. Conversely,

private equity (PE)-backed transactions saw a significant increase. In H1 2024, these transactions constituted 33.3% of all deals, up from 30.2% in FY 2023.

MEA TMT deal volume breakdown by bidder type, %



MEA TMT deals with PE/VC buyers



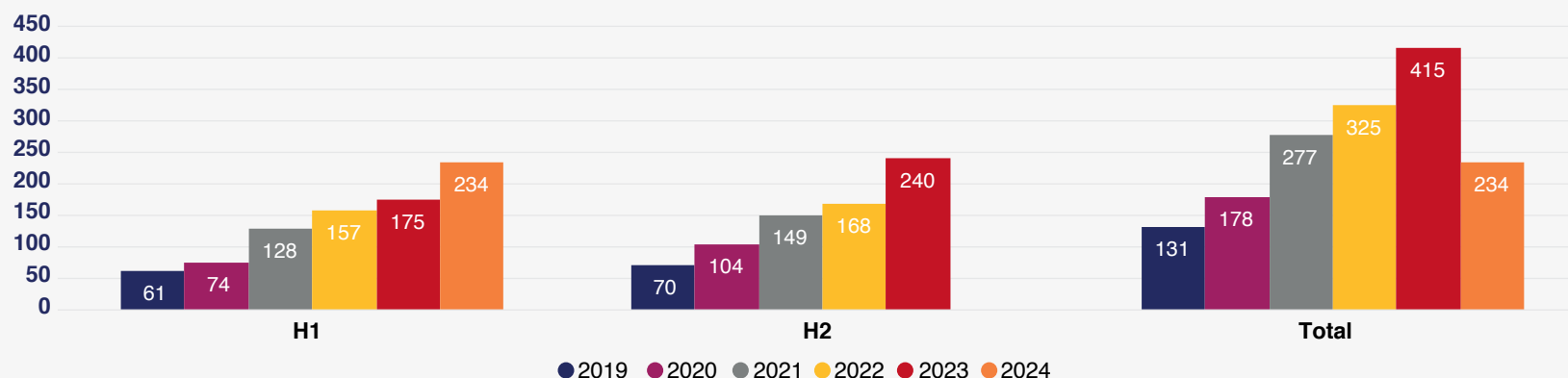
Asia: Volumes up 33.7% YoY, but deal values down

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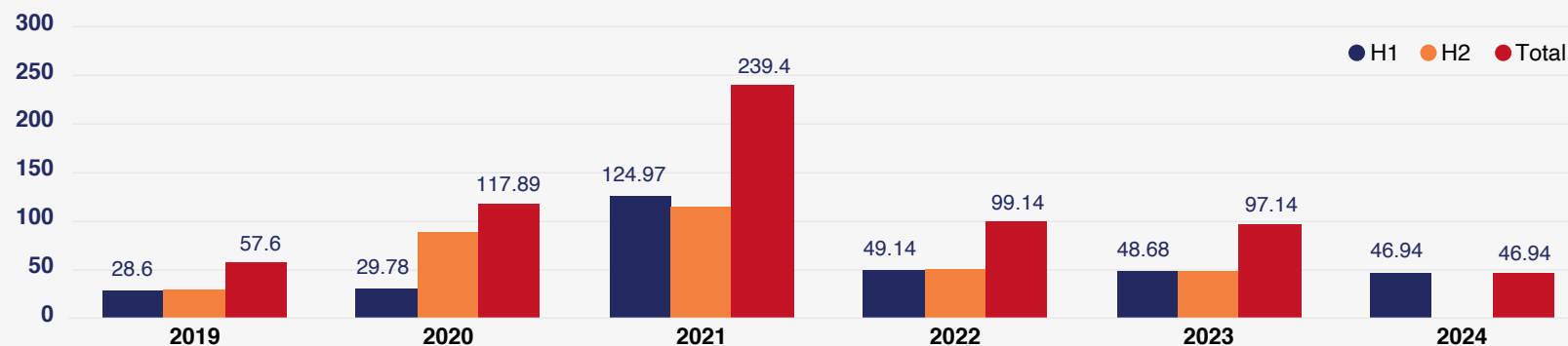
H1 saw a rise in volumes to the tune of 59 deals which equates to a 33.7% rise YoY. Values were down at US\$46.94bn vs US\$48.68bn during the same period last year. Major deals to recall during this period:

- US\$3.12bn deal of Vanguard & NXP JV (known as VisionPower Semiconductor Manufacturing Company)
- US\$5.36bn deal of Disney India, Reliance & Viacom18 JV
- Reliance Retail Telecom gear sale to Jio Leasing Services Ltd (JLSL) for US\$4.32bn

Asia Deal Volume breakdown by half year



Asia Deal Value breakdown by half year, US\$bn



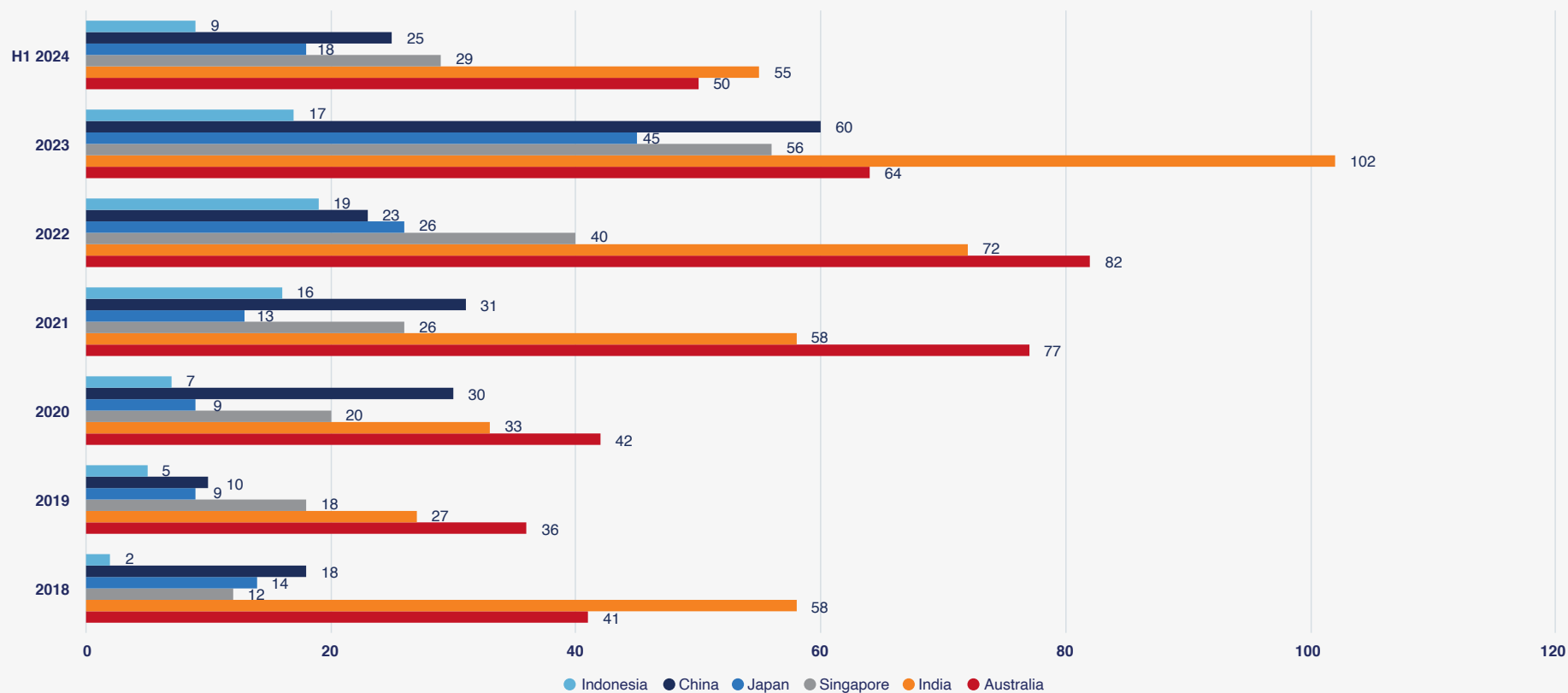
Asia: India claims top-spot as the most active Target Country

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At 55 deals, India leads the pack; however, a close second was Australia coming in at 50 deals during H1-24. Apart from Disney India, Reliance & Viacom18 JV, and the sale of Reliance Retail Telecom gear, two other noteworthy deals from India during this period are:

- 1) The sale of Healthium Medtech for US\$838.6m to KKR
- 2) ATC India (TIPL) being sold to Brookfield Asset Management for US\$2.5 bn.

