2025 mid-year outlook

Global M&A trends in energy, utilities and resources

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Plugging into the future: Energy security, digital infrastructure and diverging regulation drive M&A

By Tracy Herrmann, Chloe Ho and Greg Oberti

Strategic M&A in energy, utilities and resources will continue to unlock 'value in motion' for the second half of 2025 as dealmakers respond to rising energy demand and accelerating transition goals.

The energy, utilities and resources (EU&R) sectors are at the forefront of global transformation, and this will continue to mark their M&A outlook in the second half of 2025 and beyond. Electrification, energy security and digital infrastructure are driving strategic M&A, while regional policy differences and ongoing geopolitical tensions create both challenges and opportunities. Some 'wait and see' sentiment may affect short-term deal momentum, but it hasn't impeded significant deal activity in the first half of the year, with nine megadeals of $5bn or more announced and a steady flow of smaller transactions. The sector's long-term fundamentals remain robust, requiring industry players to be proactive with portfolio realignment and strategic investment.

The scale of required capital expenditure is unprecedented. That makes it necessary for new policies to be put in place and for continued government support to reduce uncertainty for private capital. The convergence of energy security imperatives, decarbonisation mandates, and rapid expansion of digital infrastructure means governing bodies, corporations, and financial investors will need to work together to capture evolving infrastructure opportunities.

Across key markets, M&A activity is shaped by the need to diversify risk throughout the value chain and balance the level of capital required to support infrastructure investment.

At a glance, here's what we expect M&A activity will look like across the mining and metals, oil and gas, power and utilities, and chemicals sectors over the remainder of 2025 and into 2026:

- Resource nationalism and the race for critical minerals are driving consolidation and divestitures in **mining**.

Oil and gas M&A focuses on reserve security and capital expenditure management.

In **power and utilities**, the growing energy demand for data centres, cloud computing and AI, is accelerating capital redeployment in infrastructures and grid upgrades, on-site generation, and battery storage.

Chemicals M&A targets specialty, sustainable segments and potential capacity needs for reshoring and independence.

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Dealmakers are increasingly focused on building resilience and capturing long-term value against a backdrop of geopolitical uncertainty, digital acceleration and climate imperatives. In this evolving landscape, our new research which we've named **Value in Motion** offers a differentiating lens to identify and unlock new domains of growth that transcend traditional sector boundaries.

This analysis highlighted six interconnected domains. One of these domains that is highly relevant to EU&R, the ‘how we fuel and power’ domain, is projected to reach $6.19tn in value by 2035 and is being redefined by the race for clean, reliable energy to power AI, data centres and electrified transport. Indeed, the convergence of energy, technology and industrial sectors is rapidly reshaping the landscape of M&A opportunities in 2025. As digitalisation accelerates, hyperscalers, developers and operators are increasingly involved in power procurement and grid connectivity to secure reliable, low-carbon electricity for their expanding data centre footprints.

Strategic M&A aligned with this domain is already emerging. For example, in Canada, recent transactions focused on renewables—including wind, hydropower and solar—and increasingly on battery storage include CDPQ’s proposed $10bn acquisition of Innergex, a Quebec-based renewable power company, and Sitka Power’s acquisition of a portfolio of renewable electricity generation and battery energy storage assets from Saturn Power. Other deals that bring together sectors range from behind-the-meter solutions for data centres to specialty chemical transactions, such as the Mitsui terminals deal announced in March 2025 that is intended to enable transportation of energy transition products such as ammonia and CO2. The winners will be those who can anticipate where value is moving, balance the risk portfolio accordingly and act decisively to capture it.

This convergence trend is also apparent in the chemicals sector, where we observe the integration of specialty chemicals into broader supply chains, supporting the reshoring of manufacturing and transition energies. The US market is witnessing increased M&A activity as companies seek to rebuild supply chains and capitalise on industrial policy incentives.

