



# 2026 TransAct Middle East

**Precision over pace:  
The Middle East's focused M&A  
strategy for transformative growth**



# Table of contents

<b>01</b>	<b>Overview</b>	03
<b>02</b>	<b>Landmark transactions highlight scale, diversification and system-building</b>	08
<b>03</b>	<b>Key themes</b>	10
	3.1 Capital rebalances inward as inbound interest strengthens	
	3.2 Domestic and intra-regional consolidation dominates	
	3.3 Energy investments support industrial resilience	
	3.4 Digital infrastructure and AI remain the region's strategic core	
	3.5 Sovereign capital continues to set the pace for strategic dealmaking	
<b>04</b>	<b>Industry trends</b>	19
<b>05</b>	<b>The outlook: Positioning for advantage through selective, strategic deals</b>	31

# 01

## Overview

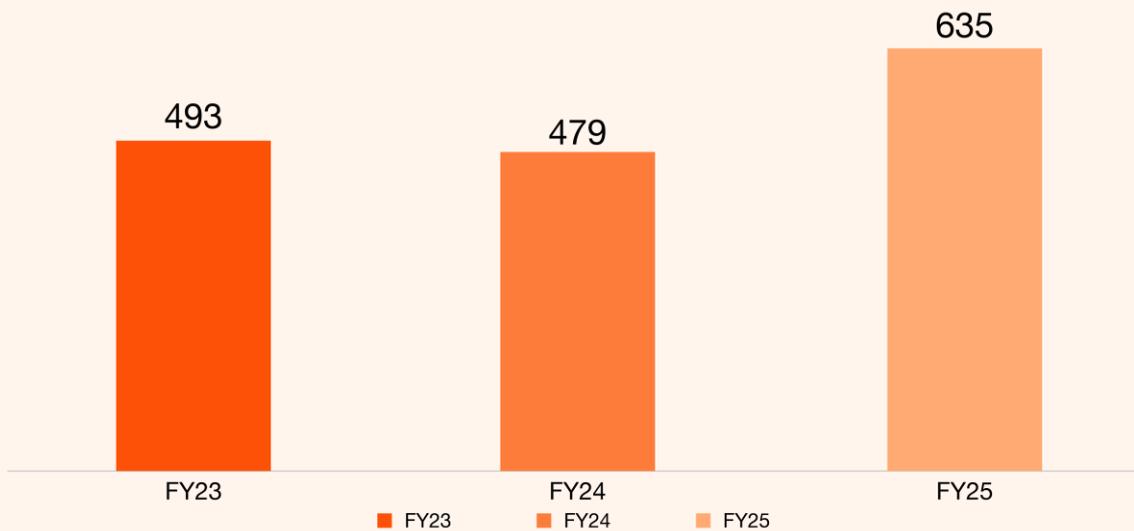


# Overview

Building on a strong first-half performance, mergers and acquisitions (M&A) activity in the Middle East gained momentum in a year marked by selective global capital deployment. PwC's Global M&A Industry Trends show that while global deal values rose by 36% in 2025, deal volumes increased by only 1%, underlining how activity remained concentrated rather than broad-based. Investors were still willing to do deals, but only where conviction, strategic fit and long-term visibility were clear. In that environment, capital became more discriminating, favouring markets where scale could be built with partners with deep local insight and the ability to execute through uncertainty.

Against this backdrop, the Middle East stood out as an outlier as dealmaking shifted inward. While global deal volumes remained below pre-rate-hike levels, the region recorded 635 completed deals (Figure 1), up 33% year on year and back in line with its 2022 peak.

**Figure 1: Middle East M&A Deal Volume (FY-2023 to FY-2025)**



Source: PwC analysis based on LSEG data.

Note: Data only includes cross-border inbound deals and intra-regional deals and excludes outbound cross-border transactions.

## A stronger regional economic footing

Growth conditions across the Middle East also strengthened in 2025. Regional GDP expanded by around 3.2%<sup>1</sup>, supported by a recovery in oil output and sustained non-oil growth across the GCC.

After contracting in 2024, oil production began to recover with OPEC+ restoring earlier voluntary cuts<sup>2</sup>, while nonoil sectors continued to grow robustly across the GCC. Abu Dhabi, Qatar and Saudi Arabia all recorded solid nonoil expansion in the first half of the year, supported by broad-based sector performance and strong business activity, reflected in Purchasing Managers Index (PMI) readings well above the expansion threshold. Low average inflation and easier financial conditions further supported demand and credit growth, reinforcing overall economic resilience across the region.

Lower oil prices and continued production discipline moderated fiscal balances in some economies, but sovereign liquidity and market access remained strong, supporting capital expenditure and investment pipelines. Alongside Egypt's ongoing macro-stabilisation, these dynamics created a more supportive backdrop for domestic and intra-regional dealmaking, reinforcing the region's relative resilience in 2025.

## Capital stays closer home

Transactions within the Middle East strengthened markedly, rising to 320 deals, up 35% from 237 deals in 2024 and accounting for roughly half of total regional activity. Capital stayed closer to home, circulating between the UAE, Saudi Arabia and Egypt, reinforcing strong regional integration and the role of these markets as the region's core M&A hubs. Rather than pursuing expansion into unfamiliar jurisdictions at a time of elevated global uncertainty, corporates and sovereign-linked investors prioritised local and regional markets where strategic alignment, operating familiarity and partnership structures reduced execution risk. This growing confidence is echoed in [PwC's 29th Global CEO Survey](#), where Middle East CEOs identify Saudi Arabia, the UAE, and Egypt as offering the strongest intra-regional investment potential.

## The anchoring role of sovereign investors

Sovereign capital sits at the centre of this trend and continues to play a defining role. Sovereign wealth funds and state-backed entities provide the long-term capital capacity required to build scale and capability across priority sectors. Their involvement has accelerated execution and signalled confidence, enabling corporates and financial investors to pursue strategic deals that might otherwise have been deferred in more uncertain markets. As a result, M&A activity is increasingly being used as a mechanism for building national ecosystems and advancing long-term transformation agendas, rather than to simply optimise financial returns.