Asia deal volume breakdown by top 6 target country



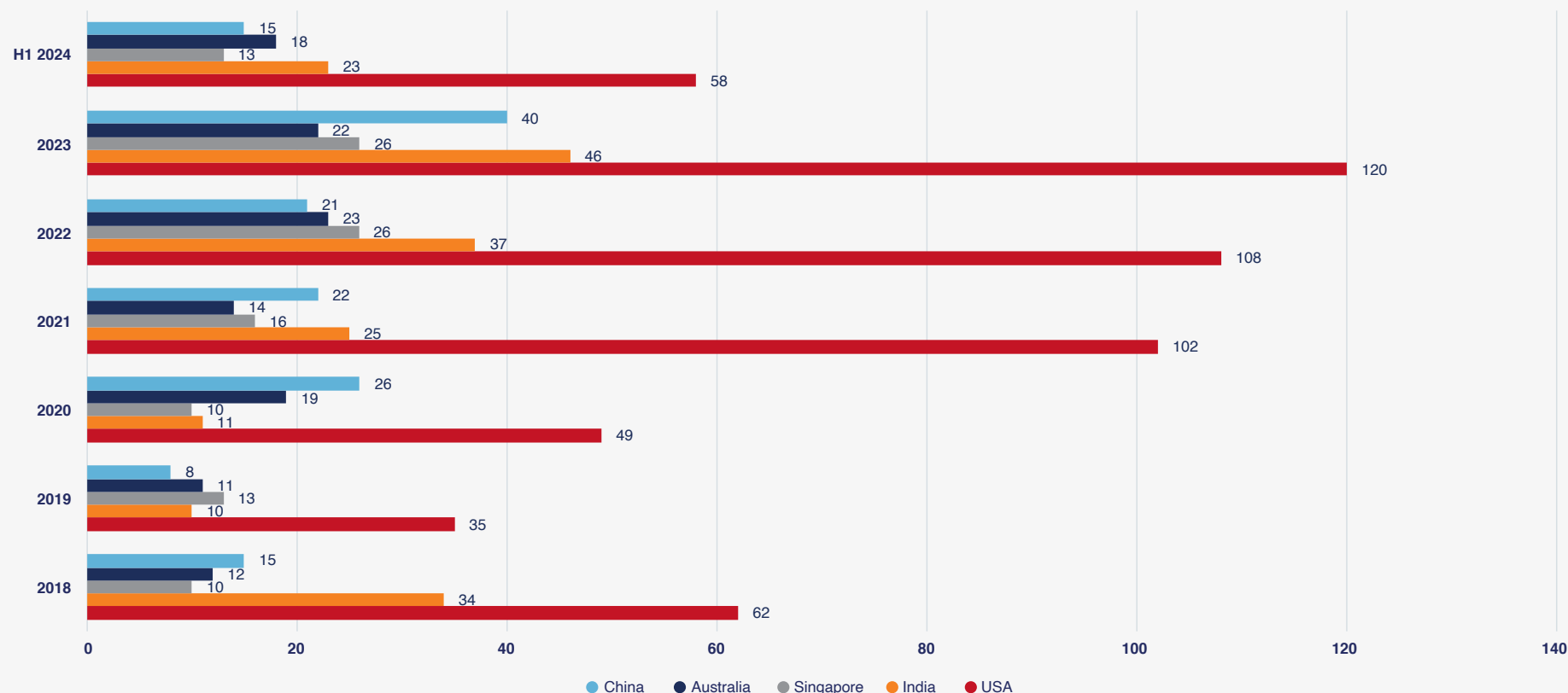
Bidders from the US notched up 58 deals during the H1-24 period, paving the way to the top once again. Some major deals that occurred due to bidders from USA were :

1) Foodpanda - Taiwan business's sale to Uber Eats for US\$950m

2) Tyfon Culture Holdings Limited (Tyfon)'s listing through Global Technology Acquisition Corp. I (GTAC), that valued the entity at US\$434m.

India comes in as runner-up at 23 deals followed by the triumvirate of Japan, Australia & China.

Asia deal volume breakdown by top 5 bidder country



Asia: Technology takes lion's share of deals at 161, but marks a significant fall YoY

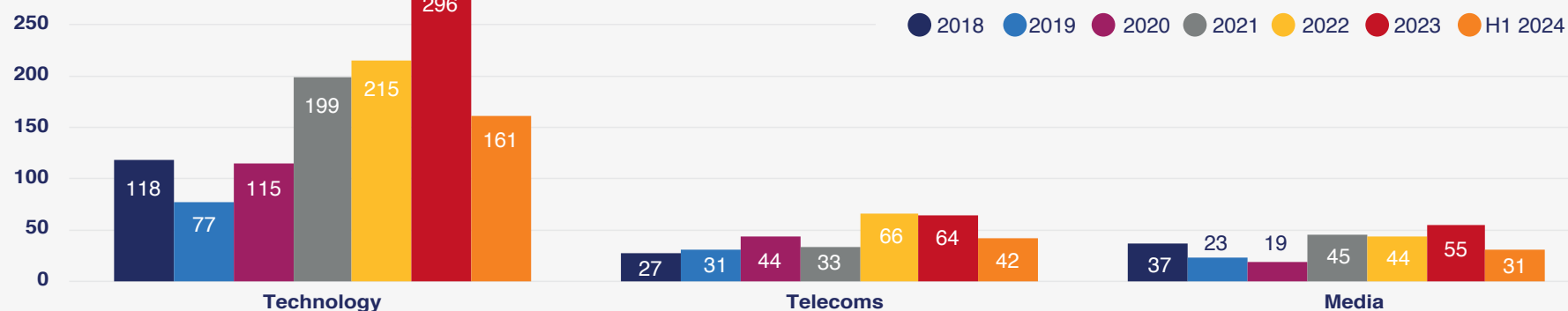
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Technology claimed the largest share out of the total deals executed in Asia during H1-24 by registering 161 deals. This is a far cry compared to the 296 Technology deals recorded

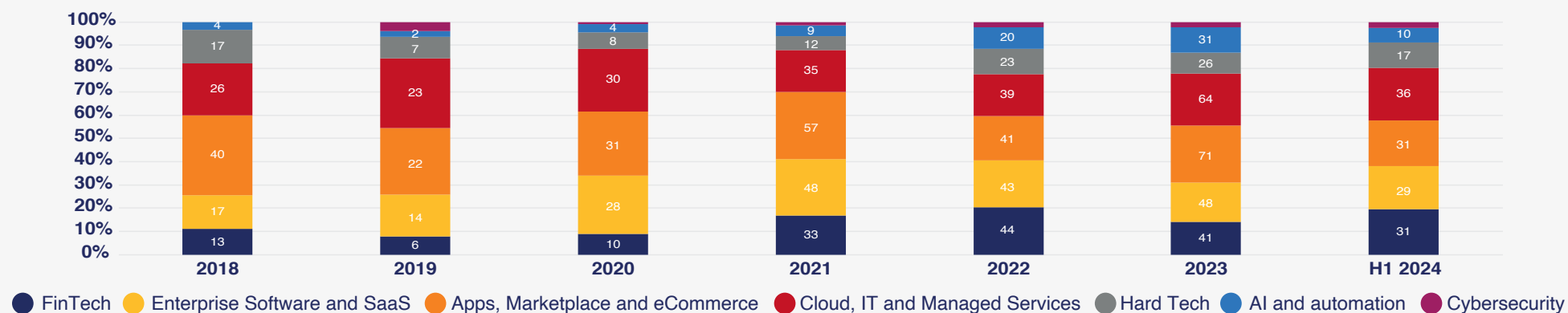
during FY 2023. Telecoms and Media battled it out for second spot with 42 and 31 deals respectively.

Cloud, IT and Managed Services led the way by clocking 36 deals. FinTech & Apps battle it out for second spot while software suffers a dip.

Asia deal volume breakdown by sector



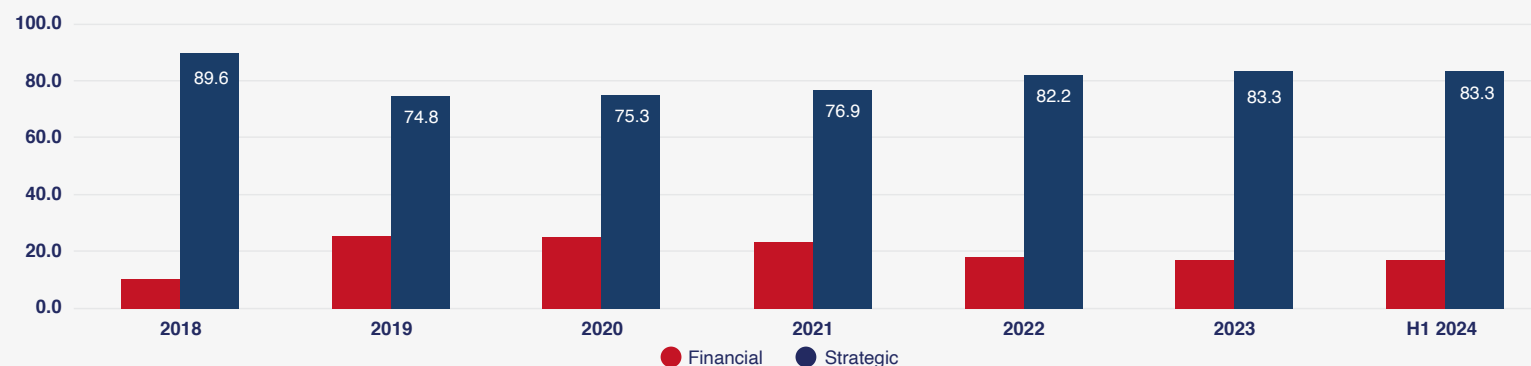
Asia Tech deal volume breakdown by subsector



