Press release

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Contact:	Dana Safawi | dana.safawi@pwc.com | +966 54 055 8214
More details:	@PwC_Middle_East on LinkedIn and Twitter

Regional capital and technology investment keep Middle East M&A resilient as investors focus on strategic growth

- An estimated 272 M&A transactions were recorded across the Middle East in mid-year 2026, down approximately 8% year on year, with the UAE and Saudi Arabia accounting for 65% of regional deal volume
- Intra-regional dealmaking increased by 2%, while inbound cross-border activity declined by approximately 19%, reflecting the continued importance of regional and sovereign-linked capital
- Technology, media and telecommunications became the region’s most active sector, recording 76 transactions, up 41% year on year

23 July 2026; Riyadh, Kingdom of Saudi Arabia – Middle East M&A activity moderated in the first half of 2026, with an estimated 272 transactions recorded, down approximately 8% year on year. Saudi Arabia remained one of the region’s leading deal markets, recording an estimated 74 transactions during the period. Yet beneath the headline numbers, the market continued to demonstrate resilience as investors concentrated capital on strategic sectors, technology-driven businesses and long-term value creation, according to PwC Middle East's latest TransAct Middle East – 2026 Mid-Year report.

While geopolitical uncertainty and a more selective investment environment tempered overall activity, regional and sovereign-linked investors continued to deploy capital with conviction, particularly in energy, infrastructure and technology. At the same time, technology, media and telecommunications became the region's most active sector, reflecting growing confidence in digital transformation and technology-enabled business models.

Imad Matar, Partner, Deals Leader, PwC Middle East, said, “The Middle East continues to look beyond today's uncertainty by investing in the capabilities that will drive tomorrow's growth. Investment in AI, energy, logistics and industrial capability is laying the foundations for a more resilient M&A market, stronger regional businesses and long-term productivity."

Capital becomes more selective, not less ambitious

The Middle East recorded an estimated 272 transactions in mid-year 2026, with Saudi Arabia accounting for 74 deals. Together, Saudi Arabia and the UAE accounted for approximately 65% of regional deal volume.

Of disclosed-value transactions, 151 were below US$100 million, 12 were valued between US$101 million and US$500 million and only one exceeded US$500 million. Corporate buyers completed 167 transactions, while private equity activity declined to around 105. Financial services fell from 75 transactions in mid-year 2025 to 53.

Key mid-year M&A themes

Strategic sectors attract long-term investment

The largest transactions centred on utilities, power, logistics and operating infrastructure. DEWA's US$1.41 billion acquisition of a further 24% stake in Emirates Central Cooling Systems Corporation was the largest deal and the only one above US$500 million.

Energy, utilities and resources recorded 22 transactions, up from 15 a year earlier. Other deals included ACWA Power's US$224.8 million acquisition of a 32% stake in the Shuaibah water and power company and ADNOC Drilling's US$204 million acquisition of an 80% stake in Oman's MB Petroleum Services.

Romil Radia, Partner, Valuations, Performance & Restructuring Leader, PwC Middle East, said, "The first half of 2026 tested the resilience of the Middle East's deal market. Activity moderated, but investors remained focused on strategic growth, prioritising assets across energy, critical infrastructure and technology that can strengthen long-term value. Regional and sovereign-linked capital continued to play a pivotal role in keeping transactions moving, as buyers became more disciplined and selective in their investment decisions."

Sovereign-linked buyers keep regional deals moving

Inbound cross-border activity declined by around 19%, while intra-regional dealmaking increased by 2%. State and sovereign-linked entities featured on at least one side of half of the region's largest transactions.

GFH Financial Group's US$400 million acquisition of a 60% stake in Byrne Equipment Rental reflected regional capital backing a GCC industrial-services platforms.

AI and digital transformation reshape the M&A landscape

Technology, media and telecommunications recorded 76 transactions, up from 54 in mid-year 2025 and 41 in mid-year 2024, making it the region's most active sector.

Completed M&A focused mainly on software, digital and AI-enabled businesses, while larger investments progressed through partnerships, financing and greenfield infrastructure, creating a future pipeline for consolidation and strategic investment.

Five largest M&A transactions

The five largest disclosed transactions were DEWA's US$1.41 billion Empower stake acquisition; GFH's US$400 million Byrne Equipment Rental acquisition; AD Ports Group's US$299.5 million additional stake in Global Feeder Shipping; AHS Properties' US$299.5 million acquisition of the Shangri-La Hotel on Sheikh Zayed Road; and Titan Holdings International's US$282.6 million acquisition of a 67% stake in Damas International.

What comes next – how the second half could unfold?

As organisations continue to reinvent their business models and governments accelerate national transformation agendas, deal activity is expected to remain focused on sectors that combine strategic relevance with long-term growth potential.

Technology and AI, critical infrastructure, industrial capability, the energy transition, and defence and security are likely to remain priority investment areas, while well-capitalised corporates and sovereign-backed investors continue to shape the region’s next phase of consolidation.
"The next wave of M&A will be defined less by volume and more by quality," added Radia. "Businesses that can combine technological capability, operational resilience and strategic scale will be best positioned to attract investment and create sustained value."

For further insights, download the full **TransAct Middle East – 2026 mid-year** report on our website.

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