



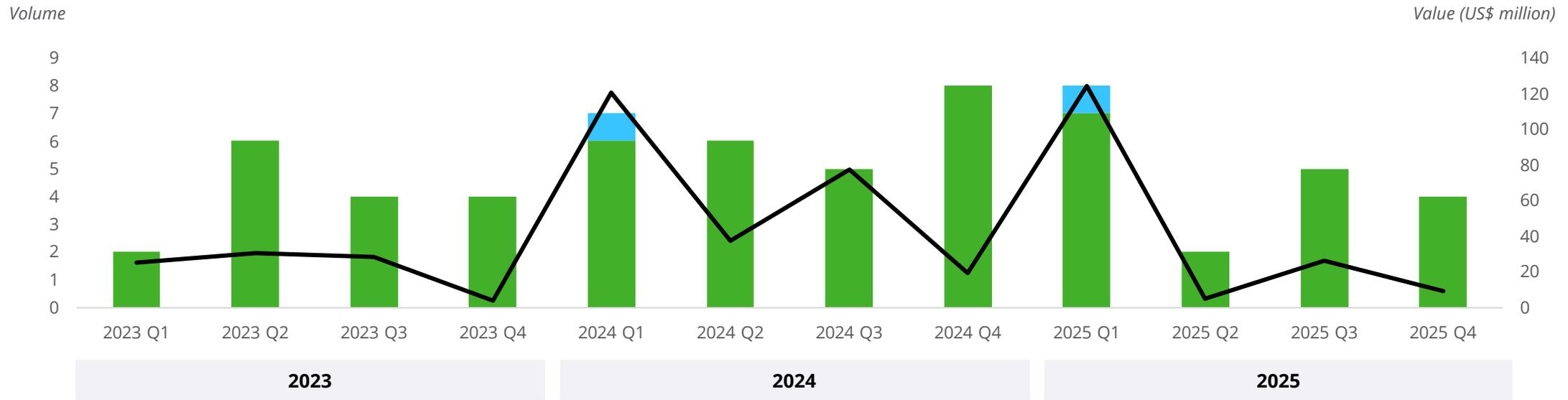
Divestiture trends across Africa

Africa divestitures: Selective momentum in a smaller, execution-sensitive market

Divestiture activity across Africa over the past several years reflects a market characterized by selective momentum rather than sustained expansion, with transactions concentrated in smaller and midsize assets and periodic quarters shaped by a limited number of higher-value deals. Following a stronger level of activity earlier in the period, volumes moderated before stabilizing through 2024 and into early 2025, with dealmaking remaining episodic rather than directional.¹

Figure 1: Africa quarterly divestiture volume and value, 3 years

■ <\$500M
 ■ \$500M-\$1B
 ■ \$1B-\$5B
 ■ \$5B-\$10B
 ■ >\$10B
 — Average value
 Linear (Average value)



Source: S&P Global Market Intelligence LLC - S&P Capital IQ, accessed January 8, 2026, data as of December 31, 2025. All transactions closed since January 1, 2023.



Average deal values have fluctuated meaningfully from quarter to quarter, reinforcing the extent to which individual transactions—often sector- or asset-specific—can shape market outcomes, rather than broad-based shifts in valuation levels. This pattern is consistent with Africa’s divestiture environment, where activity is frequently driven by portfolio rationalization, capital reallocation, and targeted exits from non-core geographies, rather than by large-scale separation programs executed in waves.

External market analysis points to a similar conclusion: Africa’s divestiture market continues to favor precision over volume, with sellers prioritizing assets where strategic clarity, buyer appetite, and execution feasibility align.²

Challenges to value creation in 2026: Why execution discipline matters more

Africa’s divestiture environment tends to **amplify the consequences—positive and negative—of execution discipline**, reinforcing a central theme of the [2026 Global Divestiture Survey: The rise of transformational divestitures](#). Where regulatory complexity, cross-border considerations, and operating model constraints are more pronounced, buyers place a higher premium on certainty and downside protection. Three challenges are particularly relevant in 2026:

- **Execution readiness directly influences valuation.** Buyers operating in African markets typically underwrite higher levels of macro, regulatory, and operational risk. As a result, gaps in separation planning, carve-out financials, or Day 1 readiness are more likely to translate into value discounts, extended



negotiations, or increased conditionality. Sellers that demonstrate disciplined preparation—particularly around financial transparency and operational continuity—are better positioned to sustain competitive tension and protect proceeds.

