



# Unlocking Value through M&A: Opportunities, Risks & Trends in Nigeria's Deal Market

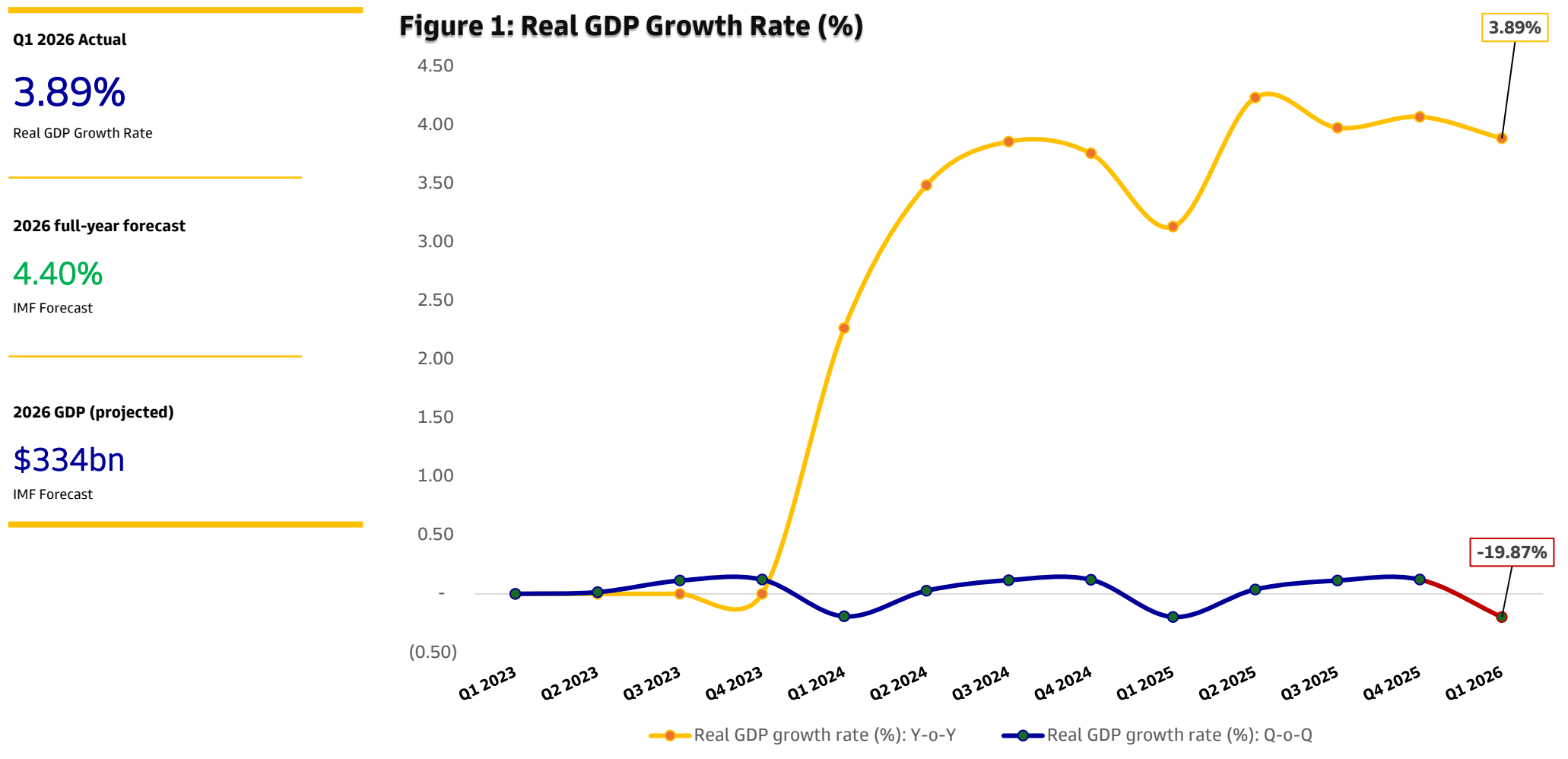
Market Backdrop

Why M&A matters in today's economy

For centuries, business consolidation has shaped the global economy through mergers, acquisitions, and asset divestments. For business leaders, M&A has long served as a strategic signal. Through these transactions, companies reveal where they see value, how they expect industries to evolve, and what they must do to remain competitive over the long term. As a result, M&A activity remains one of the clearest indicators of corporate confidence, capital availability, and broader economic momentum for investors, analysts, and business leaders.

After peaking at **\$4.5 trillion** across roughly **60,000 transactions** in 2021, global M&A activity fell sharply in 2022 and 2023 before beginning a broad recovery. By 2025, total deal value had rebounded to **\$3.8 trillion**, according to S&P Global Market Intelligence, making it the strongest year since the 2021 peak. That recovery has continued into 2026: Q1 alone recorded **\$861.1 billion** in deal value, the strongest opening quarter since 2021. The key question is what drove this rebound: *geopolitical shifts, easing global interest rates, or sector-specific dynamics?* We examine these figures and their underlying drivers in the sections that follow.

For Nigeria-focused investors, advisors, and corporates, this global context matters enormously. Capital is mobile, and the conditions that unlock dealmaking at the global level including **lower rates, improved financing, strategic urgency**, are the same conditions that create opportunities in domestic markets. Currently, Nigeria sits at the centre of the M&A story on the African continent. With a GDP of approximately \$285 billion in 2025, projected to reach \$334 billion in 2026 as Nigeria overtakes Algeria to become Africa's third-largest economy, and a population of over 242 million people, Nigeria is the most consequential growth arena in Africa's dealmaking landscape.



Sources: NBS, Coremars Research

As observed above, the real GDP expanded 3.89% year-on-year in Q1 2026, accelerating from 3.13% in the same period of 2025, with the IMF and World Bank both upgrading their full-year 2026 growth forecast to 4.4%, which is the strongest projection in over a decade. In 2024, Nigeria ranked second in Africa by M&A deal value at \$3.4 billion, just behind South Africa. In 2025, South Africa, Kenya, and Egypt dominated the value rankings, where Nigeria's 2025 contraction was the product of identifiable, but now resolving headwinds, beyond structural decline. We believe that the rebound is already underway.

This report examines that landscape with precision, drawing on deal data, regulatory developments, macroeconomic indicators, and sector intelligence; to deliver a strategic analysis of Nigeria's M&A market in 2026 (where the deals are happening, what is driving them, where the risks lie, and what investors and advisors should be watching throughout FY2026).

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Setting the Context

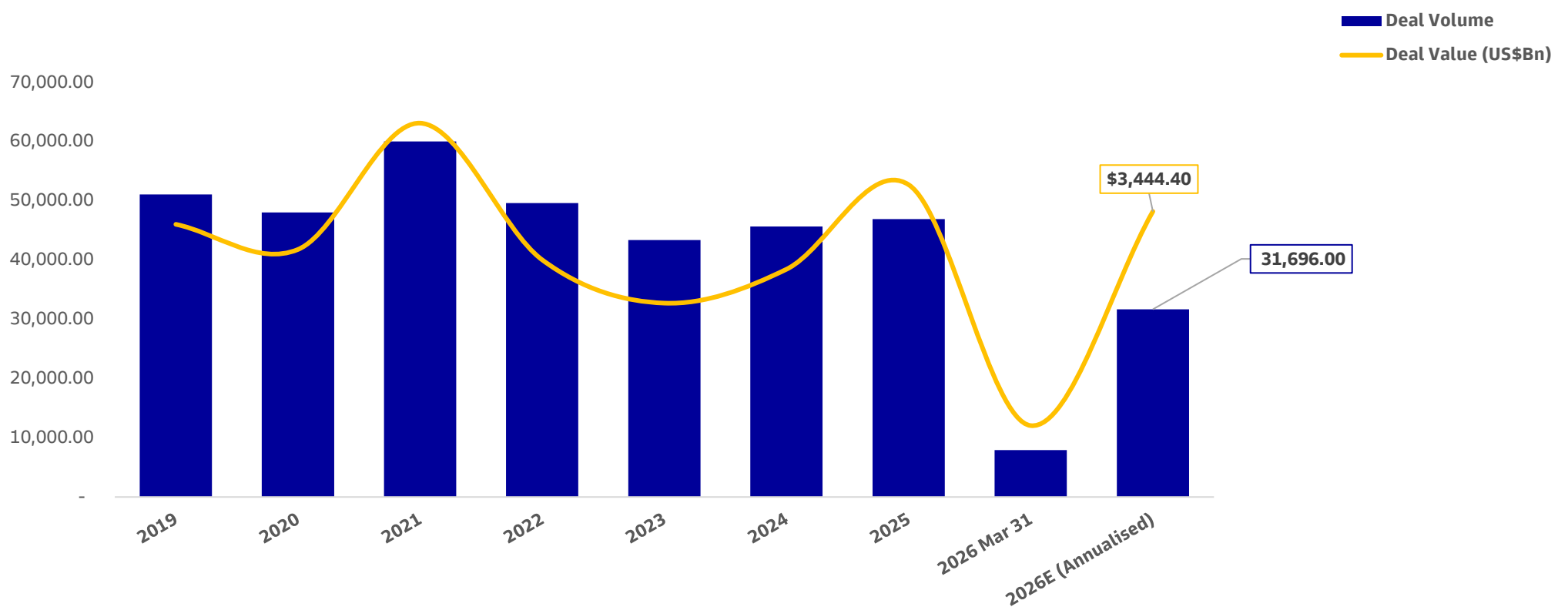
Global Mergers & Acquisitions (M&A) Landscape

