

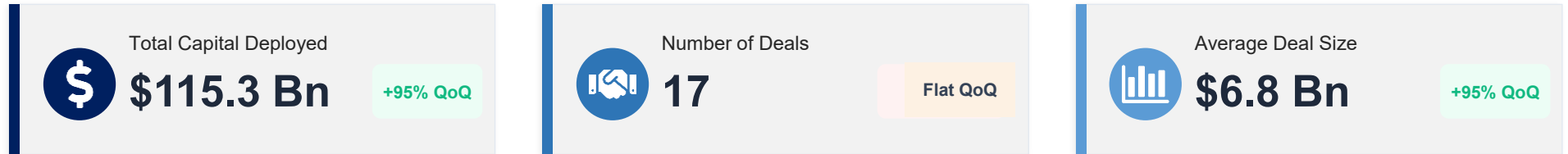
Special Report

GCC Private Equity: Mega-Deals Reshape the Investment Landscape in Q1 2026

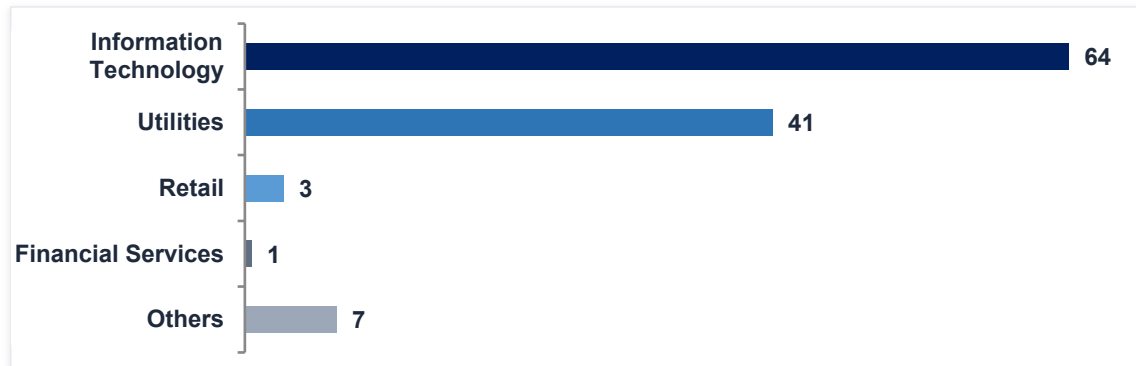
May 2026

GCC PE capital surged ~2x QoQ in Q1 2026, driven by mega-deals in AI infrastructure and energy transition, with North America absorbing 96% of outbound flows

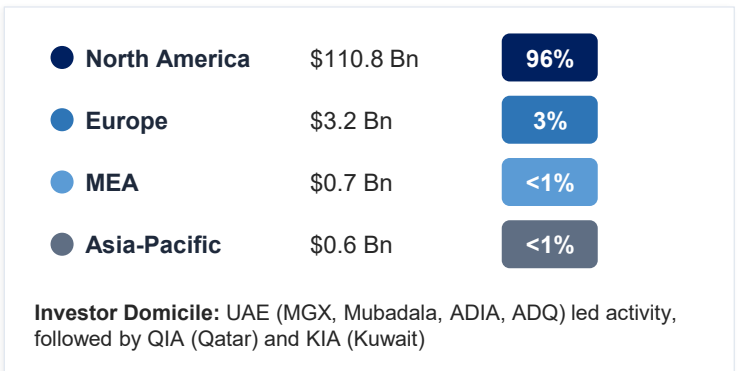
Executive Summary



Capital Deployed by Sector (\$ Bn)



Capital Deployed by Target Geography



Largest Transaction — Q1 2026

Target	AES Corporation (Electric Utilities)
Deal Value	\$40.6 Bn – Buyout / LBO
Investors	Qatar Investment Authority, EQT, Global Infra Partners
Location	United States
#2	Aligned Data Centers — \$40 Bn · KIA, MGX · Data center buyout (US)