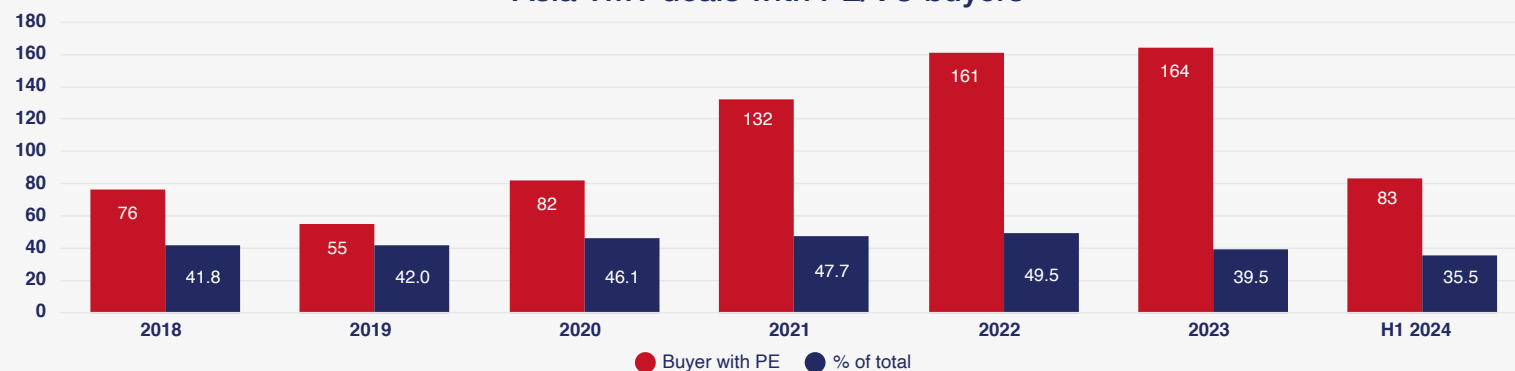
A portion greater than three quarters was taken up by strategic buyers, indicating the synergistic motivations driving the M&A activity in Asia.

A total of 83 deals had either PE or VC firms being involved on the bidding side. OKX Ventures was one of the most active buyers during this period, notching up four acquisitions.

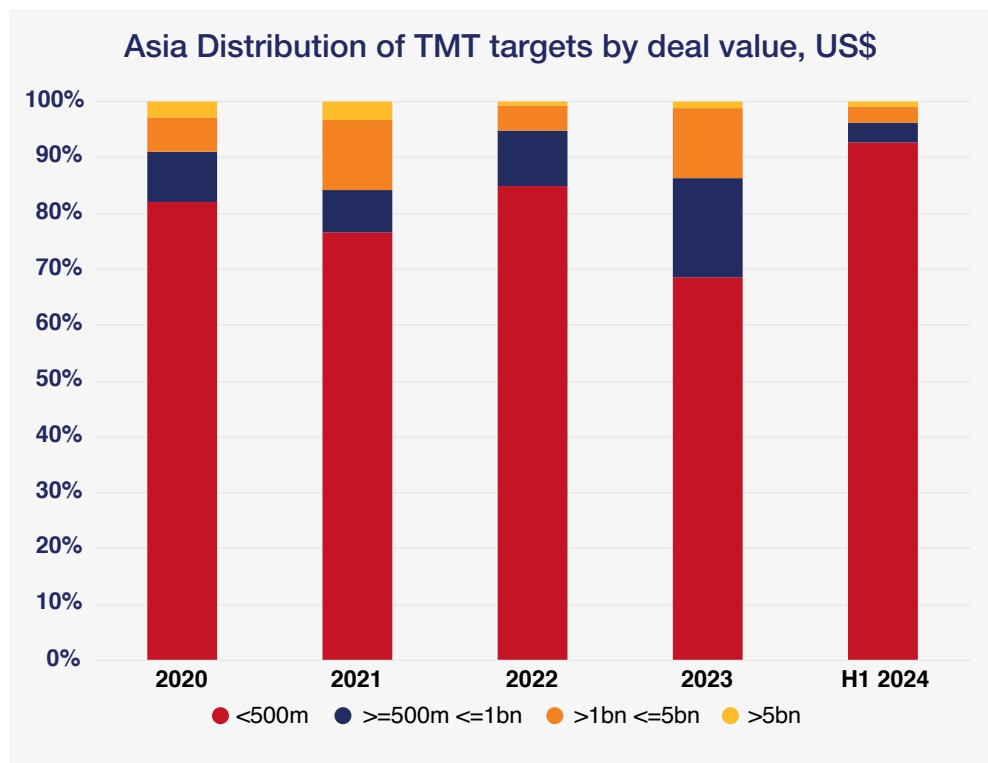
Asia TMT deal volume breakdown by bidder type, %



Asia TMT deals with PE/VC buyers



The largest portion of deals, 217 specifically, unsurprisingly came in from the sub US\$500m segment. However, there were a total of 9 deals larger than the US\$1bn range, out of which two were more than US\$5bn.



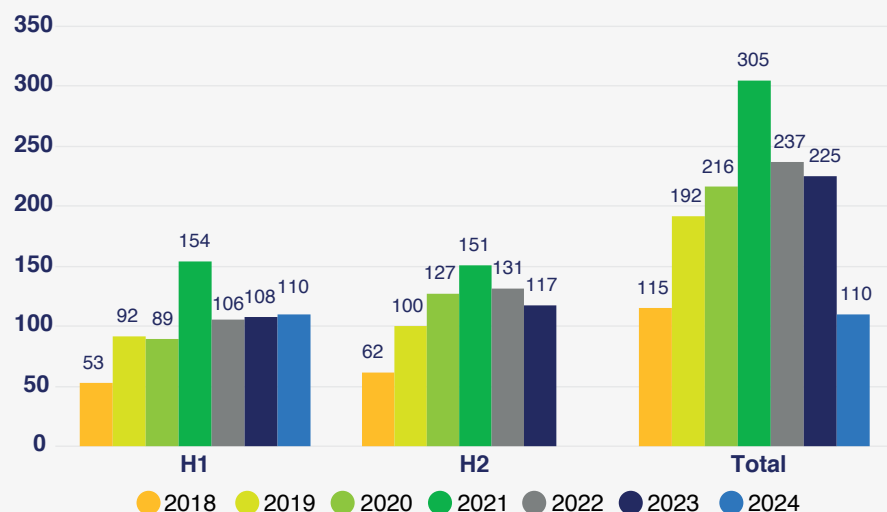
In H1-24, there was a minor increase of 1.85% in deal volumes, 110 this period vs 108 during the same period last year. Some large Telecom deals that occurred during this period were:

- 1) US\$6.4bn sale of Vantage Data Centres to DigitalBridge
- 2) United States Cellular Corporation (UScellular) - wireless operations and 30% spectrum assets sale to T-Mobile for US\$4.4bn

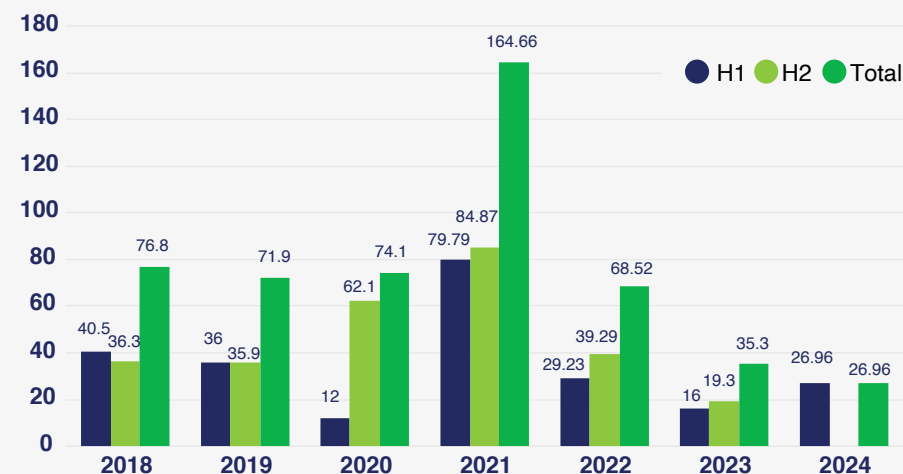
- 3) Encore Wire being acquired by Prysmian for US\$4.15bn

H1-24 outshines H1-23, as deal values amounted to US\$26.96bn vs US\$16bn during the same period last year, marking a rise of US\$10.96bn.