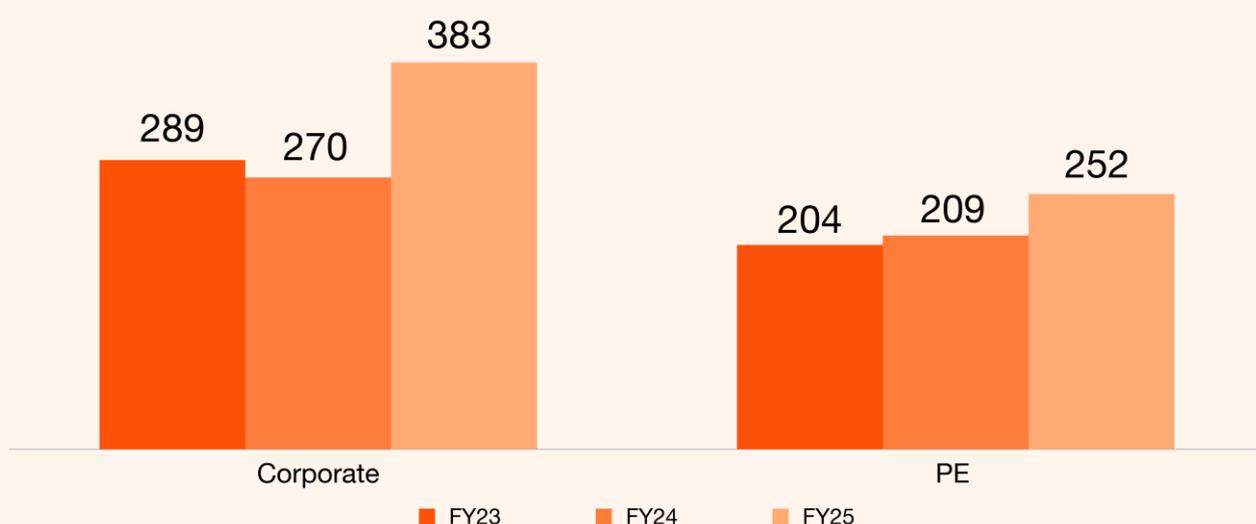
## Cross-border engagements

Cross-border economic engagement broadened further in 2025, extending beyond the energy sector into Asia-Middle East-Africa corridors. In Asia, the bloc strengthened its partnerships through a series of high-level delegations, as the China-GCC free-trade<sup>3</sup> agreement advanced closer to conclusion along with rising GCC participation in Chinese trade and investment platforms. Saudi Arabia played a prominent role in this shift, signing more than 50 agreements<sup>4</sup> with Chinese entities across agriculture, environment, industrial supply chains and sustainability – directly supporting the Kingdom’s Vision 2030 objectives to diversify its economy and expand non-oil exports.

## Corporates drive volume while private equity targets resilient platforms

On the deal flow side, corporates once again led activity, delivering 383 transactions (Figure 2), a 42% increase from 2024, and roughly 60% of total deal volume. Companies were more willing to transact where strategic clarity and scale supported pricing. Private equity (PE) activity also strengthened, rising to 252 deals, up 21% from last year, though deployment remained disciplined as firms navigated longer holding periods and constrained exit conditions globally. PE activity was particularly focused on healthcare, digital infrastructure, and industrial technology platforms, where demand visibility remained strong.

**Figure 2: Middle East M&A Deal Volume by Deal Type (FY-2023 to FY-2025)**



Source: PwC analysis based on LSEG data.

Note: Data only includes cross-border inbound deals and intra-regional deals and excludes outbound cross-border transactions.

## Digital and AI-enabled capability building

Deal activity was also shaped by the acceleration of digital infrastructure and AI enabled capability building. Growth in data rich platforms, advanced industrial capabilities and technology adjacent systems shows how AI is increasingly blurring traditional sector boundaries, linking energy, Industrials, Technology, Media and Telecommunication (TMT) and consumer facing segments through shared capability requirements.

In line with this trend, Saudi Arabia advanced its AI and digital infrastructure ambitions through a US\$5billion investment by Amazon Web Services alongside Saudi-backed Humain in 2025<sup>5</sup>, supporting the Kingdom's plans to build a globally competitive AI ecosystem under its Project Transcendence agenda.

In parallel, energy and materials investment concentrated on system building, reinforcing long-term competitiveness rather than driving volumes alone.

## A catalyst for structural transformation

In 2025, M&A in the Middle East emerged as a lever for structural transformation. Capital was deployed with greater selectivity and purpose, focused on building capabilities, scaling emerging platforms, and strengthening competitiveness across priority sectors. This shift is reflected in PwC's 29th Annual Global CEO Survey: Middle East findings, where CEOs indicate that regional acquisitions are increasingly driven by growth and capability-building. More than half of business leaders surveyed in the Middle East cite entry into new geographic markets as a primary driver of dealmaking, while 53% point to acquiring new capabilities, such as skills, talent, and data. Access to new customers remains a priority, along with rising interest in acquiring technology and intellectual property, signalling a growing focus on innovation and digital capability.



Dealmaking in the Middle East is no longer about scale alone, it is being used to build ecosystems and anchor long-term economic transformation. Backed by sovereign capital, this shift is accelerating sector convergence and blurring traditional boundaries, as companies acquire the capabilities required to drive operational performance, enable new business models and ultimately accelerate innovation.



**Romil Radia**

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# 02

Landmark transactions  
highlight scale, diversification  
and system-building

# 2024-2025: Key deal trends

Year	Top 5 deals	Total value
<b>2025</b>	L'imad Holding Co acquires a 42.54% stake in Modon Holding	US\$14.2bn
	Emirates Telecommunications Group (e&) sold its 40% stake in Khazna Data center to Group 42 and Khazna	US\$2.2bn
	Public Investment Fund acquired a 54% stake in MBC Group CJSC	US\$1.9bn
	Warba Bank acquired a 32.75% stake in Al Ghanim Trading Co	US\$1.6bn
	Gulf Navigation Holding PJSC acquired Brooge Petroleum & Gas Investment Co	US\$1.4bn
<b>2024</b>	Abu Dhabi National Oil Co PJSC acquires Fertigllobe PLC	US\$3.6bn
	Agility Global PLC shareholders acquired a 49% stake via in-kind dividends	US\$2.2bn
	Saudi Arabian Mining Co JSC acquired Ma'aden Waad Al Shamal Phosphate Co	US\$1.5bn
	Bayanat AI PLC acquired Al Yah Satellite Communications Co PJSC	US\$1.5bn
	Investor group acquired Aster Dm Healthcare Fzc	US\$1bn

Note: Deal values displayed constitute completed and disclosed deals within the Middle East.

