



# THE M&A SCENE IN KSA & UAE

What Makes Post-M&A  
Integration Work

The Mergers and Acquisitions (M&A) landscape in the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE) has undergone a remarkable transformation over the past few years, positioning both nations as pivotal players in the Middle East and North Africa (MENA) dealmaking arena.

Following the global economic disruption triggered by the COVID-19 pandemic, governments across MENA have re-emerged with a renewed focus on economic diversification, capital market reforms, and strategic investment. M&A trends in the region have mirrored this broader post-pandemic recalibration. The year 2022 saw a surge in activity as economies reopened and capital flowed back into strategic sectors. In 2023, however, global macroeconomic headwinds—such as inflationary pressures, rising interest rates, and recessionary fears—tempered deal flow. By 2024, a cautious but strategic recovery was underway, signaling growing investor alignment with the region's long-term structural shifts. The UAE and Saudi Arabia, in particular, emerged as dominant M&A hubs, demonstrating a robust recovery with policy responses, investment reforms, and long-term economic visions.

# 1

## M&A Activity in the MENA Region, with a focus on UAE & KSA (2022-2024)

The MENA region experienced a significant rise in M&A activity in 2022, recording **754 deals valued at \$82.5 billion**, marking a **13% increase** in deal volume compared to the previous year<sup>1</sup>. This surge was driven by improving market conditions, elevated oil prices, and the easing of COVID-19-related restrictions, which collectively bolstered investor confidence. Government-related entities, including sovereign wealth funds and national oil companies, played a pivotal role, accounting for **137 deals (49%)** of the total disclosed deal value at **\$40.3 billion**<sup>2</sup>. The UAE and Saudi Arabia led the region in both target and bidder rankings, **accounting for 326 deals**, reflecting their strategic importance in the MENA M&A landscape.

Despite global economic uncertainties, including rising interest rates and geopolitical tensions, MENA's M&A market remained resilient in 2023. While deal volume dropped to **679 transactions**, disclosed deal value rose up slightly to **\$86 billion**, indicating a **4% increase** in deal value from the previous year. The Gulf Cooperation Council (GCC) countries were particularly active, with **565 deals valued at \$83.2 billion**. Sovereign wealth funds continued to drive M&A activity, focusing on national development and investing in future-oriented sectors. However, combined M&A activity of the UAE and Saudi Arabia also saw a slight decline, with **305 deals valued at \$24.8 billion**.

### in 2022



### in 2023



<sup>1</sup> MENA M&A activity smashes record to top 700 deals in 2022 – Gulf Business

<sup>2</sup> MENA M&A activity smashes record to top 700 deals in 2022 – Gulf Business

In 2024, MENA's M&A activity rebounded, with **701 deals** amounting to **\$92.3 billion**, reflecting a **3% increase in deal volume** and a **7% rise in deal value** compared to 2023. The UAE and Saudi Arabia reported a combined **318 M&A deals** valued at **\$29.6 billion**. This growth was fueled by substantial reforms in capital markets, strategic policy changes, and enhanced efforts to attract foreign investments. Cross-border deals were a major driver, accounting for **52%<sup>3</sup> of the volume** and **74%<sup>4</sup> of the value**.



## Combined Deals in UAE & KSA



### 1.1 | M&A Evolution in the UAE and KSA (2022-2024)

The UAE and Saudi Arabia recorded the sharpest year-on-year growth in deal volumes in 2022, with the UAE rising by **9%<sup>5</sup>** and Saudi Arabia by **6%<sup>6</sup>**. In the UAE, M&A activity was largely concentrated in sectors such as consumer goods, technology, industrials, and financial services, reflecting the country's broader strategic push to diversify its economy. The UAE registered three of the region's largest M&A deals, including a **\$5 billion investment by Canada's Caisse de Dépôt et Placement du Québec** in Dubai-based ports operators.

Despite the **6.4%** contraction in deal volume in 2023, both countries remained active. Notable deals included the UAE's acquisition of **Univar Solutions for \$8.2 billion** and Saudi Arabia's Public Investment Fund (PIF) acquisition of **Scopely, Inc. for \$4.9 billion**.