Americas Telecoms deal volume breakdown



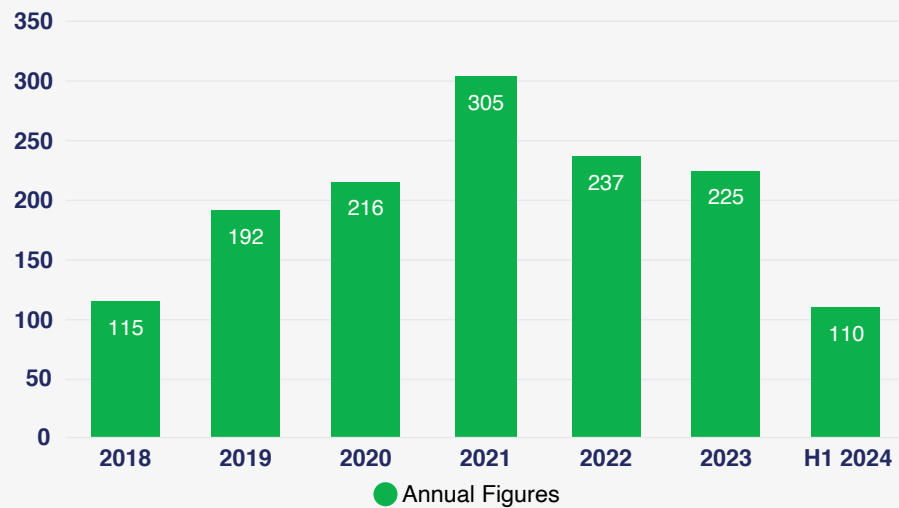
Americas Telecoms deal value breakdown, US\$bn



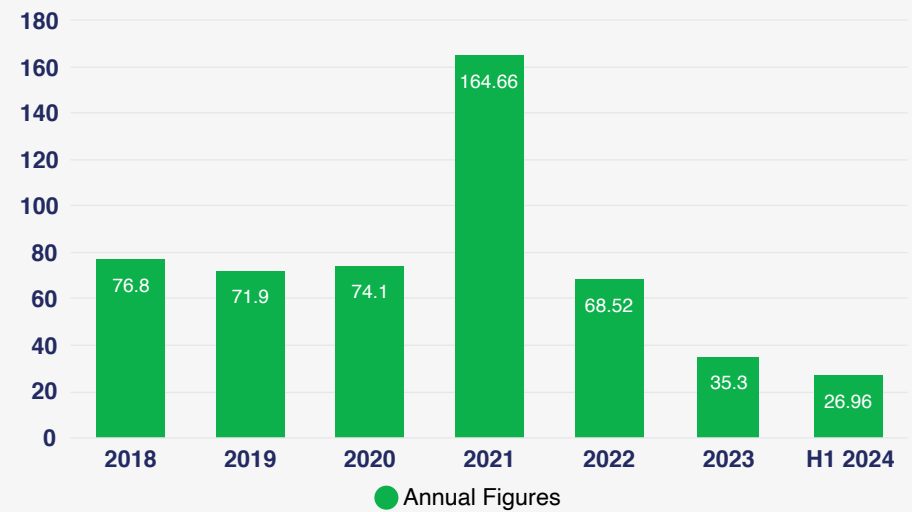
In H1-24, the region recorded 110 Telecom deals with deal values of US\$26.96bn.

Another major deal worth mentioning is the acquisition of Carlisle Interconnect Technologies by Amphenol for US\$2.025bn.

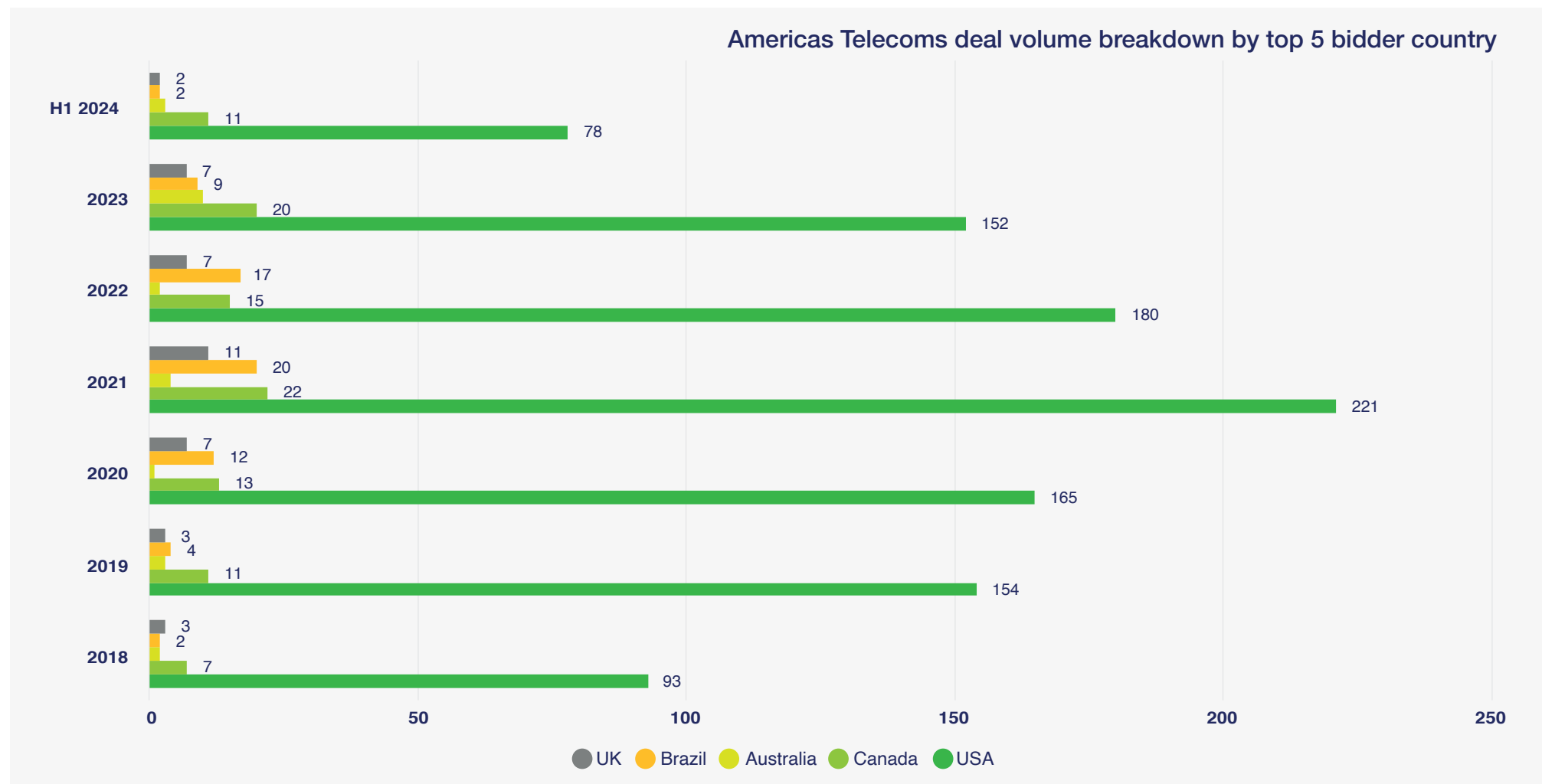
Americas Telecoms Deal Volume breakdown



Americas Telecoms Deal Value breakdown, US\$bn



A mighty 78 deals came in due to bidding from companies domiciled in the US. Canada came in second at 11 deals during this period.



H1-24 witnessed 1186 deals vs 932 during the same period last year; a rise of 254 deals. Some major deals during this period were:

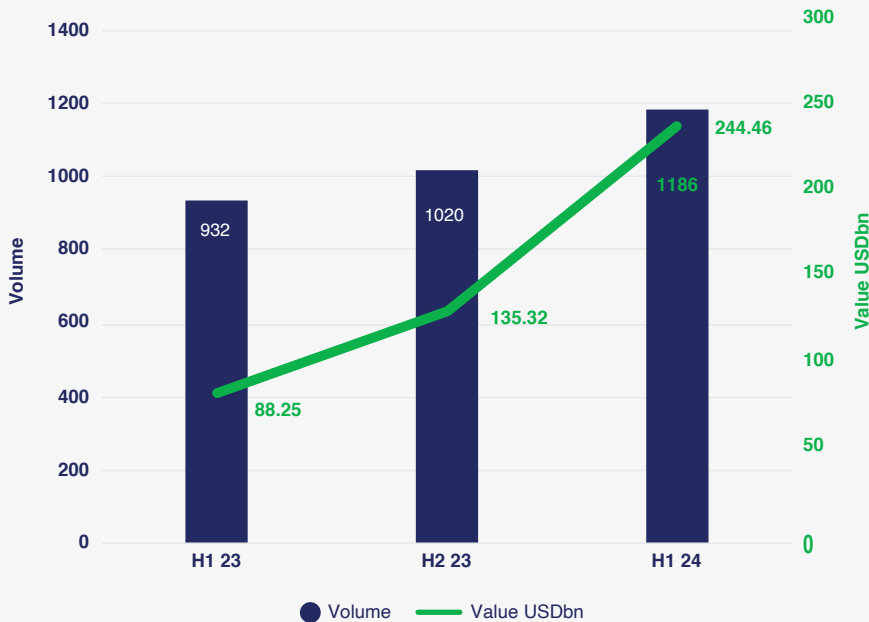
1) Ansys being acquired by Synopsys for US\$35bn