The global M&A environment and Nigeria's deal landscape are inherently interconnected, with developments in international capital markets, liquidity conditions, and investor risk appetite exerting a direct influence on domestic transaction volumes and valuations. Before examining Nigeria's deal market in depth, it is instructive to take stock of where the world stands.

State of the Global Market

The global market numbers depict a combination of recovery, concentration, and conviction. After the historic peak of \$4.5 trillion across 60,058 transactions in 2021, global M&A activity contracted sharply, falling to a cycle trough of \$2.3 trillion and 43,404 deals in 2023. The rebound that followed has been deliberate with total deal value recovering to \$3.8 trillion by 2025, even as deal count (at 46,920) remained well below 2021 levels. The implies that while dealmakers are making fewer deals, they are nevertheless making each one count significantly more.

Figure 2: Global M&A, Deal Volume & Value (US\$Bn)



Sources: S&P Global Market Intelligence<sup>1</sup>, Coremars Research

That pattern has intensified in Q'1 2026 with \$861.1 billion in transaction value, the strongest opening quarter since 2021's \$1.1 trillion. Notably, megadeal volumes rose to their highest level in four years, with \$10 billion-plus transactions reaching \$1.1 trillion in total value across 51 deals. This is the defining signature clearly demonstrating that capital is concentrating at the top, megadeal conviction is high, and the mid-market is proceeding with considerably more caution. Global M&A is entering a new phase of structural reshaping rather than broad-based volume recovery, as deal value expected to remain elevated even as volumes stay measured, and activity increasingly concentrated among the largest transactions and the best-capitalised buyers.

Key Drivers of Global Deal Activity

Three forces are converging to sustain and deepen the current dealmaking cycle.

The first is **artificial intelligence**. Global technology, media, and telecoms deal values rose 49% in 2025 while volumes remained flat, with technology accounting for 84% of deal volumes and 76% of deal values within the sector. Technology led megadeal activity in 2025 with 26 announced deals (*the highest of any sector*) and as 2026 unfolds, it is expected to continue attracting the highest deal values, supported by large-scale investment in AI, data, and digital infrastructure. More importantly, boards are no longer debating whether to build or buy AI capabilities; they are competing on the speed at which they can do so, and M&A is the fastest route.

The second is **private capital deployment**. Global private equity transaction value reached almost \$2 trillion in 2025, up from roughly \$1.6 trillion in 2024, with a relatively small number of megadeals accounting for a disproportionate share of deal value and take-private transactions emerging as a defining feature of the cycle as sponsors seek greater control over strategy and transformation away from public market scrutiny. Private credit has simultaneously stepped in as a structural enabler of deal financing, playing an increasingly significant role in acquisition finance particularly where traditional bank lenders remain cautious.

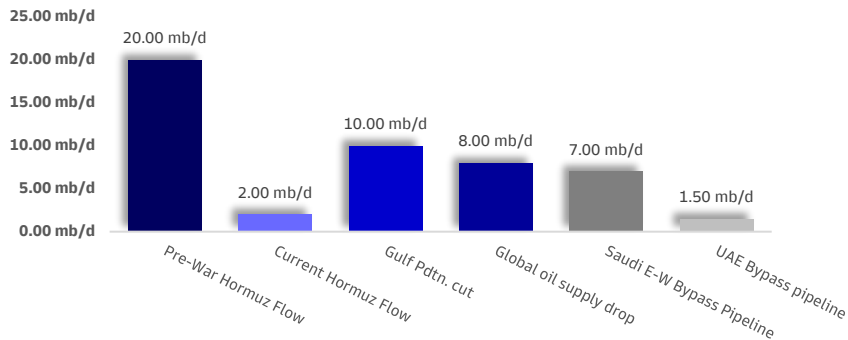
The third is **strategic portfolio transformation**. Companies across sectors are using M&A not merely to grow, but to reshape through divesting non-core assets, acquiring capabilities, and simplifying operations in preparation for the next competitive cycle. Sixty-five percent of US CEOs are pursuing M&A to accelerate access to technology, talent, and operating capabilities, while 46% are planning divestments to release capital, reduce complexity, and sharpen strategic focus. Globally, 78% of CEOs predict increased M&A activity in the year ahead. The strategic transformation agenda is far from complete, and M&A remains its primary instrument.

<sup>1</sup> S&P Global Market Intelligence. Data compiled April 2, 2026. Includes announced or completed deals between January 1, 2019, and March 31, 2026, where the buyer purchased a majority stake, minority stake in a company or an asset. Transaction values include estimated transaction values.  
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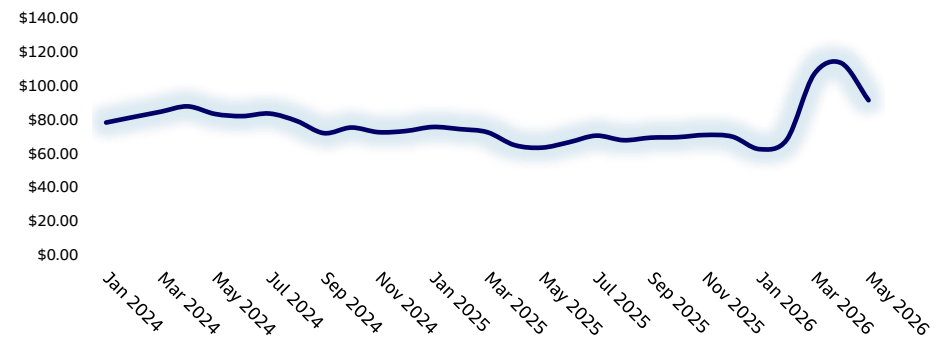
**Major Risks and Headwinds**

Geopolitical risk remains the defining headwind for 2026, with energy price volatility, trade friction, and conflict-related uncertainty complicating underwriting assumptions and extending deal timelines, particularly in energy-intensive, industrial, and cross-border transactions. This is a stark contrast to previous years when inflation held that position for three consecutive years between 2022 and 2024. Consequently, geopolitical risk is harder to price, harder to hedge, and harder to time than inflation.

**Figure 3: Strait of Hormuz Crisis — Supply Disruption Volumes (mb/d)**



**Figure 4: Brent (\$/bbl), Monthly Prices (Jan. 2024 – May 2026)**



Sources: IEA Oil Market Report, Coremars Research

CEO confidence has softened materially. Only 30% of global CEOs say they are confident about revenue growth over the next 12 months, down from 38% in 2025 and 56% in 2022, as business leaders grapple with uneven returns from AI investment, rising geopolitical risk, and intensifying cyber threats. One in five CEOs report high or extreme exposure to tariff-related financial risk over the next 12 months, with exposure highest in economies intricately linked to US trade flows. CEOs can no longer treat geopolitics as a distant macro-overlay because it has become a multiplier of other risks, spanning supply chains, costs, cyber exposure, and regulation, forcing political risk into the core of strategy and investment decisions.

