Energy Transition M&A Report 2026

DLA PIPER

Contents

Introduction

The Energy Transition M&A Report is an in-depth analysis of global energy transition M&A activity from 2024 to 2025, reflecting DLA Piper's commitment to provide robust market insights in this rapidly evolving space.[1]

Energy transition is broadly defined as the shift from fossil fuels to renewable and low-carbon energy sources. This report covers M&A transactions that include, among others, the transition of the power industry to renewable and low-carbon generation technologies, mining and processing of critical minerals, and investments in the transportation sector, including electric vehicles (EV) and EV charging infrastructure.

In this year's edition, we've expended the scope of the analysis to include energy transition infrastructure, reflecting the growing importance of assets that enable and support decarbonization at scale. This includes transactions involving data centers, smart infrastructure, and network and grid-related assets, which are increasingly central to energy system resilience, electrification, and demand growth.

The Energy Transition M&A Report is structured into three sections: M&A activity, market developments, and market trends. The first section offers a broad overview of global energy transition transactions, including cross-border/domestic deals and main sub-sectors driving M&A activity. The second section examines the key players and the geographical landscape of energy transition deals. The third and last section focuses on the future of energy transition M&A and provides insights into new market dynamics and emerging technologies.

Methodology

The insights in this report are based on analysis of two datasets:

- global M&A market data from 5,188 deals completed in 2024, and 4,409 deals completed in 2025 in the energy transition space; and
- an internal survey that we conducted in 2025 with 49 energy and infrastructure lawyers in 20 countries across DLA Piper's international offices.

Acknowledgements

We acknowledge GlobalData, a leading market intelligence service, who has provided additional global M&A market data which has assisted us in producing this Report.

Key sources of the data presented in this report include company press releases, stock exchanges, trade journals and business press.

1 In 2025, DLA Piper was ranked #1 globally for M&A by deal count for the sixteenth consecutive year (Mergermarket), having advised on more than 1,300 transactions with a disclosed aggregate deal value of approximately USD97 billion: DLA Piper remains top for M&A transactions for 16th consecutive year | DLA Piper

Executive summary

Global energy-transition M&A slowed in 2025, with the number of announced deals dropping 15% to 4,409 compared with 5,188 in 2024. Even with fewer transactions, total deal value climbed to USD599 billion – an increase of roughly 20%. Capital gravitated toward larger, higher-quality assets, reflecting a shift toward more deliberate, selective deployment rather than a broad pullback in activity. Cross-border deal value rose significantly to USD350 billion, an increase of nearly 50%, reflecting strong demand for assets that support supply chain security, electrification and long-term clean energy capability.

Across sub-sectors, the energy transition value chain was the strongest performer. Deal volume increased from 1,930 to 2,095 transactions and deal value grew by 38% to USD271 billion. Investment focused on energy efficiency, grid related services, sustainable materials and circular economy platforms. Energy storage also continued its rapid expansion. Activity increased from 226 to 264 transactions and deal value rose by 30% to USD30 billion. In the survey, 90% of respondents ranked storage as the top category, indicating that storage assets are now viewed as core infrastructure.

The renewable energy generation sub-sector experienced a 27% drop in volume, from 1,679 to 1,220 transactions. Despite this, deal value increased to USD202 billion due to a small number of large transactions involving operational solar and wind portfolios. Natural resources supply chain activity declined sharply from 1,120 to 616 transactions, but deal value increased to USD79 billion. This reflects fewer but higher value acquisitions in critical minerals and upstream processing. E-mobility activity contracted, with volume decreasing from 233 to 214 deals and deal value falling from USD28 billion to USD17 billion, as investors shifted toward smaller and more targeted transactions.

Regional trends followed a similar pattern. Deal volumes fell in most markets, including the Americas (down 23%), Europe (down 8%), Asia excluding China (down 15 %) and Africa (down 36%). China was the only region to record an increase in volume, rising from 221 to 231 deals. In value terms, the Americas reached USD331 billion, an increase of 29%, and Europe reached USD154 billion, an increase of 35%.

Intra-regional transactions dominated capital flows, with USD133 billion in transactions within the Americas and USD73 billion within Europe. The strongest inter-regional corridor remained the transatlantic market, with Europe-to-Americas flows of USD38 billion and Americas-to-Europe flows of USD36 billion.

Our survey insights reflect a market that is commercially driven. When asked about the main underlying driver of energy transition transactions, 45% of respondents pointed to financials and valuation, and 31% cited alignment with core business. Energy security and decarbonization each accounted for 10% of responses. At the same time, 86% of respondents reported that clients are facing significant constraints such as regulatory hurdles, grid bottlenecks, capital availability challenges and supply chain costs.

Overall, 2025 was a year defined by disciplined but resilient investment. Despite lower volumes, capital flowed strongly into segments that support electrification, flexibility and long-term energy security. Entering 2026, the M&A landscape is characterized by selectivity, scale and strategic positioning, with investors prioritizing platforms and assets that provide durable value throughout the transition.

Global M&A overview

Global energy transition M&A activity moderated in 2025, with deal volumes declining by around 15% year on year from 5,188 transactions in 2024 to 4,409 in 2025. Fewer transactions came to market as investors took a more selective approach amid continued macroeconomic and geopolitical uncertainty. Despite lower volumes, total deal value increased by approximately 20%, rising from USD497 billion to USD599 billion, indicating a shift toward fewer, larger and more strategic transactions.

The decline in deal volumes reflects cautious investment screening in an uncertain geopolitical environment. This has been particularly evident in cross-border transactions. Larger deals, however, continue to be supported by consolidation among utilities, oil and gas majors, and infrastructure investors seeking long-term exposure to energy transition assets. Policy shifts under the current US administration, alongside uneven implementation of climate regulations across regions, has slowed smaller and more marginal transactions.[2] At the same time, investors with strong balance sheets remain active. Capital is being deployed selectively into high-quality assets, supporting higher overall deal values despite lower volumes.

Energy transition M&A deal value and volume 2024-2025

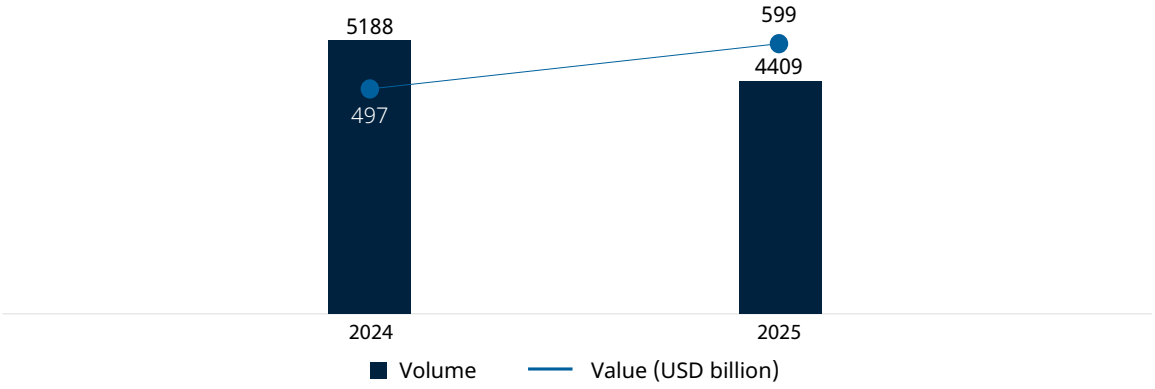


Fig. 1

2 JPMorgan M&A global head Aiyengar says rising risks to drive surge in deals | Reuters

Our internal survey results show a divided market view on whether energy transition transaction activity is accelerating in 2025. While 45% of respondents report seeing more transactions than in previous years, a nearly comparable 39% do not observe an increase, and 16% remain uncertain.

This split suggests that activity levels are highly dependent on sector, geography, and asset type rather than reflecting a uniform global upswing.

Are you seeing more energy transition transactions in 2025 than in previous years?

