

# Mergers and acquisitions in sub-Saharan Africa hit \$7bn

Global financial-market data provider, Refinitiv, released the first quarter 2022 investment banking analysis for sub-Saharan Africa.



Source: 123RF

According to the report, an estimated \$97.3m worth of investment banking fees were generated in sub-Saharan Africa during the first quarter of 2022, down 9% from the same period in 2021 and the lowest first-quarter total since 2014.

The value of announced mergers and acquisition (M&A) transactions with any sub-Saharan African involvement reached \$7bn during the first three months of 2022, 13% less than the value recorded during the same period in 2021 and a four-year low, despite an 11% increase in the number of deals.

Sub-Saharan African equity and equity-related issuance totalled \$496.9m during the first quarter of 2022, compared to just \$18.4m during the same period last year.

Sub-Saharan African debt issuance totalled \$9.4bn during the first quarter of 2022, down 30% from the value recorded during the same period in 2021, although historically high with only 2018 and 2021 registering higher first-quarter totals.

## Investment banking fees

Equity capital market underwriting fees declined 1% to \$8.8m, the lowest first-quarter total in 12 years. Debt capital market fees declined 16% from last year's record start to \$40.7m, while syndicated lending fees declined 81% to \$6.3m.

Advisory fees earned in the region from completed M&A transactions reached a three-year high of \$41.4m, an increase of 163% compared to the first three months of 2021. 79% of all sub-Saharan African fees were generated in South Africa during the first quarter of 2022, and 33% were earned from deals in the High Technology sector. Goldman Sachs earned the most investment banking fees in the region during the first quarter of 2022, a total of \$11.4m or an 11.7% share of the total fee pool.

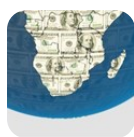
## Mergers and acquisitions

Deals worth \$5.2bn involved a sub-Saharan African target, a 10% increase from the first quarter of 2021.

While domestic deals declined 17% from last year, inbound deals involving a non-sub-Saharan African acquiror increased 44% to \$3bn, the highest first quarter total in five years.

Meanwhile, sub-Saharan African outbound M&A totalled \$776m, less than half the value recorded during the same period last year and with a 15% decline in the number of deals. High technology was the most targeted sector by value in sub-Saharan Africa during the first quarter of 2022, while the financial sector saw the highest number of deals in the region.

South Africa was the most targeted nation, with \$2.5bn in M&A announcements, equivalent to 48% of total activity recorded in the region. With advisory work on deals worth a combined \$1.8bn, Goldman Sachs held the top spot in the financial-advisor ranking for deals with any sub-Saharan African involvement during Q1 2022.



## SA earns over half of investment banking fees in sub-Saharan Africa

12 Oct 2021



## Equity capital markets

All proceeds were raised by follow-on issuance with MTN Nigeria Communications and South African coal exporter, Thungela Resources among those in the region raising new equity funds from follow-ons.

No convertible or initial public offerings were recorded in the region. Issuers in Nigeria raised more in the equity capital markets than any other sub-Saharan African nation during the first quarter of 2022, a total of \$277.1m, while South African issuers raised a combined \$219.9m.

Morgan Stanley took first place in the sub-Saharan African Enterprise Content Management underwriting league table during the first quarter of 2022 with a 23% market share, followed Java Capital with 13%.

## Debt capital markets

The number of issues declined 43% from last year at this time. South Africa was the most active issuer nation during the first quarter of 2022, accounting for 59% of total bond proceeds, followed by Nigeria (22%) and Ivory Coast (14%).

Issuers in the technology sector accounted for 56% of proceeds raised during the first three months of 2022, while government and agency issuers accounted for 27%.

Citi took the top spot in the sub-Saharan African bond bookrunner ranking during the first quarter of 2022, with \$1.7bn of

related proceeds, or an 18.1% market share.

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