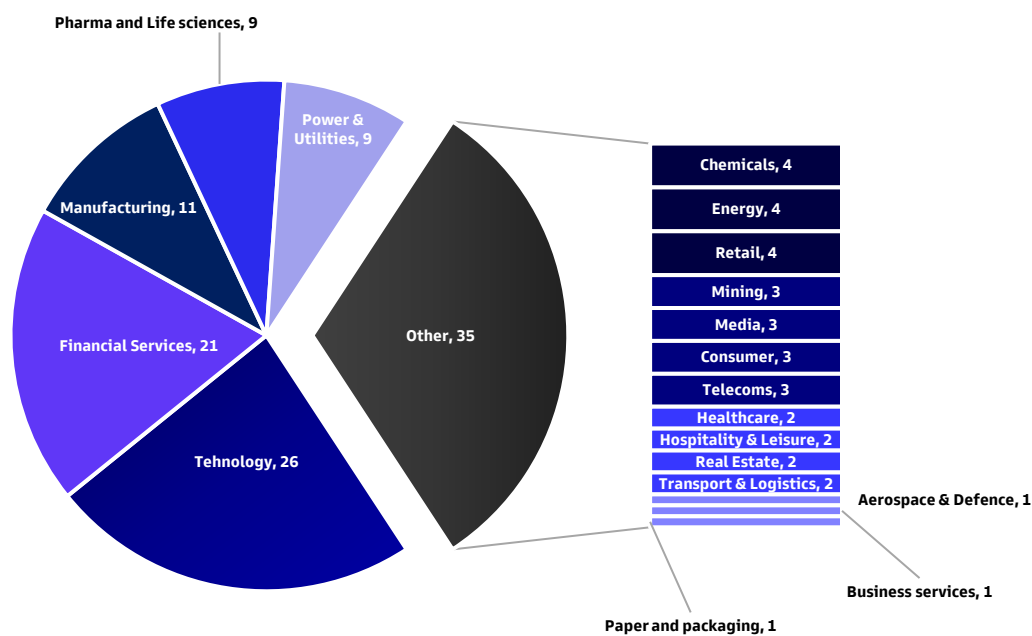
Yet the market has demonstrated its resilience. After a particularly gloomy spring in 2025, triggered by Liberation Day tariff shocks and widespread policy uncertainty, dealmakers regrouped, equilibrium was restored, and activity resumed with purpose. The quarterly deal value data for Q3 and Q4 2025 delivered \$1.03 trillion and \$1.18 trillion respectively (the two strongest quarters since 2021) confirming that structural demand for M&A is not easily derailed by political turbulence.

**Sectors Driving Global Megadeals**

Megadeal concentration has become the defining structural feature of the current cycle, and sector distribution reveals exactly where strategic conviction is running highest.

From the chart below, Technology led all sectors in 2025 with twenty-six (26) megadeals (nearly double its nearest rival) followed by Financial Services with twenty-one (21), Manufacturing with eleven (11), and Pharma & Life Sciences and Power & Utilities with nine (9) each. Together, these five sectors accounted for approximately 68% of all 111 megadeals recorded globally in 2025, confirming that large-scale dealmaking is overwhelmingly concentrated in sectors undergoing the most disruptive structural transformation.

**Figure 5: Number of Megadeals by Sector, 2025**



Sources: LSEG<sup>2</sup>, Dealogic, Coremars Research

For emerging markets and Nigeria-focused advisors, the financial services trend is particularly instructive. The same consolidation dynamics (regulatory capital requirements, digital transformation pressures, and the imperative to scale) are playing out in Nigeria's banking sector in real time, making global financial services M&A a highly relevant reference point for understanding what is unfolding domestically.

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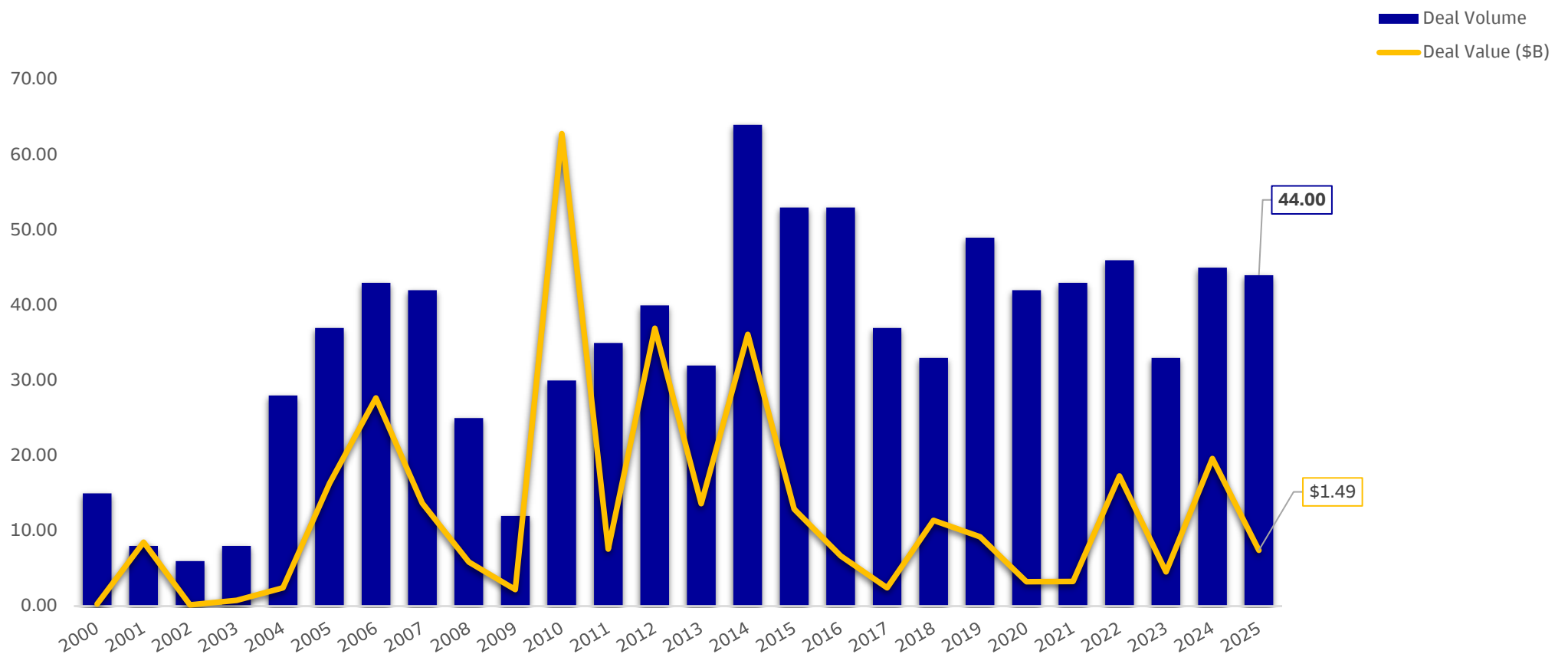
Market in Review

Nigeria Mergers & Acquisitions (M&A) Landscape

The Size & Evolution of the Nigerian M&A Market

The Nigeria's M&A market has never moved in a straight line. Across more than two decades of recorded deal activity, it has surged, collapsed, recovered, and contracted again with each cycle shaped by identifiable structural and policy events that any serious investor must understand. The data charted below, sourced from the IMAA Institute, tells a story of a market that is far deeper and more dynamic than its emerging market classification might suggest, and one that consistently rewards those who understand its rhythm.

Figure 6: Nigeria M&A Deal Value (US\$) & Volume, 2000-2025



Sources: Institute for Mergers, Acquisitions & Alliances, Coremars Research

The Banking Consolidation Era (2004–2007)

The first great inflection point came in 2004. The Central Bank of Nigeria's N25 billion recapitalisation directive fundamentally reshaped the banking sector between 2004 and 2006, and the IMAA data captures the effect precisely. Deal volume nearly tripled from 8 transactions in 2003 to 28 in 2004, then accelerated to 37 in 2005 and 43 in 2006. Deal value followed an even more dramatic arc; from \$0.15B in 2003 to \$3.26B in 2005 and a then-record \$5.54B in 2006. In a two-year window, Nigeria went from a marginal M&A market to one of the most active on the African continent. The lesson embedded in this data point is that, in Nigeria, **regulatory mandates are the single most powerful catalyst for M&A activity**, capable of generating more deal flow in 24 months than a decade of organic market development.

