KPMG

M&A trends in energy, natural resources, and chemicals

H1 2026

Scale over breadth:
ENRC dealmaking in H1'26

Issue date: August 10, 2026

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Capital chased certainty, not activity

ENRC M&A in the first half of 2026 (H1'26) was characterized by a selective market in which capital moved decisively toward assets tied to power demand, infrastructure control, LNG-linked gas exposure, critical minerals, and renewable generation platforms.

The defining feature of H1'26 was concentration. Compared with H1'25, ENRC M&A deal value rose sharply in H1'26 even as deal volume declined suggesting that buyers were not pursuing activity for its own sake but were willing to pay up for assets that could materially strengthen their strategic position. The market was quieter by count but supported by larger and more strategic transactions as ENRC deal value increased 60.3 percent year over year (YoY) and 20.7 percent compared to H2'25, while total deal volume declined 9.4 percent YoY and 18.4 percent versus H2'25. That value story should be read with some care. A small number of very large transactions, particularly in power and utilities, had an outsized effect on aggregate deal value. That does not diminish the broader trend, but it reinforces the need to look at value and volume together: H1'26 was not a busier market so much as a more concentrated one.

Power and utilities sector drove the value story, with deal value increasing 258.0 percent YoY and 241.2 percent versus H2'25, despite a modest decline in volume. Oil and gas remained active but less influenced by mega-merger activity than in prior periods, with H1'26 deal value down 2.4 percent YoY and 30.4 percent versus H2'25. The chemicals, mining, and renewables sub-sectors each recorded selective pockets of strength, while paper and forest products remained characterized by small, asset-specific transactions. At the same time, lower volume was not only a function of selectivity. In commodity-exposed subsectors, geopolitical volatility and pricing uncertainty also delayed transactions, as buyers and sellers worked through how to value assets in a less predictable market.

Several forces shaped the first half of the year. First, rising electricity demand emerged as an increasingly important driver of dealmaking. Growth in AI-related data centers prompted US power companies to pursue generation and transmission assets that could help meet future power needs,[1] reinforcing the strategic value of energy infrastructure.

Second, natural gas remained a central focus of M&A activity. Buyers prioritized high-quality inventory, gas-weighted assets, and multi-basin portfolios as LNG export growth and increasing power-sector consumption strengthened the long-term investment case for natural gas.[2]

> "Capital isn't chasing activity. It's chasing strategic positioning."
>
> —Jay Teinert
>
> *Principal, US Deal Advisory & Strategy Leader, Energy, Natural Resources, and Chemicals, KPMG LLP*

[1] "NextEra-Dominion deal extends US utility M&A wave into 2026," Reuters, May 18, 2026
[2] Muflih Hidayat, "US Upstream Mergers and Acquisitions: 2026 Consolidation Trends," Discovery Alert, May 24, 2026

Third, private capital did not retreat—it moved toward larger transactions and infrastructure-like cash flows. Deal volume for PE increased 2.5 percent YoY while strategic volume declined 16.6 percent YoY. In terms of transaction value, PE deal value increased 51.4 percent YoY and 7.2 percent versus H2'25. Sponsors were not simply betting on a cyclical recovery, they were increasingly targeting regulated utilities, renewable platforms, environmental services, and infrastructure-backed operating businesses supported by long-term demand fundamentals. In power and utilities, that interest increasingly extends beyond full utility ownership to infrastructure-adjacent assets such as transmission, distribution, and development-stage projects that can support future load growth.

Distinct strategic priorities emerged across ENRC subsectors during H1'26. Power and utilities buyers focused on acquiring power generation, transmission, distribution, and regulated utility assets positioned to benefit from growing electricity demand, primarily from AI datacenters. Oil and gas buyers targeted shale assets and LNG-linked opportunities. Chemicals buyers sought specialty capabilities, formulation expertise, cost synergies, and margin improvement opportunities. Mining buyers focused on critical minerals exposure and growth pipelines. Renewable energy buyers targeted solar, wind, and storage portfolios. Paper and forest products buyers focused on expanding capabilities and strengthening regional footprints. The key question for H2'26 is no longer whether attractive assets are available, but whether buyers can fund, permit, connect, integrate, and operate them effectively.

H1 2026 highlights

765
deals

-18.4%
decrease in number of deals HoH

$266.1
deal value (in $US bn)

20.7%
increase in deal value HoH

H1 2026 vs H1 2025

765
deals

-9.4%
decrease in number of deals YoY

$266.1
deal value (in $US bn)

60.3%
increase in deal value YoY

Lastly, outside-in signals reinforce the same story. The Financial Times reported that the US power and utilities sector experienced an unprecedented wave of M&A activity in the first five months of 2026, driven largely by the rapid expansion of AI-related power demand.[3] Reuters identified NextEra's Dominion's proposed combination as tied to AI-driven data center electricity demand and noted that the deal would expand NextEra into the PJM interconnection region.[4] Bloom Energy's 2026 data center power report described power availability as a defining boundary on data center growth and highlighted the move toward gigawatt-scale AI factories,[5] reinforcing why power infrastructure assets attracted buyer interest in H1'26. These external signals align closely with the H1'26 ENRC data, where capital concentrated on assets that offered the strongest combination of demand visibility, infrastructure scarcity, and strategic relevance.

[3] "AI data centres drive merger wave in US energy sector to record high", Tech Central.ie, June 29, 2026
[4] Vallari Srivastava and Laila Kearney, "NextEra plans to buy Dominion Energy for $66.8 billion, form biggest US power company as AI demand booms", Reuters, May 19, 2026
[5] "2026 Data center power report", Bloom Energy, January 2026