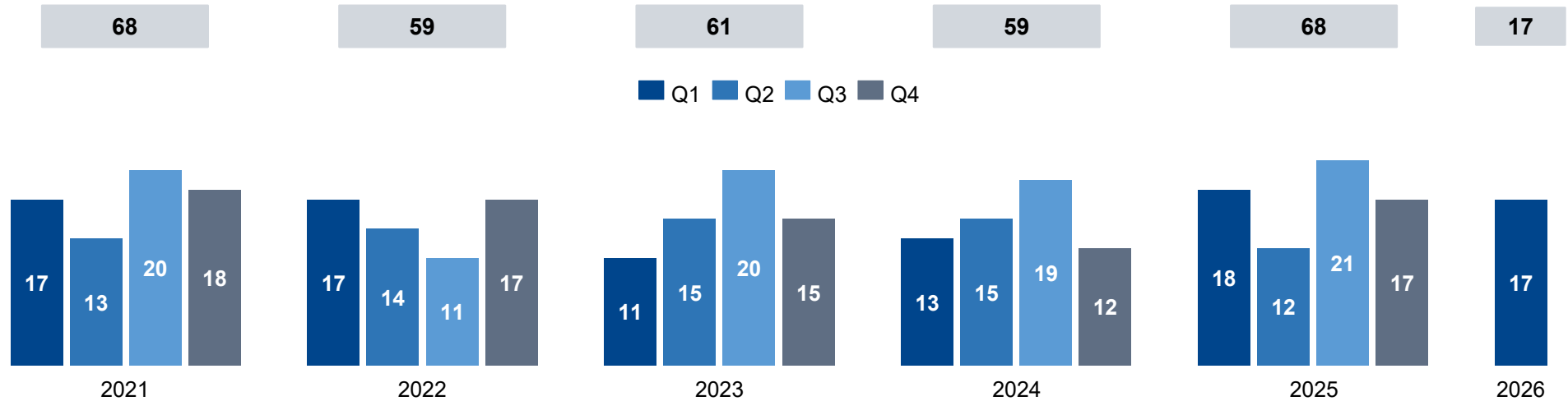
Key Highlights

- **Mega-deal Dominance** Top 2 deals = 70%+ of total Q1 capital deployed
- **AI Infra Theme** Data centers & AI infrastructure absorbed bulk of IT spend (\$64 Bn)
- **Fewer, Larger Bets** Deal count remained same QoQ; avg size surged ~2x to \$6.8 Bn
- **SWF-Led Strategy** QIA, MGX, KIA led marquee consortiums; UAE investors dominate

PE investments by GCC firms moderated in Q1 2026 from 2025 peaks but remained supported by SWF-backed liquidity and sustained focus on strategic global investments

Number of Deals

Figures in Units



Indicates annual/YTD deals completed

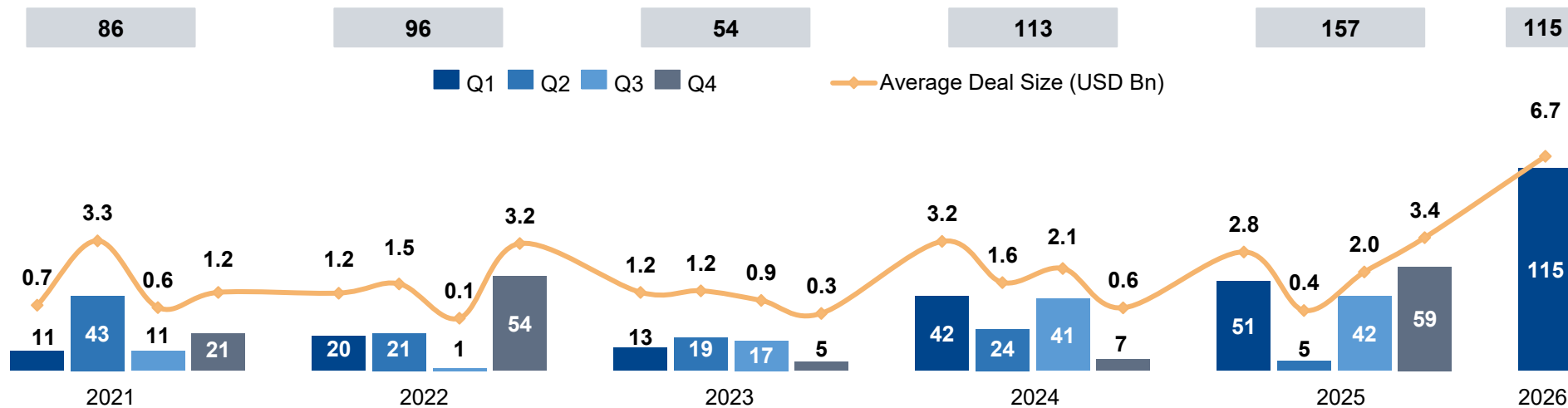
- GCC-based PE firms completed 17 deals in Q1 2026, moderating from the Q3 2025 peak, as global PE markets shifted toward fewer, larger, and more selective transactions amid disciplined underwriting and cautious dealmaking
- Strong sovereign-backed liquidity, led by GCC Sovereign Wealth Funds (SWFs), and long investment horizons continued to support outbound investments by regional PE firms despite softer fundraising conditions and volatile financing markets globally
- GCC investors increasingly concentrated capital deployment into structural growth themes, such as AI infrastructure, technology and digital infrastructure, energy transition, and financial services, reflecting a preference for scalable assets with resilient long-term returns
- Meanwhile, geopolitical uncertainty, valuation mismatches, and elevated financing costs prolonged deal execution globally, strengthening the competitive position of well-capitalized GCC investors with flexible funding structures and strong consortium-led investment capabilities

Sources: Pitchbook, Aranca Analysis

Capital invested by PE firms surged ~2x QoQ in Q1 2026, with a similar rise in average deal size, supported by two high-value deals, including AES and Aligned Data Centers