The Oil Boom and Post-Consolidation Wave (2010–2014)

Following the sharp contraction of 2008–2009, when the global financial crisis reduced deal volume to a cycle low of 12 transactions and deal value to just \$0.44B; Nigeria's M&A market staged a powerful recovery anchored in oil and gas. The data records the most striking single-year figure in the entire series: **\$12.57B in deal value in 2010, on just 30 transactions**. This extraordinary value-to-volume ratio reflects the character of the oil boom era, a small number of very large upstream transactions generating outsized headline value. The market sustained this elevated level through 2014, when deal value reached \$7.23B across 64 transactions, the highest volume year and a reflection of the convergence of banking M&A, oil sector activity, and a broader corporate confidence that characterised the final years of the commodity supercycle. The 2014 merger between IBTC Chartered Bank and Stanbic Bank Nigeria, and Skye Bank's acquisition of 100% of Mainstreet Bank from AMCON, were emblematic transactions of this period.

The Lost Years (2015–2020)

What followed was a prolonged and painful contraction. 2015 saw a 22% decline in deal count and a 65% collapse in deal value, from \$9.2B in 2014 to \$3.2B, **driven by falling oil prices, naira volatility, regulatory uncertainty, and the dampening effect of the 2015 general election on investor confidence**. Analysis confirms the depth of the trough as deal value fell further to \$1.34B in 2016, \$0.48B in 2017 (the lowest figure since 2002) before a partial recovery to \$2.28B in 2018. The period from 2015 to 2020 averaged just \$1.53B per year in deal value, compared to \$6.29B per year in the 2010–2014 window. Nigeria's M&A market did not actually collapse as deals continued to be done, however, the era of large-scale, high-conviction dealmaking had temporarily closed.

<sup>1</sup> S&P Global Market Intelligence. Data compiled April 2, 2026. Includes announced or completed deals between January 1, 2019, and March 31, 2026, where the buyer purchased a majority stake, minority stake in a company or an asset. Transaction values include estimated transaction values.

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**The Uneven Recovery (2021–2025)**

The post-pandemic recovery has been irregular demonstrated in a subdued 2021 (with 43 deals worth just \$0.66B), as regulatory approvals remained slow and FX uncertainty persisted, the market surged in 2022 to \$3.46B across 46 transactions, driven by the rebound in commodity prices and a return of strategic M&A intent. 2023 registered a sharp value contraction to \$0.91B, reflecting the combined weight of naira devaluation, elevated interest rates, and cautious deal underwriting in a period of macroeconomic transition. The recovery reasserted itself emphatically in 2024, with deal value reaching \$3.93B (the highest annual total since 2014) powered by the **wave of IOC divestments** in the upstream oil and gas sector that had been building for several years. 2025 recorded \$1.49B across 44 transactions, a moderation that reflects selectivity rather than retreat, as the extraordinary divestment-driven volumes of 2024 normalised. Nigeria retained its position as the continent's most active market by volume in 2025 with 60 deals, even as deal value at \$2.39B ranked second to Kenya.

**What the Long Arc Tells Us**

Stepping back from the annual fluctuations, analysis reveals three durable structural truths about Nigeria's M&A market. First, value is overwhelmingly event-driven depicted by the three peak years of 2006, 2010, and 2014; which were each the product of specific regulatory or commodity-driven catalysts, not organic deal market deepening. Second, volume has been remarkably stable at 30–50 deals per year, suggesting a baseline of consistent transactional activity that persists through cycles. Third, and most instructively for 2026, every major contraction in the data has been followed by a recovery which has been led by the same two sectors: **financial services and oil & gas**.

With Nigeria's banking sector freshly recapitalised, the IOC divestment pipeline still active, and FTSE Frontier reclassification set to drive fresh foreign capital inflows from September 2026, the structural conditions for the next upswing are, once again, in place.

**Deal Highlights by Sector (2024, 2025 & 2026 YTD)**

**1. Oil & Gas: The Great Indigenisation**

No sector has defined Nigeria's recent M&A landscape more decisively than oil and gas, and no trend within it is more consequential than the strategic transfer of upstream assets from international oil companies to indigenous operators. Since 2020, indigenous and regionally-focused E&P companies have made acquisitions worth over \$7 billion in Nigeria alone.

In 2024, four landmark transactions received regulatory approval in rapid succession. ExxonMobil completed the divestment of its onshore assets through Mobil Producing Nigeria Unlimited to Seplat Energy for \$1.28 billion in December 2024, while simultaneously committing \$1.5 billion to Nigeria's deepwater development between 2025 and 2027 (a signal that international majors are repositioning within Nigeria). Oando acquired Nigerian Agip Oil Company from Eni for \$783 million, Chappal Energies acquired TotalEnergies' 10% stake in the SPDC joint venture for \$860 million, and the Renaissance consortium (comprising ND Western, Aradel, Petrolin, First E&P, and Waltersmith) secured approval for the landmark \$2.4 billion acquisition of Shell Petroleum Development Company's entire onshore portfolio.

**Table 1: Summary of Major Oil & Gas M&A Deals in 2024**

**2024 Deals**

**Oil & Gas**

S/N	Acquirer	Target	Seller	Value	Status
1	Renaissance Consortium	Shell Petroleum Development Company (SPDC) (onshore assets)	Shell	\$2.4bn	Approved Dec 2024
2	Seplat Energy	Mobil Producing Nigeria Unlimited (MPNU) (onshore assets)	ExxonMobil	\$1.28bn	Approved Oct 2024
3	Chappal Energies	TotalEnergies EP Nigeria (10% SPDC JV stake)	TotalEnergies	\$860m	Completed Dec 2024
4	Oando Plc	Nigerian Agip Oil Company (NAOC) (100% stake)	Eni	\$783m	Approved Oct 2024
5	Chappal Energies (via Project Odinnim Investments SPV)	Equinor Nigeria Energy Company (ENEC) (OML 128, 53.85% stake)	Equinor	\$1.2 bn	Completed 2024

Sources: Company Website, Businessday NG, Nairametrics, Coremars Research

2025 extended the story. Shell's completion of the SPDC sale to Renaissance in March 2025 formally ended Shell's decades of onshore operations in Nigeria, while TotalEnergies' 12.5% non-operated interest in OML 118 (a.k.a., the Bonga deepwater field) was divested to Shell Nigeria Exploration and Production Company and Nigerian Agip Exploration for \$510 million following NUPRC approval in September 2025. In December 2025, Heirs Energies, Tony Elumelu's energy vehicle, acquired a 20.07% stake in Seplat Energy from Maurel & Prom for \$496 million, making it the company's largest shareholder and signaling the ambitions of a new generation of domestically-financed energy majors. Nigeria's share of Africa's upstream final investment decisions simultaneously rose from 4% to 40% in two years, making it the most compelling single statistic of the entire reform era.

<sup>1</sup> S&P Global Market Intelligence. Data compiled April 2, 2026. Includes announced or completed deals between January 1, 2019, and March 31, 2026, where the buyer purchased a majority stake, minority stake in a company or an asset. Transaction values include estimated transaction values.

<sup>2</sup> The Megadeals are deal sizes above US\$5Bn. The 111 megadeals total comprises 70 megadeals above US\$10Bn, and 41 megadeals between US\$5Bn to US\$10Bn.

**Table 2: Summary of Major Oil & Gas M&A Deals in 2025**

**2025 Deals**

**Oil & Gas**

S/N	Acquirer	Target	Seller	Value	Status
1	Shell Nigeria Exploration & Production (SNEPCo) + Nigerian Agip Exploration (NAE)	TotalEnergies' 12.5% stake in OML 118 (Bonga deepwater field)	TotalEnergies	\$510m	Completed 2025
2	Heirs Energies	20.07% stake in Seplat Energy	Maurel & Prom	\$496m	Completed Dec 2025
3	Transgrid Enerco	60% stake in Eko Electricity Distribution Company	—	~₦360bn	Completed 2025
4	Oak Heirs Limited	Air Liquide Nigeria operations	Air Liquide	\$600,000 (₦964m)	2025
5	Falcon Gas (via acquisition)	BKM & S Konsult Ltd gas assets	BKM & S Konsult	Undisclosed	2025

Sources: Company Website, Businessday NG, Nairametrics, Coremars Research

**2. Financial Services & Banking: Recapitalisation as M&A Catalyst**

Nigeria's banking sector has been the second great driver of M&A activity in this period, with the CBN's recapitalisation directive functioning as the most powerful deal catalyst the Nigerian market can produce. Over the two-year recapitalisation process, 33 banks raised a total of ₦4.65 trillion in new capital, with compliance routes spanning public offers, rights issues, private placements, mergers, acquisitions, and licence downgrades.