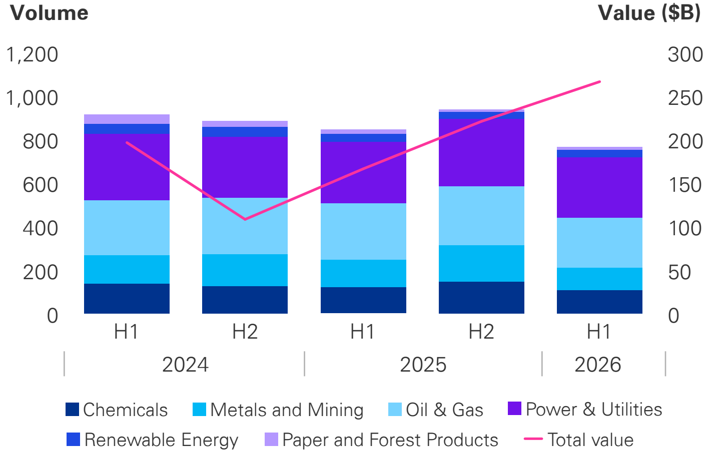
Overall ENRC sector: Fewer deals, bigger bets

H1'26 ENRC M&A was characterized by higher value and lower volume. Total deal value increased 60.3 percent YoY, while deal volume declined 9.4 percent YoY, indicating that capital was concentrated in fewer, higher-conviction transactions. The mix also shifted towards larger deal sizes, as the share of transactions above $1.0 billion deals increased 74.1 percent YoY, while the share of transactions below $25 million declined 38.5 percent YoY. The activity that did occur was generally characterized by strategic portfolio repositioning rather than broad-based distressed selling.

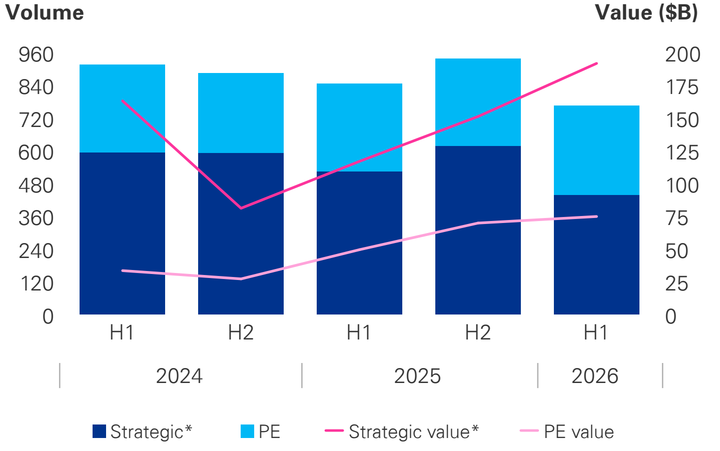
Strategic buyers continued to account for the majority of deal value, but strategic deal volume declined 16.6 percent YoY. On the contrary, PE activity followed a different pattern. Sponsor-backed deal volume increased 2.5 percent YoY, while deal value increased 51.4 percent YoY, reflecting continued willingness to deploy capital into infrastructure-linked platforms, utility assets, and businesses with long-duration cash flows.

Assets offering scale, stable cash flows, infrastructure relevance, or clear capability expansion continued to expand capital. In commodity-heavy parts of ENRC, scale also allowed buyers to spread fixed costs, improve operating efficiency, and gain faster access to strategic markets. Smaller or less differentiated assets faced a more limited buyer universe.

Energy, natural resources, and chemicals deal volume and value



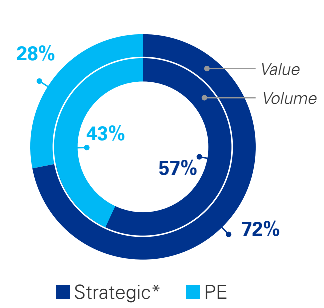
Energy, natural resources, and chemicals strategic/PE deal volume and value



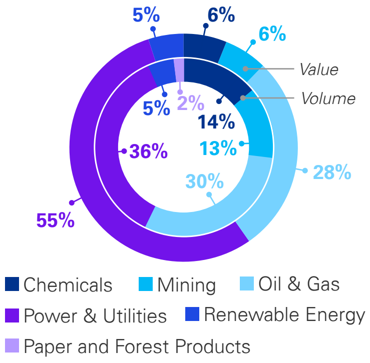
*Data also contains figures for SPAC deals.