Only one answer possible

Fig. 2

Among respondents who are seeing increased energy transition activity, a clear majority believe the sector is outperforming the broader M&A market. Some 62% report more energy transition transactions and activity relative to the general M&A market, while 24% see activity at a similar level and only 14% view it as lagging. This suggests that, even in a more selective deal environment, energy transition remains comparatively resilient.

If yes, how does energy transition M&A activity compare to the broader M&A market?

Only one answer possible

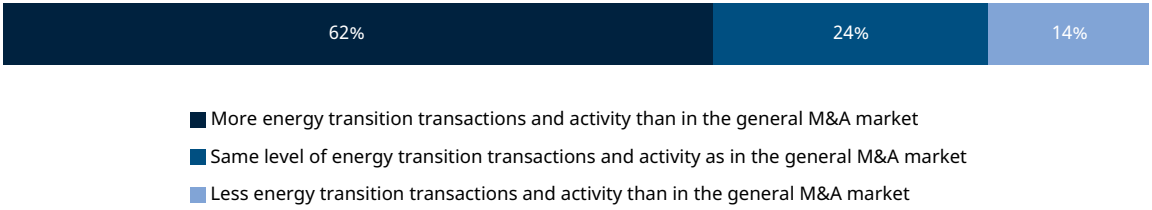


Fig. 3

Domestic vs cross-border M&A activity

Domestic M&A volumes fell sharply in 2025, declining by around 22% from 3,322 deals in 2024 to 2,600. Cross-border volumes proved more resilient, easing only slightly from 1,866 to 1,809 deals. In value terms, domestic M&A declined modestly from USD260 billion to USD249 billion. By contrast, cross-border deal value increased significantly, rising from USD237 billion to USD350 billion, an increase of close to 50%.

The strength in cross-border deal value reflects a strategic shift rather than a recovery in volumes. Heightened geopolitical uncertainty has increased the focus on securing supply chains, critical technologies, and access to clean energy resources.[3] This has supported larger, cross-border transactions, particularly in generation, networks, and enabling infrastructure. Uncertainty around policy direction under the current US administration has also encouraged some investors to diversify geographically, favoring jurisdictions with greater regulatory stability.[4]

Energy transition M&A deal value and volume

Domestic and cross-border M&A combined

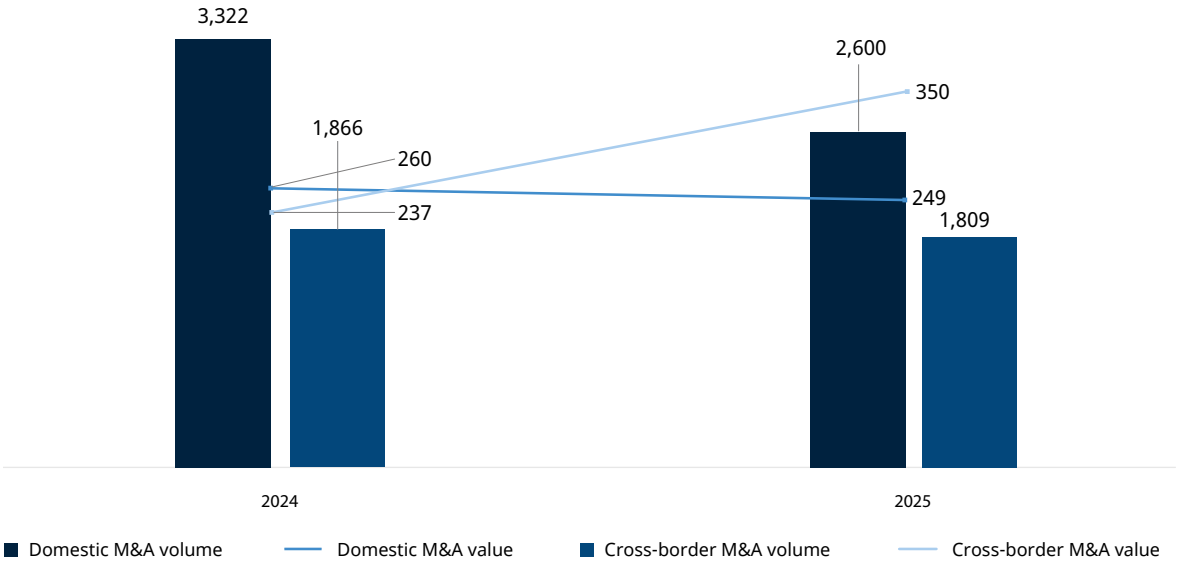


Fig. 4

3 How supply chains need to adapt to a shifting global landscape | World Economic Forum

4 Cross-Border M&A in the New Trump Era | IMAA

Key drivers of energy transition M&A

- Renewable energy generation refers to the production of electricity from renewable sources, which are naturally replenished on a human timescale, such as sunlight, wind, rain, tides, waves, and geothermal heat.
- Natural resources supply chain encompasses the processes involved in the extraction, processing and distribution of natural resources. In the context of the energy transition, they specifically refer to critical minerals – such as lithium, cobalt, and rare earth elements, among others – that are essential for the energy transition supply chain, renewable power technologies and electrification.
- Energy transition value chain refers to the interconnected processes and technologies driving decarbonization and sustainability across industries. It encompasses segments such as e-fuels, electrification, energy efficiency, waste-to-energy, and resource optimization as part of broader circular economy efforts.
- Energy storage refers to the capture and retention of energy produced at one time for use at a later time. It plays a critical role in balancing supply and demand, enhancing grid stability, and enabling the integration of intermittent renewable energy sources. Technologies within this segment include batteries, thermal storage, compressed air, pumped hydro, and emerging solutions such as hydrogen storage, all of which support electrification and resilience in the energy transition.

In both 2024 and 2025, the energy transition value chain and renewable energy generation were the top sub-sectors for M&A activity.

In 2025, renewable energy generation deal volumes declined from 1,679 in 2024 to 1,220, a decrease of approximately 27%. Higher inflation and elevated interest rates increased financing costs and reduced risk appetite, particularly for capital-intensive wind and solar projects. Smaller and mid-sized transactions were most affected, while developers delayed or restructured projects facing weaker returns and longer permitting timelines.

Natural resources supply chain activity also fell sharply, with volumes dropping from 1,120 to 616 deals, a decline of around 45%. This followed an earlier period of consolidation and large strategic transactions, after which buyers shifted focus toward optimizing existing assets rather than pursuing additional upstream exposure.

In contrast, the energy transition value chain expanded, with deal volumes rising from 1,930 to 2,095, an increase of approximately 9%, driven by continued investment in efficiency solutions, grid-related services, and sustainable materials. Energy storage activity increased from 226 to 264 deals (+17%), supported by demand for system flexibility and capacity support. E-mobility volumes edged down from 233 to 214 (-8%), as slower EV adoption and margin pressure led to more cautious dealmaking.

Energy transition M&A top sub-sectors

2024-2025 (volume)