These developments underscore a fundamental shift where value creation in the EU&R sectors is increasingly dependent on the ability to integrate capabilities across traditional industry lines, enabling companies to capture new growth opportunities in the digital and energy transitions.

> ‘In 2025, the energy, utilities and resources sectors are prioritising resilience and transformative growth as capital flows are crossing sectors to meet the demands of electrification, decarbonisation and digitalisation. Identifying strategic M&A opportunities and forging partnerships that leverage the increasing convergence between sectors will be a key differentiator and help companies capture value at speed and scale.’

Tracy Herrmann, Global Energy, Utilities and Resources Deals Leader, PwC US

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Key M&A themes for energy, utilities and resources in 2025

The EU&R sectors continue to be shaped by transformative shifts in geopolitics, energy security priorities and market dynamics. Below, we highlight four themes that will drive M&A activity in the second half of 2025:

Energy security takes centre stage

Geopolitical uncertainty continues to shape global energy and power M&A. Some dealmakers are taking a cautious ‘wait and see’ approach as they look for further clarity on their scenario analysis on tariffs, trade policy and regulatory direction.

Energy security remains a dominant theme in energy and power M&A activity in North America. Oil and gas upstream consolidation is accelerating as companies seek to secure domestic reserves that can ensure long-term supply. One such example is EOG Resources’ recently announced $5.6bn acquisition of Encino Acquisition Partners, expanding its oil-focused footprint in Ohio’s Utica Shale. At the same time, energy security is driving strategic investments in the power and utilities sector. An example is Capital Power’s $2.2bn acquisition of two natural gas–fired power plants (Hummel Station in Pennsylvania and Rolling Hills in Ohio) adding 2.2 GW of flexible generation capacity in the Pennsylvania–New Jersey–Maryland market, North America’s largest and most liquid power market. The deal underscores the growing importance of natural gas generation in maintaining grid reliability, supporting renewable integration and ensuring dependable electricity supply amid rising demand and extreme weather risks.

In contrast, Europe is structurally short on domestic energy and power resources. As such, it is approaching energy security priorities by doubling down on energy transition strategies, such as investing heavily in renewables and grid resilience to reduce reliance on Russian gas and enhance long-term independence.

In Asia Pacific, India stands out as a dynamic market, with energy security and ambitious clean-energy targets (backed by government initiatives in renewables, battery storage and green hydrogen) creating a favourable environment for M&A activity.

Regional shifts create diverging energy paths

Regional energy priorities are increasingly divergent, shaped by geopolitical dynamics and regulatory frameworks.

In North America, investment focuses on consolidating positions in key basins, shoring up long-term drilling inventories along with a renewed focus on fossil power generation portfolios and enabling platforms to capture growth (particularly data centres and AI-driven growth). In Europe, however, energy security and decarbonisation are at the forefront. For example, Norway remains a key supplier of natural gas and is expanding offshore wind and carbon capture projects such as Utsira Nord, where (in May 2025) the Norwegian Ministry of Energy launched the first part of its floating wind tender process. High interest rates, regulatory complexity and shifting valuations have slowed deal activity in offshore wind and carbon capture, creating a more buyer-friendly market. In Germany and other parts of Europe, continued LNG imports from the US and Qatar aim to reduce reliance on Russian energy.

Asia Pacific continues to focus on investments to meet ambitious clean-energy targets, as well as investments in electrification and critical mineral supply chains. For example, in India, goals to hit 500 GW non-fossil fuel-based energy generation and 61 GW/336 GWh of energy storage targets by 2030 are driving M&A activity in renewables, green energy and electric vehicles. Examples of recent notable transactions in this space include JSW Neo Energy's acquisition of the 4.6 GW O2 portfolio and ONGC NTPC Green's 4.1 GW Ayana platform deal. Investor appetite for operational and under-construction assets is strong, with hybrid models gaining traction. Government support is expected to drive further M&A energy and infrastructure activity across the region. Two examples of this supportive policy environment include the Indian government's initiative to integrate biogas into the national gas grid and its recent revision of the Domestic Content Requirement policy to boost domestic solar cell manufacturing.