Energy, natural resources, and chemicals - H1’26

PE/strategic mix

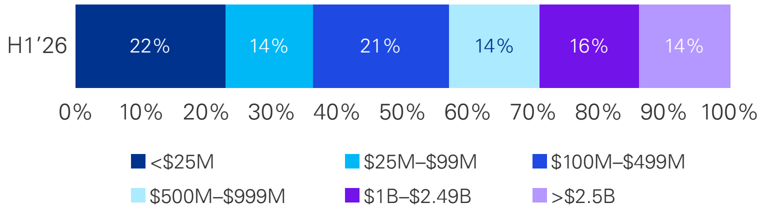


Sector mix

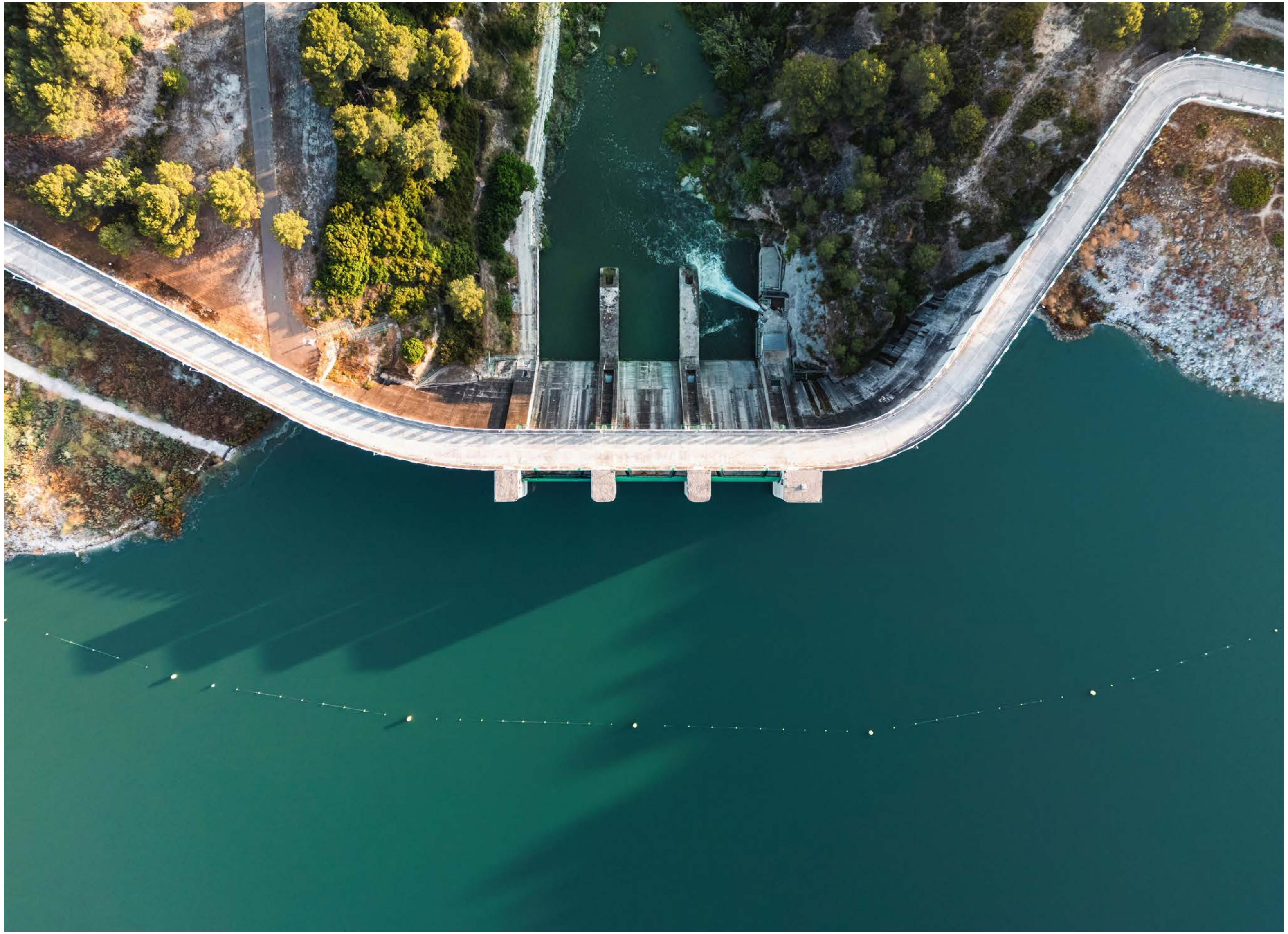


Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

Energy, natural resources, and chemicals strategic deal size mix - H1’26



Note: Deals with disclosed values only. Values may not add to 100% due to rounding.



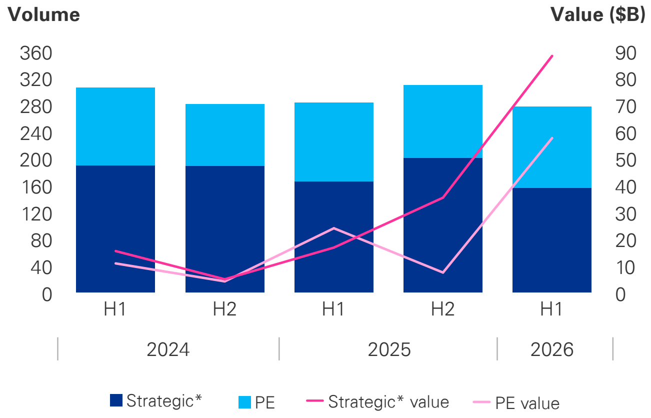
Sector data

Power & Utilities: Capacity became strategic

Power and utilities was the clearest H1’26 outlier in terms of deal value. Deal value increased 258.0 percent YoY and 241.2 percent compared to H2’25, while deal volume declined 2.1 percent YoY and 10.4 percent versus H2’25. This divergence highlights a concentration of capital in large-scale transactions focused on generation capacity, transmission and distribution infrastructure, and capital deployment opportunities. The urgency is increasingly forward-looking: buyers are responding to existing load growth and positioning to secure capacity for large data-center developments before those facilities are built.

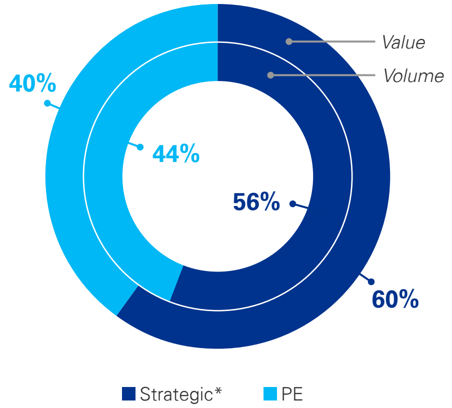
One reason acquisitions became more compelling is that organic infrastructure buildout remains slow, capital intensive, and subject to regulatory and permitting constraints. For buyers seeking faster access to capacity, customers, or strategic regions, M&A offered a more immediate path than building new generation, transmission, or distribution assets from the ground up. In some cases, buyers appeared to be acquiring future positioning as much as current operating assets. Access to high-growth service territories, data-center development corridors, transmission pathways, and supportive regulatory environments increasingly factored into transaction rationale, particularly where future power demand is expected to outpace available infrastructure.

Power and Utilities strategic/PE deal volume and value



*Data also contains figures for SPAC deals.