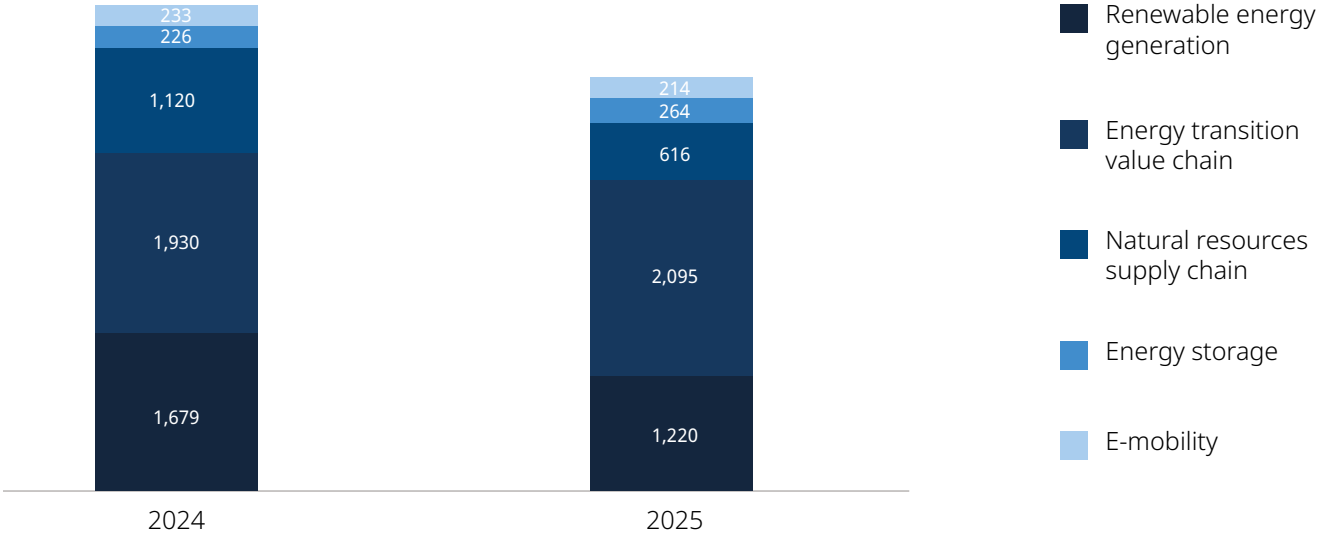


Fig. 5

In value terms, renewable energy generation M&A increased from USD181 billion in 2024 to USD202 billion in 2025, a rise of around 12%, despite a clear fall in deal volume. Activity was concentrated in a limited number of large transactions involving operational solar and wind portfolios in core markets. Developers and financial investors continued to avoid early-stage projects, particularly in offshore and onshore wind, where higher interest rates, elevated construction costs, and slower permitting timelines remained a constraint. As a result, capital flowed into assets with contracted revenues and predictable cash flows rather than new capacity build-out.

The most pronounced shift occurred in the energy transition value chain, where deal value rose from USD196 billion to USD271 billion, an increase of approximately 38%.

Investment moved toward infrastructure and platforms tied to energy efficiency, grid services, sustainable materials, and circular economy models, areas viewed as critical to system resilience and long-term decarbonization. Energy storage value increased from USD23 billion to USD30 billion (+30%), with larger battery energy storage transactions linked to grid balancing and capacity needs accounting for a growing share of activity. In natural resources, deal value rose from USD69 billion to USD79 billion (+14%) even as volumes declined sharply, pointing to a focus on fewer, higher-value acquisitions in critical minerals and upstream processing. E-mobility moved in the opposite direction, with deal value falling from USD28 billion to USD17 billion (-39%), as weaker EV demand growth, margin pressure, and overcapacity led investors to step back.

Energy transition M&A top sub-sectors

2024-2025 (value – USD billion)

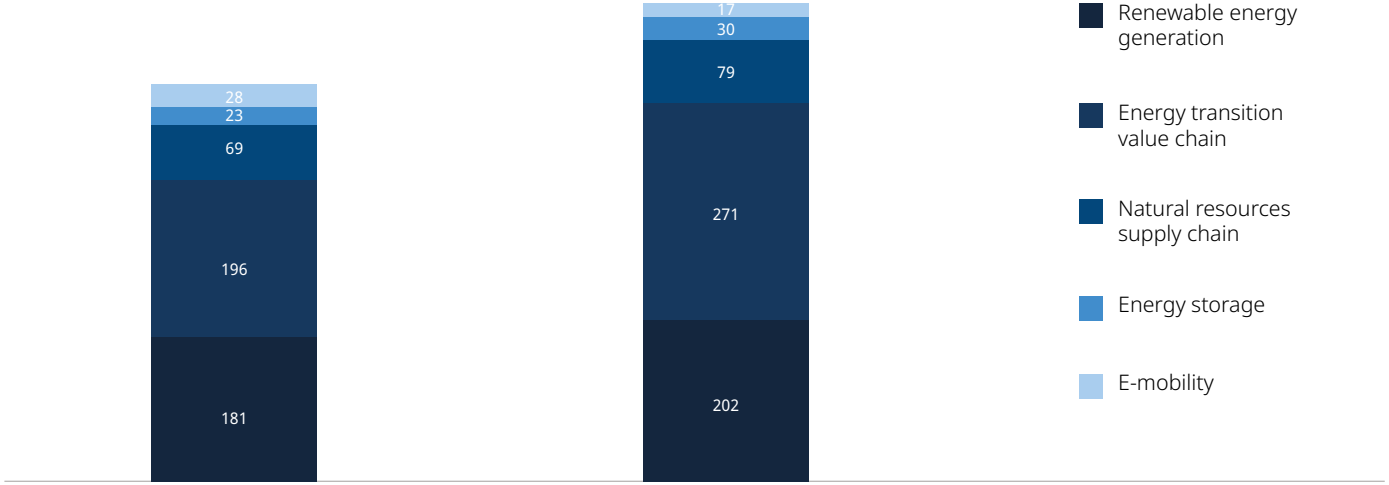


Fig. 6

Internal survey results show a clear view of where momentum is heading in 2025: energy storage dominates with 90% of respondents citing it as a top focus, far ahead of renewables at 80%. Capital is firmly backing infrastructure that underpins electrification and grid stability. Storage has shifted from a supporting technology to a core element of power system design, with standalone batteries, co-located assets, and EV-charging platforms now seen as essential, not experimental. Renewables remain a backbone of the transition, though activity is tilting toward operating assets and hybrid structures rather than pure greenfield.

Which types of energy transition transactions are driving the market in 2025?