Other sustainable energy sources, including low-carbon fuels and hydrogen, remain in early development globally and represent more greenfield opportunities. The absence of market-based pricing and ongoing transportation challenges have made it difficult to assess returns on investment, slowing the growth of these sustainable energy sources.

Where AI meets energy

The rapid expansion of data centres and AI applications requires reliable, low-carbon power. Grid constraints are prompting innovative solutions, including on-site generation and advanced storage technologies. The need for digital infrastructure is influencing asset location decisions—though is not yet driving M&A volumes directly.

In the US, where approximately 50% of global data centres are located, hyperscalers are committing to sustainable energies—for instance, Microsoft's collaboration with Brookfield to deliver for their operations more than 10.5 GW of new renewable power capacity globally between 2026 and 2030. Similarly, in the Middle East, CATL and Masdar announced in January 2025 that they had entered into a partnership to build in the world's first large-scale round-the-clock gigascale project in Abu Dhabi, combining 5.2 GW of solar capacity and 19 GWh of energy storage. In May 2025, Saudi Arabia's DataVolt announced plans to move forward with an investment of $20bn in AI data centres and energy infrastructure in the US.

In Asia Pacific, India has emerged as a significant player in the data centre sector, following China's lead. The Indian government's emphasis on storing data in onshore data centres has led to increased demand, with significant greenfield investments taking place. The Indian market is expected to continue growing, with projections indicating a potential increase to 4.5 GW of total IT load capacity by 2030.

Grid capacity constraints are a limiting factor that is country-specific. In the UK, for example, grid capacity constraints have led to more than 1,700 grid connection applications in 2023–24 (up from 40–50 per year historically), prompting legislative reforms by Ofgem and the Electricity System Operator (ESO) to accelerate planning and connection for renewables and battery storage projects.

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Globally, the intersection of digital and energy infrastructure is prompting new investment in distributed generation and storage, with data centre growth driving demand for behind-the-meter power solutions and innovative cooling strategies, which may be an interesting area to watch from a dealmaking perspective.

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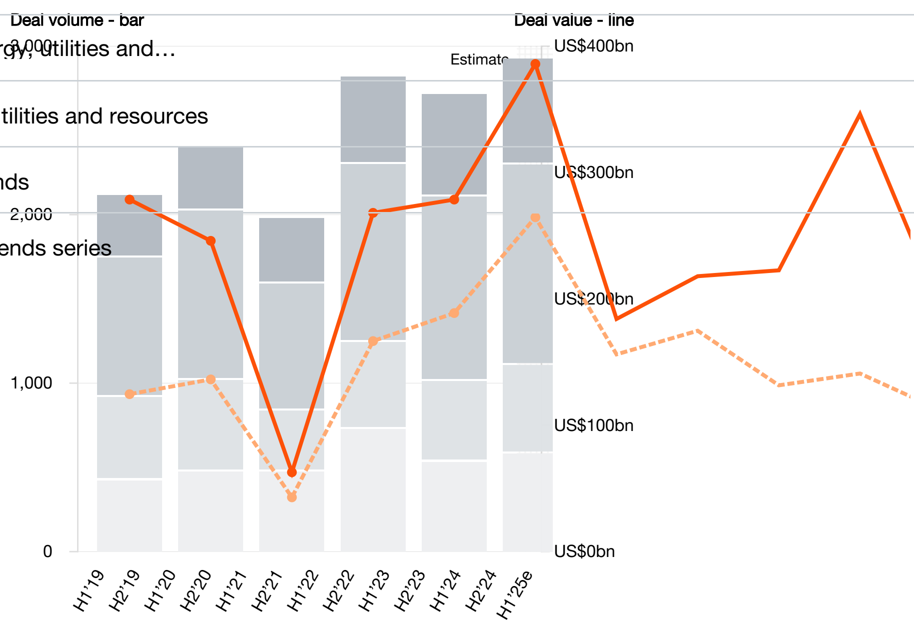
Energy, utilities and resources deal volumes and values, H1’19-H1’25e

Click on the tabs below to view deal volumes and values by region.