Power and Utilities strategic/PE mix - H1’26



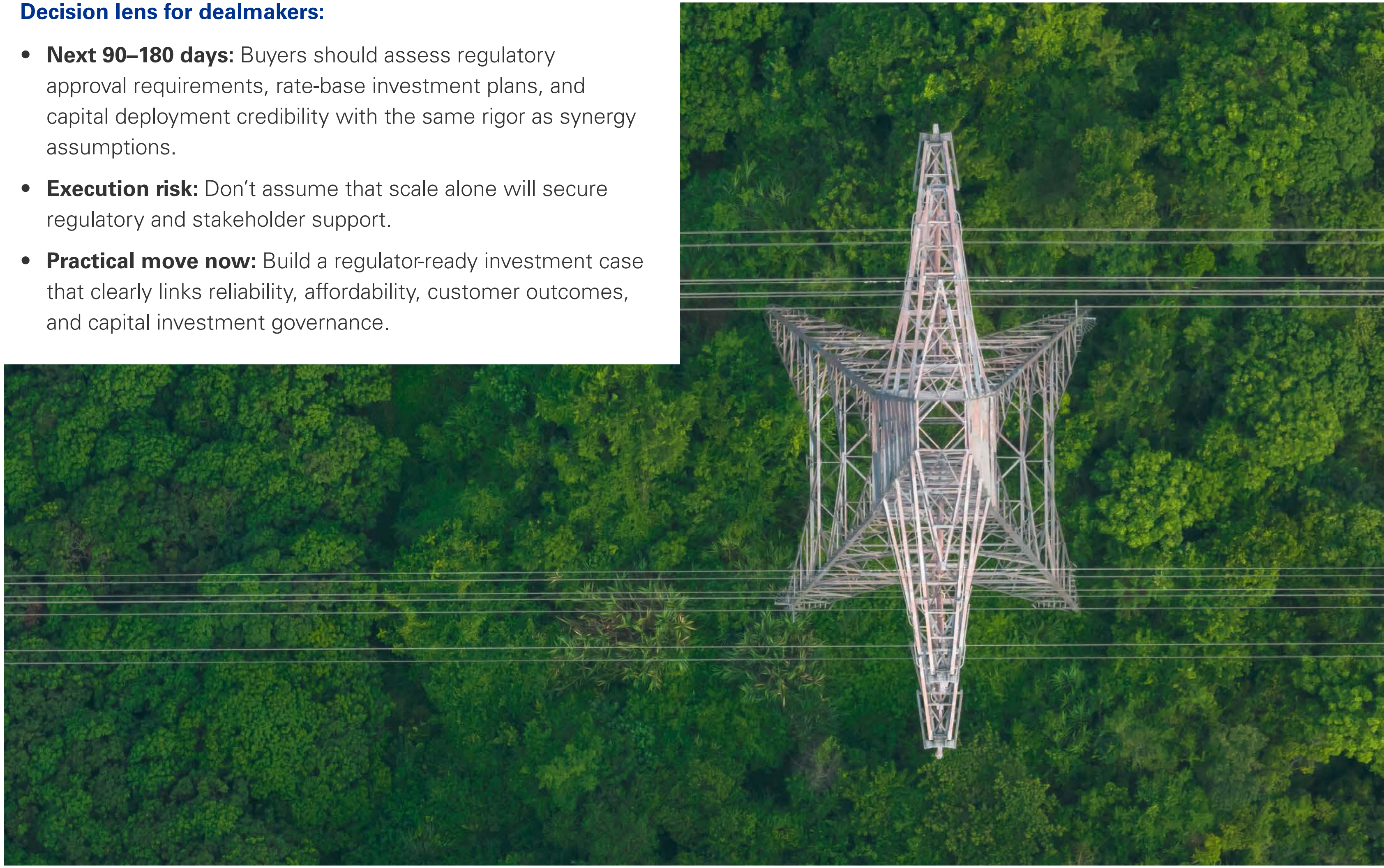
Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

Rising electricity demand drove utility acquisitions of power and grid infrastructure assets, while increasing investment requirements attracted private capital to utility platforms. NextEra Energy announced an all-stock acquisition of Dominion Energy designed to create a larger regulated electric utility and energy infrastructure platform.[6] A consortium led by BlackRock's Global Infrastructure Partners and EQT agreed to acquire AES, citing the need for greater financial flexibility and access to capital to support regulated utilities, clean energy, and critical energy infrastructure investments.[7] Stonepeak and Bernhard Capital Partners agreed to acquire Cleco to support continued investment in utility infrastructure and long-term customer commitments.[8]

Implication: The sector's strategic premium is increasingly concentrated in assets that can deliver capacity, reliability, and capital investment under regulatory oversight. In some markets, access to future demand growth may become just as valuable as the infrastructure itself, particularly where data-center development is creating competition for power availability and grid access. Private capital may also play a larger role as a development partner, funding infrastructure assets that utilities can later acquire or integrate once projects are further advanced.

Decision lens for dealmakers:

- **Next 90–180 days:** Buyers should assess regulatory approval requirements, rate-base investment plans, and capital deployment credibility with the same rigor as synergy assumptions.
- **Execution risk:** Don't assume that scale alone will secure regulatory and stakeholder support.
- **Practical move now:** Build a regulator-ready investment case that clearly links reliability, affordability, customer outcomes, and capital investment governance.



[6] "NextEra Energy and Dominion Energy to Combine, Creating the World's Largest Regulated Electric Utility Business and North America's Premier Energy Infrastructure Platform Benefiting Customers", NextEra Energy, May 18, 2026
[7] "Consortium Led by Global Infrastructure Partners and EQT Agrees to Acquire AES", Global Infrastructure Partners, March 2, 2026
[8] "Stonepeak and Bernhard Capital Partners to Acquire Cleco", Cleco, April 27, 2026

Oil & Gas: Gas-weighted quality still clears

Oil and gas dealmaking remained focused on inventory quality over quantity, with buyers prioritizing core shale positions, operating scale, natural gas exposure, and LNG-linked demand. Activity continued to reflect portfolio concentration around strategically important assets rather than broad-based consolidation. Buyers demonstrated a willingness to transact across a wide range of commodity-price environments, however commodity-price volatility made it more difficult to establish confidence in reserve values and long-term cash-flow assumptions slowing overall deal activity.

The deal activity has been under stress as deal volume declined 10.5 percent and value declined 2.4 percent YoY. Compared with H2'25, deal value declined 30.4 percent while volume declined 14.8 percent. Despite lower activity levels, the subsector continued to generate strategic transactions aimed at strengthening resource depth, operating efficiency, and long-term gas positioning.