Capital Invested by GCC-based Firms

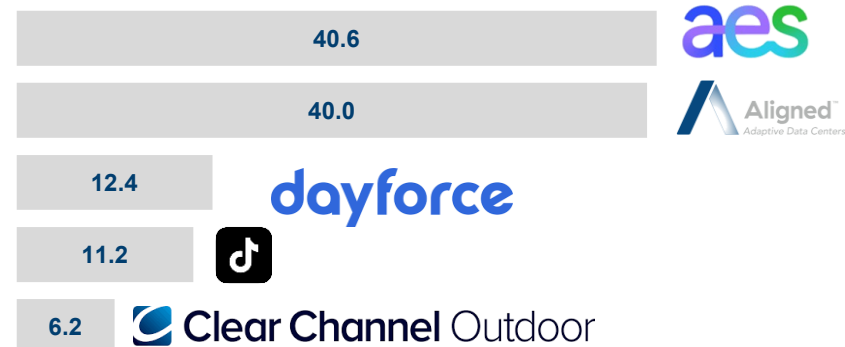
Figures in USD Bn



Indicates annual/YTD capital invested*

Top 5 Deals – Q1 2026

Deal Value in USD Bn



Key Investors



Note: Abu Dhabi Investment Authority (ADIA), Mubadala, QIA, and Kuwait Investment Authority are not traditional PE firms but state-owned investment firms with private equity exposure

*Note: Total annual/YTD capital invested may slightly differ from the sum of quarterly figures due to rounding

Sources: Pitchbook, Aranca Analysis

Conventional PE firms along with SWFs remained key drivers of GCC outbound deal activity, with the UAE continuing to dominate the regional investor landscape

Overview of Major PE Investors Across the GCC

Dry Powder and Deal Size Figures in USD Mn

Investor	Country	Dry Powder As of May 2026	Latest Investment			Investments (Last 12 Months)	Investment Preference
			Target	Deal Size*	Deal Date		
Traditional Private Equity Firms							
Investcorp	Bahrain	794.2	CNM	-	Mar-26	25	Commercial Products, Commercial Services, Healthcare, Software
Samena Capital	UAE	230.2	Bloom (Hotels and Resorts)	9.0	Jun-25	1	Energy, Financial Services, Healthcare, Logistics, Media and Information Services (B2B), Retail
Gulf Capital	UAE	206.5	Santechure	-	Jun-25	1	Accounting, Audit and Tax Services, Outsourced Services, Communications and Networking
Mubadala Capital	UAE	168.8	Photonic	200.0	May-26	29	B2B/B2C products and services, Healthcare, IT
KAMCO Invest	Kuwait	86.1	Unifonic	-	Oct-25	2	FinTech, Industrials, Healthcare, Education, SaaS
Synergy Capital	UAE	83.7	Saurashtra Group of Companies	226.2	Oct-25	2	Automotive, Chemicals and Gases, Energy, Infrastructure, Metals, Minerals and Mining
Merak Capital	KSA	25.2	Hakeem	1.7	May-26	14	FinTech, E-commerce, IT, Gaming, FoodTech
MAGNA Investment	UAE	-	Anthropic	30,000	Feb-26	9	Education, Insurance, Gas, IT, Real Estate
Sanabil Investments	KSA	-	Aya (Internet Retail)	7.0	Apr-26	8	Healthcare, AI Technology, FinTech, E-commerce, Transportation, IT, Media, Gaming & Telecom
Sovereign Wealth Funds with Private Equity Exposure							
Mubadala Investment Company	UAE	147.9	Orsted Hornsea Project Three	325.0	Dec-25	114	Aerospace and Defense, Chemicals, Energy, IT, Financial Services, Real Estate Services (B2C)
Abu Dhabi Investment Authority	UAE	-	Rossum	233.9	Dec-25	125	Real Estate, Technology, Infrastructure
Qatar Investment Authority	Qatar	-	Positron	234.5	Dec-25	56	Chemicals, Healthcare, Metals, Minerals and Mining, Hotels and Leisure, Retail, Software
ADQ	UAE	-	Fondaco Nuovo	-	Nov-25	8	Aerospace and Defense, Agriculture, Real Estate, Logistics, BFSI, Healthcare, IT, Materials, Hotels