2) Synopsys being acquired by Hewlett Packard Enterprise for US\$14bn

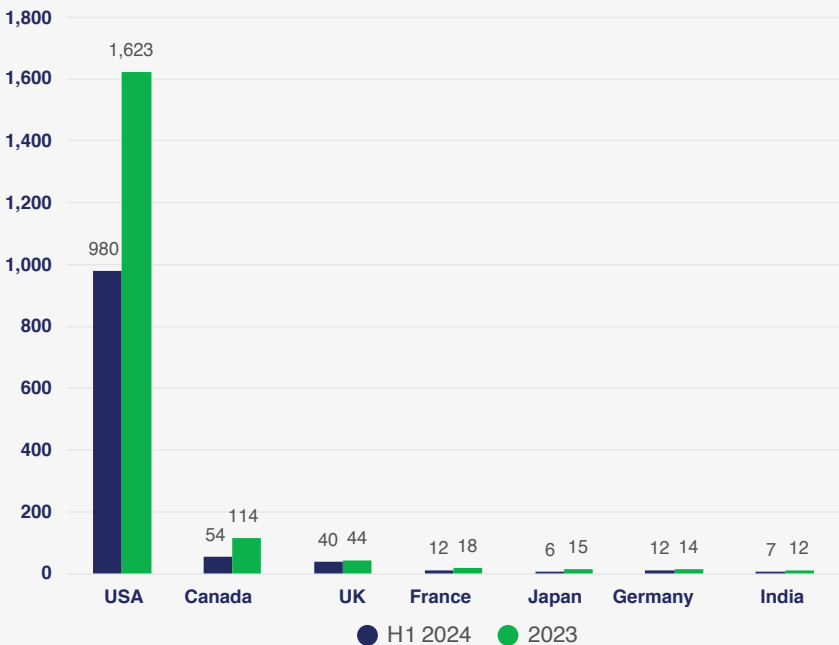
3) Discover Financial Services being acquired by Capital One Financial Corporation for US\$35.3bn

As we can see, a mighty 980 deals – hands the pole position to the US as the hottest investment destination for technology-oriented companies. Canada came in second at 54 and the UK third, at 40 deals.

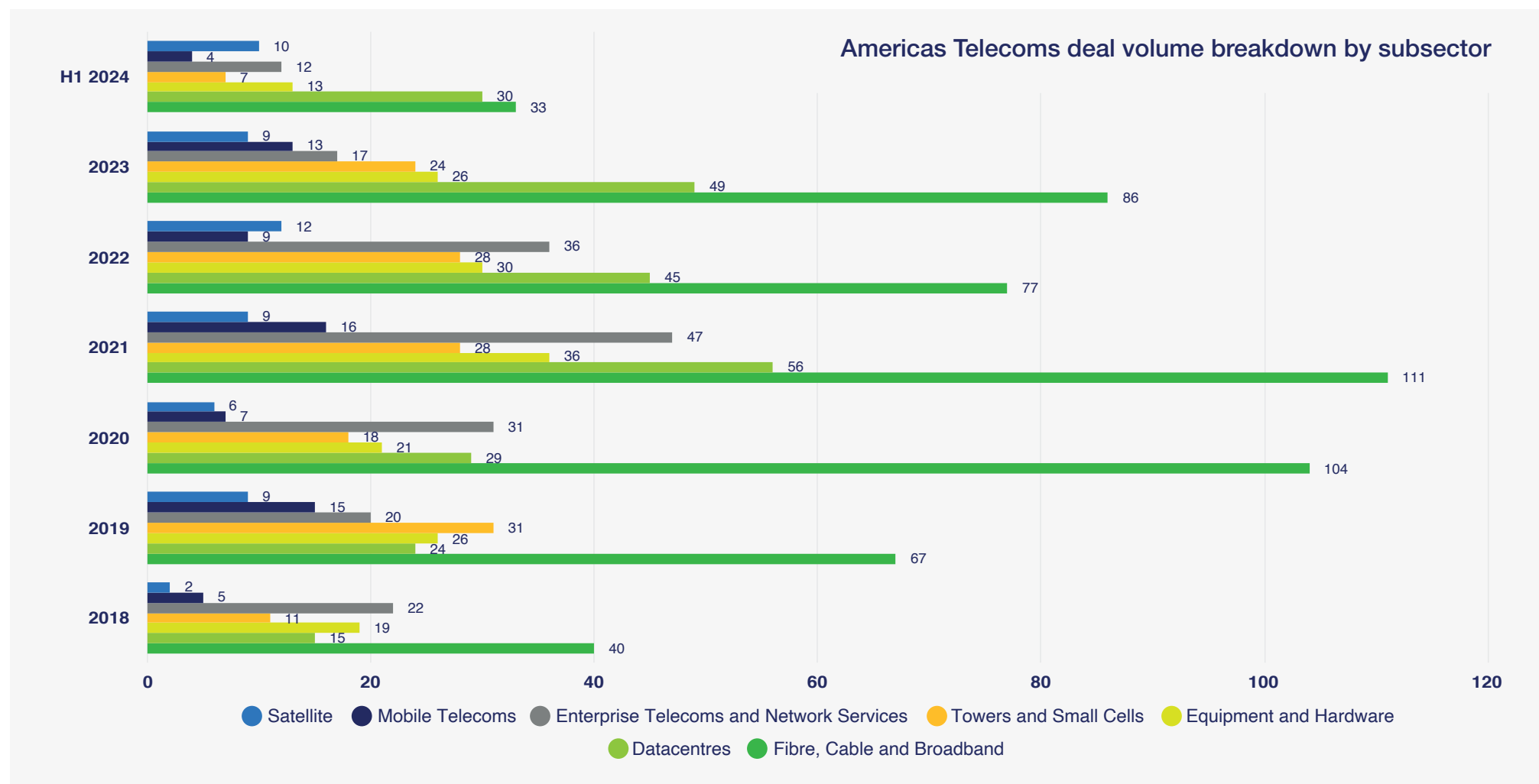
Americas Technology deal breakdown by volume and value



Americas Technology deal volume breakdown by bidder country



The most active subsector in America was Fibre, Cable, and Broadband, with 33 deals; Data Centres came in second with 30 deals.

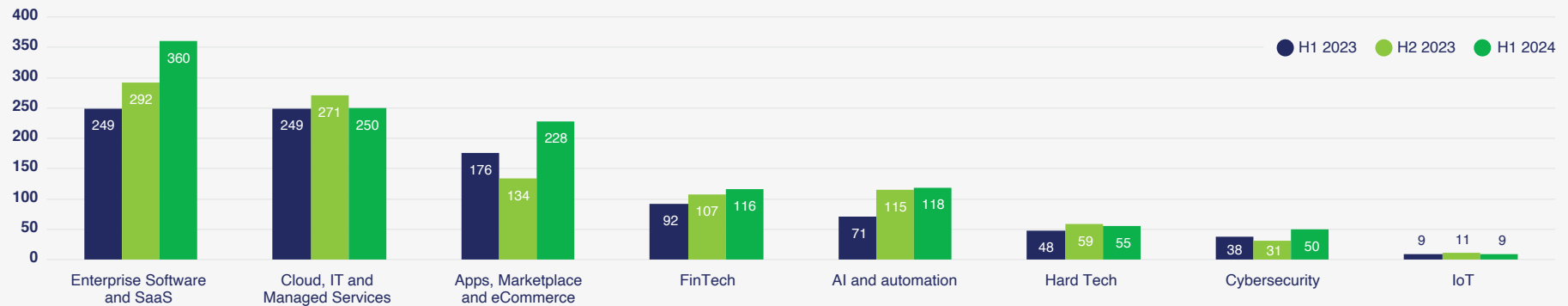


Enterprise Software and SaaS rose by 44.6% compared to the same period last year, i.e. 360 during H1-24 vs 249 during H1-23.

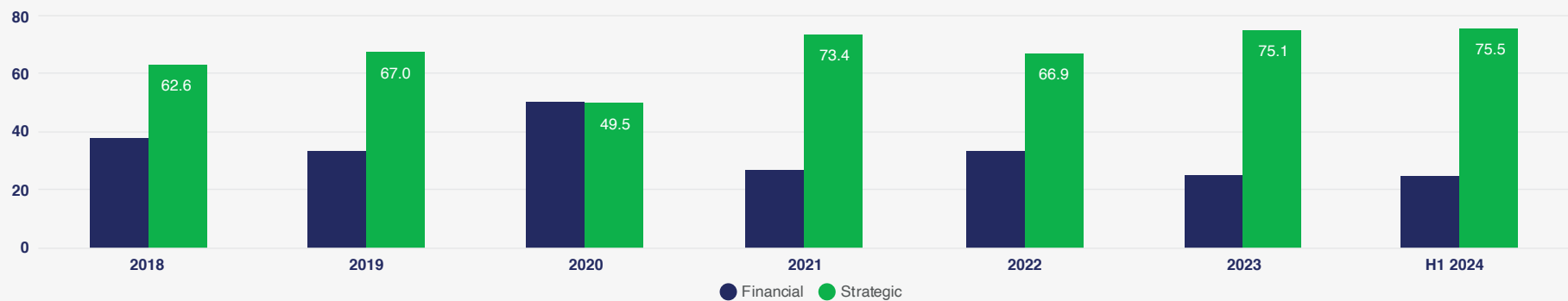
AI and automation rose by 66.19% vs the same period last year, i.e. 118 during H1-24 vs 71 during H1-23.

Over 83% of all Telecom deals executed were motivated by strategic intentions.

