

## Press Release

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### Egypt M&A activity further accelerates in the second half of 2021 leading to the full year tally: Baker McKenzie Report

- Egypt deal values continued to rise in H2 2021 with another quadruple (430%) surge whereas volumes increased by 38% from H2 2020
- Global deal making reached USD 5.9 trillion for the first time ever and volumes increased by 24% compared to year ago levels
- Middle East deal volumes and values for the full year of 2021 were significantly up by 51% and 58%, respectively, from the previous year
- Deal making activity in Egypt concentrated on cross-border transactions with 64 and 118 deals in H2 2021 and the full FY 2021, respectively
- For the full year of 2021, the United Arab Emirates was the top acquirer country in volume and value with 20 deals totalling at circa USD 2 billion

**Cairo, Egypt, 10 February 2022** – According to the latest report by global law firm Baker McKenzie\*, based on Refinitiv data for global announced M&A transactions, Egypt's M&A outlook continued its upward spiral during the second half of 2021 (H2 2021) by 38% with 116 deals while total value grew by 430% to USD 4.3 billion. For the full year 2021, total volume increased by 49% with 233 deals whereas deal value jumped by 486% at a total of USD 9.9 billion. Similarly, the same outlook was reflected globally and in the Middle East with deal values and volumes further climbing up towards year end.

**Globally**, M&A activity for H2 2021 totaled USD 3.01 trillion, up by 27% from the previous half and full year totaled USD 5.9 trillion, up by 64% compared to year-ago levels and the strongest annual period for mergers & acquisitions since records began in 1980. By number of worldwide deals for H2 2021, total volume increased by 4% vs H2 2020 with 29,482 deals and for FY 2021, total volume climbed up by 24% compared to the previous year with over 63,000 deals announced during the year.

In the **Middle East**, dealmaking rose by 33% (y-o-y) in H2 2021 with 323 deals and total value soared by 248% (y-o-y) to USD 49.5 billion. 2021's performance blew last year's numbers with an increase in total volume and value by 51% with 665 deals and 58% to USD 89.8 billion, respectively.

Commenting on Egypt's M&A uptick in deals activity for the second half and full year of 2021, **Mohamed Ghannam, Managing Partner at Helmy, Hamza & Partners, Baker McKenzie Cairo** said: "Given the tremendous jump in deal volumes and values in FY 2021 vs FY 2020, M&A transactions market in Egypt continues to be a promising one for local and international investors alike as well as for private equity firms. Looking forward, we expect Egypt's M&A activity to further brisk in the year ahead with megadeals being closed in several popular sectors including high-tech, education, healthcare, oil & gas and telecoms in addition to other new sectors driving the momentum such as fintech and ESG."

**Total M&A Deal Activity**  
Includes domestic and cross-border deals

**Overall** deal making in Egypt was up across most months of H2 2021, with October being the strongest month for the period with 31 deals. Value-wise, December was the top performing month for the period with USD 653.8 million.

**Domestic** transactions slightly decreased in volume by 4% with 52 deals for the half year while full year volume grew by 21% with 115 deals. In terms of total value for H2 2021, it increased by 43% with USD 841 million while full year value soared by 356% to USD 3.4 billion.

The same was applied to **cross-border** deals which surpassed last year's records in volume by 113% with 64 deals in H2 2021 and by 93% with 118 deals for the full year. Likewise, half year value went up by 1,505% with USD 3.4 billion while FY 2021 value increased by 589% to USD 6.5 billion.

**Hani Nassef, M&A Partner at Helmy, Hamza & Partners, Baker McKenzie Cairo**, said: "It is encouraging to see that Egypt was ranked as the second most popular target country by volume after the US with 19 deals in H2 2021 and 38 deals in FY 2021, as per Refinitiv's analysis. This interesting finding further supports the economic growth that the country has been witnessing since the beginning of 2021 and post-pandemic uncertainties in various fields and industries."