Multiple answers possible

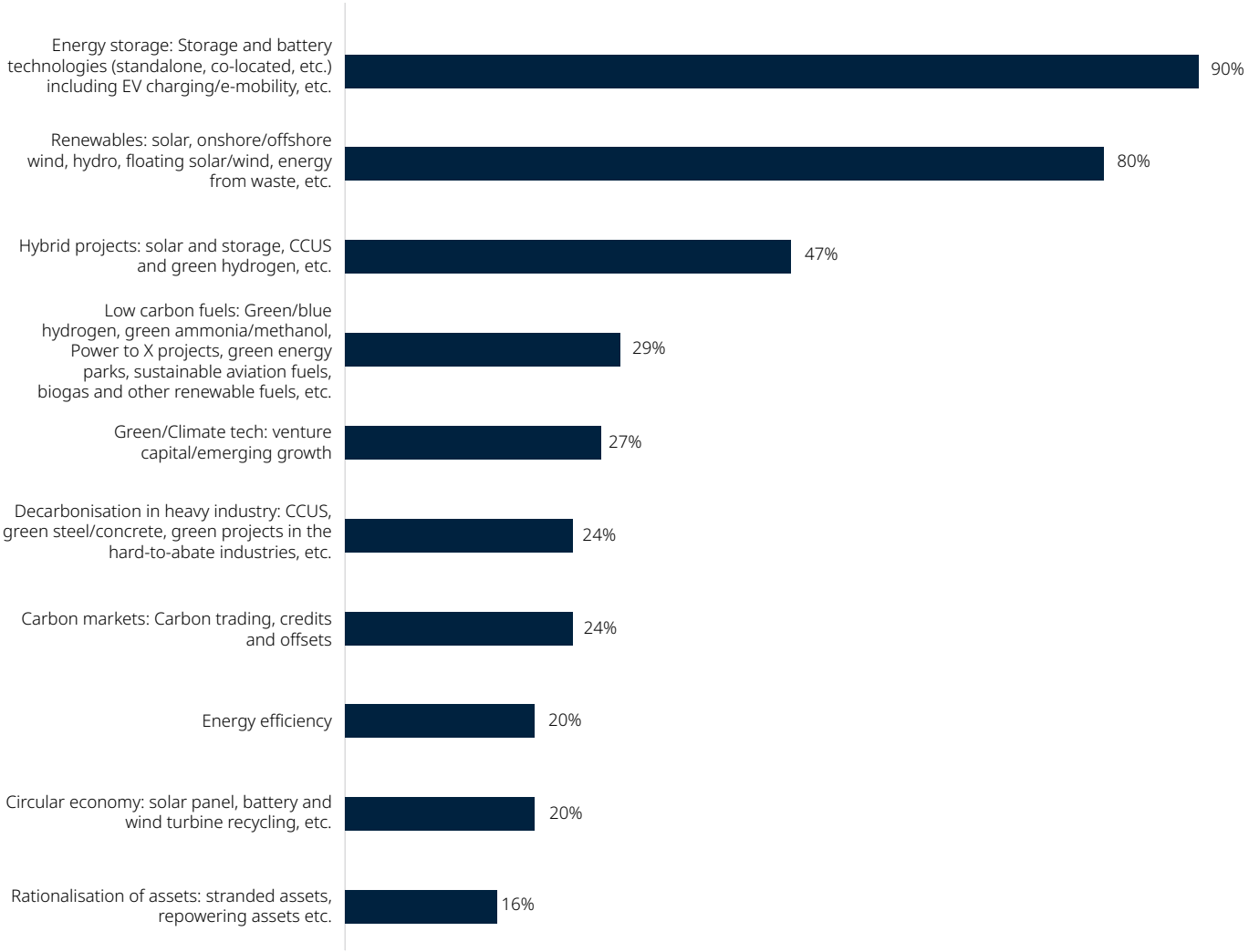


Fig 7

Strategic rationales for dealmaking

Understanding the strategic rationale behind transactions provides important context for how energy transition M&A is evolving. The survey results indicate that dealmaking in 2025 was primarily commercially driven rather than policy-led.

When asked about the main underlying driver behind an energy transition deal, 45% of respondents point to financials and deal value. This highlights the importance of valuation discipline, return visibility, and capital efficiency in the current market environment. A further 31% cite alignment with the acquirer's core business as the primary motivation, suggesting that most transactions are extensions of existing capabilities rather than diversification plays. Energy security and decarbonization are each identified by 10% of respondents as the main driver. While both themes remain strategically important, they appear to act more as contextual factors than as the decisive trigger for transactions. ESG credentials account for only 2% of responses, indicating that stakeholder pressure or reputational considerations are rarely the primary basis for investment decisions.

What is the main underlying driver behind an energy transition deal from the client's perspective?

Only one answer possible

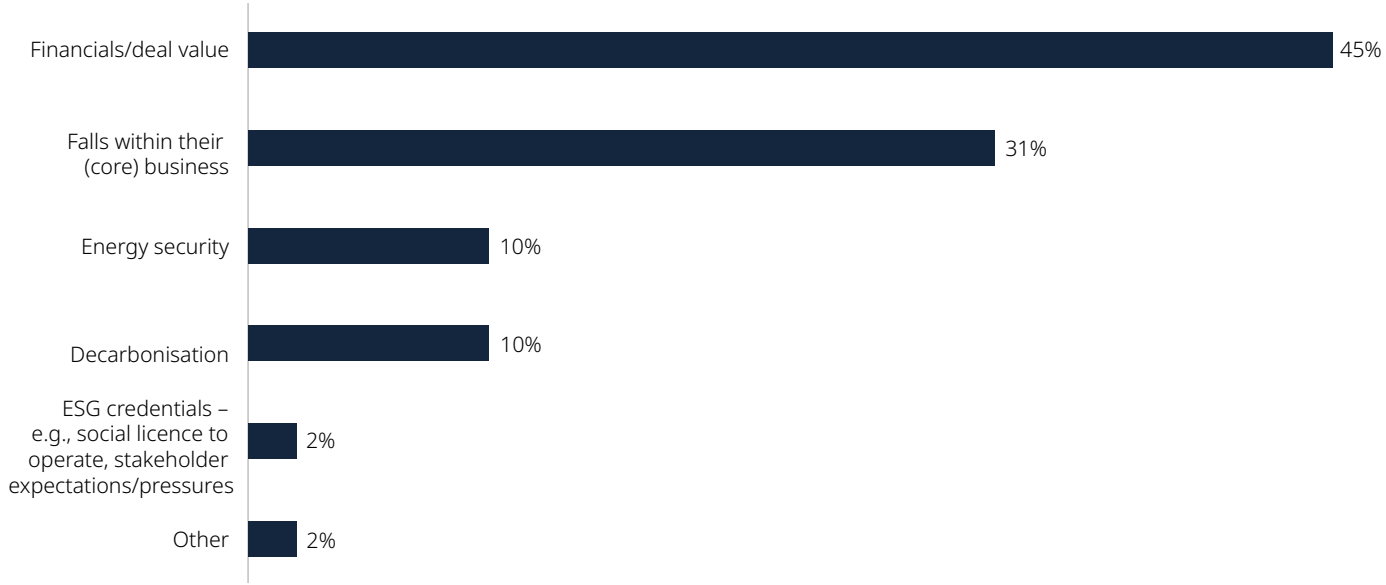


Fig 8

Looking ahead

Looking ahead, the majority of respondents expect energy transition deal activity to outpace other sectors over the next 12 months – 67% believe activity will increase, while only 18% don't expect a rise. The expectation that energy transition M&A will outpace other sectors is rooted in structural forces that continue to strengthen. Power demand is rising quickly due to AI, data centers and electrification, which is accelerating investment into generation, storage and grid-enabling assets and creating a deeper pipeline of attractive targets.

At the same time, private capital investors hold record levels of dry powder and buyout activity has rebounded, which is pushing investors toward transition-aligned platforms that offer clearer long-term cash flow visibility than many other industries.

Are we likely to see more energy transition deal activity compared to other sectors over the next 12 months?

Only one answer possible

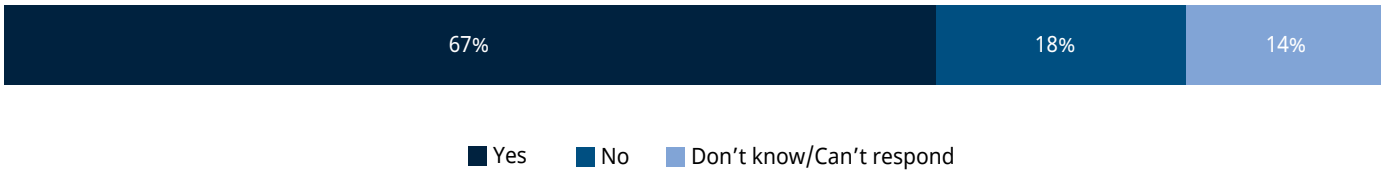


Fig. 9

Main challenges to the energy transition

Our respondents overwhelmingly report that their clients are encountering significant barriers in executing energy-transition projects, with 86% saying constraints are clearly slowing progress.

Are clients facing constraints in their projects (eg grid connections, regulatory hurdles, long lead times) or other factors that slow project roll-out and operations?

Only one answer possible

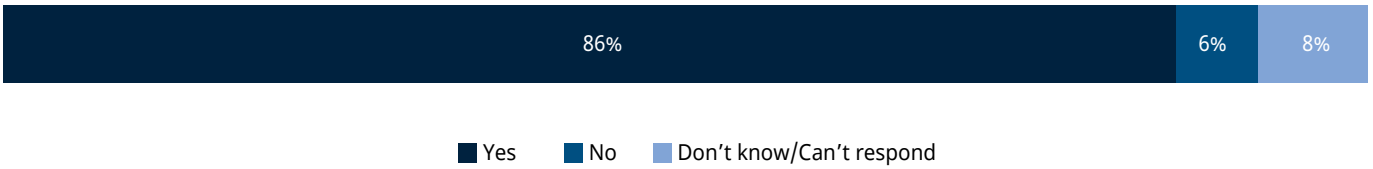


Fig. 10

Internal respondents flag regulatory and policy uncertainty (41%) as the biggest obstacle to energy transition deals, driven by shifting support schemes, volatile pricing, and increasingly complex permitting. These dynamics mirror the tougher European PPA landscape, where falling wholesale prices, higher financing costs, and regulatory changes have slowed contract activity.