In 2024, the two economies began to rebound, reflecting a **4.3% rise in volume** and a **19.4% increase in deal value** compared to the previous year. The UAE reported the region's **largest M&A deal** with the acquisition of **Truist Insurance for \$12.4 billion**, while **Saudi Aramco's \$8.9 billion** acquisition of a stake in **Rabigh Refining and Petrochemical Company** was another significant transaction.

<sup>3</sup> MENA M&A activity grows 7 percent to \$92.3 billion in 2024; Report – Middle East Economy

<sup>4</sup> MENA M&A activity grows 7 percent to \$92.3 billion in 2024; Report – Middle East Economy

<sup>5</sup> M&A Landscape in the Middle East: Navigating Challenges and Seizing Opportunities - Fordata

<sup>6</sup> M&A Landscape in the Middle East: Navigating Challenges and Seizing Opportunities - Fordata



## 1.2 | The Dynamics of M&A Deal Types

A clear understanding of the various types of M&A transactions is essential, particularly in the context of the evolving economic strategies of Saudi Arabia and the United Arab Emirates. As previously outlined, deal activity in both countries has demonstrated periodic fluctuations, shaped by global macroeconomic trends, capital market liquidity, and domestic reform agendas. However, the composition of M&A flows—whether inbound, outbound, or domestic—reveals distinct implications for economic development and investor behavior.

### Key Economic Effects

- ▼ **Capital Inflows:**  
Boosts foreign direct investment (FDI), enhancing liquidity and funding for local businesses.
- ▼ **Knowledge Acquisition:**  
Gains access to international best practices and innovations.
- ▼ **Economic Diversification:**  
Supports the shift from oil-dependent economies.

### Inbound

Foreign entities acquiring domestic companies

In 2024, inbound M&A deals in the MENA region totaled \$11.4 billion, marking an 18% increase in volume and a 42% surge in value compared to 2023. The UAE attracted 96 deals valued at \$7.6 billion, representing 67% of the total inbound deal value.<sup>7</sup>

### Notable Deals

- ▼ **Global Expansion:**  
Enables local companies to access new markets and customer bases.
- ▼ **Revenue Diversification:**  
Reduces reliance on domestic markets, mitigating local economic risks.
- ▼ **Enhanced Competitiveness:**  
Positions domestic firms as global players, increasing their competitiveness.

### Outbound

Domestic companies acquiring foreign entities

Outbound M&A deals in the MENA region contributed 61% of the total M&A transaction value in 2024, with 199 transactions amounting to \$56.6 billion. Notably, the UAE's Mubadala and ADIA were involved in significant outbound investments, including the \$8.3 billion acquisition of a 60% stake in China's Zhuhai Wanda Commercial Management Group.<sup>8</sup>

- ▼ **Economies of Scale:**  
Reduces costs and improves profitability through synergies.
- ▼ **Strengthened Local Enterprises:**  
Builds robust national companies capable of competing regionally and globally.
- ▼ **Regulatory Alignment:**  
Simplifies compliance and governance within a unified legal framework.

### Domestic

M&A activities occurring between companies within the same country

Domestic M&A transactions accounted for 48% of the total deal volume in the MENA region in 2024, with 339 deals valued at \$24.4 billion. The technology and consumer products sectors were among leading contributors, accounting for 35% of total deal volume in the region.<sup>9</sup>

<sup>7</sup> MENA region sees increased M&A activity in 2024 with \$92bn deals – Trade Arabia

<sup>8</sup> MENA region sees increased M&A activity in 2024 with \$92bn deals – Trade Arabia

<sup>9</sup> MENA region sees increased M&A activity in 2024 with \$92bn deals – Trade Arabia



## 1.3 | Recent Billion-Dollar Deals in KSA & UAE

### ▼ Inbound Deal

In 2024, Clayton Dubilier & Rice and Stone Point Capital, in partnership with the UAE's Mubadala Investment Company, acquired Truist Insurance Holdings for **US\$12.4 billion**.