This was evident in Devon Energy's merger with Coterra Energy, which expanded its position in the Delaware Basin (the western sub-basin of the Permian Basin) and created a larger shale operator with greater scale, inventory depth, and financial strength.[9] Mitsubishi announced acquisition of Aethon's US shale gas assets, which will strengthen Mitsubishi's gas value chain by increasing its exposure to Gulf Coast natural gas production and LNG-linked infrastructure.[10] Ovintiv's sale of Anadarko Basin assets to Stone Ridge Energy, with Flywheel Energy operating the assets, reflected ongoing portfolio optimization and the formation of larger gas-focused operating platforms.[11]

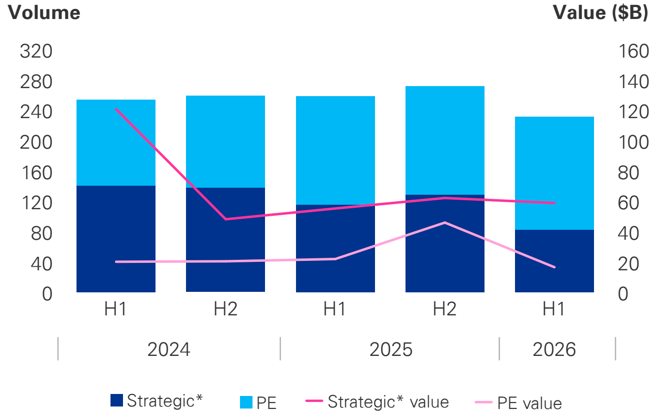
Cross-border interest in US gas infrastructure also remained evident. Market participants noted continued interest from Japanese and European investors seeking LNG-linked assets, reserve positions, and infrastructure exposure as part of broader energy-security and supply-diversification strategies.

Implication: The oil and gas market continues to reward asset quality and resource depth. Buyers are concentrating capital in assets that enhance resource quality, extend drilling inventory, or increase exposure to growing natural gas demand.

Decision lens for dealmakers:

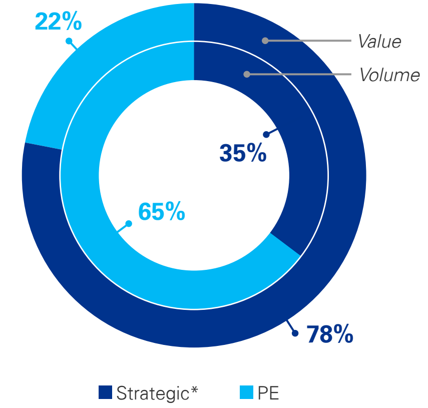
- **Next 90–180 days:** Focus diligence on inventory durability, midstream access, basis exposure, emissions profile, and LNG-linked demand sensitivity.
- **Execution risk:** Paying for basin scale without fully assessing development cadence, decline curves, operating cost inflation, and takeaway constraints.
- **Practical move now:** Re-underwrite non-core assets against buyer-specific synergies and test carve-out readiness before a formal sale process.

Oil and Gas strategic/PE deal volume and value



*Data also contains figures for SPAC deals.

Oil and Gas strategic/PE mix - H1'26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

[9] "Devon Energy and Coterra Energy Complete Merger", Devon Energy, May 7, 2026
[10] "Mitsubishi Corporation Announces Acquisition of Haynesville Shale Gas Business in Louisiana and Texas", Mitsubishi Corporation, January 16, 2026
[11] "Ovintiv Announces Agreement to Sell its Anadarko Assets", Ovintiv, February 17, 2026

Chemicals: Capability deals over capacity deals

H1’26 activity centered on technology portfolios, specialty product offerings, formulation expertise, and other value-added capabilities. Rising deal value (113.3 percent YoY) while declining deal volume (10.9 percent YoY) indicated that buyers were willing to pay for differentiated capabilities rather than simply add capacity.

On the supply side, activity also reflected a shift in divestiture strategy. Unlike prior periods where carve-out activity often involved underperforming or non-core assets, H1’26 chemicals activity also included quality assets sold as part of more deliberate portfolio repositioning. The result was less about distress and more about sharpening strategic focus.

Olin’s all-stock merger with Huntsman illustrates this rationale. The transaction combined Olin’s manufacturing and feedstock position with Huntsman’s downstream products and formulation expertise, while emphasizing vertical integration and expected cost synergies.[12] H.B. Fuller’s acquisition of Advanced Medical Solutions Group reflected a different but related strategy, targeting specialty capabilities, medical adhesives expertise, enhanced manufacturing and distribution capabilities, and synergy-driven margin improvement.[13]

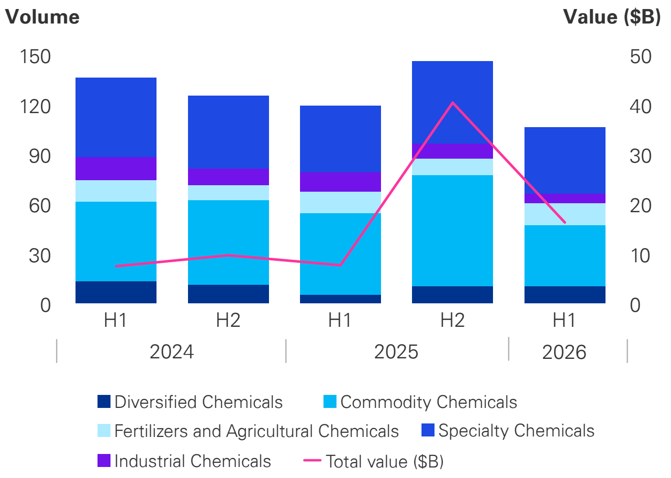
Implication: Chemicals buyers are using M&A to reshape portfolios toward differentiated products, deeper technical capabilities, and more resilient end markets. The distinction between defensive portfolio reshaping and growth-oriented repositioning is important. Investors are more likely to reward the latter when synergies are clearly defined, operationally credible, and linked to margin improvement.

Decision lens for dealmakers:

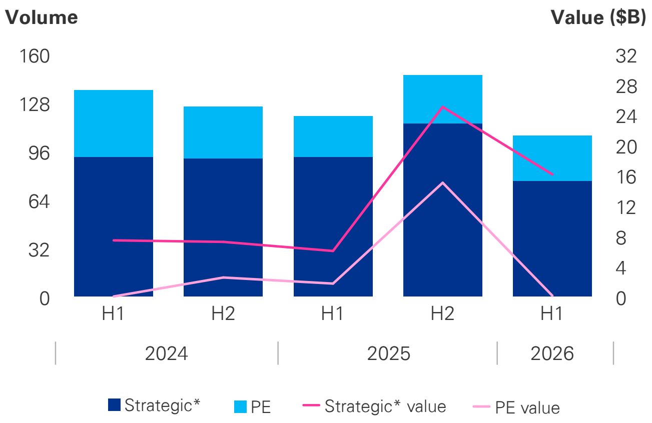
- **Next 90–180 days:** Screen targets for specialty exposure, formulation capabilities, customer stickiness, and synergy opportunities that do not rely solely on procurement savings.
- **Execution risk:** Overstating synergy potential in technically complex product portfolios can undermine customer relationships and erode margin quality.
- **Practical move now:** Develop an integration plan covering product stewardship, manufacturing footprint optimization, salesforce alignment, and regulatory compliance before committing to synergy targets.

