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From projects to platforms as M&A reshapes the grid.

Across Africa, the renewable energy sector is entering a new phase, less about promise and more about performance. What was once a donor-led, start-up driven landscape is now anchored in commercial maturity. The shift is visible in the wave of mergers and acquisitions redefining the sector. Rather than simply showing growth, these transactions are telling us how the market is organising itself around resilience, efficiency, and long-term value.

In 2024, Africa's energy sector saw a 140% increase in M&A deal value. But it isn't only the size of the deals that's notable, it's their character. Investors are moving away from greenfield optimism towards platforms with operating stability and capacity to grow. That mindset is already shaping activity in 2025, where the tone is measured but confident.

Among the players reshaping the landscape, infrastructure funds and private equity firms are leading the charge. They're gravitating towards portfolios that deliver predictable returns. Vertically integrated independent power producers are mapping their growth through acquisitions aligned to regional

strategy. For many developers, meanwhile, the decision to sell is tactical: a way to recycle capital and double down on early-stage development. Even smaller outfits are exploring refinancing and partial exits to stay in the game. As these dynamics evolve, so too does the art of valuing assets. Investors are no longer just comparing megawatts; they're considering the technology mix and commercial edge of each project. Wind projects with battery storage or hybrid architecture are winning attention for their generation consistency and market resilience. Solar, while still dominant in terms of installed capacity, is under pressure from tightening margins. Battery storage has transitioned from optional to investable, and in markets with the right geography, hydro still plays a stabilising role.

Revenue models are changing just as fast. Long-term, fixed-price power purchase agreements are giving way to blended strategies that include merchant exposure and shorter contract terms. Aggregators and energy traders are adding complexity, and opportunity, into the mix, offering tailored offtake solutions but also shifting the risk landscape. Financing tools must respond in kind. At Nedbank

CIB, structuring has become an exercise in balancing creativity with creditworthiness.

Geographic focus is also widening. South Africa remains a key anchor, but countries like Namibia, Zambia, Botswana, and Mozambique are emerging as high-potential markets. New wheeling arrangements, the ability to transport electricity across a utility's network from generator to user, and Southern African Power Pool participation are helping open these frontiers. Yet each country brings its own set of rules, currencies, and approval processes. That's where local fluency and adaptability become decisive advantages.

Behind the numbers, there's also a shift in how deals are being assessed. The focus is no longer just on internal rate of return or payback periods. Investors are testing how a structure holds under pressure, policy reversals, contract volatility, foreign exchange shocks. This is where better forecasting models, layered risk analysis, and case study benchmarking are proving essential.

But closing a deal is just one chapter. Post-acquisition, the

see money differently

operational story begins. Strong operations and maintenance capability are often what separate top-performing assets from underachievers. When large institutions take over founder-led platforms, the softer aspects, team continuity, cultural knowledge, and leadership depth, often become the key to extracting long-term value.

Due diligence has expanded well beyond the traditional checklist. Environmental, social and governance claims are no longer accepted at face value. Lenders want to see tangible grid connection plans, documented community engagement, and clarity on end-of-life responsibilities. Even land tenure and potential grid congestion are factored into pricing.

Policy continues to play a double role, unlocking and constraining. South Africa's recent reforms have introduced needed agility, especially in third-party wheeling. Elsewhere, though, fragmented regulations remain a stumbling block. The absence of harmonised standards is particularly problematic for cross-border developers seeking to replicate models at scale.

These realities are shifting capital structuring. Joint ventures, phased exits, and asset recycling, reinvesting capital from mature projects into new infrastructure, are back in the conversation. Developers are monetising mature projects to fund enablers like transmission lines and battery hubs. This isn't about retreat, it's

about reshaping portfolios for long-term relevance. The trend points towards something bigger: an emerging ecosystem built on interdependence. The continent's energy story is moving past isolated projects towards scalable platforms with regional reach and structural depth. In this new environment, success hinges not just on innovation, but on fluency, in market dynamics, regulation, and financial strategy.

At Nedbank CIB, this fluency is second nature. Whether helping clients navigate cross-border risks or building financing frameworks that support market reform, the bank is a partner in more than capital. It's part of the architecture supporting Africa's renewable energy future.