- **Regulatory and policy complexity extends timelines.** Regulatory approvals, foreign ownership considerations, and sector-specific licensing requirements frequently shape transaction design and sign-to-close dynamics. In this context, regulatory strategy is not a downstream compliance activity but a core value lever that influences deal certainty, timing, and buyer risk allocation.



- **Post-close risk is increasingly priced upfront.** Buyers are placing greater emphasis on post-close execution risks—such as stranded costs, transitional service dependencies, and governance readiness—during diligence and valuation discussions. This shifts the burden to sellers to address these issues earlier in the divestiture life cycle, rather than relying on post-close remediation.

Together, these challenges reinforce the survey’s global finding that divestitures increasingly reward sellers that treat separation as a transformation event, not a transaction event.³

Regional nuances: What differentiates Africa divestitures

While Africa reflects many of the same execution themes observed globally, several structural characteristics distinguish its divestiture landscape.

- **Smaller, more selective deal profiles shape buyer behavior.** Divestitures across Africa are often concentrated in smaller and midsize assets, frequently involving targeted buyer universes and negotiated processes. This dynamic elevates the importance of a clearly articulated equity story, precise perimeter definition, and tailored diligence preparation to avoid value erosion in bilateral or limited-auction situations.
- **Sector concentration drives episodic value creation.** Periods of higher average deal value are often linked to specific sectors—such as natural resources, energy transition adjacencies, infrastructure-linked assets, and selected financial services platforms—where strategic buyers are willing to

transact at scale but apply heightened scrutiny. This contributes to uneven quarterly patterns and reinforces the importance of sector-specific readiness.

- **Operating model separability is more exposed.** Shared services, IT platforms, and specialized talent pools are often more constrained, increasing the risk that transitional arrangements become longer-dated or more complex than initially anticipated. Sellers that address separability, TSA scope, and exit planning early are better positioned to reduce post-close friction and protect both value and management focus.





These regional nuances reinforce a core conclusion of the [2026 Global Divestiture Survey: The rise of transformational divestitures](#): In higher-complexity environments, preparation quality and execution discipline are decisive differentiators, rather than hygiene factors.

Outlook: Intentional divestitures shaped by capital discipline and execution readiness

Looking ahead, Africa's divestiture market is expected to remain disciplined and selective, shaped less by cyclical volume expansion and more by intentional portfolio decisions. Across the global respondent base, 15% of executives expect to pursue three or more divestitures in the coming year, signaling a clear shift toward more deliberate, strategy-led separation programs rather than opportunistic asset sales.

This forward-looking sentiment is particularly relevant in Africa, where execution complexity elevates the importance of decisive, well-prepared transactions. Consistent with broader survey findings, organizations are prioritizing divestitures that enable capital reallocation toward digital modernization, operational resilience, and balance-sheet flexibility while placing greater emphasis on value protection, speed to close, and post-close performance.

In this environment, Africa-based sellers—and multinationals divesting African assets—are likely to focus on transactions where strategic clarity and execution readiness align, while deferring or reshaping exits that lack sufficient preparation. As a result, momentum is expected to remain episodic, but value outcomes will increasingly favor sellers that proactively de-risk separations and treat divestitures as deliberate transformation events rather than reactive transactions.



Thinking about divesting? We should talk.

Whether you are in the process of a divestiture now, have recently closed one, or are contemplating portfolio rebalancing actions, it is always a good time to reach out for a discussion. Exchanging perspectives on how to be a prepared seller, how to plan and complete your next carve-out acquisition, or how to protect value and promote buyer value creation when you were just acquired may be the key to making your next divestiture intentional and transformative rather than opportunistic.

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About the survey and acknowledgments

In October 2025, Deloitte and Potloc polled 1,500 executives to gauge their expectations for divestiture activity in the upcoming 12 to 18 months along with their experiences with recent divestiture transactions. All survey participants work for either private companies, public companies, or private equity funds and their portfolio companies with revenues in excess of \$500 million (75% are with companies booking more than \$1 billion in revenue). Respondents were in Senior Director or above positions at their respective organizations and represented a variety of industries, including technology, media and telecom; consumer; energy and resources; financial services; and life sciences and health care.

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Endnotes

1. S&P Global Market Intelligence, S&P Capital IQ, Africa divestiture transactions, closed since January 1, 2022 (disclosed values only).
2. Dominic Rebelo and Edwin Odundo, [Global and African M&A outlook 2025: Quality over quantity](#), ALN, June 2025; United Nations Conference on Trade and Development, [World Investment Report 2024: Investment facilitation and digital government](#), United Nations, 2024.
3. J. Henning Buccholz et al., [2026 Global Divestiture Survey: The rise of transformational divestitures](#), January 2026.



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