### ▼ Outbound Deal

In 2023, the UAE's Abu Dhabi National Oil Company (ADNOC) agreed to acquire a gas concession in Mozambique for **US\$1.15 billion**, reflecting the UAE's strategic expansion into international energy markets.



### ▼ Domestic Deal

In 2021, Saudi Arabia's National Commercial Bank (NCB) merged with Samba Financial Group to establish the **Saudi National Bank (SNB)**, forming one of the largest banking institutions in the region.



## 2 High-Growth Sectors Fueling M&A in KSA & UAE

The current M&A landscape in KSA and UAE is being shaped by several key sectors that are driving strategic investments and consolidation, reflecting the regions' evolving economic priorities and growth opportunities.



The oil and gas sector remains a cornerstone of M&A activity. Notably, Saudi Aramco's acquisition of an additional 22.5% stake in Rabigh Refining and Petrochemical Company (Petro Rabigh) from Sumitomo Chemical for **\$702 million** underscores the sector's significance.



### Energy & Natural Resources

ADNOC's strategic initiatives in the chemicals sector, including the acquisition of German chemicals maker Covestro for **\$16.3 billion**, reflect a commitment to diversifying its portfolio and strengthening its position in the global chemicals market.



The National Shipping Company of Saudi Arabia (Bahri) signed a nearly **\$1 billion deal** to acquire nine Very Large Crude Carriers (VLCCs) from Capital Maritime and Trading Corporation. This acquisition is part of Bahri's strategy to modernize its fleet and expand its global shipping capabilities.



### Logistics & Infrastructure

In January 2025, ADNOC Logistics & Services (ADNOC L&S) acquired an 80% stake in Singapore-based Navig8 for over **\$1 billion**. This acquisition enhances ADNOC L&S's global shipping capabilities, adding over 115 vessels to its fleet and expanding its reach in international markets.



In September 2023, Saudi Arabia's STC Group acquired a **9.9% stake** in Telefónica, a multinational telecommunications company headquartered in Madrid, for **€2.1 billion**. This strategic investment enhances STC Group's international presence in the telecommunications sector.



### Technology

In 2023, e& (formerly Etisalat) acquired Service-Market, a UAE-based online services marketplace, to bolster its digital services portfolio. This move aligns with e&'s strategy to expand its digital offerings in the region.





## 2.1 | Emerging Sectors Amid a Shift to Targeted, Smaller-Scale M&A Transactions

As M&A activity in the region continues to evolve, recent trends reveal a shift toward smaller, more strategic transactions. Instead of concentrating solely on large-scale acquisitions, investors and businesses are increasingly focusing on niche markets, emerging technologies, and specialized sectors. This trend highlights the growing emphasis on agility and targeted investments, responding to the dynamic economic landscape of both KSA and the UAE. This trend is attributed to several factors:

### Economic Diversification

Both countries are actively pursuing economic diversification strategies, leading to increased activity in emerging sectors such as **technology and renewable energy**. The push for **digital transformation** in Saudi Arabia and the UAE has spurred acquisitions of smaller tech firms, AI startups, and cloud service providers, while the **transition to lower-carbon energy** has driven smaller deals in renewable energy and chemical industries.

### Regulatory Environment

Enhanced regulatory frameworks have facilitated a more conducive environment for small and medium-sized enterprises (SMEs) to engage in M&A activities. In the technology sector, government-backed digitalization programs have encouraged acquisitions of smaller innovation-driven firms. In the **energy sector**, evolving sustainability policies have led to strategic partnerships and acquisitions of specialized clean energy companies.

### Investor Appetite

Investor appetite for niche markets and specialized industries is increasing, driving a shift toward smaller, targeted acquisitions with high growth potential. In the **technology sector**, there is a strong focus on AI, fintech, and cybersecurity companies that align with the existing portfolios of larger corporations. Meanwhile, in **chemicals and energy**, firms specializing in materials and sustainability are attracting attention from major industry players eager to future-proof their investments.