Global | Asia Pacific | EMEA | Americas

Mining and metals   Oil and gas   Power and utilities   Chemicals

Deal value   Deal value (excluding megadeals)



Note: To facilitate meaningful comparisons with prior half-yearly periods, the data for the first half of 2025 (H1’25e) is an estimate based on the first five months of the year, extrapolated to represent a six-month period. Refer to the “about the data” note below for further information.
Sources: LSEG and PwC analysis

Strategic consolidations and divestiture activity arising from portfolio reviews, particularly in the mining and utilities sectors, have sustained a steady flow of transactions within EU&R so far in 2025, despite dealmaking headwinds such as geopolitical uncertainty, elevated financing costs and regulatory complexity. In the first half of 2025, global deal volume in EU&R was 2,322, down 2% compared with 2,380 in the first half of 2024. The chemicals sector and the power and utilities sector both reported higher deal volumes, but overall, these were not enough to offset lower deal volumes in the oil and gas sector and the mining and metals sector.

Deal values increased in the first half of 2025 by approximately 30%, with nine megadeals (deals greater than $5bn in value) announced. The largest of these megadeals is Constellation Energy's proposed $26.6bn acquisition of Calpine Corp, which intends to create the largest clean-energy provider in the US. It also signals continued investor appetite for scale in low-carbon generation. The other megadeals announced in the first half of 2025 are across a wide range of sectors, including clean energy and power generation; upstream and shale oil and gas; natural gas distribution; midstream infrastructure; fuel retail; and distribution and chemicals.

Renewables M&A remains mixed, with activity shaped by geography-specific factors such as electricity pricing, offtake structures, permitting timelines and grid interconnection risks. These variables are driving divergent expectations and risk premiums. Restructuring opportunities are emerging, particularly for developers with large capital spending pipelines facing financing constraints.

Importantly, the energy transition remains a dominant force. Companies are still working through project backlogs, and long-term fundamentals such as demand for clean power and critical infrastructure that will survive the current political cycles and continue to support deals activity in the second half of the year.

Private credit infrastructure funds are providing vehicles for institutional investors to get exposure to greenfield opportunities with predictable and stable returns. In the first half of 2025, Blackstone announced the launch of the Blackstone Private Multi-Asset Credit and Income Fund (BMACX), and Brookfield announced its intent to raise capital for its fourth infrastructure fund, Brookfield Infrastructure Debt Fund IV (BID IV). These types of investment funds aim to meet the growing capital needs of infrastructure by channelling private wealth into institutional-grade credit strategies.

Global M&A trends in energy, utilities and resources sectors

Below we outline the key trends we expect to drive M&A activity across the mining and metals, oil and gas, power and utilities, and chemicals sectors during the second half of 2025.

Mining and metals: A pivotal year awaits

Oil and gas: More consolidation with a focus on securing reserves

Power and utilities: Capital recycling, grid modernisation and the data centre surge

Chemicals: Consolidation and infrastructure platform plays

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The second half of 2025 is set to be defined by active portfolio rebalancing as EU&R companies pursue divestitures and strategic consolidations to unlock value and fund the next wave of electrification, decarbonisation and digital infrastructure.

Financial investors are increasingly seeking exposure across the value chain, ranging from upstream energy production and PV development to battery storage solutions, reflecting a shift toward diversified, future-ready portfolios. The market remains fragmented, with pure-play operators offering distinct risk–return profiles, but the real opportunity lies in business model reinvention: integrating capabilities, driving optionality and taking measured risk exposures to capture value from emerging technologies.

To thrive in this evolving landscape, companies must realign portfolios and embrace business model innovation to capture value across electrification, decarbonisation and digitalisation.

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