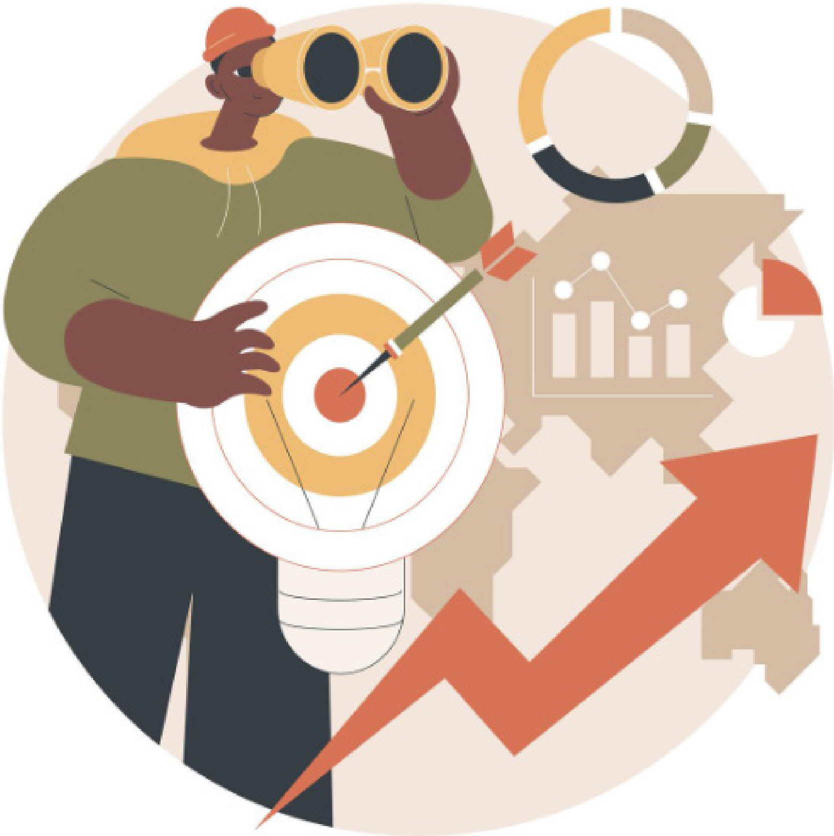


M&A Market Outlook:
Fewer, Bigger and Harder to Clear

Introduction

Nigeria's mergers and acquisitions market has regained momentum in the first half of 2026. While the number of transactions remains measured, deal activity has shifted towards larger, strategically significant acquisitions in sectors such as telecommunications, energy, financial services and digital infrastructure.

This reflects more than renewed investor confidence. Businesses are increasingly using acquisitions to achieve scale, strengthen market position and acquire strategic assets. At the same time, changes to Nigeria's regulatory and tax landscape mean that completing a transaction now requires considerably more planning than it did only a few years ago.

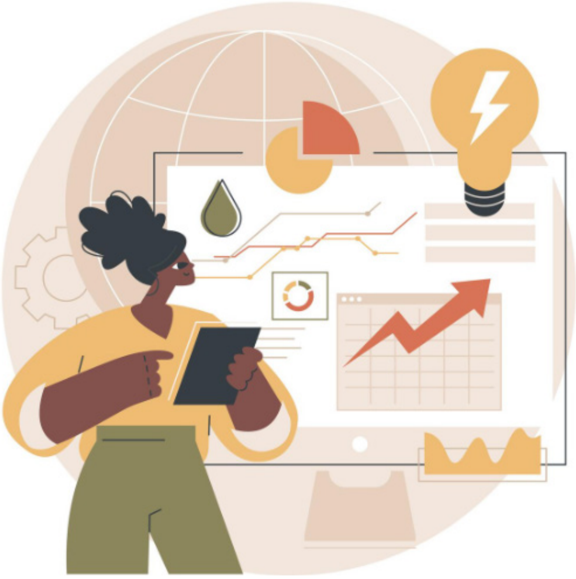
Key Highlights of the Recent Circular

- **Deal activity is becoming more strategic:**

Recent transactions suggest that businesses are prioritising acquisitions that strengthen core operations, expand infrastructure and improve long-term competitiveness, rather than pursuing growth for its own sake.

- **Infrastructure continues to drive consolidation:**

Telecommunications, energy and financial services have dominated deal activity, reflecting the



significant capital investment required in these sectors and the commercial benefits of consolidation.

- **Regulatory approvals are increasingly central to execution:**

the Federal Competition and Consumer Protection Commission, together with sector regulators now play a more active role in transaction approvals. Identifying the relevant approvals early has become an important part of transaction planning.

- **Tax considerations are influencing deal structures:**

The Nigeria Tax Act 2025 has introduced changes to capital gains tax and the taxation of certain offshore transfers, requiring buyers and sellers to reconsider traditional acquisition and exit structures.

What This Means for Stakeholders

- **For buyers:**

Regulatory approvals, competition analysis and transaction tax should be considered at the outset of a transaction. Addressing these issues early can reduce execution risk, minimise delays and improve deal certainty.

- **For sellers:**

Exit structures should be reviewed against the current tax framework before negotiations begin. Sellers should also anticipate more extensive regulatory scrutiny and build realistic completion timelines into transaction documents.

- **For investors and boards:**

As transactions become larger and more complex, successful execution increasingly depends on preparation. Commercial terms, regulatory approvals and tax implications should be considered together rather than as separate workstreams.

- **For businesses considering strategic growth:**

Acquisitions remain an attractive route to expansion, particularly in sectors where scale, infrastructure and market position create a competitive advantage. However, transaction planning should now begin well before formal negotiations commence.

The Road Forward

Nigeria's M&A market continues to present significant opportunities for businesses seeking growth, consolidation and long-term investment. However, the environment has become more sophisticated, with regulatory approvals and tax considerations playing a greater role in determining whether transactions reach completion, and on what terms.

Businesses that integrate legal, regulatory and tax planning into their transaction strategy from the outset, rather than treating them as later-stage workstream, will be better positioned to navigate the current landscape and complete transactions efficiently.

For guidance on mergers and acquisitions, transaction structuring, competition clearance, and tax planning for Nigerian transactions, contact info@scp-law.com or visit www.scp-law.com.