As industries in KSA and the UAE evolve, companies are increasingly prioritizing smaller, high-impact acquisitions to improve efficiency, foster technological innovation, and tap into niche markets. This shift is fueled by the need to maximize synergies—whether through cost efficiencies, revenue growth, or financial advantages. Effectively recognizing and leveraging these synergies is critical to ensuring long-term success in M&A transactions, aligning with the broader economic goals of KSA and the UAE to promote sustainable growth and economic resilience.



## 3 M&A Mastery

### Driving Value Through Synergies and Smart Acquisitions

Mergers and acquisitions are driven by the strategic goal of creating value that surpasses the combined worth of the individual entities involved. The success of an M&A transaction largely depends on the realization of synergies, which encompass the financial, operational, or strategic benefits derived from merging two companies.

#### 3.1| Exploring the Different Types of M&A Synergies

Synergies in M&A transactions generally fall into three primary categories: **cost synergies**, **revenue synergies**, and **financial synergies**. Understanding these synergies is essential for evaluating the financial viability of an acquisition and ensuring the smooth integration of the merged businesses.

##### Cost Synergies

Cost synergies arise from operational efficiencies that lead to reduced expenses when two companies merge.

- ▼ **Supply Chain Efficiencies:** Streamlining procurement, logistics, and supplier relationships.
- ▼ **Improved Sales and Marketing:** Reducing duplication of sales teams and consolidating marketing efforts.
- ▼ **Lower Salaries and Wages:** Optimizing workforce structure by eliminating redundancies and reducing labor costs.
- ▼ **Redundant Facilities:** Consolidating office locations, manufacturing plants, or warehouses to optimize space and operational costs.
- ▼ **R&D Optimization:** Pooling R&D capabilities to accelerate innovation and enhance product development.

##### Revenue Synergies

Revenue synergies focus on boosting top-line growth by capitalizing on the combined capabilities of the merged entity.

- ▼ **Better and More Competitive Products:** Enhancing the combined product portfolio to deliver more innovative and competitive offerings.
- ▼ **Cross-Selling Opportunities:** Expanding customer offerings by promoting complementary products or services to existing client bases.
- ▼ **Accessing New Markets:** Leveraging the acquired company's market presence to enter new geographical regions and expand the customer base.
- ▼ **Bundling Complementary Products:** Strengthening customer retention and driving sales by offering bundled solutions tailored to customer needs.

##### Financial Synergies

Financial synergies occur when the merged entity optimizes its financial structure, enhancing its market valuation and overall financial performance.

- ▼ **Diversification and Cost of Equity:** Spreading financial risk across a broader business portfolio, reducing reliance on a single revenue stream.
- ▼ **Increased Debt Capacity:** Strengthening borrowing power through a more robust balance sheet, enabling access to greater capital.
- ▼ **Tax Benefits:** Capitalizing on tax advantages resulting from improved business structuring and potential deductions.

Effectively capturing synergies is a pivotal factor in determining the success of an M&A transaction. While cost synergies are typically the easiest to quantify and realize, revenue synergies present significant potential for long-term growth. Financial synergies, on the other hand, strengthen the financial position of the merged entity, offering greater flexibility for future investments. Companies that can successfully identify, plan for, and execute strategies to realize these synergies are better equipped to maximize the value of their mergers and acquisitions.

## 3.2 | Building the Right Deal

### Acquirer-Target Dynamics

Beyond synergies, M&A transactions can be classified based on the strategic relationship between the acquiring and target companies. These acquisition types establish the underlying rationale for the deal and outline the anticipated benefits, guiding the strategic direction of the merger or acquisition.

#### I. Horizontal Acquisitions

A horizontal acquisition occurs when a company acquires another **within the same industry and at the same stage of the value chain**. This type of acquisition is typically aimed at:

##### Increasing Market Share

Gaining a competitive advantage by consolidating market position.

##### Eliminating Competition

Reducing rivalry by acquiring direct competitors.

##### Achieving Economies

Lowering costs through operational efficiencies.