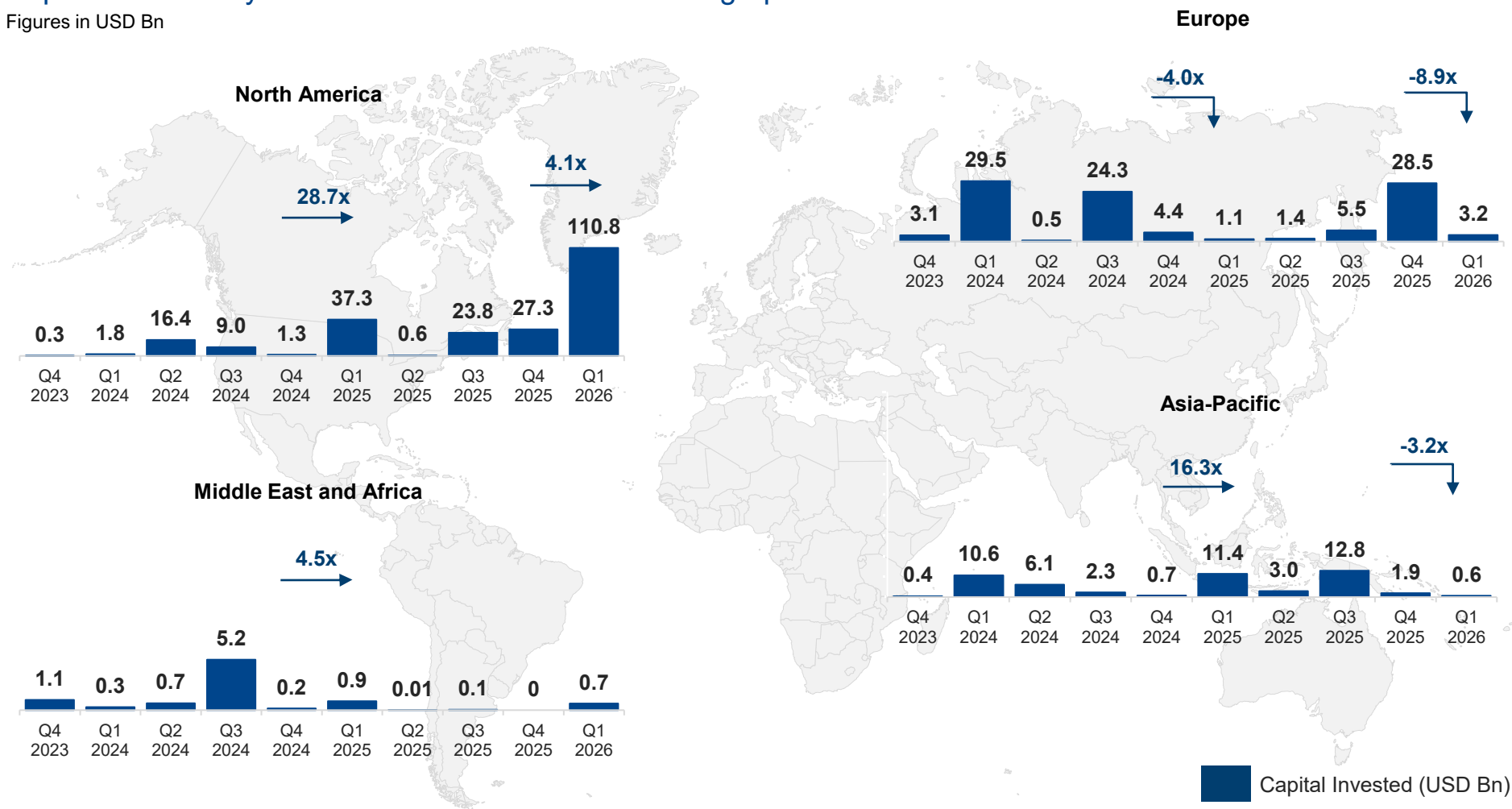
*Note: Deal Size refers to the total investment value and not the individual contribution of the investors mentioned. Some deals may include other non-GCC based investors as well.

Sources: Pitchbook, Aranca Analysis

GCC PE capital deployment remains anchored in North America, which absorbed over 90% of outbound flows in Q1 2026, followed by Europe and APAC