# 03

## Key themes



# 1

## Capital rebalances inward as inbound interest strengthens



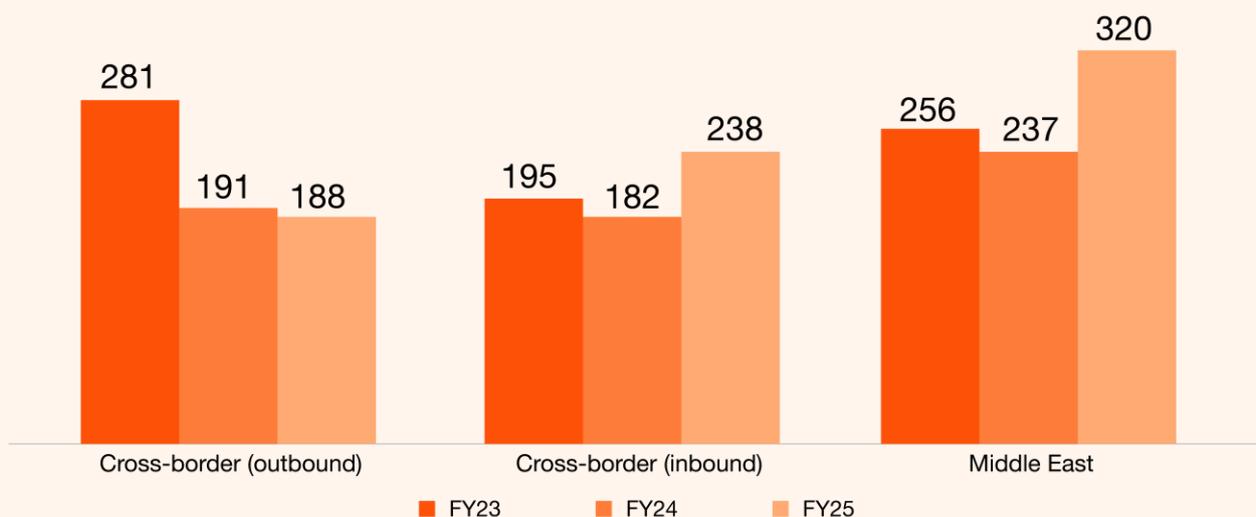
Inbound M&A activity into the Middle East rebounded in 2025, with deal volumes rising from 182 transactions in 2024 to 238 deals, representing a 31% year-on-year increase (Figure 3). This marked the first material recovery following several years of decline and reflected renewed foreign investor confidence in the region’s macro resilience, reform momentum, and expanding pipeline of strategic assets across the GCC.

Notable transactions included Saint-Gobain’s full acquisition of UAE-based Fosroc<sup>7</sup>, underscoring sustained global appetite for Middle Eastern industrial and infrastructure-linked assets with regional scale and reach.

Meanwhile, outbound M&A activity declined modestly in 2025, with deal volumes dipping by about 1.6% year-on-year (Figure 3). This continued the gradual easing seen in 2024 and reflected both the still selective global environment and the stronger pull of opportunities within the region itself. Elevated valuations in developed markets and greater dispersion in global growth trajectories made cross-border risk harder to price, while investors increasingly prioritised transactions that were more closely aligned with national transformation and capability-building agendas.

The moderation in outbound activity was therefore driven less by a retreat from global ambition and more by the depth of opportunity at home. As governments accelerated large-scale programmes in clean energy, digital infrastructure and industrial automation, sovereign wealth funds and state-owned enterprises placed greater weight on opportunities within the region that were directly tied to national transformation.

**Figure 3: Cross-border Deal Volume (FY-2023 to FY-2025)**



Source: PwC analysis based on LSEG data.

This did not diminish global ambition, but it did mean that capital previously earmarked for Europe, Asia or the Americas increasingly found compelling, strategically aligned deployment routes closer to home.

A notable outbound transaction in 2025 was XRG's over €10 billion acquisition of German chemical maker Covestro, which concluded in a €1.17 billion capital increase to advance Covestro's long term transformation agenda<sup>®</sup>. This illustrates how outbound deployment remained selective and focused on platforms with clear long-term capability relevance.



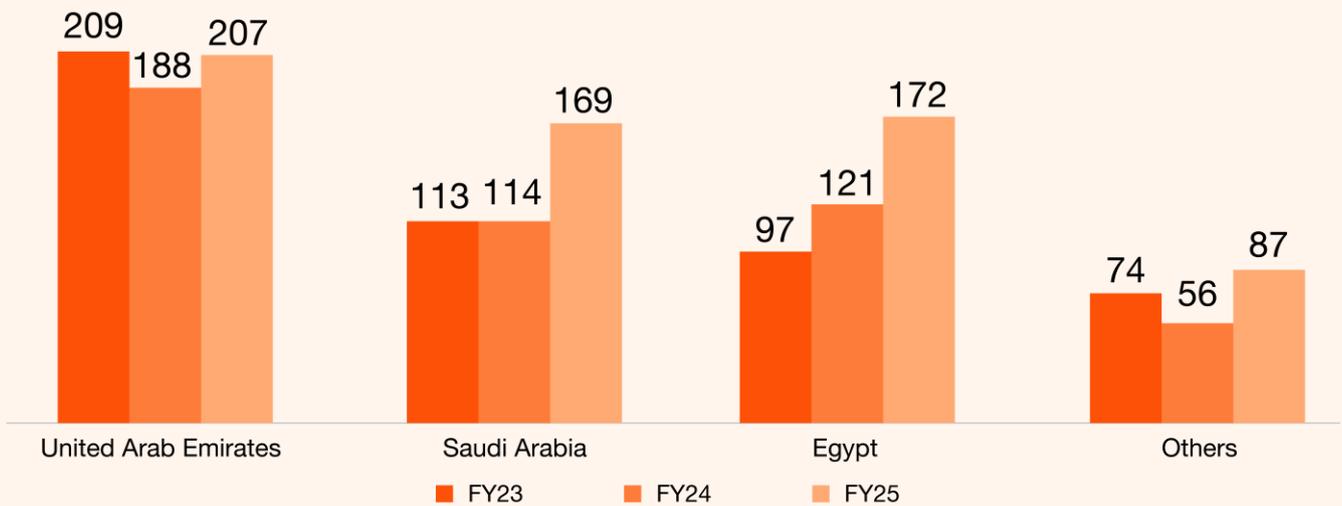
# 2

## Domestic and intra-regional consolidation dominates



Domestic and intra-regional transactions were the primary driver of Middle East M&A activity in 2025. Intra-regional transactions reached 320 deals with the UAE (207 deals), Saudi Arabia (169 deals) and Egypt (172 deals) accounting for roughly half of total activity. This pattern underscored the ongoing build-out of national champions as governments advanced domestic capability agendas. This sentiment is reflected in PwC's 29<sup>th</sup> Global CEO Survey where 88% of Middle East CEOs expressed confidence in domestic growth, materially above the global average.

