# Arm considers acquisition of Ampere Computing amid AI chip sector consolidation



Arm Holdings PLC is reportedly considering the acquisition of Ampere Computing LLC, indicating a trend towards consolidation within the rapidly evolving artificial intelligence (AI) chip sector. This strategic exploration appeals to those monitoring developments in AI and semiconductor technology, particularly as competition intensifies.

Ampere, which focuses on designing advanced data centre processors that utilise Arm's own technology, has been attracting interest from potential acquirers while working with financial advisers to evaluate its options for growth, as detailed by Bloomberg on Wednesday. The company has previously operated under the valuation of $8 billion during negotiations concerning a minority investment from SoftBank Group Corp. back in 2021.

The interest in Ampere comes at a crucial time when the company is striving to strengthen its competitive position within the AI chip market, a sector currently dominated by NVIDIA Corp. In a significant move, Ampere entered a partnership with Qualcomm Inc. in May, aiming to develop an AI-centric server that integrates Ampere's CPUs with Qualcomm’s Cloud AI 100 Ultra chips tailored for inference tasks. This collaboration is set to enhance Ampere’s footprint in the data centre segment, a vital area for AI development.

Oracle Corp. is a significant stakeholder in Ampere, holding a 29% share with options for increased control. The company, led by former Intel executive Renee James, had confidentially filed for an initial public offering (IPO) in April 2022, reflecting its growth ambitions within the semiconductor arena.

Moreover, in May, Ampere unveiled its plans for a new generation of CPUs, purportedly featuring an impressive 256 processing cores, designed using the cutting-edge 3-nanometer process from Taiwan Semiconductor Manufacturing Co. This innovation highlights Ampere’s commitment to leading technological advancements in the sector.

For Arm, the potential acquisition of Ampere represents a significant step in its transition from a technology licensor to a more integrated chip manufacturer. This move could allow Arm to benefit from Ampere’s engineering expertise to strengthen its position in the server market. However, details surrounding the negotiations are still fluid, and there remains a possibility that discussions may not lead to an agreement.

As the AI landscape continues to evolve, industry participants will be keen to observe the developments in this potential acquisition and its implications for the future of AI automation in business practices.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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3. <https://amperecomputing.com/en/> - Provides information on Ampere's cloud computing solutions, including the Ampere Altra and AmpereOne families, and their scalability and performance.
4. <https://www.crn.com/news/components-peripherals/2024/ampere-reveals-256-core-server-cpu-ai-partnership-with-qualcomm-in-big-update> - Mentions Oracle Corp.'s significant stake in Ampere and the company's growth ambitions, including the filing for an IPO in April 2022.
5. <https://amperecomputing.com/en/products/processors> - Highlights Ampere's commitment to technological advancements, such as high performance and low power consumption, crucial for AI and cloud native workloads.
6. <https://www.crn.com/news/components-peripherals/2024/ampere-reveals-256-core-server-cpu-ai-partnership-with-qualcomm-in-big-update> - Details the competitive landscape, including comparisons with AMD and Intel, and the impact of cloud service providers developing their own CPUs.
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9. <https://amperecomputing.com/en/> - Provides insights into Ampere's engineering expertise and its potential benefit to Arm if acquired, particularly in strengthening Arm's position in the server market.
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