[12] “OLIN and HUNTSMAN Announce Transformative Merger of Equals to Create a $12+ Billion Integrated North American Chemicals Leader”, Huntsman, June 16, 2026
[13] “H.B. Fuller Announces Offer to Acquire Advanced Medical Solutions”, H.B. Fuller, June 25, 2026

Chemicals deals by subsector

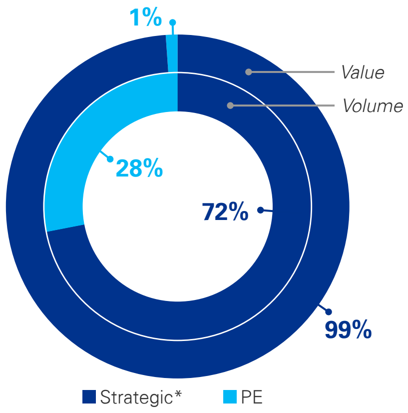


Chemicals strategic/PE deal volume and value



*Data also contains figures for SPAC deals.

Chemicals strategic and PE mix - H1'26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

Renewable Energy: Platforms beat projects

Renewable energy deal value increased 41.1 percent versus H2’25, with volume comparatively witnessing a modest increase of 6.1 percent. On YoY basis, deal value declined 61.2 percent and volume fell 2.8 percent, indicating that H1’26 improved sequentially but remained below the elevated H1’25 value base.

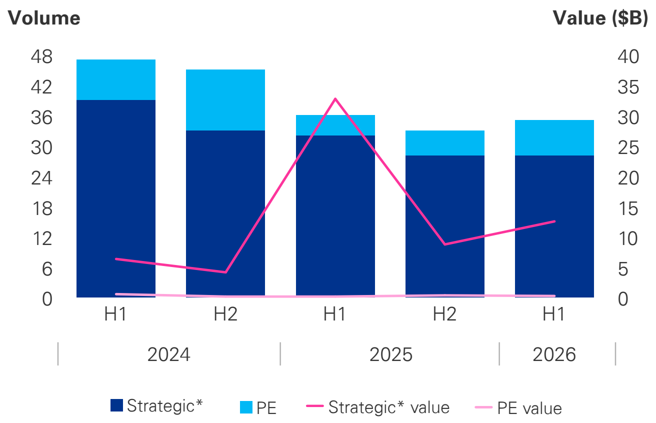
Policy and permitting uncertainty also increased the premium on operating assets and execution-ready platforms. Buyers were less inclined to underwrite development pipelines where approval, interconnection, or construction pathways remained uncertain. Capital became more selective, with activity increasingly focused on portfolios combining solar, wind, and storage assets, as well as established operating capabilities. KKR agreed to acquire EDF power solutions’ North American renewable operations, a business with solar, wind, and battery storage assets.[14] Enel agreed to acquire a US wind and solar portfolio from Excelsior Energy Capital, increasing its North American renewable generation capacity.[15]

Implication: Buyers still want renewables, but the bar has moved from “megawatts owned” to “platforms that can build, connect, operate, and monetize.”

Decision lens for dealmakers:

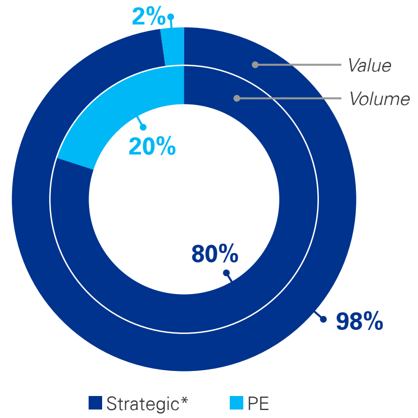
- **Next 90–180 days:** Focus on interconnection status, offtake quality, storage economics, development controls, and operations capability.
- **Execution risk:** Treating pipeline capacity as equivalent to executable capacity can overstate value, particularly where interconnection, permitting, or procurement risk remains unresolved.
- **Practical move now:** Segment portfolios into operating, near-term development, and early-stage assets, and apply different risk-adjusted return thresholds to each.

Renewable energy strategic/PE deal volume and value



*Data also contains figures for SPAC deals

Renewable energy strategic/PE mix - H1’26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

[14] “KKR to Acquire EDF power solutions’ North American Operations for $4.2 Billion”, H.B. KKR, June 30, 2026
[15] “Enel signed agreements for the acquisition of an 830 MW portfolio of wind and solar plants in USA”, Enel, February 21, 2026

Mining: Critical minerals moved from thesis to transactions

Mining dealmaking remained focused on securing access to critical minerals, expanding production platforms, and strengthening long-term resource pipelines. Rather than pursuing broad-based sector consolidation, buyers concentrated on assets that offered strategically important mineral exposure, production growth opportunities, and future resource optionality.

Mining deal value increased 133.4 percent YoY, while volume declined 20.3 percent. Compared with H2'25, deal value declined 22.3 percent and volume fell 38.6 percent. The divergence suggests capital was concentrated in a limited number of strategically significant assets rather than distributed across the broader sector.