By the end of 2025, major banks including Access, Zenith, GTCO, UBA, First Bank, and Stanbic IBTC successfully met the 500 billion minimum capital threshold for international banking licences. Mid-tier and regional banks faced a more difficult path. Union Bank of Nigeria completed its merger with Titan Trust Bank following final CBN approval. Analysts described the transaction as a recapitalisation-driven combination that positioned the merged entity to meet the new threshold faster than either institution could independently. Fitch Ratings identified tier-3 banks as most likely to pursue M&A or licence downgrades, warning that without swift action, consolidation into stronger rivals would become the default outcome.

**Table 3: Summary of Major Financial Services M&A Deals in 2024**

**2024 Deals**

**Financial Services**

S/N	Acquirer	Target	Seller	Value	Status
1	Access Bank	National Bank of Kenya	Various shareholders	\$109.6 million	2024
2	EverQuest Acquisition LLP	FBNQuest Merchant Bank	FBN Holdings	N35.6 billion	2024
3	Providus Bank & Unity Bank	Providus Bank & Unity Bank	—	₦737.17 billion	2024

Sources: Company Website, Businessday NG, Nairametrics, Coremars Research

Nigeria's fintech sector has matured past the growth-at-all-costs phase, and its M&A activity now revolves around the acquisition of infrastructure, licences, and/or data. The defining transaction of the period was Flutterwave's acquisition of Mono (Nigeria's leading open banking infrastructure provider and often described as the "Plaid for Africa") in an all-stock deal valued between \$25 million and \$40 million, completed in December 2025 and announced in January 2026. The deal deepened Flutterwave's vertical integration, adding bank account verification, data-driven risk assessment, and open banking payment rails to its existing payments infrastructure across 30-plus African countries. For Nigeria's fintech ecosystem, the transaction was notable for a second reason. It marked Africa's first Y Combinator-to-Y Combinator exit, with early Mono investors seeing paper returns of up to 20x on the implied Flutterwave equity they received.

Beyond Flutterwave-Mono, the fintech deal pattern of this period has been characterised by licensing-led acquisitions, where companies acquire regulated entities to accelerate market access rather than applying from scratch and by the growing appetite of traditional financial institutions for digital capabilities. Technology and fintech transactions have continued at measured levels through 2025, with investor appetite shifting towards businesses with clearer revenue models, robust regulatory compliance frameworks, and credible profitability timelines.

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**Table 4: Summary of Major Financial Services M&A Deals in 2025**

**2025 Deals**

**Financial Services & Banking**

S/N	Acquirer	Target	Seller	Value	Status
1	Titan Trust Bank	Union Bank of Nigeria	Union Bank shareholders	N191 billion (roughly \$461 million)	Merger completed 2025
2	MA'AM Energy Ltd	Divested 77% controlling stake in Geregu Power Plc	Femi Otedola	\$750 million	2025

**Fintech & Technology**

S/N	Acquirer	Target	Seller	Value	Status
3	Flutterwave	Mono (open banking & financial data)	Mono shareholders	\$25–40m (all-stock)	Completed Dec 2025
4	First Ally Capital	60% stake in Migo Nigeria (digital consumer credit)	Migo shareholders	Undisclosed	Completed Jun 2025
5	C-One Ventures	Bankly (digital banking platform)	Bankly shareholders	Undisclosed	2025

Sources: Company Website, Businessday NG, Nairametrics, Coremars Research

**3. Consumer Goods & Pharma: The Multinational Retreat**

A quieter but structurally significant pattern has run alongside the headline energy and banking deals and that is the systematic restructuring of multinational consumer goods portfolios in Nigeria, creating acquisition opportunities for well-capitalised domestic operators.

**Table 5: Summary of Major FMCG & Pharma M&A Deals in 2024**

**2024 Deals**

**Consumer Goods & Pharma**

S/N	Acquirer	Target	Seller	Value	Status
1	Micro Labs	Swiss Pharma Nigeria (Swipha)	Swiss Pharma	\$12.89m (Rs 112 crore or €12.05m)	2024
2	Saint-Gobain	Fosroc global construction-chemicals business (Nigerian elements included)	Fosroc	\$1.025 Billion	2024

Sources: Company Website, Businessday NG, Nairametrics, Coremars Research

**Table 6: Summary of Major FMCG & Pharma M&A Deals in 2025**

**2025 Deals**

**Consumer Goods & FMCG**

S/N	Acquirer	Target	Seller	Value	Status
1	UAC of Nigeria	Chivita & Hollandia brands	Coca-Cola	₦182.4 billion	2025
2	Wilmar International Limited	PZ Wilmar Limited — 50% stake	PZ Cussons	\$70 million (£51 million)	2025
3	Helios Investment Partners	Beta Glass + other Nigerian units of Frigoglass Group	Frigoglass	€100 million	2025

Sources: Company Website, Businessday NG, Nairametrics, Coremars Research

Coca-Cola's divestment of the Chivita and Hollandia brands to UAC of Nigeria, and PZ Cussons' sale of its 50% stake in PZ Wilmar, are representative transactions in a trend that reflects a broader multinational reassessment of direct brand ownership in challenging frontier markets. Rather than managing local operations through subsidiaries, several global consumer companies are transitioning to licensing, distribution, and partnership models, thereby, transferring asset ownership to Nigerian corporates who can navigate the operating environment with greater agility. For domestic M&A advisors, this rationalisation trend represents a durable pipeline of mid-market deal opportunities that extend well beyond 2026.

<sup>1</sup> S&P Global Market Intelligence. Data compiled April 2, 2026. Includes announced or completed deals between January 1, 2019, and March 31, 2026, where the buyer purchased a majority stake, minority stake in a company or an asset. Transaction values include estimated transaction values.

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**4. Other Sectors - Conviction Returns**

Over the past two years under review, there have been significant M&A transactions in other sectors which, otherwise, haven't had that many deals to show for. One instance in review is the Media & Creative sector. The acquisition of Mavin Global Holdings by Universal Music Group stands apart from every other transaction in this report. Mavin, founded by producer Don Jazzy, is Nigeria's most commercially successful music label, home to artists including Rema, Ayra Starr, and Johnny Drille, and a principal vehicle for the global distribution of Afrobeats. Universal Music Group's acquisition of a majority stake, the terms of which were not publicly disclosed, brought one of the world's largest music companies into direct ownership of a Nigerian cultural institution.

**Table 7a: Summary of Other Major Deals in 2024**

**2024 Deals**

**Media & Creative Economy**

S/N	Acquirer	Target	Seller	Value	Status
1	Universal Music Group	Mavin Global Holdings + MG Entertainment Nigeria	Mavin founders	\$150m to \$200m	2024

Sources: Company Website, Billboard, Coremars Research

The strategic rationale was that UMG was acquiring a gateway into the fastest-growing music market on the African continent and a direct stake in the global Afrobeats phenomenon that Nigerian artists have built over the past decade. For Nigeria's M&A market, the deal is significant on two levels. First, it confirms that Nigeria's creative economy has matured into a legitimate asset class that global strategic buyers will price, structure deals around, and compete for. Second, it opens a template for future transactions in music, film, gaming, and digital content, where Nigerian intellectual property is the primary source of value. The UMG-Mavin deal is unlikely to be the last of its kind.

In another case, Nigeria's power sector has historically been an M&A graveyard, basically being a sector where deals were announced and rarely completed. The period under review has begun to change that narrative. Transgrid Enerco's acquisition of a 60% majority stake in Eko Electricity Distribution Company for approximately ₦360 billion stands as the most consequential power sector transaction in several years, signaling that patient, strategically-minded infrastructure capital is willing to take on the complexity of Nigeria's distribution landscape when the regulatory environment is sufficiently clear.

**Table 7b: Summary of Other Major Deals in 2025**

**2025 Deals**

**Power & Infrastructure**

S/N	Acquirer	Target	Seller	Value	Status
1	Transgrid Enerco	Eko Electricity Distribution Company	Eko Electricity Distribution Company	₦360 billion	Completed Dec 2025

Sources: Company Website, Businessday NG, Coremars Research

The broader energy and infrastructure market has been shaped by heightened public-private collaboration in infrastructure financing and a significant upturn in investor confidence driven by regulatory stability under the Petroleum Industry Act and the Infrastructure Concession Regulatory Commission framework. The Eko DisCo deal sets a precedent and a valuation reference point for the further power sector consolidation that market participants broadly expect in 2026 and beyond.