Capital Invested by GCC-based Investors Across Geographies

Figures in USD Bn

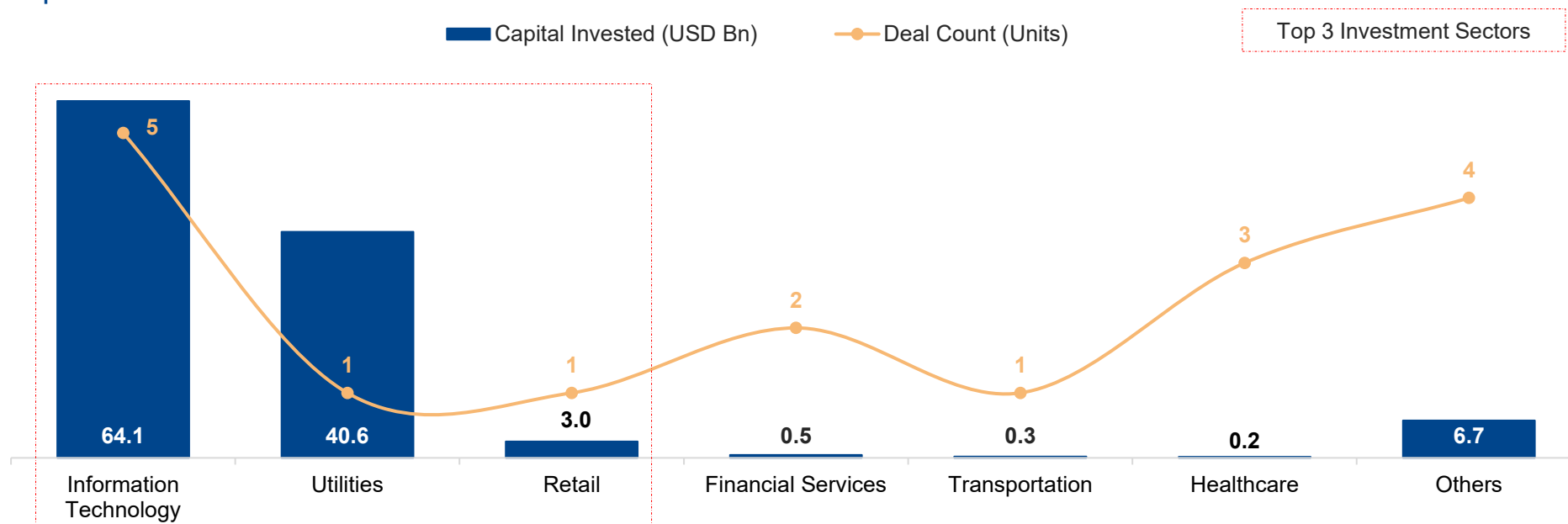


Note: The rise in investments in North America in Q1 2026 was largely driven by investments in AES (Electric Utilities), Aligned Data Centers, and Dayforce

Sources: Pitchbook, Aranca Analysis

IT and utilities dominated GCC-based PE investments in Q1 2026, reflecting investors' growing focus on large-scale digital infrastructure and long-duration global assets

Top Investment Sectors – Q1 2026



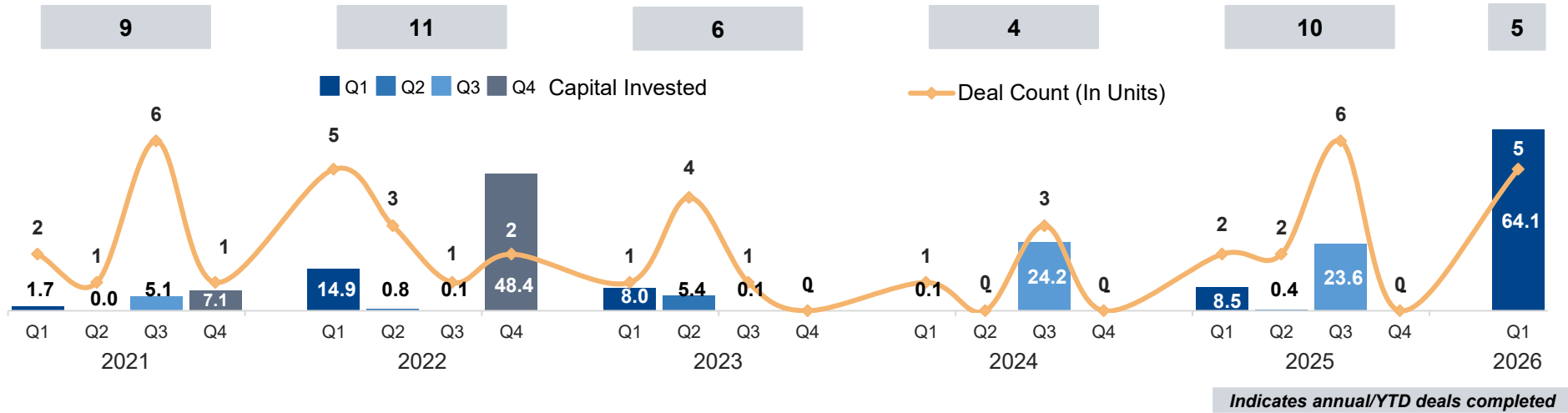
- *IT dominated GCC PE capital deployment in Q1 2026 at USD 64 Bn across five deals, with data center and AI infrastructure investments accounting for the bulk, signaling that GCC investors are moving beyond financial participation to secure strategic ownership of the digital infrastructure layer underpinning global AI adoption*
- *Utilities emerged as the second-largest investment segment driven entirely by the USD 41 Bn AES transaction and GCC investors' appetite for long-duration, regulated assets that offer predictable cash flows aligned with sovereign mandates for intergenerational wealth preservation*
- *While deal volumes remained relatively concentrated across sectors, GCC investors continued prioritizing larger-ticket transactions in strategic industries, reflecting a preference for high-value global assets with strong downside protection and long-term growth visibility*
- *In addition, investments across financial services, healthcare, transportation, and energy indicate continued expansion of GCC PE firms and SWFs into diversified thematic and infrastructure-oriented opportunities across global markets*

Sources: Pitchbook, Aranca Analysis

IT investments by GCC-based PE firms surged in Q1 2026, led by large-scale software and IT services deals, with most of the capital deployed across North America

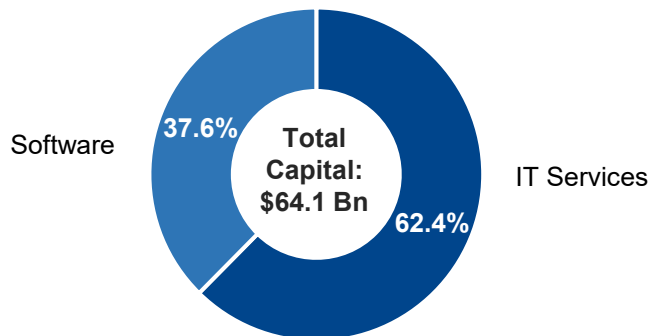
Deal Overview in Top Sectors – Information Technology (IT)

