



Africa currently accounts for 2–3% of the global M&A market value—a modest share that belies the continent's immense potential. While foreign investors' interest in Africa continues to grow, several structural challenges hinder the successful execution of deals. These include limited access to reliable information, currency volatility, diverse and often complex regulatory frameworks, lack of tax certainty, and, in some cases, local ownership requirements. A recent report by KPMG on dealmaking in Sub-Saharan Africa also highlights a persistent mismatch in price expectations—where sellers price in future growth and buyers apply risk-adjusted discounts—as a key obstacle. At a macro level, political instability and economic turbulence have continued to act as brakes on deal flow.

The years 2021 and 2022 marked the peak of M&A activity in Africa, fueled by attractive valuations, abundant natural resources, and high growth potential. These conditions were further catalysed by robust economic growth and post-pandemic legislative reforms across various jurisdictions that created investor-friendly conditions. According to UNCTAD's Economic Development in Africa Report 2024, private equity firms were particularly active during this period, targeting high-growth sectors such as technology, media and telecommunications (TMT), energy, mining, and utilities.

By contrast, 2023 witnessed a downturn in M&A activity due to persistent inflation, rising interest rates, geopolitical uncertainty, and cautious investor sentiment globally, as observed in The Post's February 2025 review of African M&A activity.

In 2024, Africa's M&A market presented a paradox: a drop in deal volumes but a sharp rise in value. A total of 269 deals were completed, totalling USD 12.5 billion. This represents a 10% decline in volume but an 85% surge in deal value compared to 2023. This shift, as The Post notes, was largely driven by renewed global interest in Africa's mineral wealth, notably in gold and critical minerals, with mining and energy transactions driving large-ticket deals.

Understanding sectoral trends is crucial for stakeholders. Investors use this data to identify where capital can be most effectively deployed, while legal and financial advisors can better anticipate regulatory issues and optimise transaction structures. Governments and policymakers can also use deal trends as a barometer for economic health and to determine where targeted reforms or incentives may yield the greatest impact—insights supported by KPMG's 2024 analysis of M&A activity in the region.

Snapshot of M&A Activity in Africa (2024)

As mentioned, deal volume dropped by 10% in 2024. This slowdown is attributed to elevated capital costs, geopolitical instability, and global market uncertainty. Still, the dramatic uptick in total deal value is notable, buoyed by landmark deals in mining, especially in the gold and critical minerals space.



TMT, consumer, and financial services sectors remained dominant in terms of the number of deals. According to a recent report by Digital Realty, TMT's sustained attractiveness is reflective of investor appetite to fill Africa's digital infrastructure gap and serve its large, youthful population.

South Africa continued to lead the continent's M&A market, representing over 60% of total deal value and 30% of deal volume. Nigeria followed, contributing 15% of deal value and 8% of volume. Egypt ranked third in value at 8% and accounted for 25% of the continent's total deal volume, according to The Post.

In East Africa, the first three quarters of 2024 recorded 77 deals valued at USD 810 million—a significant drop from 123 deals worth USD 1.35 billion in 2023 and 124 deals worth USD 1.41 billion in 2022. As reported by Nairobi Business Monthly, Kenya led the region with 47 deals valued at USD 523 million, though this still marked a decline in volume compared to the 71 deals in 2023. Uganda and Tanzania posted 12 and 9 deals respectively, valued at USD 225 million and USD 59 million.

Dominant Sectors

In terms of deal value, the mining and energy sectors led the pack in 2024. However, by volume, the TMT sector remained dominant. Between 2021 and 2024, TMT-related industries have consistently led in deal value, accumulating around USD 50 billion. TMT accounted for approximately 20% of total M&A volume and over 30% of value, with a 36% increase in deal value in 2024 alone, according to Digital Realty.

Africa's youthful demographic and digital demand are major contributors to this trend. As investors seek to capitalise on the region's digital transformation, TMT has become a key M&A focus area.

Energy, mining, and utilities sectors followed closely with roughly USD 45 billion in cumulative deal value over the same period. According to The Energy Circle, rising energy demand—projected to grow by 30% by 2030—and the global push for decarbonisation have made Africa's renewable energy assets increasingly attractive to investors.

Other active sectors included financial services, consumer goods, transport, industrials and chemicals, real estate, construction, and business services. According to KPMG, investment in Africa's fintech ecosystem is also rising as firms race to serve the largely unbanked population and a fast-growing middle class.

In East Africa, Kenya saw deals across financial services, technology, agri-tech, and healthcare. Uganda showed strong activity in energy, agriculture, and infrastructure, while Tanzania's M&A focus was on mining and tourism, according to Nairobi Business Monthly.

The continent's vast natural resources, growing population, and expanding middle class continue to make energy, mining, and consumer sectors particularly ripe for consolidation.



Conclusion: What to Expect

Looking ahead, several dynamics are expected to shape Africa's M&A landscape. Artificial Intelligence (AI) is poised to transform how deals are sourced, executed, and managed post-merger. According to McKinsey's Global Private Markets Report 2025, AI is already streamlining due diligence and helping identify high-potential targets.

At the same time, Environmental, Social and Governance (ESG) considerations are becoming increasingly important to investors. Financial returns are now often assessed in tandem with ESG impact, particularly in emerging markets.

While the African M&A space has traditionally been dominated by large, cross-border transactions led by multinationals, there is growing momentum for mid-sized deals and intra-African acquisitions—especially with the African Continental Free Trade Area (AfCFTA) facilitating regional integration, as highlighted in UNCTAD's 2024 trade development report.

Going forward, sectors such as energy, mining, oil & gas, and TMT are expected to continue attracting significant investment as Africa asserts itself as an increasingly strategic market for global and regional dealmakers.



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