<sup>1</sup> S&P Global Market Intelligence. Data compiled April 2, 2026. Includes announced or completed deals between January 1, 2019, and March 31, 2026, where the buyer purchased a majority stake, minority stake in a company or an asset. Transaction values include estimated transaction values.  
<sup>2</sup> The Megadeals are deal sizes above US\$5Bn. The 111 megadeals total comprises 70 megadeals above US\$10Bn, and 41 megadeals between US\$5Bn to US\$10Bn.

Deal Drivers

What is Driving the Market: Macro Conditions and Structural Catalysts

The Macro Overlay: What the Environment Means for Deals

Nigeria's macroeconomic environment in 2026 is, for the first time in a decade, working with dealmakers rather than against them, but with material subtleties that every deal participant must understand. In Nigeria, three macro variables have functioned as the primary determinants of deal activity across the 2024–2026 period: **monetary policy** and **interest rates**, **FX stability** and **capital importation**, and **GDP growth** trajectory.

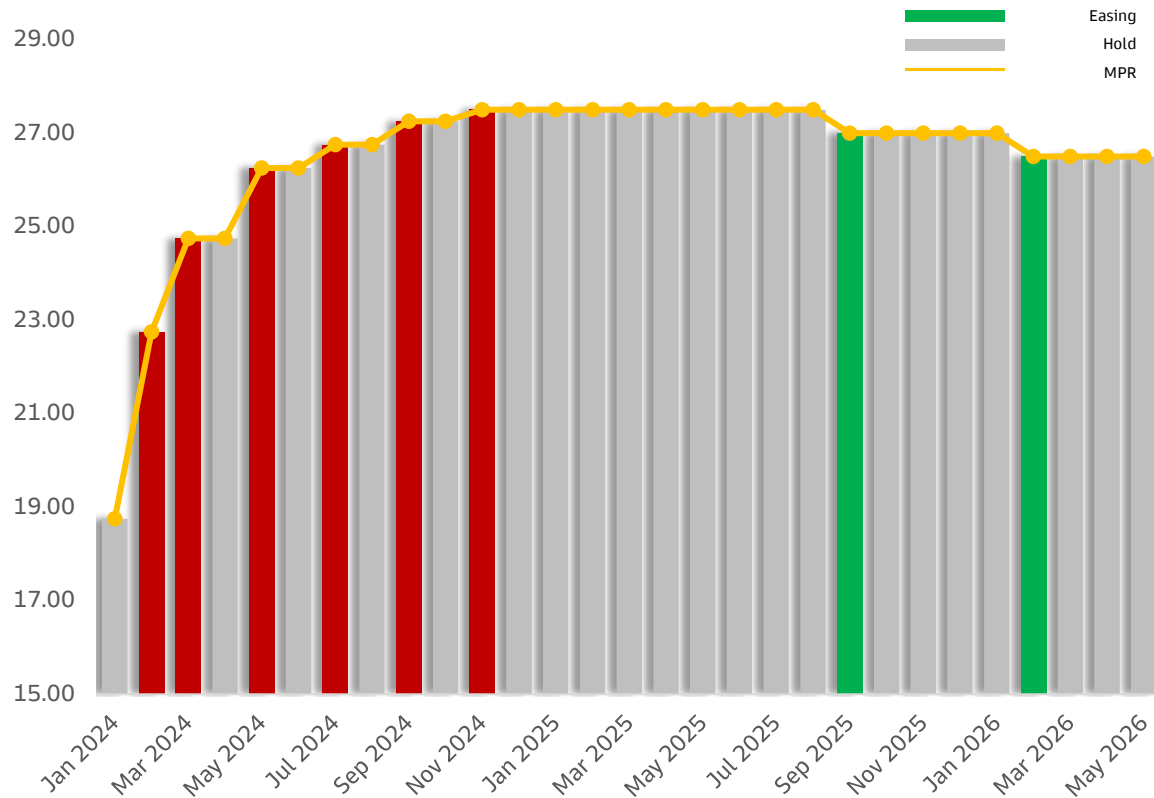
**On interest rates**, CBN's tightening cycle peaked at 27.25% in September 2024 before the February 2026 MPC meeting delivered a 50-basis point cut to 26.5% (the first meaningful reduction in the cycle), supported by eleven consecutive months of declining headline inflation. For M&A practitioners, this trajectory has had a direct and measurable effect on deal structures. At 27.25%, naira-denominated acquisition financing was prohibitively expensive for leveraged deal structures, and as a result effectively constraining the Nigerian LBO market and pushing deal activity toward equity-heavy transactions, seller financing arrangements, and DFI co-investment. With the CBN holding the rate at 26.5%, as well as monetary policy is expected to ease gradually through 2026, it is expected that monetary policy is expected to ease gradually through 2026 as the CBN seeks to support credit expansion while maintaining price stability.

**On FX**, the stabilisation of the naira has been the single most commendable macro development for M&A. Capital importation reached \$5.64 billion in Q1 2025, a 67.1% increase over Q1 2024, and accelerated further to \$10.37 billion in Q1 2026, an 83.83% year-on-year surge, with the banking sector alone attracting \$7.55 billion. Cross-border deals that were structurally unworkable in 2022 and 2023 are now executable. The one caveat worth noting is the FDI (the long-term productive capital that directly underpins M&A), which remains a fraction of total inflows, with short-term portfolio instruments continuing to dominate. Deeper FX credibility and regulatory predictability are still required to fully convert capital market confidence into deal activity.

Figure 7: CBN Easing Cycle: MPR Cut to 26.50% & Inflation Reversal to 15.69%

Starting rate (Jan 2024)	Cycle peak	Total tightening	Current rate (May 2026)
<b>18.75%</b>	<b>27.50%</b>	<b>+875 bps</b>	<b>26.50%</b>

Monetary Policy Rate, Jan. 2024 – May. 2026



Inflation Rate, Jan. 2024 – Apr. 2026



Source: Central Bank of Nigeria (CBN) MPC decisions (293rd–305th meetings), National Bureau of Statistics, Coremars Research

Underlying all deal activity is a fundamental question “do acquirers believe Nigeria's economy will be larger, more productive, and more profitable in five to ten years than it is today?” On this question, our review of the available data is constructive. Nigeria's headline inflation declined to 14.45% in November 2025, its eighth consecutive monthly fall from a peak of 31.7% in early 2024, with the CBN projecting an average of 12.94% for 2026. Although the trend has recently been reversed owing to geopolitical shocks, the IMF and World Bank still both hold their full-year 2026 growth forecast at **4.4%** (the strongest projection in over a decade) and Nigeria's share of Africa's upstream FDI has simultaneously risen from 4% to 40% in two years.

For deal participants, Nigeria's operating environment in 2026 is meaningfully more hospitable to M&A than at any point since 2014. Interest rates are declining from their peak, FX is stable and increasingly credible, capital inflows are at multi-year highs, and growth is accelerating. The risks (residual inflation, FDI-versus-FPI imbalance, oil price sensitivity, and execution complexity) exist but can be mitigated. Essentially, the market rewards those who understand its rhythm and engage with discipline.

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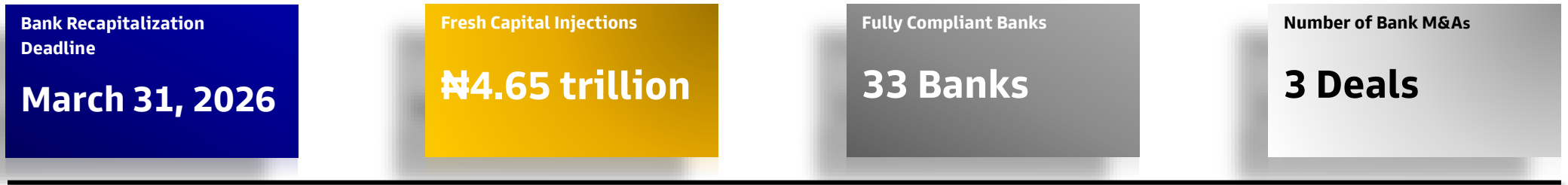
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Deal Drivers

**Structural Themes Shaping Nigerian M&A in 2026**

Nigeria's current deal cycle is best understood as the simultaneous output of several distinct structural forces, each operating with its own logic, timeline, and implications for deal flow. They are the output of identifiable structural forces, **regulatory, sectoral, and macroeconomic**; that are reshaping who owns Nigeria's most consequential assets and on what terms. Four themes stand above the rest.