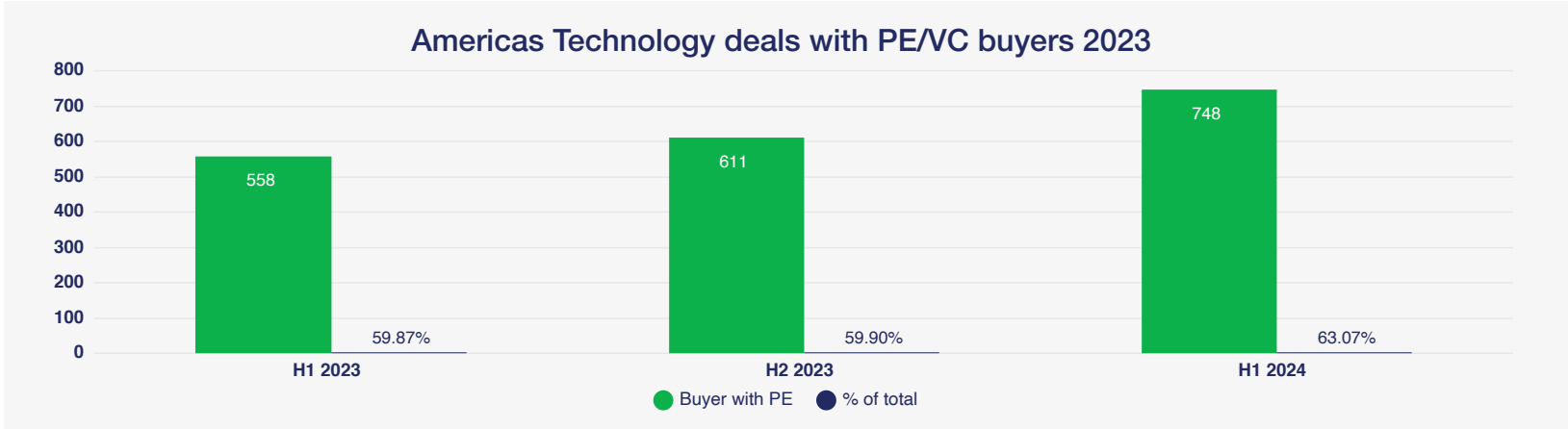
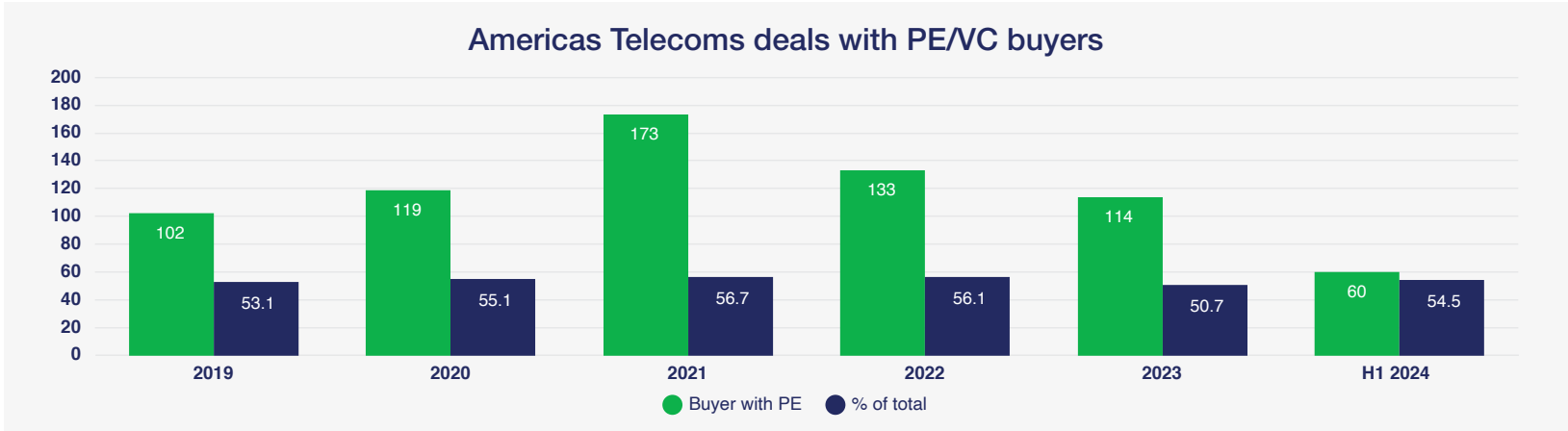
Americas Technology deal volume breakdown by target subsector



Americas Telecoms deal volume breakdown by bidder type, %



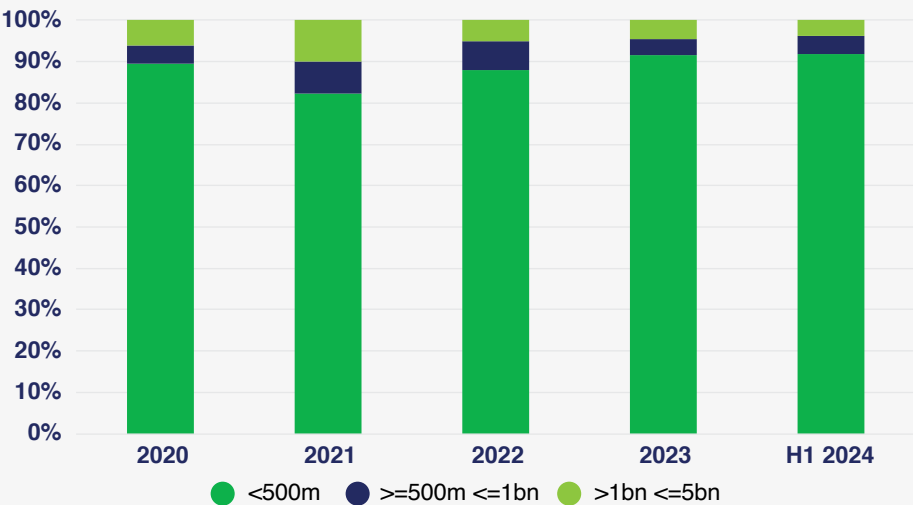
A total of 54.5% of deals involved PE/VC buyers. A number that is relatively in line with H1-23, and 63.07% of Technology deals had PE/VC buyers.



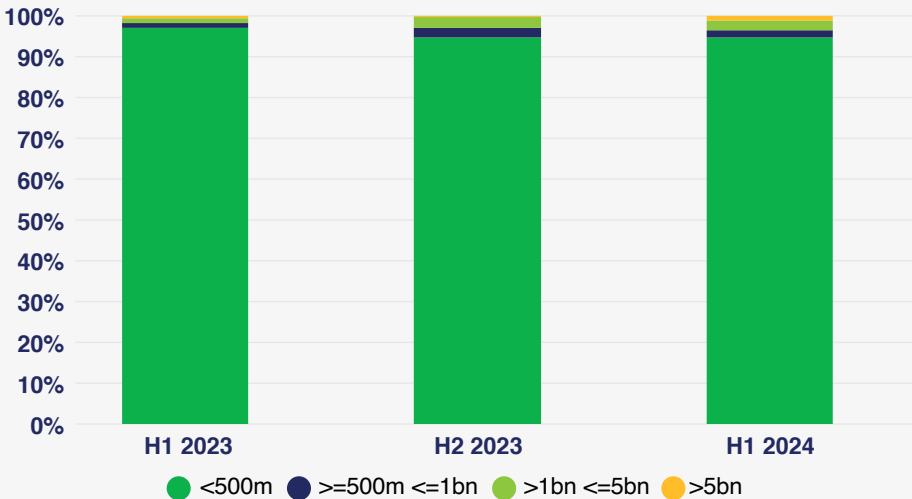
Out of the total 110 deals in Telecoms, 100 deals were in the sub US\$500m range, five were in the US\$500m to US\$1bn range and five were over US\$1bn. In the American technology sector, there were 12 mega deals, each valued at over US\$5 billion. Among these, notable transactions included US-based

Synopsys’ \$35 billion acquisition of competitor Ansys, and Capital One Financial Corporation’s US\$35.3 billion purchase of Discover Financial Services. There were also 27 deals in the US\$1bn-US\$5bn range.

Americas Telecoms distribution of targets by deal value, US\$



Americas Tech distribution of targets by deal value, US\$



159 deals were recorded in Americas Media with values amounting to US\$14.24 bn.