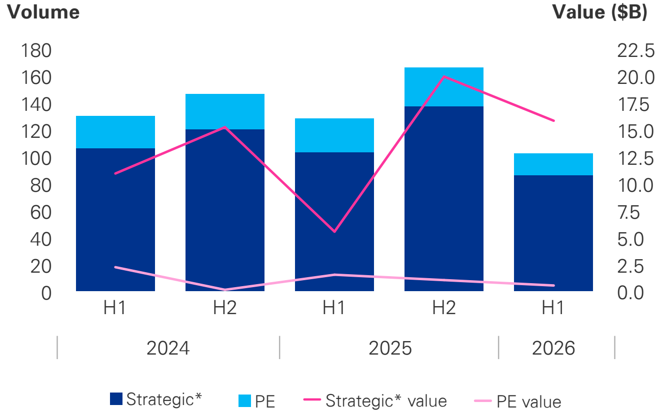
USA Rare Earth's announced acquisition of Serra Verde added a heavy rare earth mine to its portfolio,[16] while Hudbay Minerals' acquisition of Arizona Sonoran Copper combined complementary copper growth assets in Arizona and expanded Hudbay's US growth pipeline.[17] Both transactions were focused on strategically important minerals and long-term production growth opportunities.

Implication: Exposure to critical minerals remains attractive, but value is increasingly tied to resource quality, development viability, permitting progress, infrastructure access, and processing capabilities.

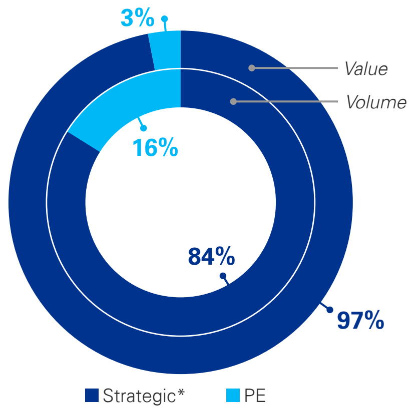
Decision lens for dealmakers:

- **Next 90–180 days:** Distinguish producing assets from development-stage opportunities and value each accordingly.
- **Execution risk:** Confusing resource scarcity with executable supply.
- **Practical move now:** Diligence permitting, metallurgy, power, water, offtake arrangements, and jurisdictional risks as core value drivers rather than as secondary diligence considerations.

Mining strategic/PE deal volume and value



Mining strategy/PE mix - H1'26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

[16] "USA Rare Earth Announces Definitive Agreement to Acquire Serra Verde Group for ~$2.8 Billion, Creating the Global Rare Earth Leader", USA Rare Earth, April 20, 2026
[17] "Hudbay Completes Acquisition of Arizona Sonoran to Create the Third Largest Copper District in North America", Hudbay Minerals, June 24, 2026

Paper and Forest Products: Footprint over transformation

Paper and forest products remained the smallest ENRC subsector by both deal value and volume, yet transactions continued to reflect a focus on portfolio expansion, regional footprint enhancement, and operating capability growth. Buyers used acquisitions to strengthen existing asset bases and expand operating platforms. International Paper completed the acquisition of North Pacific Paper Co. to complement its mill system, expand capabilities, increase its West Coast presence, and strengthen customer service in the region.[18]

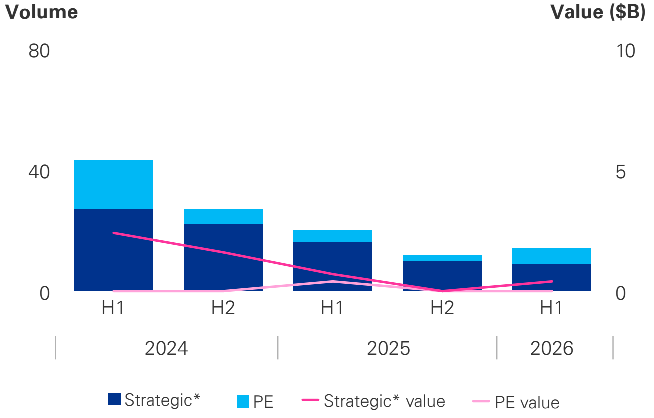
Sector activity remained modest, with deal value declining 69.1 percent and volume declining 30.0 percent YoY. Although the subsector contributed little to overall ENRC sector activity, buyer priorities remained focused on strengthening existing operating platforms rather than pursuing transformative consolidation.

Implication: Transactions in this subsector are likely to remain asset specific. Buyers are prioritizing operating fit, regional presence, timberland quality, and long-term value creation rather than pursuing consolidation for its own sake.

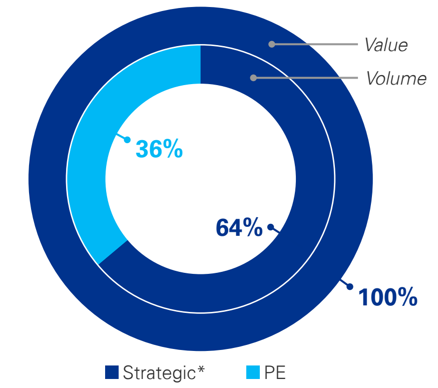
Decision lens for dealmakers:

- **Next 90–180 days:** Focus on asset quality, regional demand, logistics, mill integration, and timberland market exposure.
- **Execution risk:** Underestimating regional cost-to-serve, fiber supply dynamics, and customer overlap can dilute the value of footprint expansion.
- **Practical move now:** Conduct site-level diligence and validate customer-led synergies before underwriting broader portfolio benefits.

Paper and Forest Products strategic/PE deal volume and value



Paper and Forest Products strategy/ PE mix - H1'26



Values may not add to 100% due to rounding.
*Data also contains figures for SPAC deals.

[18] Tenn Memphis, "International Paper Completes $360MM Acquisition of North Pacific Paper Company", PR Newswire, June 4, 2026

> "No one's buying what they always bought."
>
> —Jay Teinert
>
> *Principal, US Deal Advisory & Strategy Leader, Energy, Natural Resources, and Chemicals, KPMG LLP*

Top deals

	Value (billions)
Acquirer: **NextEra Energy, Inc.** Target: **Dominion Energy, Inc.**	$66.8
Acquirer: **California Public Employees' Retirement System, EQT Infrastructure VI fund, Global Infrastructure Partners, Qatar Investment Authority** Target: **The AES Corporation**	$33.4
Acquirer: **Devon Energy Corporation** Target: **Coterra Energy Inc.**	$27.0
Acquirer: **Mitsubishi Corporation** Target: **Aethon III LLC/Aethon United LP**	$7.5
Acquirer: **Blackstone; EQT** Target: **URBASER**	$6.6

H1'26 data has been updated as of June 30, 2026. Deal data has been sourced from Capital IQ and Pitchbook, and then further refined and analyzed by KPMG LLP. The cited values and volumes cover inbound, domestic, and outbound US deals announced during the timeframe, including both majority and minority stakes. Deal values are based on publicly available data and are not exhaustive.