**The Recapitalisation Cascade: Banking, Insurance, and Pensions**



Nigeria has experienced one of the most comprehensive financial sector recapitalisation exercise in its history, and unlike the 2004–2006 banking consolidation, this one spans three industries simultaneously. The CBN's March 2024 directive raised minimum capital requirements to ₦500 billion for international banks, ₦200 billion for national banks, and ₦50 billion for regional banks, all to be met exclusively through fresh equity injections, excluding retained earnings. Over the two-year programme, 33 banks raised a combined ₦4.65 trillion in new capital.

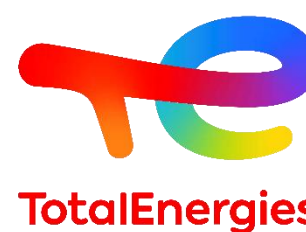
The second wave is already forming. Nigeria's Insurance Industry Reform Act 2025, signed into law in July 2025, introduced parallel recapitalisation obligations requiring life insurers to hold ₦10 billion, non-life insurers ₦15 billion, composite insurers ₦25 billion, and reinsurers ₦35 billion with full compliance required by July 2026. A third wave follows pensions with PenCom mandating Pension Fund Administrators to meet a minimum capital base of ₦20 billion (with additional requirements linked to assets under management) by June 2027, with non-compliance resulting in licence revocation.

Across all three sectors, operators that cannot raise capital independently will merge, be acquired, or exit. The pipeline of financial sector M&A driven by this cascade is among the most structurally reliable deal flow Nigeria has produced in years.

**IOC Divestments**

The wave of international oil company divestments that delivered Nigeria's largest M&A values in 2024 and 2025 is not over. Energy transactions have continued in 2026, driven largely by the divestment programmes of international oil companies and the consolidation strategies of indigenous operators. Shell, ExxonMobil, Eni, TotalEnergies, and Equinor have each completed or progressed significant asset exits. However, Chevron's onshore portfolio review, NNPC's exploration subsidiary divestments, and residual JV interest restructuring mean the pipeline remains active.

The more consequential long-term question revolves around deployment with freshly capitalised indigenous operators such as, Seplat, Oando, Heirs Energies, and the Renaissance consortium, now hold assets that require operational investment, balance sheet management, and in some cases further acquisition to achieve optimal scale. The next phase of oil and gas M&A in Nigeria will be as much about consolidation among indigenous players as it is about further IOC exits.



**Fintech Consolidation**

M&A activity in Nigeria's fintech sector increased significantly in 2025, largely driven by strategic acquisitions aimed at securing licences, expanding infrastructure, integrating products, and accelerating cross-border expansion. The sector has moved decisively from a disruption phase to a consolidation phase, and the mechanism driving that consolidation is regulatory maturity rather than capital abundance.

*The FCCPC strengthened its enforcement against digital money lenders and payment providers; the ISA 2025 provided long-awaited clarity on the regulatory treatment of digital assets and fintech structures; and the CBN issued a draft framework mandating automated AML systems.* Each of these developments raises the fixed cost of compliance and favouring well-capitalised platforms over smaller operators. The practical consequence is a **mid-market deal pipeline** concentrated in the ₦500 million to ₦5 billion range, where licensing-led acquisitions, infrastructure integration deals, and capability-driven consolidations will continue to generate steady advisory mandates through 2026 and beyond.

**Private Equity and the Return of Institutional Capital**

After two years of constrained deployment driven by elevated interest rates, naira volatility, and exit uncertainty, institutional capital is returning to Nigeria with renewed confidence. One of the most notable developments shaping Nigeria's investment landscape in 2026 is the return of institutional investors, with improved access to local capital, expectations of a lower interest rate environment, and the conclusion of the banking recapitalisation programme collectively easing financing constraints and supporting domestic deal activity.

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Africa Private Capital Deals

**530 Deals**

2025

Domestic Capital Contribution

**68%**

of private capital acquisitions

African Institutional Investors

**21%**

of total fund commitments

The continental context reinforces the domestic signal. Africa recorded 530 private capital deals in 2025, with domestic capital accounting for 68% of private capital acquisitions and African institutional investors representing 21% of total fund commitments, led by sovereign wealth funds and pension funds whose allocations to private capital have expanded steadily. Development finance institutions remained the anchor of the ecosystem, accounting for 64% of all fund commitments across the continent. Nigeria, as Africa's largest economy by population and one of its most active deal markets by volume, captures a meaningful share of this activity.

The CBN recapitalisation programme has created increased M&A activity and attractive opportunities for PE funds seeking exposure in the banking sector specifically, while the implementation of the ISA 2025 has strengthened investor protections, prohibited misuse of client assets, and vested the SEC with systemic risk oversight powers that bring Nigeria's regulatory framework in line with global standards. For PE firms, this combination of regulatory modernisation, improving macro conditions, and a deep pipeline of recapitalisation-driven and IOC divestment opportunities represents the most compelling entry window Nigeria has offered since the pre-2015 oil boom era. The question is no longer whether institutional capital will return to Nigeria. It has. The question is how quickly deal structures, governance standards, and exit pathways will mature to sustain and deepen that return.

In conclusion, Nigeria's current M&A cycle is being driven by a set of structural forces that are, by historical comparison, unusually well-aligned. Regulatory recapitalisation mandates are simultaneously generating deal flow across banking, insurance, and pensions. An IOC divestment wave years in the making is transferring the ownership of Nigeria's most valuable upstream energy assets to indigenous operators. A maturing fintech sector is consolidating around licences, infrastructure, and compliance capacity. And institutional capital, after a prolonged period of caution, is returning to the market with the regulatory and macroeconomic reassurance it requires.

What makes this moment distinctive is the concurrence of all these forces, with each reinforcing the others: *recapitalised banks can finance deals, stabilised FX enables cross-border transactions, returning PE capital provides deal equity, and a modernised regulatory framework gives all parties the legal certainty to transact with confidence.* For investors and advisors who understand how these forces interact, Nigeria's deal market in 2026 offers a depth and breadth of opportunity that has not been available for the better part of a decade.

## The Future

**Outlook for the Rest of 2026 & Deal Pipeline**

Nigeria's M&A market enters the second half of 2026 with more structural support than at any comparable point in the past decade. The macroeconomic environment is stabilising, institutional capital is returning, regulatory frameworks are modernising, and a landmark capital markets reclassification is weeks away from taking effect. The pipeline of deal activity across sectors is substantive, visible, and in several cases already in execution. What follows is Coremars Capital's forward assessment of where the deals will come from, what will accelerate them, and what could yet derail them.

**Sectors Most Likely to See Activity in 2026****A. Financial Services**

The financial services sector projected to generate the highest volume of deal activity through the remainder of 2026. The conclusion of banking recapitalisation has left freshly capitalised institutions with a deployment imperative, and the most logical deployment routes are regional acquisition, subsidiary rationalisation, and strategic minority investment in fintech infrastructure. Simultaneously, the insurance recapitalisation deadline of July 2026 will force consolidation among operators that have not yet met the new thresholds, creating a compressed deal window in the second and third quarters. The pension sector recapitalisation deadline of June 2027 is already generating early consolidation discussions among smaller Pension Fund Administrators, with well-capitalised firms positioning to acquire scale through M&A rather than organic capital raising.

**B. Oil and Gas**

**Oil and Gas** deal activity is projected to be sustained into H2 2026, though the character of transactions is shifting. The IOC divestment wave is approaching its natural conclusion, and the next phase of energy M&A will be determined by consolidation among indigenous operators, upstream asset optimisation, and midstream and gas infrastructure deals. Essentially, Seplat Energy has committed to a \$2.5 to \$3 billion capital expenditure programme targeting output growth from approximately 135,000 bpd to 200,000 bpd over five years, while Renaissance targets 300,000 bpd output from January 2026, up from 230,000 bpd at the point of the Shell exit. Both programmes will generate procurement, partnership, and financing deal activity that flows through to the advisory market.

