# Arm Holdings in talks to acquire Ampere Computing amid AI boom



Arm Holdings Plc, a prominent player in the semiconductor industry and significantly owned by SoftBank Group Corporation, is reportedly in discussions regarding a potential acquisition of Ampere Computing LLC. This interest reflects an evolving landscape in the semiconductor sector, particularly as companies align strategies to leverage the burgeoning opportunities presented by artificial intelligence (AI).

Sources familiar with the situation have indicated that talks between Arm and Ampere remain unconfirmed, leaving room for other potential buyers to emerge for the semiconductor company. Ampere, valued at $8 billion during a proposed investment by SoftBank in 2021, has been at the forefront of designing semiconductors that utilise Arm’s technology. However, the current valuation and terms of any potential deal between Arm and Ampere remain unclear.

According to Industry Leaders Magazine, Bloomberg reported in September on Ampere’s engagement with financial advisers to navigate the interest surrounding its potential acquisition. Based in Santa Clara, California, Ampere’s ongoing discussions with Arm suggest that the firm may be reconsidering its path to a public offering amid competing interests and market dynamics.

The acquisition of Ampere would be consistent with a growing trend among chip companies aiming to capitalise on the AI boom. Ampere’s current backers include Oracle, which holds a 29% stake and has options for further investment that could enable it to assume control of the company. Notably, Ampere's competitive stance is being tested as the market expands, with numerous large tech firms gearing up to manufacture similar chips.

As the data centre segment transitions into an AI-centric era, companies, including Ampere, are vying for dominance over essential semiconductor components. With competitors such as Intel and AMD also navigating the shift in demand—from traditional CPUs towards Nvidia’s AI accelerator chips—Ampere faces significant pressure to adapt.

Ampere’s strategic position in the market is further underscored by its use of Arm’s technology to create processors designed for data centre operations. In a notable shift, Arm is evolving from merely licensing designs to establishing itself as a direct chip manufacturer. The company's founder and CEO, Renee James, who previously held a senior role at Intel, had aspirations for Ampere to go public. These ambitions were highlighted in April 2022, when Ampere announced its quiet filing for a US initial public offering (IPO) amid a surge in chip demand.

Amidst these developments, SoftBank's financial performance has seen fluctuations, with the company’s stock closing at 9,371.00 JPY on a recent Wednesday, marking a 23.06% drop from its 52-week peak of 12,180.00 JPY recorded on July 11, 2024. The stock's volatility reflects a broader market sentiment and may be influenced by SoftBank’s strategic investments in AI and semiconductors, as well as the anticipated impact of Arm's forthcoming IPO.

The evolving scenario surrounding Arm and Ampere encapsulates the intricate interplay of technology, market strategies, and the ever-present demand for semiconductors in an increasingly AI-driven world.

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

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