Some major deals to take note of in Americas Media:

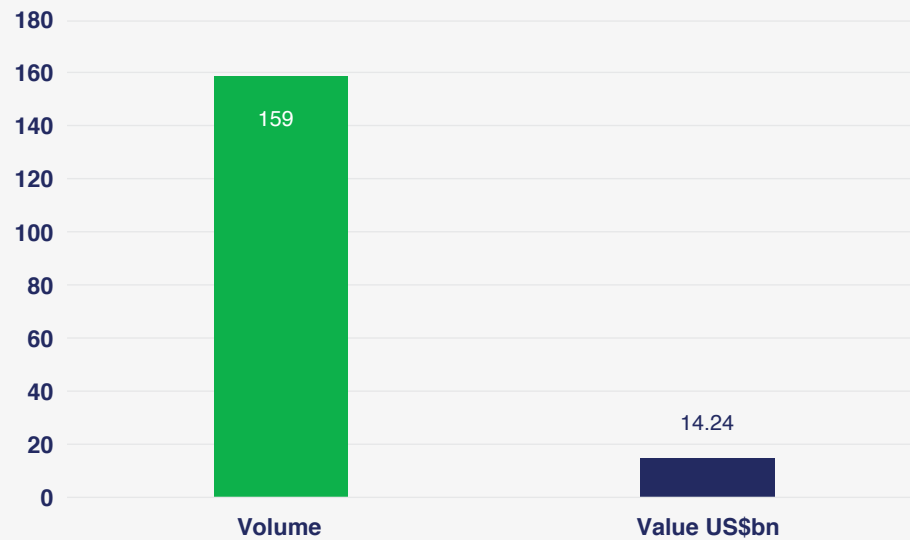
- 1) The US\$9bn sale of Endeavour.
- 2) US\$1.1 bn sale of PlayAGS

3) US\$690m sale of Baltimore Orioles

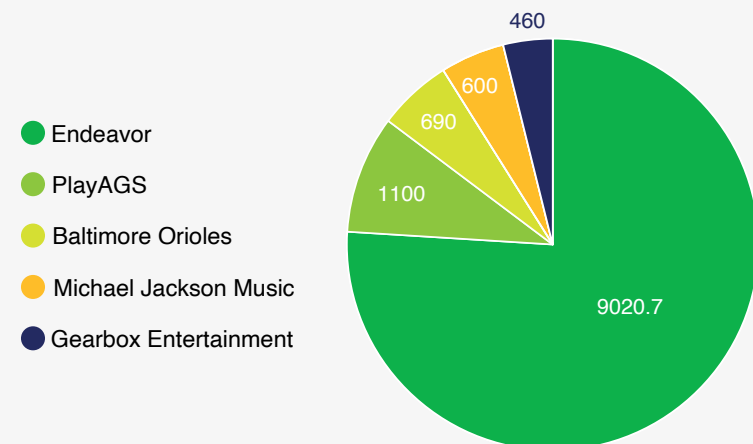
4) US\$600m sale of Michael Jackson's music portfolio

5) US\$460m purchase of Gearbox Entertainment

Americas Media deal breakdown by volume and value



Americas Media Major deals during H1-24: Values in US\$bn



The global TMT pipeline remains robust, with c.1,600 deals underway, according to TMT Finance Deal Data. This includes c.700 in European TMT, almost 460 in Americas Telecom and Tech, c.350 in Asia TMT, and c.90 in MEA TMT. This sustained activity reflects resilience and adaptability in the face of fluctuating conditions in recent years. The persistence of high M&A activity levels shows a recovery from the delays and cancellations of 2023. Companies are realigning their strategic priorities to adapt to new

realities, leading to increased M&A. Continuous advancements in technology, particularly in 5G, AI, and cloud computing, are fuelling M&A activity as companies seek to stay competitive and capitalise on new opportunities. With a strong pipeline of deals across Europe, the Americas, Asia, and MEA, the industry is set to continue its trajectory of innovation and consolidation, underpinning the broader economic landscape.

EMEA - Datacentres

IMs for Asterion-backed Spanish datacentre company [Nabix](#), and a significant minority stake in French telco Iliad's datacentre carve out [OPCORE](#) were released in June; first round bids expected end-July.

JPMorgan is running for a majority, or full, stake sale of [Green Datacentres AG](#). The bank is also selling a minority stake in Middle East datacentre firm [Gulf Data Hub's](#) UAE assets.

The Guggenheim-led process for IPI Partners-backed [STACK Infrastructure](#) will for as a yieldco.

Grain Management and Digital Gravity have dropped out of the [GlobalConnect's datacentres](#) sale; one party remains.

Citi is leading a process for Brookfield Infrastructure Partners [NYSE:BIP]-backed French datacentre operator [Data4](#), which could include a yieldco for its stabilised assets.

Cloud providers look to Spain for datacentre growth; AWS has plans to spend E15.7bn (US\$17bn); Microsoft [NASDAQ: MSFT] announced E6.69bn of investment over 10 years, and Oracle [NYSE: ORCL] plans over US\$1bn on a third cloud region.

EMEA - Fibre

A sale process [launched for the Isle of Man-based telco Manx Telecom](#), valued at around £500m (US\$627m).

[Virgin Media O2 \(VMO2\)](#) has hired Barclays and Goldman Sachs to consider options, including a minority stake sale in its NetCo.

Deutsche Beteiligungs [ETR: DBAN] has mandated [mandated Houlihan Lokey](#) for a full sale of its fibre construction business

Netzkantor; expected in H2. Guggenheim and Rautenberg are advising [Goldman Sachs Asset Management on a bid](#) for a stake in Deutsche GigaNetz.

The sale process for Altice's stake in XPFibre is at latter stages. [Pension fund \(CDPQ\) has dropped](#) while asset manager KKR [NYSE: KKR] and GIP remain potential buyers.

United Group's sale process has picked up; [IMs for the full sale](#) of the southeastern Europe-focused telco are out, with a potential sale of seven times E1bn EBITDA. Citi is advising [Saudi Telecommunication Company \(stc\)](#) on a potential bid, while Iliad, CVC Capital Partners and e& are mulling bids.

EMEA - Towers

Cellnex is selling a 49.9% stake in its Poland business and pushing ahead with a sale of its Austria business.

Morgan Stanley has been hired to explore options for wireless-telecoms carrier company [Vantage Towers](#), which could include a process for some of its towers in Spain, sources told TMT Finance.

Others ongoing include [Proximus Group](#) [EBR: PROX]'s sale of c.50 towers in Luxembourg, led by Evercore, plus Wood & Company's-led sale of Macquarie-owned [Towercom](#). The latter, with enterprise value of E165m to E200m, has received non-binding offers from Cordiant and Tawal.

MEA - Telecoms and Digital Infrastructure

The tower sector is revolving around deals linked to IHS Towers [NYSE: IHS]. Transactions in [Nigeria](#) and [Kuwait](#) are ongoing,

while Vodacom and Orange are still looking to monetise tower portfolios in the region.

In datacentres, players like [Africa Data Centres](#) and [Raxio Group](#) are pushing for expansion with significant fundraisings.

The subsea cable and fibre sector is driven by the need for further investment, [WIOCC](#) and [Paratus](#) announced fundraisings. Consolidation in the [South African market](#) is expected to drive further transactions.

EMEA Debt

Greenfield datacentre project financings remain dominant in the European digital infrastructure debt markets, including two raises in Dublin now in the market, one [currently in syndication for Vantage](#) and a [E1bn raise in the market being led by DC advisory for Igneo Infrastructure Partners](#).

Europe's datacentre ABS market began with [Vantage's inaugural £700m ABS](#). We expect several developers to follow, moving stabilised assets to the securitisation market, diversifying their means of accessing capital.

Meanwhile the fibre debt markets have seen many large accordion facilities on the market; many remain live into H2, namely [Dutch fibre co Glaspoort's E1bn](#) accordion and [Deutsche Glasfaser's E1bn accordion](#).

As consolidation in the UK, France and Germany, becomes a reality we expect to see more debt reshufflings and restructurings, plus acquisition financings in H2 debt markets.

Americas - Fibre

Several high-profile deals remain in progress going into H2, including **Crown Castle's** fibre assets, broadband services provider **WideOpenWest (WOW!)**, which **TMT Finance reported** was seeking a financial adviser after receiving an unsolicited non-binding preliminary proposal from **DigitalBridge** and **Crestview**. **Alphabet's Google Fiber** and Oregon-based fibre internet provider **Hunter Communications**, and Tennessee-based fibre company **United Communications** continue work with Bank Street and Lazard, respectively, on equity options.

Continuation funds also remain an option for fibre companies, with **SDC Capital running** a process to extend its hold over portfolio company **SummitIG**, confirming a **TMT Finance report**. SDC is similarly working with Goldman Sachs to review options, including a continuation fund, for **ALLO Communications**.

Certain large fibre providers will look to upsize and restructure debt packages in H2, with **Crédit Agricole-CIB**, **JPMorgan** and **SMBC** jointly leading a **c.US\$1.8bn debt upsize and reshuffling for Lumos**. H2 promises more activity in the ABS market for US fibre companies with several already considering first time or additional ABS options.

Americas - Datacentres

Expected demand for AI drove datacentre companies in accelerating planning, expansion and strengthening footholds in H1.

Recent standouts are **Vantage Data Centers** completing a US\$9.2bn equity investment led by **DigitalBridge** and technology investment firm **Silver Lake**.

Live processes in H2 include **EQT-backed EdgeConnex** working with **Morgan Stanley** to review options, including a minority stake sale; **Bank of America** and **DH Capital** are leading an equity raise for US datacentre platform **DataBank**, potentially US\$1bn to US\$1.5bn.

Developers and operators will continue to seek different means of raising debt capital in H2. And, while banking appetite for datacentre financings, greenfield and brownfield, remains insatiable, banks will look to a range of financing means to prevent overexposure.

We expect to see H2 populated by the warehouse and devco style debt financings that emerged in H1. The asset backed securitisation (ABS) market is likely to remain active following **Switch's US\$1.7bn ABS led by Morgan Stanley and MUFG**. Other avenues to capital include the US Private Placement market, which until the end of H1 has remained untapped by datacentre co's.