The next major barrier is grid and interconnection constraints (27%), consistent with severe global bottlenecks and more than 2,500 gigawatts[5] of renewables, storage, and data-center projects stuck in queues.

Financing and capital availability (24%) remains a challenge despite abundant capital, as heavier diligence, valuation gaps, and scrutiny of merchant risk complicate deal closure. This aligns with broader M&A commentary pointing to a more technical, disciplined deal environment.

Lawyers also cite supply-chain and cost inflation pressures (20%), reflecting volatility in lithium and equipment costs that is now feeding through system-level pricing.

Broader risks remain in play, including geopolitical and political risk (18%) and land access and permitting challenges (16%), both of which continue to influence deal timelines and feasibility across jurisdictions.

5 Electricity Demand Is Surging-The Grid Isn't Ready | OilPrice.com

What are the main challenges for dealmaking in the energy transition space at present?

Multiple answers possible

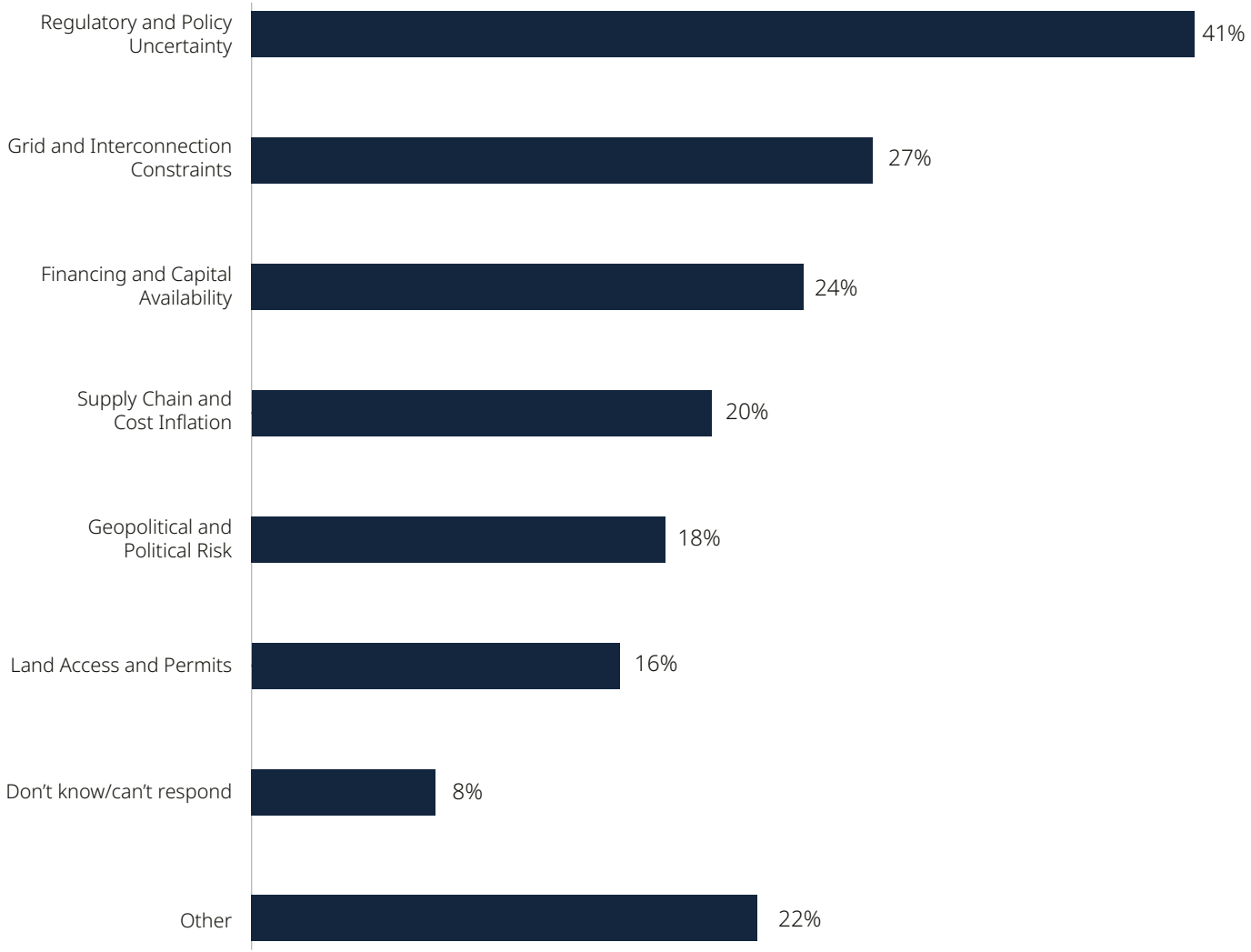


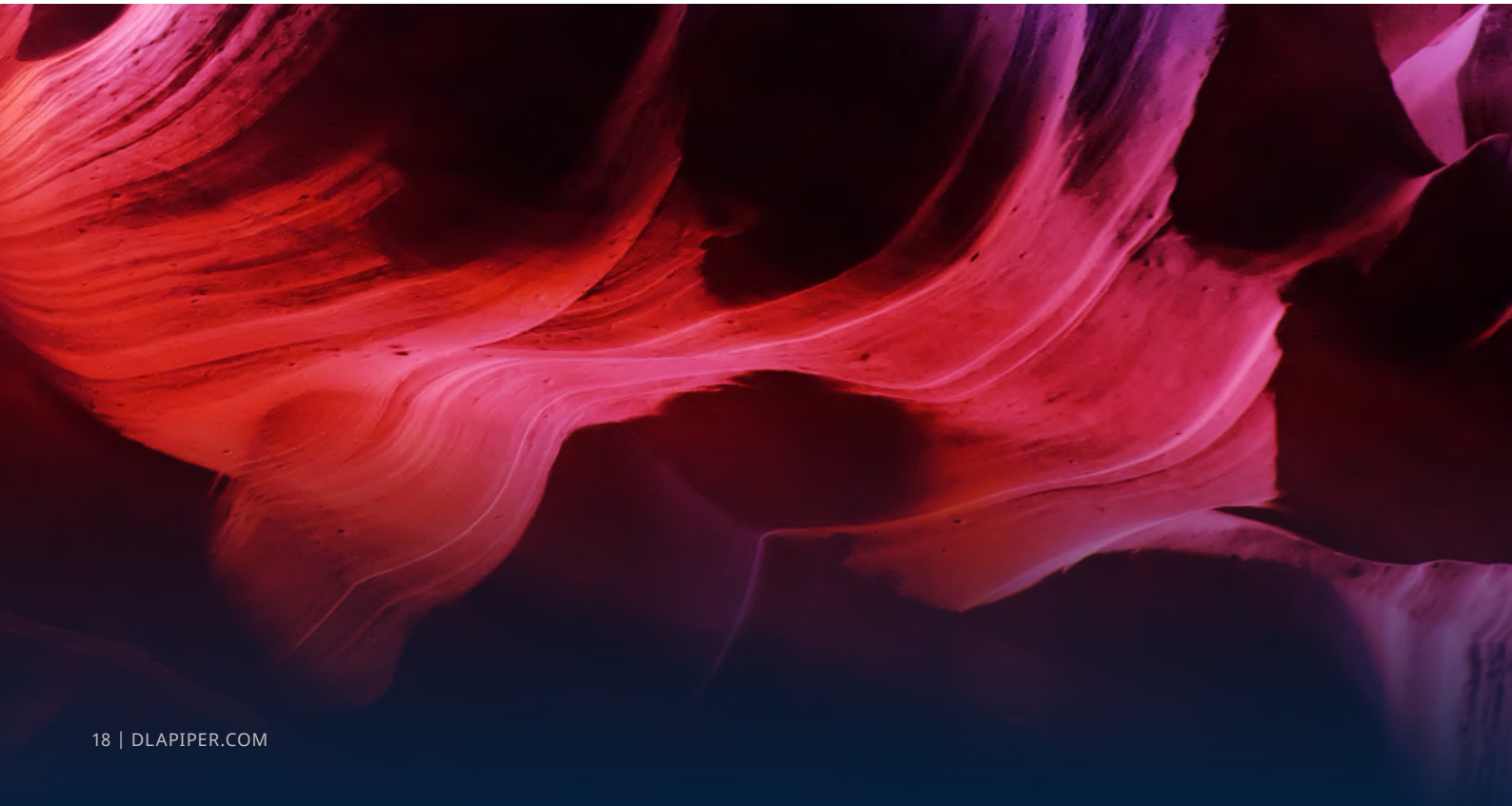
Fig 11

Our respondents are broadly skeptical that conditions will improve in the short term, with 43% saying challenges will not ease and only 33% expecting any meaningful relief. Dealmakers are seeing shifting cost environments, evolving investor requirements, and more scrutiny around project fundamentals – all of which tend to extend negotiation timelines and make short-term improvement unlikely.