**C. Fintech and Digital**

Consolidation in this sector will continue at a steady pace, concentrated in the mid-market. Licensing-driven acquisitions, infrastructure integration deals, and cross-border expansion transactions will remain the dominant deal structures, as regulatory compliance costs rise and the premium on operating at scale increases. The Flutterwave-Mono transaction has set a valuation and structural template that will inform the next wave of deals in this space.

**D. Consumer Goods and Healthcare**

These quintessential sectors may see continued multinational rationalisation creating domestic acquisition opportunities, while healthcare, driven by a large, underserved population and growing private sector investment, is emerging as a sector where PE-backed consolidation is building genuine momentum.

**Key Risks to Watch**

A balanced assessment of Nigeria's M&A outlook requires equal rigour on the downside. Four risks warrant close monitoring throughout the remainder of 2026.

**A. Oil Price and Fiscal Vulnerability.**

Nigeria's macroeconomic stability remains structurally linked to oil revenues, and that dependency has not been eliminated by reform. Oil prices are projected to soften to \$70 to \$90 per barrel range in 2026 as the wide gap reflects ongoing uncertainty around geopolitical tensions and demand destruction. For Nigeria, oil prices may strain or improve fiscal revenues and FX inflows simultaneously, with any major disruption to output or prices capable of undermining budget assumptions and FX stability. A sharp oil price decline would cascade quickly into naira volatility, tightening deal financing conditions and reversing some of the capital importation gains of recent quarters.

**B. Inflation Reversal.**

Higher oil prices transmit rapidly into Nigeria's domestic economy through fuel, logistics, and transport costs, raising operating costs for businesses and household expenditure. This is, basically, a cost pass-through that could reignite inflationary pressures and reverse Nigeria's recent disinflation trend, which has already with inflation in February 2026 (15.06%) reversing to 15.38% in March. A return to double-digit monthly inflation would likely prompt the CBN to pause or reverse its easing cycle, closing the window of improving deal financing conditions precisely as it was beginning to open.

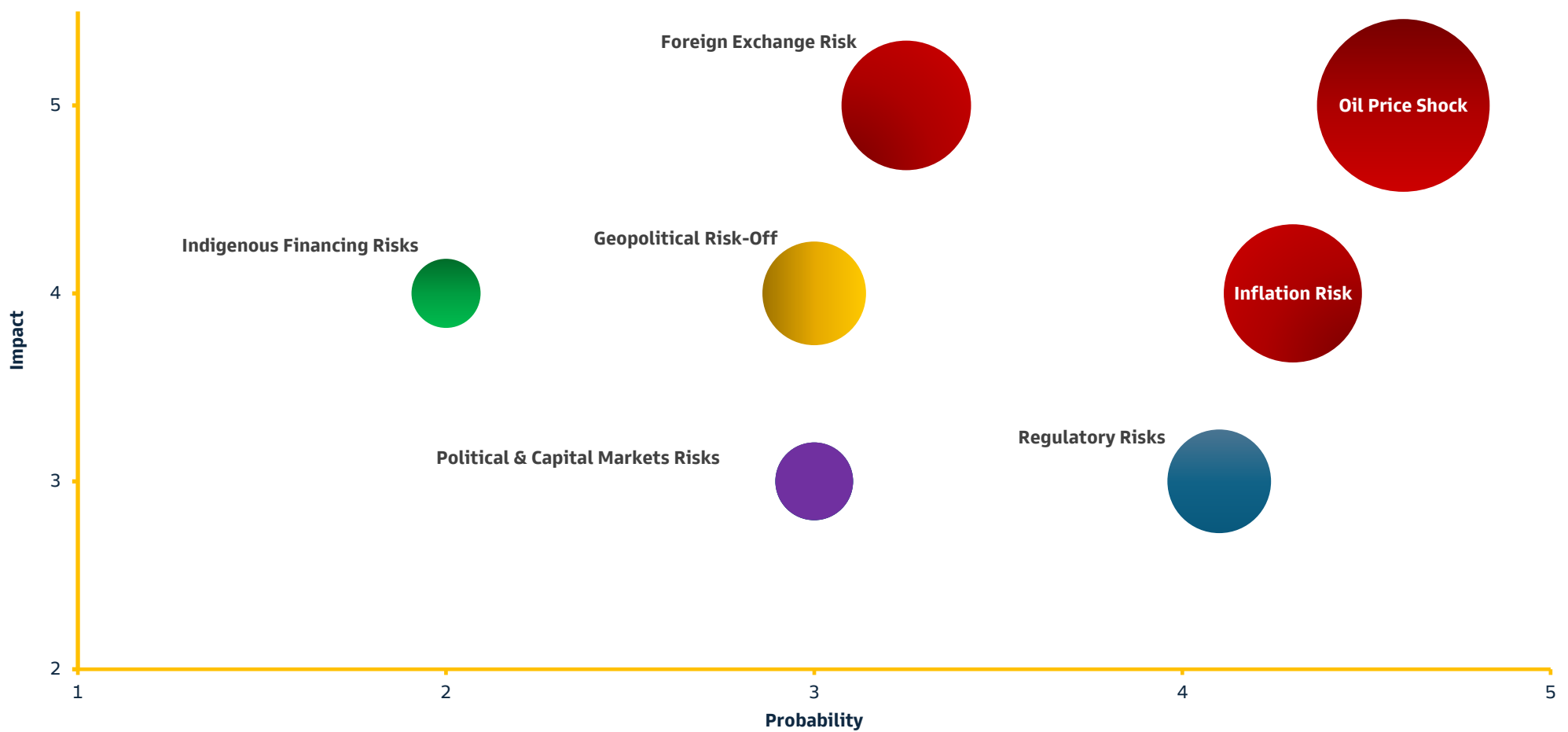
**C. Regulatory Execution Risk.**

Interest rates are unlikely to fall sharply despite easing inflation, as authorities remain concerned about liquidity pressures typically associated with election cycles, and consumer recovery will lag overall economic growth as the benefits of macroeconomic stability take time to translate into household income and business confidence. For M&A, the more proximate regulatory risk is FCCPC enforcement: the Commission's increasingly active posture on merger notifications, dual review processes with SEC for public company transactions, and multi-regulator approval requirements in financial services and telecoms all create timeline uncertainty that deal participants must build into transaction structuring and financing.

**D. Geopolitical Uncertainty.**

Global dynamics and geopolitics, spanning shifting trade patterns, regional tensions, and policy realignments, continue to influence Nigeria's growth trajectory, capital flows, and energy markets in ways that are difficult to predict and impossible to hedge fully. A significant escalation in Middle East tensions, a sharp reversal in global risk appetite, or a renewed round of US tariff actions could reduce foreign investor participation in Nigerian M&A at precisely the moment the FTSE reclassification is designed to attract it. Essentially, Nigeria's improving fundamentals provide a meaningful buffer, though not necessarily immunity.

**Figure 8: Key Risks to Nigeria's Deal Market (H2 2026 Risk Assessment)**



Source: Coremars Research

**CONCLUSION & COREMARS CAPITAL HOUSE VIEW**

Nigeria's M&A market is transitioning from a year of value contraction to what we at Coremars Capital believe is the early phase of a multi-year recovery cycle. The transactions being completed today are transferring the ownership of Nigeria's most strategically significant assets, reconfiguring its financial sector, and deepening the participation of both domestic and international capital in its corporate landscape in ways that will define the market for the better part of the next decade. That is a materially different statement from the cyclical recovery narratives that have characterised previous post-contraction periods.

**Coremars Capital's House View is as follows.**

Nigeria's M&A market will deliver higher deal values in H2 2026 than in H1, driven by the combined effect of FTSE reclassification inflows, insurance sector consolidation approaching its July deadline, continued energy sector deal activity, and the progressive deployment of post-recapitalisation banking capital. The most active deal segments will be financial services mid-market transactions in the ₦5 billion to ₦50 billion range, energy sector consolidation among indigenous operators, and fintech infrastructure and licensing deals. Cross-border transactions will accelerate from Q3 2026 once the FTSE reclassification takes effect and foreign investor participation deepens. For investors and advisors with the market knowledge, structuring capability, and regulatory fluency to operate effectively in this environment, Nigeria's deal market in the second half of 2026 into 2027 presents the most compelling opportunity set it has offered since 2014.

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