#### II. Vertical Acquisitions

A vertical acquisition involves acquiring a company that operates at a **different stage of the supply chain**, such as a supplier or distributor. The primary objectives include:

##### Securing Supply Chains

Ensuring a steady flow of raw materials or critical components.

##### Enhancing Operational Efficiency

Streamlining production and logistics.

##### Achieving Supplier Independence

Reducing reliance on third-party suppliers.

#### III. Congeneric Acquisitions

A congeneric acquisition (also known as a related diversification strategy) occurs when the acquiring company and the target company offer **different products or services but serve the same customer base**. The strategic benefits include:

##### Increasing Market Share

Expanding offerings to existing customers.

##### Facilitating New Market Entry

Using an existing brand presence to introduce new products.

##### Expanding the Product Line

Strengthening the value proposition through complementary offerings.

Understanding M&A synergies and acquisition strategies is essential for assessing potential transactions and ensuring alignment with corporate objectives. While cost, revenue, and financial synergies play a key role in post-merger value creation, choosing the right acquisition type ensures companies can optimize their market positioning, financial stability, and long-term growth potential.

## 4 Reaping the Rewards

### Post-Merger Integration Unlocked

Mergers and acquisitions are frequently fueled by the potential for synergies, growth, and transformation. Yet, the post-M&A phase can present formidable challenges that, if not carefully managed, may undermine the value of the deal and hinder business operations. Whether it's unrealized synergies, hidden risks, or cultural clashes, a well-structured integration strategy is essential to unlock the full potential of the merger and drive lasting success.

#### 4.1 | Realizing Synergies

##### Turning Potential into Performance

One of the most critical challenges in post-merger integration is the failure to **fully realize synergies**—whether in the form of cost savings, incremental revenue, or improved operational performance. Organizations routinely fall short of capturing the intended value due to a combination of strategic misalignment, operational complexity, and cultural disconnects. A common pitfall lies in the **assessment of synergies** during the deal phase, where estimates are often **high-level**, generic, and driven more by financial modeling than by a real understanding of how two organizations truly operate.

The inability to understand and **align differing operating models** is another leading cause of integration failure. Operating models encompass not just organizational charts and workflows, but also governance structures, decision rights, performance KPIs, and risk management protocols. Attempting to unify two companies without deliberate restructuring can create **decision-making conflicts**, **loss of accountability**, and **internal confusion**.

#### Establishing an Integration Management Office (IMO)

Establishing an Integration Management Office is essential for driving the post-merger journey, ensuring alignment across functions, and maintaining clear execution ownership and accountability. It facilitates stakeholder interaction analysis to support seamless collaboration, develops detailed action plans with assigned responsibilities, and oversees execution by tracking milestones, resolving bottlenecks, and sustaining integration momentum. An IMO serves as the nerve center of post-merger integration, providing a structured and centralized approach to managing the tasks and challenges that arise during this transformative process.



## Mapping and Evaluating for Synergy Realization

Mapping and evaluating for synergy realization involves assessing the operating models of both entities to identify the most effective synergy levers. This process also determines the optimal integration approach—whether it be minimal integration, full integration, or hybrid integration—ensuring that the integration strategy aligns with the strategic intent of the deal.

**Minimal Integration** maintains the acquired company's independence, preserving its brand identity, operations, and systems while only selectively aligning high-level governance or reporting. This approach is often used when the acquired entity has a distinct value proposition or when integration risks are high.

**Full Integration**, on the other hand, involves merging all functions—systems, processes, people, and culture—into a unified operating model. This approach aims to maximize synergies through scale, cost reduction, and unified strategy execution.

**Hybrid Integration** represents a flexible middle ground, allowing companies to selectively integrate certain functions and leave others. This approach is increasingly common in modern M&A strategies, especially in deals involving startups or high-growth firms where preserving agility is key.