Do you expect these challenges to ease over the next 12 months?

Only one answer possible

Fig. 12



Market developments

M&A geographical landscape

Global M&A deal volumes declined across most regions in 2025. Activity in the Americas fell from 1,980 deals in 2024 to 1,532, a decrease of approximately 23%, as higher financing costs and policy uncertainty weighed on transaction activity. Europe saw a more modest decline, with volumes falling from 1,739 to 1,606 deals (-8%), supported by continued investment in established renewable and infrastructure assets.

Asia (excluding China) recorded a sharper drop, from 1,154 to 980 deals, a decline of around 15%, reflecting slower project development and more selective capital deployment. Africa experienced the steepest decline, with volumes falling from 94 to 60 deals (-36%), as limited financing availability constrained activity. China was the only region to record growth, with deal volumes increasing from 221 to 231 (+5%), supported by domestic consolidation and continued investment across the energy transition value chain.

In the US, policy changes under the current administration and a focus on energy security and traditional energy sectors contributed to lower volumes in renewable-focused deals. Higher interest rates and persistent inflation increased the cost of capital, slowing smaller transactions across the Americas. Europe saw a decline as permitting challenges constrained activity, especially in wind and solar projects. In Asia, the reduction in deals reflects a combination of macroeconomic headwinds and the completion of earlier high-volume supply chain transactions. China's slight increase was driven by continued state support for domestic renewable capacity and strategic energy infrastructure, keeping local M&A activity more resilient than in other markets.

Across all regions, investors favored larger, strategic transactions with clear paths to execution.

Energy transition M&A deal volume by geography

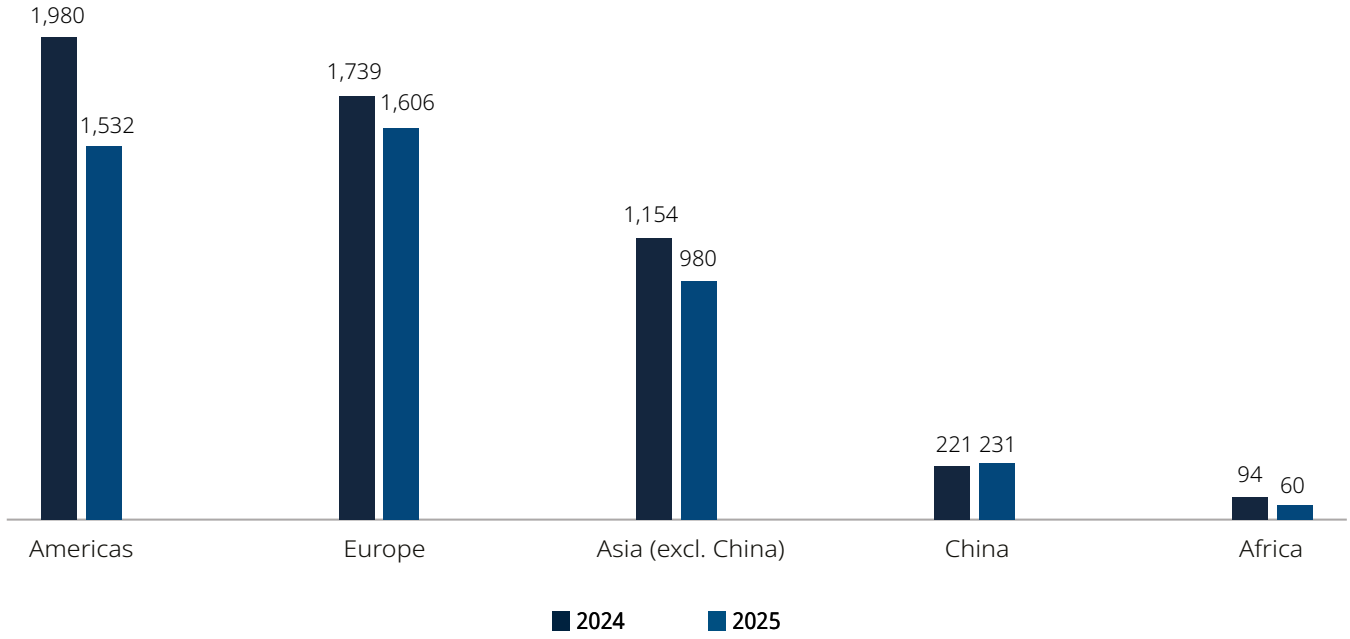


Fig. 13

Total deal value in the Americas rose sharply, from USD256 billion in 2024 to USD331 billion in 2025 (+29%). Europe also increased, from USD114 billion to USD154 billion (+35%). Asia (excluding China) remained largely stable at USD86 billion (-1%), while Africa declined from USD12 billion to USD5 billion (-58%). China saw a slight decrease, from USD29 billion to USD25 billion (-14%).

The rise in Americas deal value reflects a concentration of capital in a few large, strategic transactions, even as overall volumes declined. Higher financing costs limited smaller deals, but investors continued to pursue high-value projects in renewable generation and grid infrastructure. Europe saw value growth driven by consolidation in mature renewable and energy transition assets, offsetting slower smaller-scale activity. In Asia, stable values despite lower volumes suggest that deals were concentrated in key cross-border supply chain and infrastructure projects. Africa's decline reflects a limited deal pipeline and higher perceived execution risk. China's slight decrease in value, despite stable volumes, indicates more modest transaction sizes, as local projects focused on domestic capacity expansion rather than high-value acquisitions.