**Figure 4: Middle East Deal Volume by Country (FY-2023 to FY-2025)**



Source: PwC analysis based on LSEG data.

Note: Data only includes cross-border inbound deals and intra-regional deals and excludes outbound cross-border transactions.

Capital shifted towards markets where sector-specific incentives and localisation ambitions created structured pathways for investment. Egypt's rebound, reinforced intra-regional flows from the GCC, particularly from the UAE and Saudi Arabia, as investors prioritised scale assets in markets moving decisively on reform (Figure 4). Deal activity included transactions such as Bank Al Etihad's acquisition of 100% of Investbank<sup>8</sup> for US\$305.4 million, which expanded domestic financial scale, and Q Logistics Holding's acquisition of 40.57% of Aramex<sup>9</sup> for US\$924.5 million, which deepened regional logistics capacity.

By concentrating capital closer to home, corporates and sovereign-linked investors have accelerated the build-out of regional champions and strengthened supply-chain control across priority sectors. This inward consolidation reinforced the Middle East's role as a self-reinforcing investment ecosystem, where scale, partnership depth and long-term alignment mattered more than outward expansion.

**Figure 5: Number of Deals Breakdown by Values (FY-2023 to FY-2025)**



Source: PwC analysis based on LSEG data.

Note: Data only includes cross-border inbound deals and intra-regional deals and excludes outbound cross-border transactions.



# 3 Energy investments support industrial resilience

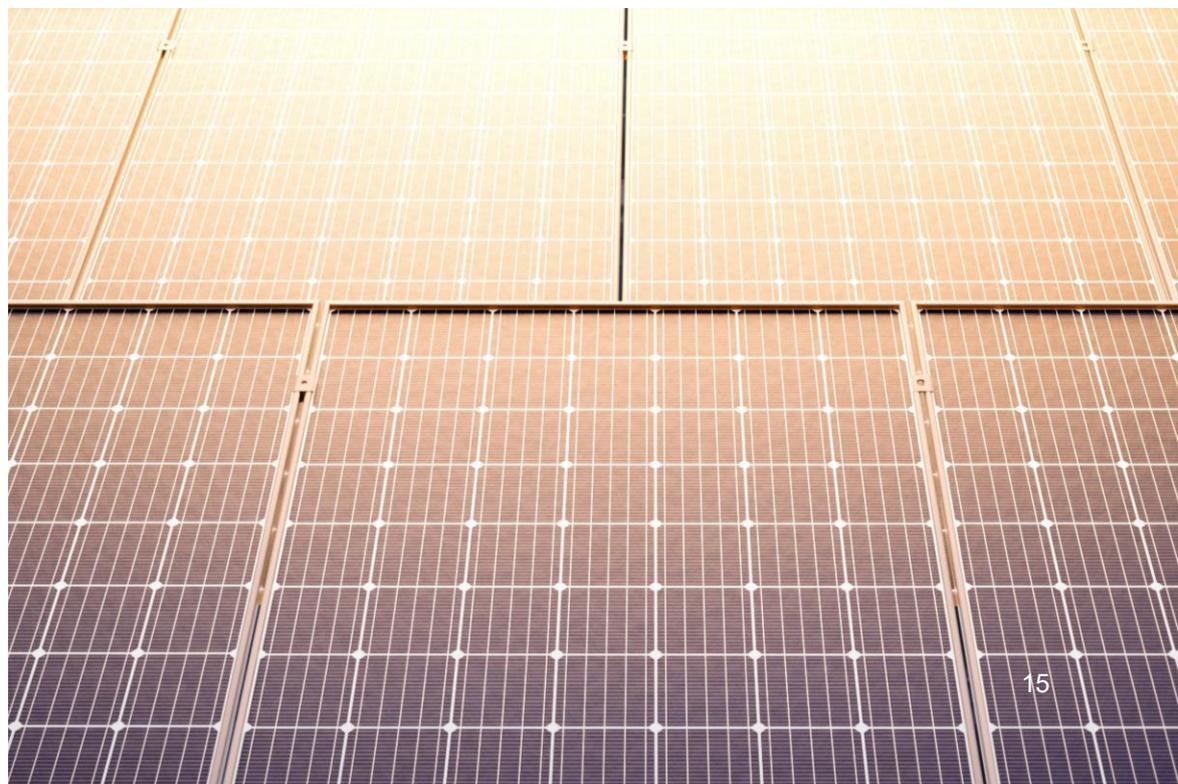


Energy-related M&A in 2025 remained selective, with activity shaped by the need to reinforce system reliability, logistics capacity and industrial resilience across the region’s core energy value chains. Total energy, resources and utilities deals remained stable, rising to 34 transactions from 29 in the previous year. Deal flow reflected a clear focus on assets that support continuity of supply, operational flexibility and execution certainty, particularly where energy infrastructure underpins broader industrial and economic activity.

This shift was evident in transactions targeting midstream and enabling infrastructure rather than upstream growth. Gulf Navigation Holding’s acquisition of 100% of Brooge Petroleum & Gas Investment Company for US\$1.4 billion consolidated control over a strategically important storage and terminal platform, strengthening the region’s hydrocarbons logistics backbone and reinforcing the role of energy infrastructure as a system-critical enabler rather than a volume-driven growth lever.

A similar logic underpinned consolidation in energy services. ADES International’s acquisition of Shelf Drilling combined two shallow-water drilling operators into a larger, more diversified platform with an expanded fleet and geographic footprint, enhancing service continuity and operational resilience across multiple markets through scale, balance-sheet strength and integrated supply chains.

At the policy level, governments steered investment towards infrastructure that is required to support a low-carbon economy, prioritising systems and enablers over generation assets.