Figures in USD Bn



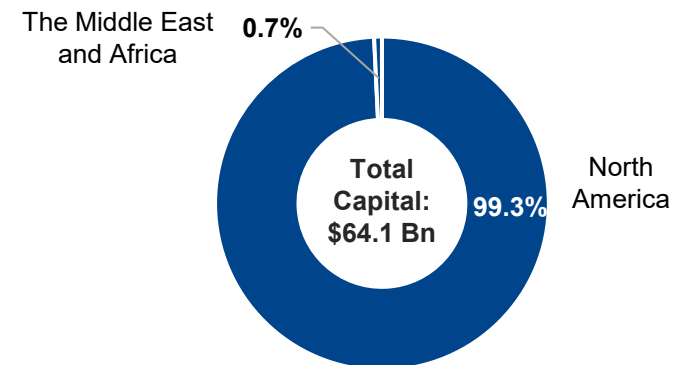
IT by Subsectors in Q1 2026

Figures in Percentage and USD Bn



IT by Geography in Q1 2026

Figures in Percentage and USD Bn



Sources: Pitchbook, Aranca Analysis

*Note: Deals include completed and announced

Top Sectors – IT

Key PE Deals in the IT Sector by GCC-based Firms in the Last Year (Q2 2025–Q1 2026)

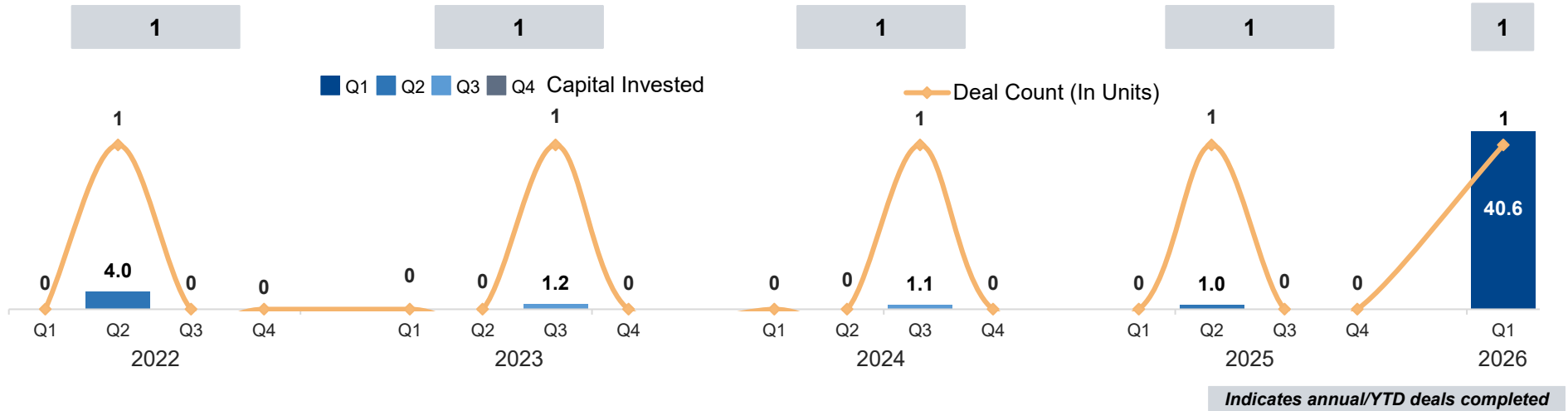
Deal Date	Target Co.	Subsector	Key Line of Business	Target Location	Deal Size (USD Mn)	Deal Type	Key Investors
Mar-26	Aligned Data Centers	IT Services	Provider of data center colocation and related services	The US	40,000	Buyout/LBO	Kuwait Investment Authority, MGX
Jan-26	TikTok USDS Joint Venture	Software	Operator of a video sharing application with operations based in the United States	The US	11,214	Buyout/LBO	Alpha Wave Global, MGX
Sep-25	Altera	Semi-conductors	Manufacturer of semiconductor devices, systems, and complex programmable logic devices	The US	4,460	Buyout/LBO	MGX
Sep-25	Vantage Data Centers	IT Services	Operator of data centers	The US	2,240	PE Growth/Expansion	Abu Dhabi Investment Authority
Sep-25	Property Finder	Software	Operator of a real estate portal serving property buyers, renters, and investors in the UAE	The UAE	945	PE Growth/Expansion	BECO Capital, Blackstone
Jul-25	CityFibre	Communication and Networking	Offers digital infrastructure solutions for broadband, ethernet, and 5G services	The UK	4,430	PE Growth/Expansion	Invest AD, Mubadala
Jul-25	Lucidya	Software	Developer of an AI-based platform for customer experience management	Saudi Arabia	30	PE Growth/Expansion	AL Maather, Impact46, Al Rashed Group
Apr-25	Hammerspace	Software	Developer of a global data platform that provides storage of data for hybrid information technology environments	The US	100	PE Growth/Expansion	Altimeter Capital Management, Alumni Ventures
Apr-25	Babel Sistemas De Información	IT Services	Provider of IT consultancy and integration services	Spain	335	Buyout/LBO	Mubadala Capital