Energy transition M&A deal value (USD billion) by geography

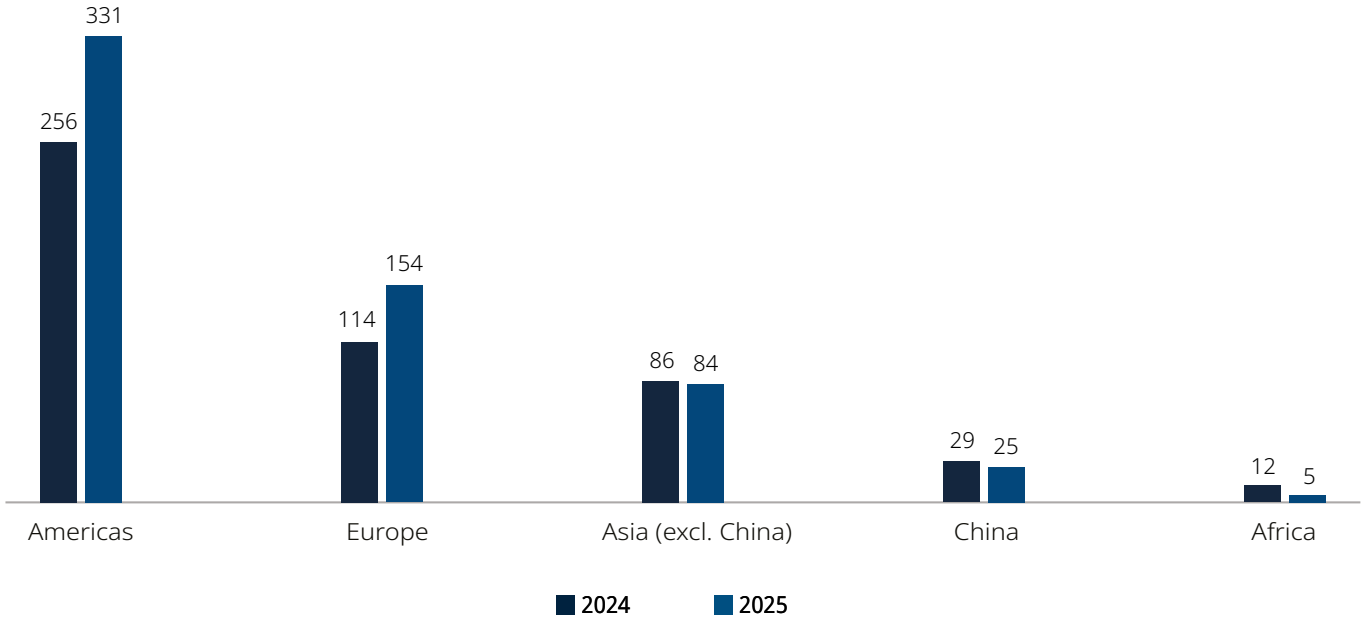


Fig. 14

In the Americas, the energy transition value chain dominated M&A with 801 deals totaling USD163 billion. Much of this activity involved companies improving energy efficiency and enabling circular economy solutions. The high value reflects a handful of large acquisitions in platform-scale infrastructure and service providers. Renewable energy generation had 293 deals worth USD97 billion, but volumes were limited by higher financing costs and policy uncertainty under the new administration, which favored traditional energy projects. Natural resources supply chain deals remained active at 294 deals (USD53 billion), as investors targeted critical minerals and components to secure domestic supply chains. Energy storage and e-mobility were smaller, at 86 and 58 deals, with investment mostly focused on pilot-scale or early-stage projects.

Europe saw 817 deals in the energy transition value chain and 494 deals in renewable energy generation. Value was distributed similarly, with USD73 billion in the value chain and USD65 billion in renewables. Activity was driven by clear regulatory frameworks, stable subsidies, and strong investor confidence in efficiency, waste reduction, and sustainable infrastructure projects. Natural resources supply chain activity was modest at 115 deals (USD10 billion), reflecting limited domestic resources. Energy storage and e-mobility were emerging but growing, with 108 and 72 deals, as investors integrated storage with renewable capacity and began supporting EV infrastructure expansion.

In China, the energy transition value chain led with 116 deals worth USD10 billion, encompassing companies that enable efficiency improvements, sustainable feedstocks,

and circular economy initiatives within large-scale renewable projects. Renewable energy generation had 57 deals valued at USD2 billion, supported by state-backed deployment but with relatively small individual project sizes. Natural resources supply chain deals totaled 25 deals (USD9 billion), targeting strategic domestic rare earths and critical materials. Energy storage had 18 deals worth USD3 billion, and e-mobility included 15 deals at USD1 billion, focused on domestic consolidation and technology adoption.

Energy transition M&A top sub-sectors in 2025 by geography (volume)

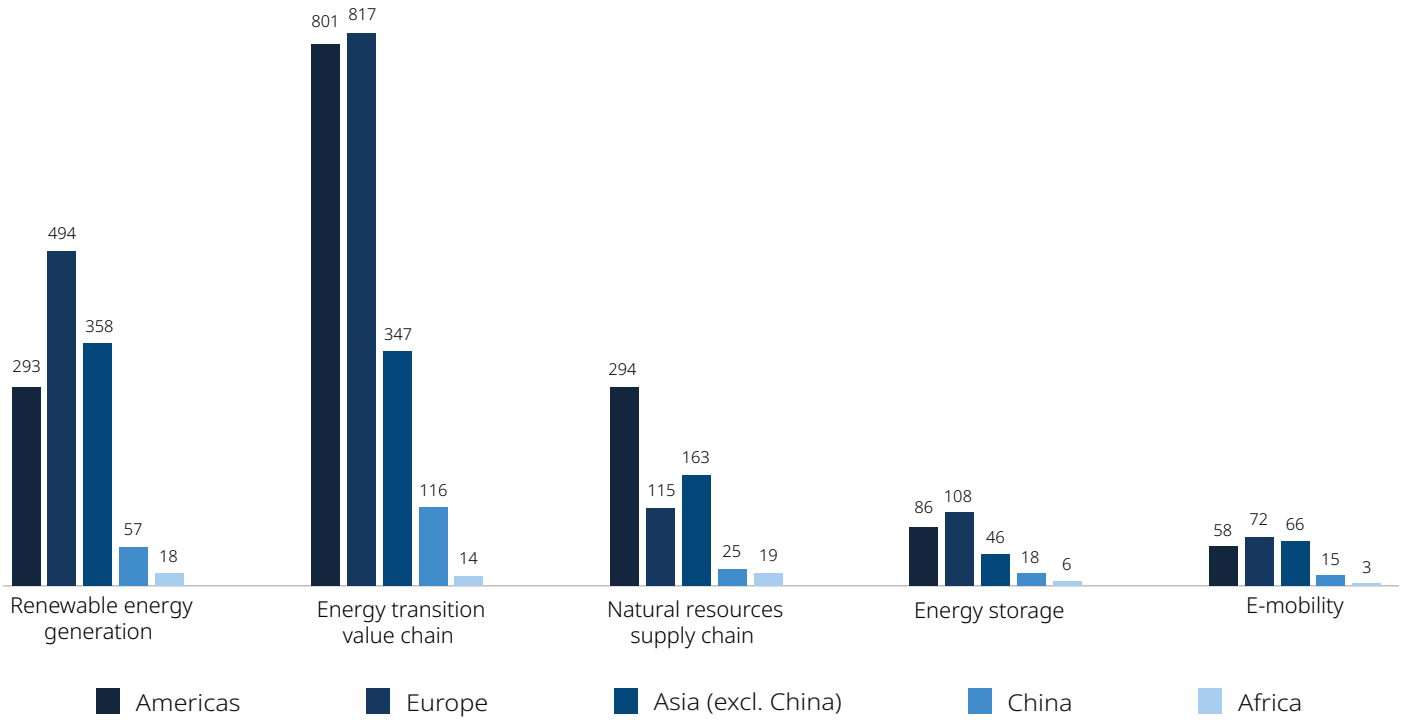


Fig. 15

Energy transition M&A top sub-sectors in 2025 by geography (value USD billion)