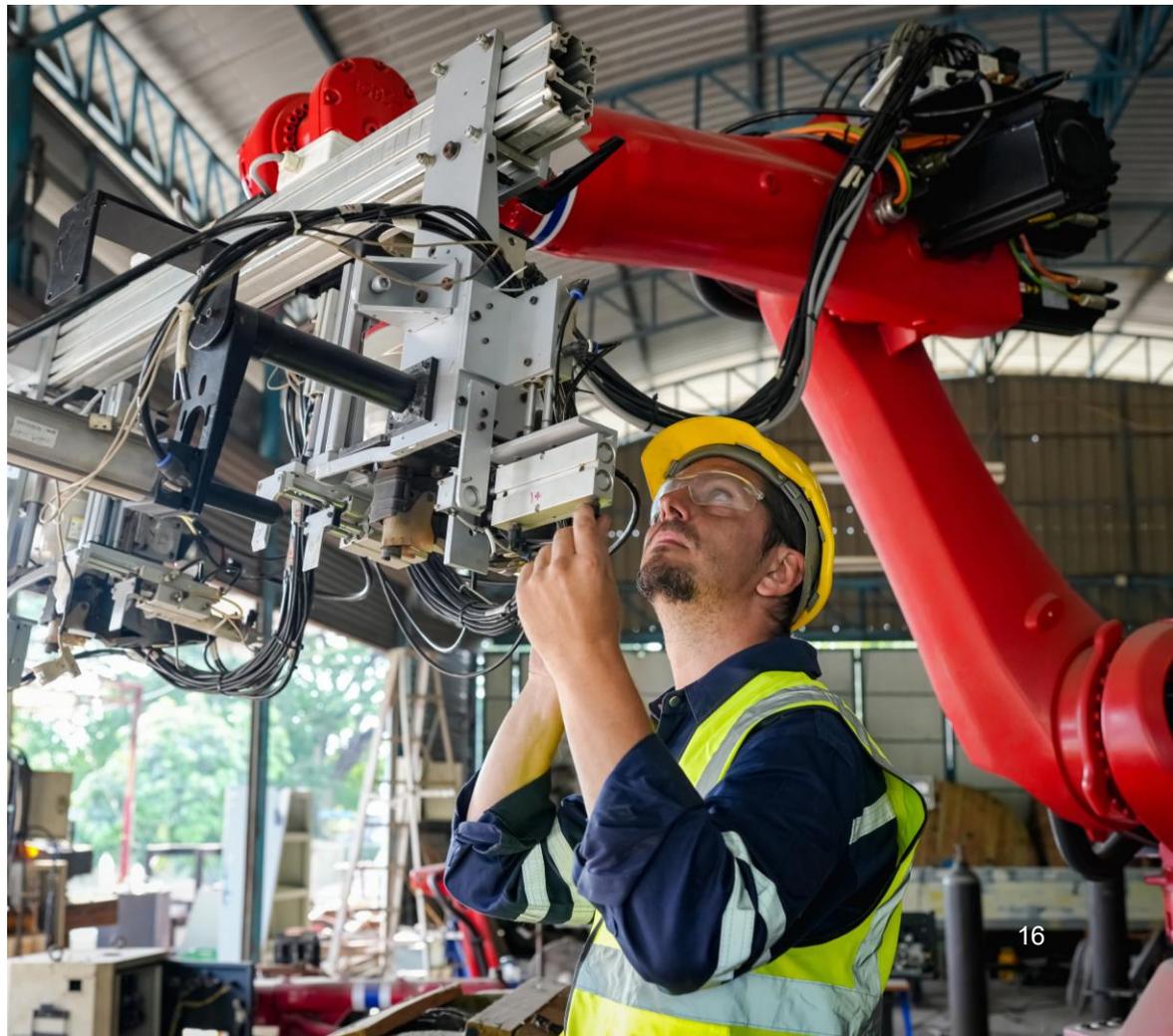
# 4

## Digital infrastructure and AI continue to anchor the region’s strategic agenda



AI and digital infrastructure remain the fastest-growing areas of strategic M&A in the region. The UAE and Saudi Arabia are at the forefront, supported by active sovereign participation and long-term digital-economy programmes. Global SWF data<sup>10</sup> also shows that Gulf sovereigns were among the world’s largest AI investors in 2025, with Mubadala deploying US\$4.9 billion into pure-AI assets and Kuwait Investment Authority (KIA) and Qatar Investment Authority each committing US\$3 billion, underlining the scale of sovereign conviction behind the region’s digital-economy push.

What differentiated 2025 was how AI-related activity reshaped capital allocation across sectors. AI demand increasingly pulled investment into asset-heavy, power-intensive infrastructure, blurring the traditional boundaries between technology, energy, industrials and real assets. Major transactions illustrated this shift. The US\$2.2 billion investment in Khazna Data Centers<sup>11</sup> highlights how data infrastructure is now viewed as system-critical, on par with energy and utilities, where access to power, cooling, land, and grid connectivity is as decisive as computing capacity itself. Corporates and sovereign-backed entities were naturally best positioned to pursue these opportunities due to the high capex intensity and long investment horizons required for digital infrastructure scaling.



# 5

## Sovereign capital continues to set the pace for strategic dealmaking



Sovereign wealth funds (SWFs) remained central to the Middle East's M&A and investment landscape in 2025, reinforcing their role as long-term architects of economic transformation. According to the Global SWF Report 2025<sup>12</sup>, Middle Eastern sovereign wealth funds invested US\$127 billion globally in 2025, a 48% increase year-on-year, and reached a record US\$6 trillion in assets.

Within that broader total, the largest SWFs in the region accounted for US\$119 billion of this deployment, led by the UAE and Saudi Arabia. Investment activity was concentrated across infrastructure, technology, digital platforms and transition-linked assets, reflecting a clear shift toward future-oriented sectors and system-building priorities.

The UAE's Mubadala emerged once again as the region's most active sovereign investor, deploying US\$33.7 billion across 40 transactions, its highest annual spend on record.



Investment activity spanned AI platforms, digital infrastructure, software, financial services and advanced industrial technologies, reflecting a deliberate focus on future-oriented sectors rather than traditional asset accumulation.

Other leading regional funds also accelerated deployment, as their investment strategies continued to prioritise portfolio resilience, capability-building and alignment with domestic diversification agendas. Capital behaviour demonstrated a clear alignment with diversification agendas.

Capital behaviour demonstrated a clear alignment with diversification agendas. Sovereign entities directed capital towards industrial manufacturing, logistics, healthcare, digital platforms and financial services, reinforcing national objectives around localisation, capability building and innovation. The aforementioned L'imad Holding's acquisition of Modon Holding for US\$14.2 billion<sup>13</sup> highlighted both the scale and strategic intent behind sovereign-driven platform consolidation.