#### **Inbound Cross-Border M&A Deal Activity**

**Includes targets in Egypt and acquirers outside Egypt**

Majority of cross-border deals were inbound in nature with 96 deals worth USD 5.4 billion compared to only 22 outbound deals totaling USD 1 billion in FY 2020.

The **Financials** and **Consumer Products and Services** were the top target sectors for inbound investors in the number of deals in H2 2020, making 13 deals each. **Financials** remained as top target in volume for the full year 2021 as well with 24 deals, followed by **Consumer Products and Services** with 16 deals.

In terms of value, the biggest deals in H2 2021 belonged to the **Telecommunications** sector with USD 1.2 billion in total value featuring United Kingdom-based Vodafone Group Plc's acquisition of the Egypt-based Vodafone Egypt Telecommun SAE for USD 1.2 billion which is considered the top cross-border deal of the period and is expected to conclude during the first quarter of 2022. As for the full year, the **Healthcare** sector came first with a total value of USD 1.6 billion and **Telecommunications** right after with a value of USD 1.1 billion.

The United Arab Emirates remained the **top acquirer country** having done 20 inbound deals for the full year, 67% higher than the previous year (FY 2020). The same applies when looking at value figures, where the United Arab Emirates also came first amounting to USD 2 billion worth of deals followed by United Kingdom with USD 1.7 billion of deals in FY 2021.

#### **Outbound Cross-Border M&A Deal Activity**

**Includes acquirers from Egypt and targets outside Egypt**

For outbound deals, the analysis reports very limited data on volume and value of deals but we have noticed that deals mainly fall under the **Energy & Power** sector with 5 deals amounting at USD 820 million in FY 2021.

Similarly, when analyzing the **top investment target country** for Egyptian companies in the region, we see limited data supporting this. However, looking at deal volumes, the United Arab Emirates was positioned first in FY 2021 with 6 deals. As for values, Spain came first with deals worth USD 725 million followed by Ghana with USD 121 million.

- Ends -

#### Notes to Editor:

##### About Baker McKenzie

Baker McKenzie helps clients overcome the challenges of competing in the global economy. We solve complex legal problems across borders and practice areas. Our unique culture, developed over 70 years, enables our 13,000 people to understand local markets and navigate multiple jurisdictions, working together as trusted colleagues and friends to instill confidence in our clients. ([www.bakermckenzie.com](http://www.bakermckenzie.com))

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##### About Helmy, Hamza & Partners, Baker McKenzie Cairo

Helmy, Hamza & Partners, Baker McKenzie Cairo, is one of the oldest established international law firms in the Egyptian legal market. Combining in-depth knowledge of local laws with the experience of a global firm, we help you navigate the legal and business landscape in Egypt and worldwide.

Baker McKenzie Cairo currently employs approximately 40 lawyers, including 5 partners and 10 of counsels, all of whom have an outstanding knowledge of the local legal, business, social and cultural environment. While most of us are Egyptian by training, we are all international and global in our know-how, experience and practice.

Collaborating with colleagues in other firm offices as well as with local law firms where needed, we can seamlessly guide you through the intricacies of Egypt's regulatory environment without the interface issues that can occur between international and local counsel. Working as a cohesive team means we can provide efficient, high-quality service with less duplication.

We have unrivalled international resources across 78 offices worldwide. Practicing in Egypt since 1986, our firm is deeply committed to furthering your business interests both within the Middle East and globally.

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##### \* Methodology - Cross-border M&A

The information in this press release is based on Refinitiv data for global announced M&A transactions with standard exclusions. We define cross-border deal-making as any M&A activity where the target is not in the same country as the acquirer ultimate parent, cross-regional (or interregional) deal-making as any M&A activity where the target and acquirer ultimate parent are based in separate regions, and domestic deal-making as any M&A activity where the target and the acquirer ultimate parent are based in the same country.

For the purpose of this report, the Middle East was defined as: Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen. M&A activity refers to all deals ranked as of 27 December 2021. Ranks may change after publication date due to new deal submissions and other updates after the deadline.