Greenfield asset level financings will continue with **Powerhouse Datacenters raising US\$500m** for an asset in northern Virginia and **Truist** and **CIT** leading a US\$500m raise to support **the expansion of Vantage's asset in Quincy, Washington**.

Americas - Towers and Wireless Infrastructure

After a lull in large tower portfolio sales, **Verizon Communications'** **JPMorgan-led** review of its wireless infrastructure portfolio will be closely watched in H2. Private tower companies also look to seek capital to fund growth, with **DigitalBridge-backed Vertical Bridge REIT** working with **Centerview** on an equity raise.

Attention is fixed on several processes in the in-building, small cell and DAS space, with **DigitalBridge** and **EQT-backed Zayo** working with **Houlihan Lokey** to explore options for its small cells unit, and the **Bank Street-led Airwavz** and **Houlihan Lokey-led Connectivity Wireless** sale processes progressing, while **Rothschild** advises **Halo** on a potential equity raise.

Two large project financing deals for towers have been the talk of the towerco debt markets so far this year, with **TD Securities leading a US\$500m debt financing** raise for **Boca Raton**, Florida-headquartered **Vertical Bridge**, a raise that will support a build-to-suit towers project. Meanwhile in April, **Tillman Infrastructure**, a subsidiary of **Tillman Global Holdings**, secured a US\$1bn debt financing package from a syndicate of lenders arranged by **JPMorgan Chase Bank**.

Certain large fibre providers will look to upsize and restructure debt packages in H2



Asia telecom and digital infrastructure in H1 2024 remains strong with ongoing MNO merger talks, fibre transactions anticipated, and a strong pipeline of datacentre deals.

Fibre

Fibre transactions have become an increasingly hot topic in Asia's TMT market.

In June, PCCW-owned Hong Kong telco HKT Limited [HKG: 6823] **announced** that it had sold a 40% stake in Regional Link Telecom Services Holdings Ltd to China Merchants Capital for US\$870m.

Two telcos in Indonesia, notably **PT Link Net (Link Net)** [IDX: LINK] and Indosat Ooredoo Hutchison [IDX: ISAT] are anticipated to come to market to sell stakes in their respective fibre businesses.

Meanwhile, in the Philippines, fixed broadband network provider Converge ICT Solutions [PSE: CNVRG] is **considering options for its fibre asset** which could include a potential carveout of some of its fibre network. The company is working with Nomura on the proposed deal.

In India, several fibre manufacturers are working on a sale of their fibre assets, including **Vindhya Telelinks** [NSE: VINDHYATEL; BOM: 517015] and **Dinesh Engineers Ltd.** DigitalBridge [NYSE: DBRG] has previously expressed interest in VTL's fibre assets.

Asia - Datacentres

Datacentres remain hot with M&A and equity deals, as well as project financing.

One major datacentre sale ongoing in APAC is the sale of Australia-headquartered Asia Pacific datacentre operator **AirTrunk**, that has received non-binding offers from GIP,

CPPIB, Blackstone, and a consortium between DigitalBridge and IFM, according to media reports. The asset could be valued at around A\$15bn (US\$10bn).

Another process launched earlier this year is the sale of DigitalBridge-backed **Vantage Data Centers' Hong Kong datacentre assets**. The company received non-binding offers in May; the sale is being run by JPMorgan.

In Indonesia, a capital raise for telco PT Telkom Indonesia Tbk's (Telkom Indonesia) [IDX: TLKM; NYSE: TLK] datacentre business **NeutraDC** is expected to come to market.

Elsewhere, deals including **NEC datacentres** in Japan, **Fujitsu datacentres** in Australia, **Blackstone's datacentre sale** in Tokyo are all to keep an eye on.

On the project financing side, companies and deals we're tracking include: **Bridge Data Centres**, **EdgeConneX**, among others.

Asia - Towers

Although large tower transactions in APAC have slowed compared to previous years, several transactions are ongoing.

In the Philippines, Macquarie Capital is considering **selling down its stake in the to-be merged entity** of Philippine independent tower operators Phil-Tower Consortium and MIESCOR Infrastructure Development Corp.

CREI Philippines, an independent tower and renewable power assets company, **is looking to sell its telecom tower assets**.

In Indonesia, **Mubadala is in discussions with Protelindo** regarding a minority stake investment in the latter firm.

In Japan, KKR-backed [NYSE: KKR] Asian telecom-tower platform Pinnacle Towers is close to, or has agreed, to invest

in **Sentient**, a Tokyo-based streetside towerco. If the deal closes, it will mark Pinnacle Towers' entry into a new market.

Asia - MNOs

In the mobile network space, Singapore-based operators **M1 and StarHub** [SGX: CC3] are exploring options for a potential merger.

ST Telemedia-backed StarHub is working with JPMorgan, while Keppel-backed [SGX: BN4] M1 has engaged DBS, as previously reported by TMT Finance. However, considerations are at an early stage and there is no guarantee of a deal, sources cautioned.

In neighbouring Indonesia, talks between mobile operators XL Axiata (XL) [IDX: EXCL] and PT Smartfren Telecom (Smartfren) [IDX: FREN] are progressing. In May, **TMT Finance reported** that PT Sinar Mas Group, Smartfren's parent company, has brought in US bulge-bracket bank JPMorgan, alongside Malaysian bank CIMB, to assist with the merger talks. XL and Axiata Group [KLSE: AXIATA] are being advised by Deutsche Bank.

Two telcos in Indonesia... are anticipated to come to market to sell stakes in their respective fibre businesses



Tech F - Cloud IT & Managed Services

While the sector's bellwether deal, [Focus Group](#), traded in April for a healthy US\$1bn (around 13 times EBITDA) several other deals in the cloud services space came up against investor scrutiny of platform integration and concerns about the effect of Microsoft.

While assets like [Babble](#), [FluidOne](#), [Nasstar](#), are now unlikely to come back onto the market soon, investors in the subsector are looking forward to better times; this being enough for processes for significant assets like [Lutech](#), [Technology & Strategy](#), [Expleo](#) and [Wavenet](#).

Interest remains strong for assets like Accel-KKR's UK cloud communications platform [Smart Communications](#). At the small and medium-sized enterprise-focused end significant assets like Equistone's [TIMETOACT Group](#), Maxburg Capital Partners data analytics asset [Synvert](#) and Belgian digital transformation company [CBTW](#) are coming to market and preparations are underway to bring back Quadrum Capital-backed Dutch IT services group [Interstellar](#).

Tech F - Software

TPG Capital and CDPQ's acquisition of Advent International's German housing-management software group [Aareon](#) for US\$4.15bn at the end of June boosted the European software M&A market.

The fact that deals like this and Altor Equity's acquisition of [F24](#) were possible has been a fillip for sellers contemplating smaller but not unsizeable disposals like that of TA Associate's [Orisha](#), Rothschild Five Arrows' [Harvest](#) in France, Capvis's Germany and Switzerland-based [Business Systems Integration \(BSI\)](#) and Battery Ventures's German geospatial data software platform [VertiGis](#).

This confidence also seems to have more solid foundations than earlier in the year, with in-bound interest for assets such as German company [Regnology](#) - whose owner Nordic Capital has also felt bullish enough to bring its E50m EBITDA (US\$54m) healthcare services and spend-management platform [Vivecti Group](#) to market.

In the listed world rumours swirl around the likes of Teamviewer and [Hexagon](#). The more favourable trading environment has made it possible for sellers willing to take a more "constructive" approach to bring back to market assets like Horizon Capital's UK customer experience business [Sabio](#).

Tech F - Other tech

Against a backdrop of ongoing scarcity of high-quality assets and bigger-ticket deals transactions like Thoma Bravo's £4.3bn (US\$5.4bn) acquisition of UK cybersecurity artificial intelligence (AI) specialist [Darktrace](#) [LON:DARK] or [Oakley Capital's](#) E500m (US\$539.0m) purchase of a co-controlling stake in [Eurazeo](#) [EPA: RF] and [Sagaard NewGen](#) backed-I-[TRACING](#) have been setting a higher benchmark.

This was most evident at the smaller niche tech area of the market, where in France [Mistral AI](#) raised E600m in a Series B funding round led by General Catalyst achieving a E6bn valuation.

German defence sector-focused AI software developer [Helsing](#) began talks to raise US\$400m to achieve a US\$4bn value, and German AI-driven translation tech company [DeepL](#) raised US\$300m giving it a US\$2bn value. In the [UK Raspberry Pi's](#) [LSE: RPI] shares soared, giving it a market capitalisation of £541.6m on IPO day one.

Among the larger assets coming to market in the subsector is French electronic identification (ID) and cybersecurity group [Idemia](#), the documents and passport ID business of which French state-backed [IN Groupe](#) is preparing to bid for, as [TMT Finance](#) revealed in late June.

TMT Finance also revealed Castik Capital's and minority shareholder [Abry Partners](#)' search for, and appointment of, banks to bring to market Swedish secure internet-of-things connection business [AddSecure](#); However, this may not hit the market until 2025.

The more favourable trading environment has made it possible for sellers willing to take a more "constructive" approach



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