Global private-equity activity strengthened selectively, but sovereign investors continued to function as stabilisers, bridging execution gaps and advancing long-horizon transformation agendas. This dynamic became more pronounced in 2025 as global PE firms concentrated on fewer, higher-quality transactions, faced longer fundraising cycles, and remained cautious in deploying capital amid uneven liquidity and slower exit windows. With private-equity funds still contending with uneven liquidity cycles, slower exits, and more cautious underwriting, sovereign wealth funds provided the depth and decisiveness required to progress the region's most strategic transactions.



In Saudi Arabia there is a deliberate focus on building platforms, embedding advanced capabilities, and anchoring long-term growth aligned with Vision 2030. Government-led capital expenditure and regulatory reforms are opening the market to global buyers and local conglomerates, while capital is increasingly being deployed into AI, digital infrastructure, sports, entertainment, healthcare and clean energy.



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# 04

## Industry trends



## Energy, Resources and Utilities (EUR)



The Middle East's EUR sector continued to advance its twin priorities of expanding renewable and low-carbon assets while reinforcing the competitiveness of hydrocarbons and associated downstream systems. This balanced approach, embedded within national net-zero and industrial decarbonisation frameworks, once again shaped dealmaking across the region. Sector activity was selective but stronger year on year, with 34 transactions, up about 17% from 29 the previous year, as investors prioritised scale platforms that hard-wire efficiency and resilience into national energy systems.

PwC research shows that between now and 2035, physical climate risks such as extreme heat, water stress, drought, and flooding can reduce The Middle East's GDP growth by 13.9 percentage points. Understandably, governments and national champions have deepened their focus on transition-enabling infrastructure, including cooling networks, operations and maintenance platforms, industrial energy efficiency, water and waste management, and gas-to-clean pathways – reflecting a growing recognition of climate risk as an economic variable. Boardroom sentiment increasingly reflects this reality, reinforcing the strategic shift toward infrastructure and systems that protect long-term growth, resilience, and economic performance.

These perceptions have translated into several notable transactions during the year, with national energy champions and state-backed industrial players remaining the most active buyers. Saudi Arabian Mining Company (Ma'aden) strengthened its upstream and downstream positioning through a series of transactions, including the acquisition of the remaining 25.1% stake in its aluminium joint venture<sup>14</sup> for US\$1billion and the purchase of a 20.6% stake in Aluminium Bahrain<sup>15</sup> for US\$964million, reinforcing regional integration across critical materials. In parallel, Saudi Aramco increased its ownership in Rabigh Refining and Petrochemical Company<sup>16</sup> by 22.5% for US\$701million, underlining a continued focus on downstream capacity and petrochemical resilience.



Midstream and power infrastructure also featured prominently. UAE-based Gulf Navigation Holding acquired 100%<sup>17</sup> of Brooge Petroleum & Gas Investment Company and its affiliated entities for US\$1.4billion, securing full control over a strategically important storage and terminal platform.

In the utilities space, ACWA Power acquired a 45% stake in Bahrain's Al Ezzel independent power project for US\$693million<sup>18</sup>, strengthening a regional O&M platform that improves availability, reliability and efficiency across power and water assets while aligning with national transition objectives. The strategic rationale behind the transactions centred on scaling the core infrastructure that enables decarbonisation to proceed at pace without compromising security of supply.

The market is becoming increasingly attractive to global private equity and infrastructure funds, driven by long-term energy transition trends and the scale of opportunity across the region. Asset monetisation programmes by national oil companies are creating compelling entry points for investors to deploy capital into established, cash-generative operating platforms, while also enabling co-investment opportunities. At the same time, sustained pressure across traditional energy services segments, particularly oilfield services (OFS) and engineering, procurement and construction (EPC), is reshaping the competitive landscape, opening the door for alternative asset managers and more creative investment structures, including direct equity and debt-like instruments.

Looking ahead, EUR dealmaking in the Middle East is expected to remain oriented towards system-level infrastructure and utility platforms, with renewables growth increasingly complemented by investments that raise efficiency, reduce loss and strengthen grid and industrial resilience, whilst traditional ERS sub-sector deals are expected on an opportunistic basis as well as to drive capital release and redeployment.

## Technology, Media and Telecommunications (TMT)



TMT remained a key driver of M&A in the Middle East in 2025, as digital transformation accelerated across the region. Deal activity focused on data centres, telecommunications, digital infrastructure, and media platforms, reflecting ambitions to scale sovereign digital capacity and build AI-enabled economic ecosystems.

CEO sentiment in the region is also reinforcing this shift. Findings from PwC's 29th Global CEO Survey show business leaders actively reassessing technology dependencies to strengthen resilience and control. Around 32% of Middle East CEOs plan to reduce reliance on technology providers based in countries they consider less trustworthy, well above the global average of 21%, signalling a strategic pivot toward trusted suppliers, local and regional alternatives, and greater data sovereignty.

This is reflected in several landmark transactions during the year. One of the most prominent transactions was G42's acquisition of e&'s 40% stake in Khazna Data Centre Holdings for US\$2.2billion<sup>19</sup>, consolidating the region's largest data-centre platform and providing the compute and storage infrastructure required to support national AI programmes.

Following e&'s exit, MGX and Silver Lake also acquired minority stakes in Khazna. The transaction also strengthened the UAE's ambition to consolidate regional leadership in digital infrastructure. Media and content also featured strongly, as the region continued to expand its digital-economy footprint and invest in entertainment, streaming and gaming assets.

Media and content platforms also saw significant consolidation. Saudi Arabia's PIF acquired a 54% controlling stake in MBC Group for US\$2billion<sup>20</sup>, reinforcing domestic ownership of strategic media assets and supporting the Kingdom's ambitions to develop a globally competitive entertainment ecosystem. The transaction highlights a shift towards securing intellectual property, distribution and content production capabilities within national platforms.

In the telecommunications space, cross-border expansion remained a recurring theme, with regional operators targeting new markets to broaden their connectivity reach and extend their digital services portfolios. Beyond these large cap moves, deal activity also extended into digital services and platform technologies.

In Bahrain, Turkey-based Paribu acquired -100% of CoinMENA<sup>21</sup> for US\$240 million, reflecting investor interest in scalable fintech infrastructure and digital asset platforms with regional reach. In the media domain, Warner Bros Discovery increased its exposure to the Middle East through the acquisition of a 30% stake in OSN Streaming<sup>22</sup>, underscoring the region's growing influence in content, entertainment and subscription-based digital ecosystems. These transactions highlight continued inbound interest in the Middle East's rapidly expanding digital economy and the diversified platform opportunities emerging in TMT space.