Sources: Pitchbook, Aranca Analysis

Utilities emerged as a key investment focus for GCC PE firms in Q1 2026, driven by a large US electricity utility deal and growing preference for stable infrastructure assets

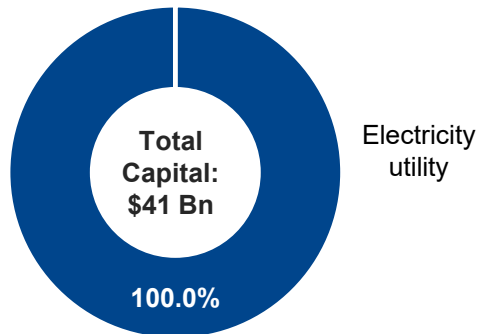
Deal Overview in Top Sectors – Utilities

Figures in USD Bn



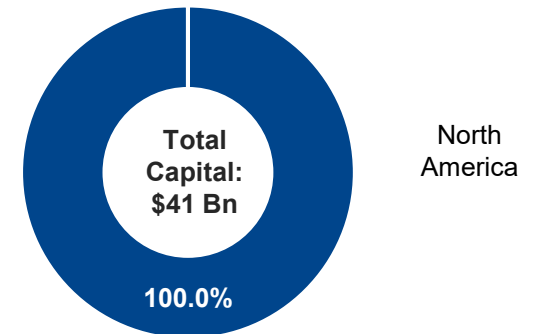
Utilities by Subsectors in Q1 2026

Figures in Percentage and USD Bn



Utilities by Geography in Q1 2026

Figures in Percentage and USD Bn



Sources: Pitchbook, Aranca Analysis

Top Sectors – Utilities

Key PE Deals in the Utilities Sector by GCC-based Firms in the Last Year (Q2 2025–Q1 2026)

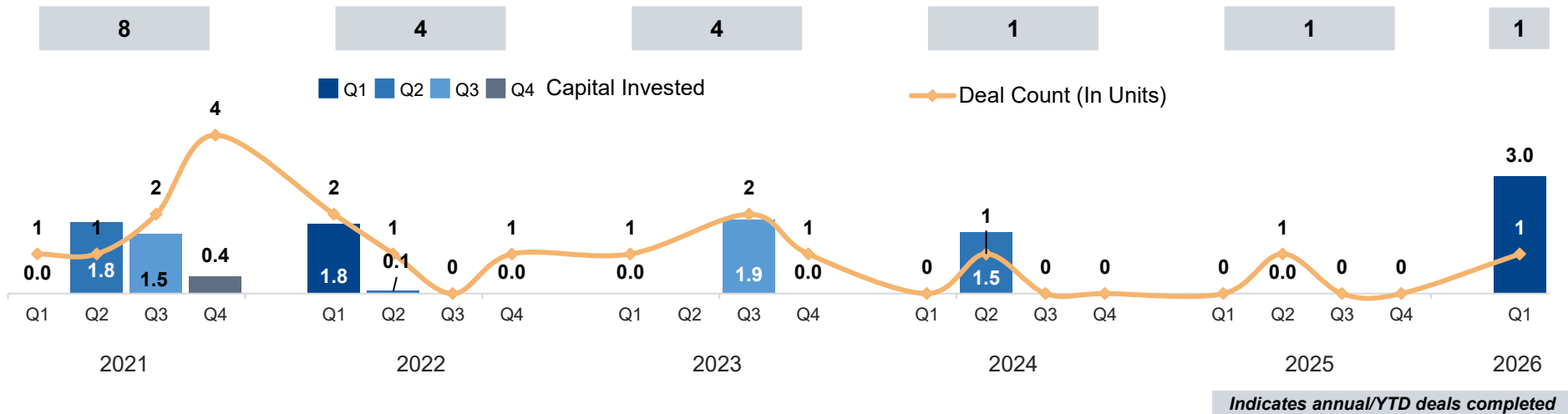
Deal Date	Target Co.	Subsector	Key Line of Business	Target Location	Deal Size (USD Mn)	Deal Type	Key Investors
Mar-26	AES (Electric Utilities)	Electric Utilities	Diversified power company focused on electricity generation, utilities, and renewable energy solutions	The US	40,597	Buyout/LBO	Qatar Investment Authority, EQT, Global Infrastructure Partners
Apr-25	Nexgen Energia	Energy Infrastructure, Energy Storage	Provider of distributed solar energy and clean power solutions for businesses	Brazil	1,000	PE Growth/Expansion	Behemoth Capital Edge

Sources: Pitchbook, Aranca Analysis

PE investments by GCC-based firms in the retail sector reached USD 3 Bn in Q1 2026, supported by a Europe-focused apparel and accessories transaction