## Supporting Leadership in Early Strategic Decisions (Quick Wins)

Supporting leadership in early strategic decisions is critical to building post-merger momentum and accelerating value realization. This involves identifying high-impact, low-complexity initiatives—often referred to as “quick wins”—that can demonstrate immediate success, foster confidence, and establish a strong foundation for integration. By enabling rapid decision-making and visible progress early on, leadership can reduce organizational uncertainty and create the conditions necessary for sustained execution across functions. Quick wins not only help validate the merger strategy internally but also send a strong signal to external stakeholders that the integration is progressing effectively and delivering value from the outset.





## 4.2 | Risk Management

### Safeguarding the Integration Process

A critical and often underestimated challenge in M&A integration is the failure to proactively **assess and mitigate operational, regulatory, and financial risks**. These risks, if not identified early and addressed systematically, can significantly derail integration timelines and increase costs. Despite the high stakes, many organizations approach risk management reactively, without a structured framework or dedicated ownership embedded within the integration process.

One of the most common causes is the **absence of specialized risk assessment expertise** within the integration team. Acquirers can lack the internal know-how to foresee the full spectrum of integration-related risks. This is especially critical in deals involving multiple jurisdictions—compliance with laws, data protection regulations, or industry-specific standards. This also leads to the **under-resourcing of risk management functions** during the integration planning phase. Even when risks are identified, organizations often **lack clear mitigation plans or escalation protocols**. As a result, emerging issues are not resolved quickly, creating delays and cost overruns.

#### Conducting Comprehensive Risk Assessments

Conducting comprehensive risk assessments is essential to ensuring a smooth integration process. This involves identifying potential operational, regulatory, and financial risks at an early stage and analyzing their exposure across key business functions. By proactively uncovering vulnerabilities, organizations can implement targeted mitigation strategies, reduce the likelihood of disruptions, and safeguard deal value throughout the integration journey. This proactive risk-aware culture also enhances decision-making.

#### Developing Proactive Risk Mitigation Plans

Developing proactive risk mitigation plans is vital to protecting the integrity of the integration. This includes establishing structured frameworks to address and neutralize potential threats, implementing contingency plans to minimize disruptions, and aligning leadership and stakeholders on clear response strategies. By embedding ongoing risk monitoring mechanisms into the integration process, organizations can respond swiftly to emerging issues and maintain operational stability throughout the transition.



## 4.3 | Culture Integration

### Aligning People for Sustainable Success

**Cultural misalignment** is one of the most underestimated yet disruptive challenges in post-merger integration. When two organizations with differing values, leadership styles, and workplace norms are brought together without a deliberate strategy for cultural integration, the result is often confusion, resistance, and fragmentation.

A common reason companies fail to manage this challenge is the **lack of early cultural due diligence**, with superficial cultural assessments.

Moreover, employees frequently experience uncertainty and fear as their roles, reporting lines, and performance expectations shift. This resistance to change is amplified when **communication is inconsistent, leadership is not visibly aligned, and there's no clear rationale for the changes being made**.

#### Fostering Organizational Alignment & Engagement

Fostering organizational alignment and engagement is essential for a smooth, people-centric transition. This involves ensuring a structured approach that balances leadership-driven change with active employee participation. Culture assessments are used to identify key differences and potential synergies, enabling more informed integration strategies. Early stakeholder engagement helps build trust and reduce resistance, while targeted communication initiatives reinforce alignment, clarity, and shared purpose across the organization.

#### Bridging Cultural Gaps

Bridging cultural gaps is a critical element of successful integration, requiring deliberate efforts to unify teams and foster collaboration. This involves developing tailored training programs that ease the transition, organizing internal events to encourage cross-team engagement, and equipping employees with the competencies needed for long-term success in the new organizational environment.



## 4.4 | Seamless Operational Integration

### Enhancing Efficiency and Informed Decisions

**Misaligned processes and systems** during M&A often result in inefficiencies, delays, and elevated costs. The presence of different ERP systems exacerbates integration challenges, leading to data discrepancies and operational disruptions. **Overlapping roles, inefficient workflows, and communication barriers** further hinder productivity and escalate expenses. **Inadequate IT integration** can also expose the company to security risks, compromising decision-making and customer satisfaction.

To ensure a successful merger, effective integration is essential to streamline operations, safeguard data, and minimize risks, enabling smoother transitions and long-term success.