## Industrial Manufacturing and Automotive (IMA)



IMA remained a core pillar of Middle Eastern M&A activity in 2025. The 136 transactions recorded across the sector point to an ongoing regional shift towards manufacturing depth, localisation and strengthened supply-chain resilience. A combination of large-scale industrial programmes, rising demand for efficiency focused infrastructure and continued investment in low carbon industrial systems shaped deal flow throughout the year.

This strategic shift was seen in several notable transactions. The acquisition of 100% of PAL Cooling Holding LLC for US\$1.054 billion by Arctic Bid Co SPV Ltd<sup>23</sup>, a joint venture between Tabreed and DIF Infra, has strengthened the region's access to large-scale district cooling infrastructure. The transaction supports national objectives to improve energy efficiency, enhance industrial service reliability and underpin the growth of both urban and manufacturing ecosystems.

Regional consolidation was also evident. Saudi Arabia's Bawan acquired 100% of UAE-based Petronash Holding<sup>24</sup> for US\$175million, expanding its exposure to energy services and industrial solutions across the GCC. The transaction highlights the sector's continued emphasis on platform scale, operational efficiency and investment into the capital-intensive systems that enable industrial expansion.

Meanwhile, Automotive and mobility-related activity remained selective but strategically aligned. Investments in the sector continued to focus on logistics services, fleet optimisation and transport infrastructure rather than vehicle manufacturing itself. This showed a pragmatic approach to decarbonisation and cost efficiency. Regional programmes to advance electric vehicle adoption and build out manufacturing and charging infrastructure extended into 2025, underpinning a series of cross-border partnerships and technology investments.

## Health Industries



Despite global pressure on capital costs, the Middle East's healthcare and life sciences sector sustained steady momentum in 2025, recording 41 transactions, up around 32% from 2024. Continued investment in medical infrastructure, expanding clinical capacity, and rapid adoption of digital health solutions supported a resilient and stable dealmaking environment.

These priorities also align with the strategic concerns raised by regional leaders. According to our latest survey of chief executives in the region, CEOs in the Middle East are leading globally in adopting AI across their businesses. That mindset is showing up at the point of care and across the healthcare supply chain, with business leaders prioritising technology-enabled productivity gains and clinically relevant data capabilities to sustain access, quality and cost control.

These strategic priorities were visible in 2025's transaction mix. Spain-based IVI RMA Global, a KKR-backed global IVF platform, acquired ART Fertility Clinics for approximately US\$450m, strengthening its presence in the Middle East's fast-growing fertility and specialised care segment. The transaction is an indication of increasing cross-border interest in scalable healthcare platforms with strong brand equity and clinical specialisation.

This also underscores the sustained push by private equity on cash-led offerings such as cosmetology and IVF, with a growing interest to also do wellness and longevity offerings. Another notable transaction was Burjeel Holdings 100% acquisition of its sister company, Medeor 24X7 Hospital, as well as an 80% stake in Advanced Care Oncology Centre, reinforcing its strategy of expanding integrated care networks across the UAE covering multiple patient segments and specialties.

Private capital continued to play a prominent role in shaping the sector. In Kuwait, Arzan Financial Group acquired a 67.4% stake in National Medical Consumable Industries for US\$263.3million, targeting vertical integration and supply-chain resilience within healthcare manufacturing. In Saudi Arabia, TVM Capital led a US\$124million investment into Baraya Extended Care, supporting the expansion of long-term and post-acute care services aligned with Vision 2030 healthcare objectives and showing TVM's focus on building a concentrated long-term care platform.

Similar to previous years, IPO momentum remains high, with privately held healthcare groups continuing to explore IPOs for capital injection and exit opportunities. In 2025 there were two flagship listings: Almoosa Health, raising US\$450 million<sup>25</sup>, and Specialized Medical Company raising US\$500 million<sup>26</sup>, underscoring the region's deep bid for scaled providers.

Deal appetite remained strongest for assets offering operational scalability, defensive cash flows, and alignment with national healthcare reform agendas. As regulatory frameworks evolve and privatisation programmes progress, investor focus is expected to centre on opportunities that strengthen system resilience, expand access to high-quality care, and advance the region's ambition to build a modern, digitally enabled healthcare ecosystem.



## Consumer Markets



Despite uneven global demand in 2025, the Middle East's Consumer Markets sector remained resilient, supported by strong domestic fundamentals, rising tourism, and continued investment in retail, leisure, and consumer platforms. The sector recorded 121 transactions, up around 17% from 2024, as businesses adapted to changing consumer behaviour and rising confidence across key markets.

This optimism is reinforced by broader transformation agendas that prioritise retail modernisation, tourism development and digital first customer engagement. At the same time, while global CEOs remain cautious due to inflation and demand uncertainty, Middle East leaders report a more proactive stance towards innovation and supply chain adaptation.

Dealmaking activity throughout 2025 reflected these dynamics. One of the most prominent transactions was Q Logistics Holding's acquisition of a 40.5%<sup>27</sup> stake in Aramex for US\$924.5 million, strengthening its position in e-commerce logistics and enhancing last-mile and cross-border delivery capability across the region. Another notable transaction is the US\$525 million investment in Property Finder, a Dubai-based real estate platform, by a consortium led by Permira with significant participation from Blackstone<sup>28</sup>- revealing a sustained appetite from global private equity firms for regional investments.

There is also an increasing trend of regional champions consolidating complementary businesses to expand their product portfolios and deepen market penetration, as part of a broader strategy to diversify offerings and mitigate market volatility and shifts in consumer demand. Almarai Co SJSC's acquisition of 100% of Pure Beverages Industry Co<sup>29</sup> for US\$277.3 million illustrated this trend, expanding the group's presence in non-dairy beverages, strengthening manufacturing utilisation and reinforcing supply-chain security across a fast-growing category. Retail and consumer staples also saw targeted investments. Al-Futtaim Private Co LLC acquired a 49.9% stake in Cenomi Retail<sup>30</sup> for US\$672.6 million, supporting portfolio rebalancing and regional retail scale.

Tourism-driven demand remained a key tailwind, with rising visitor numbers supporting spending across retail, hospitality, and dining. This created a stable environment for multi-category consumer platforms, enabling organic growth and selective M&A focused on scalable brands and experiential concepts. At the same time, digital commerce continued to deepen, with consumer businesses investing in omnichannel capabilities, data-driven personalisation, and enhanced customer experience to keep pace with evolving consumer expectations.