The bar for conviction rises

H2’26 should remain active, but increasingly selective. Capital will continue to pursue assets that address real strategic constraints, including power availability, LNG-linked gas exposure, critical mineral security, renewable platform capabilities, specialty chemicals portfolios, and regional operating scale. As a result, H2’26 dealmaking is likely to remain concentrated around assets with clear competitive and infrastructure advantages.

Power and utilities is expected to remain one of the most closely watched ENRC subsectors in H2’26. Rapid growth in electricity demand from AI and data centers[19] should keep generation, transmission, distribution, storage, and utility platforms in focus. Buyers may increasingly pursue assets that provide access to high-growth service territories and infrastructure corridors, not simply additional generation capacity. Key constraints will include regulatory approvals, customer affordability, and execution capacity. The market may continue to reward scale, but regulators will ultimately determine how and when the costs of that scale are recovered.

LNG permitting reforms, and continued shale basin consolidation should support oil and gas deal activity in H2’26.[19] H1’26 demonstrated continued buyer interest in core shale positions, Gulf Coast connectivity, and long-term natural gas exposure, although buyers are likely to remain disciplined given commodity price volatility and the need to integrate recent acquisitions. The next wave of activity is more likely to favor targeted basin consolidation, non-core divestitures, gas-focused platforms, and midstream-adjacent opportunities than broad-based reserve accumulation.

Looking ahead, portfolio reshaping is likely to remain a central theme across chemicals dealmaking. In H2’26, companies are expected to continue their pursuit of specialty exposure, technology, formulation capabilities, medical and high-value applications, and synergy-backed combinations. Emerging supply disruptions in parts of the global chemicals value chain could also create opportunities for producers with advantaged operating footprints and reliable supply. If supply tightness persists, stronger pricing and margin expectations may increase interest in selected chemical assets and businesses. The market is likely to reward transactions supported by a clear portfolio rationale and credible synergy realization plans.

Buyer interest in the mining sector is expected to stay concentrated around copper, rare earths, and other critical minerals. While H2’26 should continue to attract capital to these assets, permitting, processing, power, water, and offtake considerations will remain important investment filters. Ultimately, technical complexity, infrastructure requirements, permitting timelines, and capital intensity will determine whether buyer interest translates into completed transactions.

H2’26 may see further consolidation across renewable platforms as developers and financial investors seek scale, funding certainty, and operational efficiencies. Interest is expected to remain strongest in solar, wind, and storage assets supported by grid access, contracted revenues, operating capabilities, or storage optionality.

Dealmaking in paper and forest products should continue to be selective and strategically targeted. Activity through H2’26 should continue to focus on expanding capabilities, regional presence, and customer service advantages rather than broader market consolidation.

[19] Andrew Collins, Stefan Farahani and Andrew Hirsch, “Stability, scale and strategic positioning: Energy sector M&A trends to watch in 2026”, WTW, April 16, 202

Power & Utilities: "Capacity is the currency"

Scale, regulated customer access, capital flexibility, and grid reliability are expected to drive H2'26 activity. Regulatory approval strategy may prove just as important as bid price.

Oil & Gas: "Gas depth stays in demand"

Buyers are likely to continue prioritizing core shale positions, inventory quality, and LNG-linked gas exposure, while sellers use the market to exit non-core basins.

Chemicals: "Capability beats commodity"

Specialty exposure, formulation expertise, end-market resilience, and synergy visibility are likely to define the most credible transactions. Buyers should pay for margin quality, not complexity.

Mining: "Critical minerals need execution discipline"

Copper and rare earth exposure should remain attractive, but permitting, infrastructure, processing, and offtake arrangements will determine whether assets are financeable.

Renewable Energy: "Platforms beat pipeline promises"

Operating and capability-rich solar, wind, and storage platforms are likely to command greater investor confidence than early-stage development pipelines without clear interconnection pathways.

Paper and Forest Products: "Footprint still matters"

Activity is expected to remain selective, with buyers focused on expanding regional and geographic footprints.

Key considerations as we look ahead

01

Build for approval, not announcement

Large ENRC transactions, particularly in utilities and infrastructure, should be designed with regulatory credibility from the outset. The investment case should clearly demonstrate reliability, customer benefits, investment capacity, and affordability before turning to synergy expectations.

02

Underwrite capacity, not narrative

AI, electrification, LNG, critical minerals, and renewables are powerful investment themes, but they do not make every asset strategic. Priority should be given to assets that can deliver physical capacity, contracted cash flows, infrastructure access, or resource security within a realistic timeframe.

03

Price integration as a value lever

Integration is no longer an afterthought in ENRC. Utility capital investment governance, shale operating integration, chemical customer migration, mining development milestones, and renewables asset-management capabilities systems should be reflected in valuation assumptions rather than addressed after closing.

04

Treat AI demand as real, but not automatic value creation

AI and data center load growth are important demand drivers for power and infrastructure, but they do not automatically increase the value of every asset. Value is more likely to accrue to owners with deliverable capacity, interconnection visibility, customer contracts, and regulatory alignment.

05

Separate platform value from pipeline value

In renewables, mining, and chemicals, the difference between an operating platform and a long-dated development opportunity remains significant. Buyers should appropriately risk-adjust backlog, permitting, interconnection, technical complexity, and capital intensity before paying for future growth.

How KPMG can help

KPMG helps its clients overcome deal obstacles by taking a truly integrated approach to delivering value, leveraging its depth in the ENRC industry, data-supported and tools-led insights, and full M&A capabilities across the deal lifecycle.

With an ENRC specialization, our teams bring both transactional and operational experience, delivering rapid results and value creation.

Our team

Experience wins the deal.

Each member of our deal team brings extensive industry experience and functional depth, working together to help you win the right deals, divest successfully, and create long-term value.

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With special thanks to:
Anjelica Armendariz, Astha Chopra, Michael Gelfand, Payal Nagpal, Kathleen Nichols, Aashita Sabharwal, and Shibin James

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