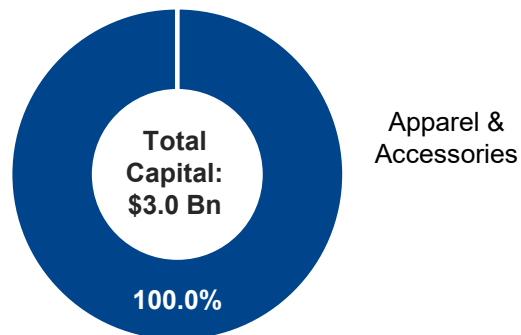
Deal Overview in Top Sectors – Retail

Figures in USD Bn



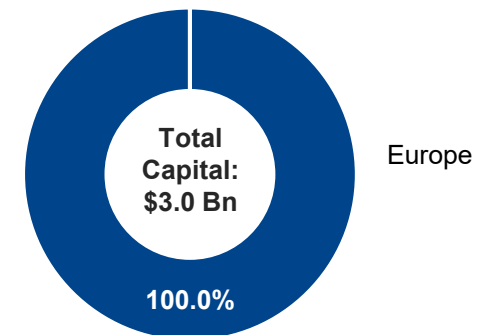
Retail by Subsectors in Q1 2026

Figures in Percentage and USD Bn



Retail by Geography in Q1 2026

Figures in Percentage and USD Bn



Sources: Pitchbook, Aranca Analysis

Top Sectors – Retail

Key PE Deals in the Retail Sector by GCC-based Firms in the Last Year (Q2 2025–Q1 2026)

Deal Date	Target Co.	Subsector	Key Line of Business	Target Location	Deal Size (USD Mn)	Deal Type	Key Investors
Feb-26	Golden Goose	Apparel Retail	Manufacturer of apparel, footwear, and accessories intended to cater to the luxury fashion market across Europe, the Americas, Asia, and the Middle East	Italy	2,958	Buyout/LBO	Qatar Investment Authority, HSG, LvlUp Ventures
May-25	1 India Family Mart	Apparel Retail	Operator of a chain of clothing and lifestyle retail stores across India	India	12	PE Growth/Expansion	Gulf Islamic Investments, Capri Global Capital, Foundation Private Equity, Carpediem Capital

Sources: Pitchbook, Aranca Analysis

Outlook for PE Investments by GCC Investors

The Mega-Deal Paradigm: From Portfolio Diversification to Platform Ownership

- Two deals (AES and Aligned Data Centers) accounted for over 70% of the Q1 2026 capital deployed, marking a decisive shift from diversified portfolio construction toward platform-scale ownership of strategic assets.
- With permanent capital and consortium structures giving GCC investors an edge over leverage-constrained Western sponsors, this mega-deal approach is expected to extend into other sectors, including healthcare, logistics, and financial infrastructure through 2026.

Digital Infrastructure as a Sovereign Strategic Asset

- Over USD 64 Bn was deployed into IT in Q1 2026—nearly all into North American data centers, AI infrastructure, and enterprise software. This seems to be a deliberate strategy to own the physical and digital backbone of the global AI economy and not an opportunistic allocation.
- Through 2026, GCC sovereign investors are expected to deepen positions in hyperscale data centers, semiconductor supply chains, and AI platforms, with regional co-investment vehicles like MGX playing a central structuring role.

Energy Transition as the Second Pillar of Outbound PE Strategy

- The USD 40.6 Bn AES deal highlights energy transition infrastructure emerging as a core GCC PE investment theme along with technology, supported by sovereign-backed capital, energy-sector expertise, and long-term investment horizons.
- GCC investors are also expected to increase participation in such large infrastructure platform deals across markets with supportive regulatory environments.

Geopolitical Headwinds: US–Iran Tensions Act as a Catalyst for GCC PE Reallocation

- Escalating US–Iran tensions pose a dual risk for GCC PE: regional proximity to conflict zones and high North American exposure (over 90% of Q1 2026 capital) could compress deal timelines and scrutiny of Gulf-linked investments in sensitive US sectors like AI and energy.
- However, this may paradoxically benefit well-capitalized sovereign investors positioned to acquire assets at dislocated valuations as Western sponsors retreat while accelerating geographic diversification toward Europe, India, and Southeast Asia

Source: Aranca Analysis

What We Heard...

“Despite potential geopolitical challenges and market fluctuations, I expect the Gulf region's prioritization on efficiency, innovation and partnerships will facilitate a new era of wealth management excellence.”

– Mohammad AlJuraish, Head of Wealth Management, Albilad Capital

“Sovereign wealth funds including PIF, Mubadala, and QIA have evolved into active platform builders, taking strategic positions in sectors such as AI, digital infrastructure, and energy transition rather than remaining passive investors.”

– Shukri Eid, General Manager, IBM Gulf, Levant and Pakistan

“Economic diversification away from oil has generated a large pool of capital in the region, primarily from sovereign wealth funds, attracting more private equity and venture capital investment.”

– Santiago Castillo, Middle East Managing Director, Roland Berger

“Value creation has become the central theme of private equity in the Gulf. As the market matures, investors are focusing less on financial engineering and more on building resilient, efficient, and globally competitive enterprises.”

– Ali Anwar and Rami Semaan, Managing Directors, Alvarez & Marsal (UAE)

Source: Aranca Analysis



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