## Financial Services



As global monetary conditions stabilised through 2025, refinancing and return dynamics remained uneven across major markets. Long-term rates continued to fluctuate, creating pockets of pressure for institutions exposed to higher funding costs. Despite this backdrop, the Financial Services (FS) sector in the Middle East recorded a strong year of activity, with 172 transactions, making it the region's most active sector. Banking, payments, asset and wealth management, and real-asset-linked financial platforms anchored deal flow as regional investors pursued scale, operational efficiency and strategic diversification.

Findings of PwC's 29th Global CEO survey have also revealed that business leaders in the Middle East's FS sector are embedding AI across operations at a far higher intensity than global peers and report strong confidence in their organisation's AI readiness. This indicates a broader shift within the sector towards technology-enabled business models and reinforces the growing importance of scale, data density and platform breadth, capabilities that increasingly define competitive advantage as institutions reposition for a more digital financial landscape.

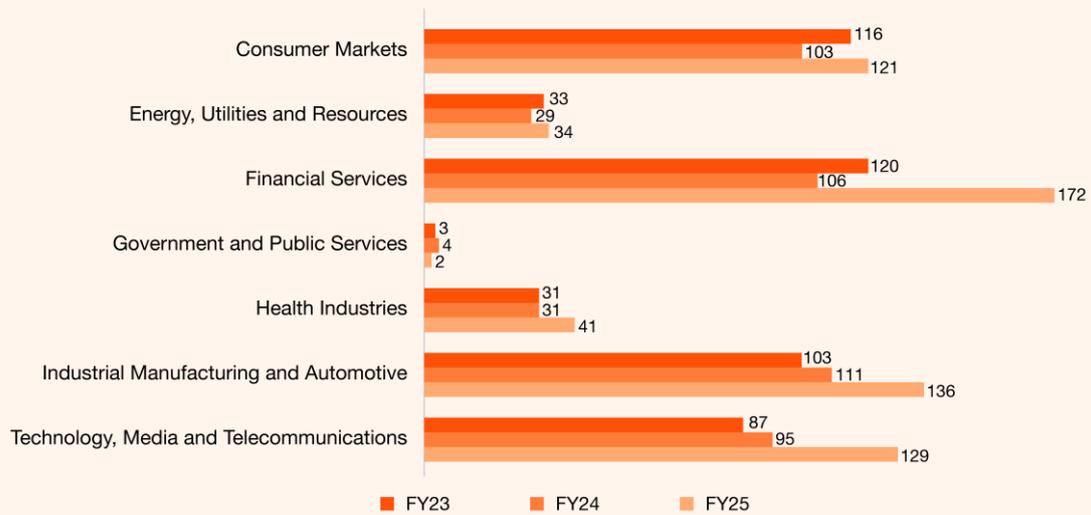
This focus on scale and integration was reflected in several high-profile transactions across the region. In Kuwait, Warba Bank acquired a 32.75% stake in Al Ghanim Trading Co for US\$1.62billion<sup>31</sup>, reinforcing the strengthening of its balance-sheet and regional positioning.

In banking, consolidation continued in Bahrain and Jordan as Bank Al Etihad PSC completed the acquisition of 100% of Investbank for US\$305.4 million<sup>32</sup>, expanding its domestic footprint and strengthening its retail business. In the payments and remittances space, AL Ansari financial services acquired 100% of BFC group holdings<sup>33</sup> for US\$200million, adding new cross-border corridors and deepening its presence across key GCC markets.

Fintech and platform investments remained selective. In the UAE, Tabby FZ LLC raised US\$160.0million<sup>34</sup> in a funding round led by international and regional financial investors, supporting growth in consumer finance and embedded payments.

This reflects a continued push towards scale, efficiency and regulatory capital optimisation. In insurance, Solidarity Group Holding BSC<sup>35</sup> completed its acquisition of 100% of Bahrain National Life Assurance Co BSC , reinforcing consolidation across life and health risk pools and supporting more efficient underwriting and distribution.

**Figure 6: Middle East Deal Volumes by Sector (FY-2023 to FY-2025)**



Source: PwC analysis based on LSEG data.

Note: Data only includes cross-border inbound deals and intra-regional deals and excludes outbound cross-border transactions.



Corporates and private equity investors are prioritising deals that build resilience and capabilities. In the UAE, the strong economic environment has translated into capital concentrating on assets anchored on a long-term investment thesis. Strategic alignment, operational familiarity, and robust partnership structures are helping to reduce execution risk while supporting sustainable, long-term growth.



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# 05

The outlook: Positioning for advantage through selective, strategic deals

The Middle East's M&A environment is expected to continue moving down the trajectory of selectivity instead of scale. Evidence from PwC's 29th Annual Global CEO Survey: Middle East findings point to a sustained appetite for acquisitions, with nearly three-quarters of CEOs in the Middle East and close to 80% in the GCC likely to make one or more significant acquisition worth more than 10% of their company's assets in the next three years, significantly above global peers.

However, the nature of dealmaking is shifting. Activity is increasingly focused on transactions that directly support competitive positioning within evolving value chains, particularly across AI-enabled platforms, digital infrastructure and advanced services.

State-aligned capital is likely to remain a defining force in shaping this next phase. Sovereign and government-backed investors continue to play a dual role as both capital providers and ecosystem architects – shaping where value chains form and how markets develop. Large, strategically significant transactions expected to complete beyond 2025, including Saudi Arabia's planned investment partnership with Electronic Arts (EA), illustrate this approach, where deals signal a broader strategy of using M&A to embed global capabilities locally, anchor new industries, and accelerate domestic ecosystem development in areas such as digital media, gaming and advanced technology platforms.

The same capability-led intent is also evident in AI infrastructure. Recent discussions around Mubadala joining a US\$10 billion global data-centre transaction<sup>36</sup> highlight how sovereign capital is moving across traditional sector boundaries to secure control over the platforms that underpin future growth.

At the same time, the outlook for dealmaking continues to be shaped by geopolitical risk, tighter liquidity and ongoing technological disruption that continue to influence deal structuring and timing. Yet regional dealmakers are willing to operate through uncertainty, supported by sovereign balance sheets, policy continuity and a clearer articulation of long-term priorities. As sector boundaries continue to blur and competition increasingly centres on capabilities rather than assets, the Middle East enters 2026 positioned to deploy M&A as a strategic instrument of economic transformation, building resilience while shaping the next generation of growth engines.



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