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Global and African M&A Outlook 2025: Quality Over Quantity

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'Quality over quantity' has defined Mergers and Acquisitions (M&A) activity globally and in Africa in 2024 and 2025; exemplified by the fact that while deal volumes have declined, there has been an increase in the total value of transactions reflective of a focus on high-value strategic investments. The second half of 2025 and 2026 are expected to follow a similar trend, with key drivers including increased investments in infrastructure, especially digital infrastructure off the back of the growing influence of Artificial Intelligence.

Global M&A Trends

In 2024 and early 2025, global M&A activity was characterised by lower transaction volumes but higher overall deal values. For example, in the US, EY reported that in March 2025, the value of transactions exceeding USD 100 million increased by 106.7% from February 2025, while the transaction volume declined by 8.9% annually.

While the first quarter of 2025 showed robust deal activity and an encouraging upward trajectory, the coming months are expected to raise challenges off the back of weaker consumer confidence, escalating tariffs, elevated interest rates, and heightened policy uncertainty, all of which are likely to dampen economic momentum.

JP Morgan has projected that there will be increased investment in infrastructure in 2025, largely fuelled by the rise in AI, data centres, and smart infrastructure solutions. This trend is expected to shape M&A activity in the sector, with a focus on public-to-private transactions, innovative deal structures and the use of structured equity to support capital-intensive projects.

AI will also play a key role in influencing M&A activity in 2025. As new technologies continue to emerge, many companies are seeking to integrate AI into their operations to increase efficiencies and competitiveness. This trend is fuelling a wave of technology-driven acquisitions, with investors targeting companies that offer AI capabilities or data-driven products and services, often to reach new consumers.

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Globally, private equity is also expected to be a significant driver of M&A activity in 2025 and according to McKinsey & Company, private equity's contribution to M&A volume reduced from 28% in 2021 to 22% in 2024. However, private equity firms are expected to drive a resurgence in M&A activity in 2025, with over USD 2 billion in unallocated capital globally which is likely to be deployed in the near term.

There is also pressure to exit long-held investments, which in turn is likely to prompt a renewed focus on generating returns through strategic exits.

However, the impact of private equity on the continent is unlikely to follow global trends as capital is deployed to safer lower-risk jurisdictions.

According to PwC, despite the positive momentum certain wildcards remain which may impact M&A activity.

Volatile geopolitics, resulting from changing policies such as the United States' "Liberation Day" tariff regime, are expected to disrupt dealmaking activity. Rising long-term interest rates complicate refinancing processes and reduce the attractiveness of certain investment opportunities. Although these factors may temper deal volumes, it is unlikely that M&A activity will reduce significantly.



Africa Trends

In 2024, Africa also experienced a decline in deal volume, but an increase in deal value, reflecting a continued shift towards quality over quantity, with several high-profile M&A transactions taking place in the region. The venture capital investment landscape in Africa is expected to recover somewhat from the challenges in previous years, which in turn could drive increased M&A activity.

South Africa led regional activity in 2024 accounting for over 60% of total deal value and over 30% of deal volume, followed by Nigeria. In East Africa, there was significant M&A activity in the startup scene, with early-stage transactions contributing to the region's overall momentum. Across Africa, the quality-over-quantity shift is expected to persist through 2025.

Much like the global forecast, key sectors to watch in Africa include digital infrastructure as well as financial services which accounted for 30% of all M&A transactions in the region in 2024. Financial services are expected to remain a major contributor to M&A deal volume and consumer services which also saw significant interest in 2024 are expected to remain a key focus area.

Finally, AI and broader technology investments which gained significant traction across the continent in 2024 are expected to continue attracting strategic dealmaking.



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What to Expect

In 2025 and through 2026, M&A activity will likely be defined not by volume, but by strategic value—where technology, infrastructure and private equity will lead the charge amid economic and geopolitical headwinds.

As investors and corporates navigate rising interest rates, policy uncertainty, and global trade tensions, M&A strategies will increasingly focus on long-term value creation, operational resilience, and digital transformation.

In Africa, the emphasis on high-impact sectors such as financial services, consumer markets, digital infrastructure and AI positions the region for selective but meaningful deal activity.

For stakeholders in the M&A space, a sector-focused lens will be key to unlocking opportunities in an increasingly complex landscape.



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Contacts

Should you have any questions regarding the M&A landscape, please contact Dominic Rebelo or Edwin Odundo



Dominic Rebelo

Partner
ALN Kenya | Anjarwalla & Khanna
E: dominic.rebelo@aln.africa



Edwin Odundo

Senior Associate
ALN Kenya | Anjarwalla & Khanna
E: edwin.odundo@aln.africa

Contributors

1. Humphrey Ngari - Associate
2. Nabila Mohamed - Trainee Lawyer

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