#### Defining the Right Integration Strategy & Operating Model

Defining the right integration strategy and operating model is foundational to capturing long-term value from a merger. This begins with identifying the most suitable integration type—minimal, full, or hybrid—based on strategic objectives and synergy potential. A unified integration strategy is then developed to align both organizations, supported by an optimized operating model that ensures business continuity and operational efficiency. Cross-functional coordination is also prioritized to enhance collaboration and drive seamless execution across teams.

#### Aligning the Organizational Structure for Seamless Operations

Aligning the organizational structure for seamless operations is key to enabling efficient collaboration and governance post-merger. This involves designing a structure that enhances synergy between the merging entities, with clearly defined reporting lines and decision-making pathways to streamline oversight. Structured authority frameworks are also established to support effective leadership, ensure accountability, and drive execution across all levels of the organization.

#### Process Optimization for Operational Excellence

Process optimization for operational excellence focuses on creating a streamlined and scalable post-merger environment. This involves standardizing and refining workflows to eliminate redundancies and inefficiencies, while aligning decision-making processes with strategic objectives to improve agility. Seamless technology integration is also prioritized to unify data, enhance automation, and support long-term scalability. A structured performance measurement framework is established to track efficiency gains and ensure synergy targets are being effectively realized.

## 4.5 | Winning with Talent

### Aligning and Retaining Key Employees for Strategic Growth

One of the major hurdles in post-merger integration is **retaining critical talent** while effectively aligning employees with the new organizational structure. Mergers often bring about uncertainty, which can lead to the departure of key personnel, resulting in **knowledge gaps, operational disruptions, and leadership instability**. Employees may feel uncertain about their roles in the merged entity, particularly when role clarity is lacking, or cultural differences create friction.

Additionally, a shift in a strategic direction may necessitate **new skill** sets, placing companies at risk of a disconnect between existing talent and evolving business demands. Without a well-defined strategy, organizations could face difficulties in retaining top performers, maintaining employee morale, and ensuring a seamless leadership transition.



#### Conducting Skill Assessments

Conducting skill assessments is essential to aligning talent with the needs of the merged organization. This process involves evaluating existing workforce capabilities to identify critical personnel for retention and mapping those skills against the new organizational structure to ensure the right people are in the right roles to support integration goals and long-term success.

#### Developing Clear Talent Development Plans

Developing clear talent development plans is crucial for supporting employee growth and ensuring readiness for the new business environment. This includes designing structured upskilling and leadership programs that promote career advancement, while equipping employees with the necessary competencies to adapt and thrive within the redefined business model.

#### Executing a Strategic Placement Exercise

Executing a strategic placement exercise ensures that talent is effectively aligned with the new organizational structure. This involves placing employees in roles that best leverage their expertise, while ensuring leadership continuity by positioning key personnel in critical functions to maintain stability and drive performance during the transition.

#### Enhancing Employee Engagement & Retention

Enhancing employee engagement and retention is vital to maintaining momentum throughout the integration process. This involves implementing clear and consistent communication strategies to provide direction and foster motivation, while reinforcing cultural integration efforts to build a cohesive, unified, and high-performing workforce.



The M&A landscape in Saudi Arabia and the United Arab Emirates has evolved significantly over the past three years. As these economies pursue transformative agendas, mergers and acquisitions have become powerful instruments not only for scaling businesses but also for reshaping industries—from energy and logistics to technology and advanced manufacturing.

However, while deal volume and value remain strong, post-merger integration is a complex process that demands early alignment on strategy, a deep understanding of operating models, and robust planning across every dimension of the organization. Successful post-merger integrations are those that embed structured governance through an Integration Management Office, treat cultural alignment as a strategic priority, and drive rapid yet thoughtful decision-making. Equally essential is the ability to mobilize cross-functional teams, retain and redeploy talent effectively, and continuously measure performance and risk. Without a clear structured strategy, misalignment, inefficiencies, and resistance can arise, delaying or even derailing the expected benefits of the merger.





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