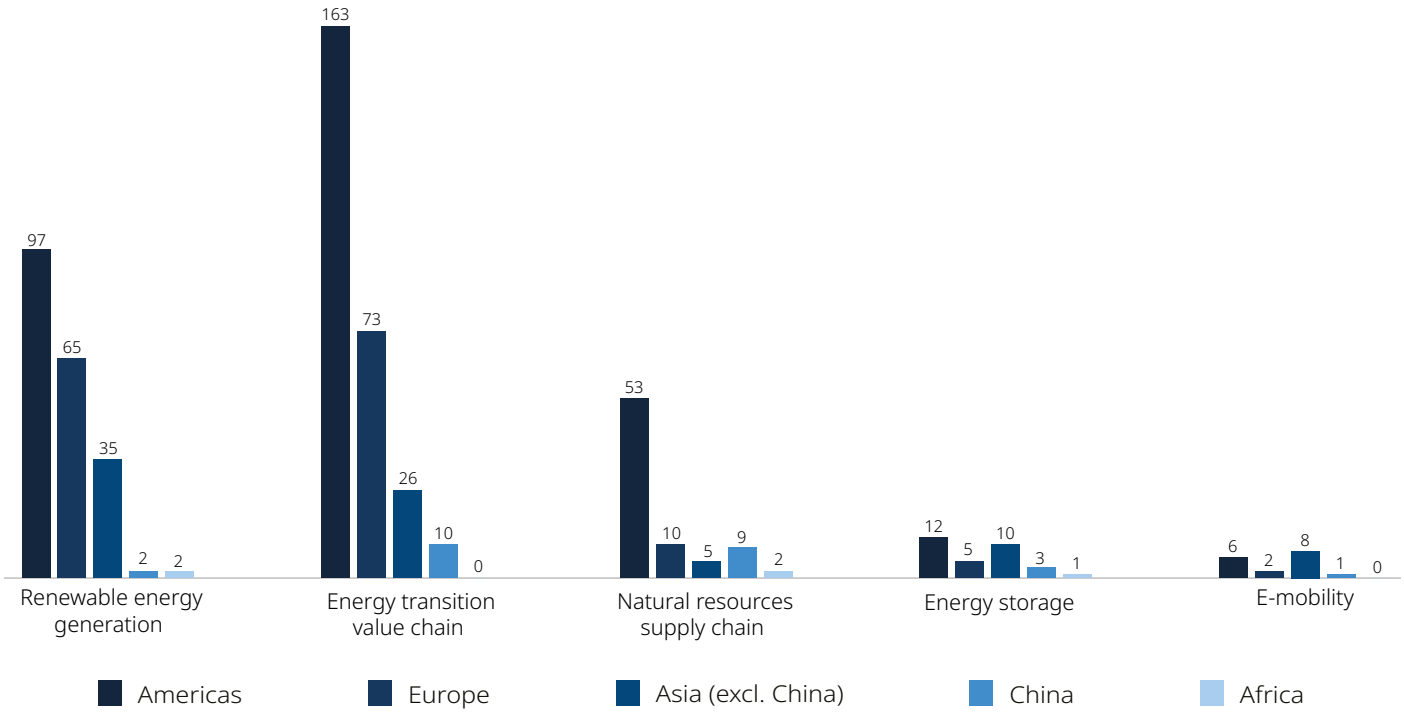


Fig. 16

Capital flows

In 2025, energy transition M&A activity remained heavily weighted toward intra-regional transactions, even where deals were technically cross-border. Transactions within the Americas accounted for USD133 billion, while Europe-to-Europe activity reached USD73 billion, indicating that acquirers continued to prioritize nearby markets with similar regulatory, legal, and commercial frameworks. Asia-to-Asia deals totaled USD20.3 billion, while Africa-to-Africa activity was USD3.3 billion. This pattern shows that, despite cross-border execution, most capital stayed within regional blocs, reducing exposure to geopolitical risk, currency volatility, and policy divergence.

Inter-regional deal flows in 2025 point to selective strategic positioning rather than broad international expansion. The largest flows were between Europe and Americas, with Europe-to-Americas deals totaling USD38 billion and Americas-to-Europe close behind at USD36 billion. These flows reflect a continued preference for mature, liquid markets with deep pools of operating assets and established legal frameworks. Outside the transatlantic corridor, activity was much thinner, suggesting that investors were cautious about deploying capital across regions with greater regulatory, political, or execution risk.

European investment into the US remained a key feature of inter-regional activity, despite policy shifts under the current administration. For many European utilities and infrastructure investors, the US continues to offer scale, asset availability, and long-term demand growth that is difficult to replicate domestically.

In July 2025, US and EU leaders reached a framework trade agreement that averted a looming tariff escalation and included commitments with significant implications for investment flows. Under the deal, the EU agreed to purchase large volumes of US energy products and European companies expressed interest in investing up to USD600 billion in the US across various sectors by 2029.[6] Grid infrastructure, large renewable platforms, and energy transition value chain assets remain attractive, even as federal policy signals became less supportive. In this context, Europe-to-US deals were driven less by short-term policy alignment and more by the need to secure long-duration assets, diversify revenue exposure, and access a market with strong underlying power demand.

6 The US-EU Energy Deal: A Strategic Win For Europe?

Cross-border* capital flows 2025 (USD billion)

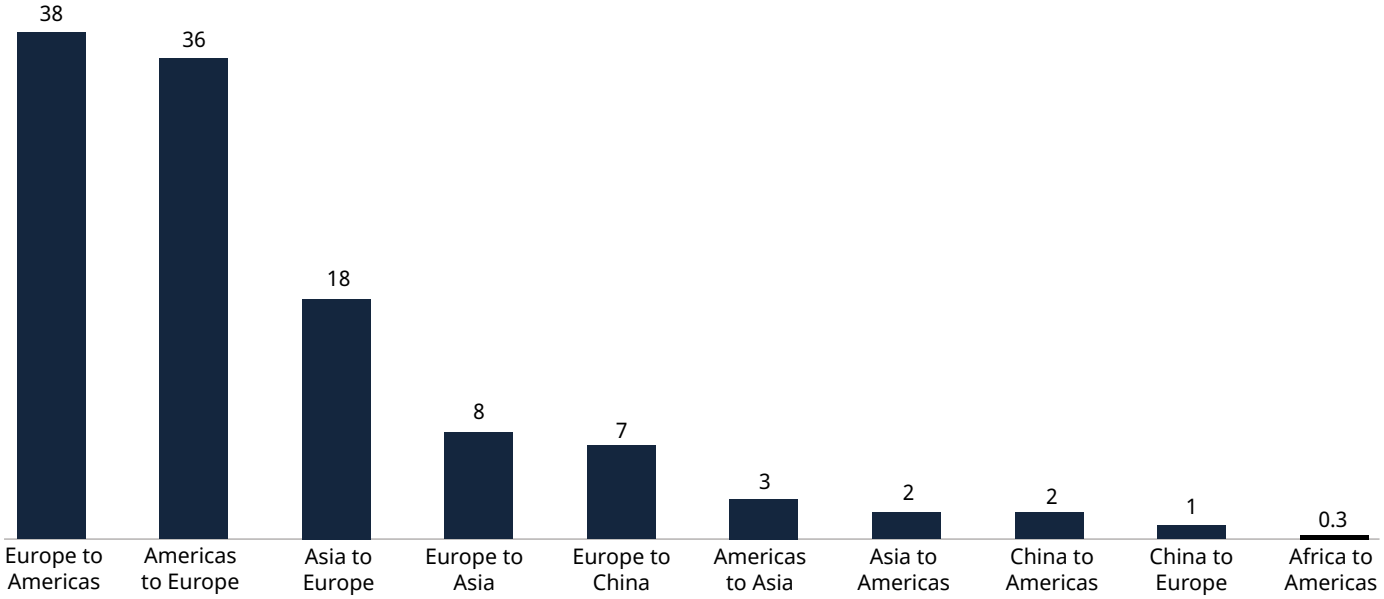


Fig. 17

** Cross-border deals are transactions that occur outside the acquirer's home country*

Americas-to-Europe deal flow was shaped primarily by investments in the energy-transition value chain, with USD18 billion directed into component manufacturing, supply-chain assets and service platforms. Renewables (USD11 billion) and energy storage (USD6 billion) followed as secondary themes. The pattern points to buyers prioritizing strategic enablement assets over pure generation.

In the opposite direction, Europe-to-Americas flows were even more heavily concentrated in the energy-transition value chain, reaching USD29 billion. This reflects European investors' continued focus on established, scalable US platforms in areas such as grid technology, equipment, and integration services. Renewables played a smaller role at USD7 billion, while e-mobility activity remained selective at USD1 billion.

Asia's outbound flows tell a different story. Asia-to-Europe activity was dominated first by renewable generation (USD8 billion) and then by e-mobility (USD5 billion), underscoring Asia's strategic push into Europe's clean-transport and high-demand power markets.

European capital moving into Asia showed a narrower profile. Europe-to-Asia investment centered almost entirely on the energy-transition value chain (USD7 billion), pointing to a focus on Asian manufacturing, integration and supply-chain capabilities. Meanwhile, Europe-to-China flows split between renewables (USD3 billion) and the energy-transition value chain (USD4 billion), indicating targeted exposure to China's project-development and clean-technology ecosystem.

Other corridors were comparatively small. Americas-to-Asia investment focused on the energy-transition value chain (USD2 billion). Asia-to-Americas flows were minimal and split between energy-transition value chain and natural resources assets, reflecting selective, strategic dealmaking rather than broad portfolio building.

Cross-border* capital flows 2025 by segment (USD billion)

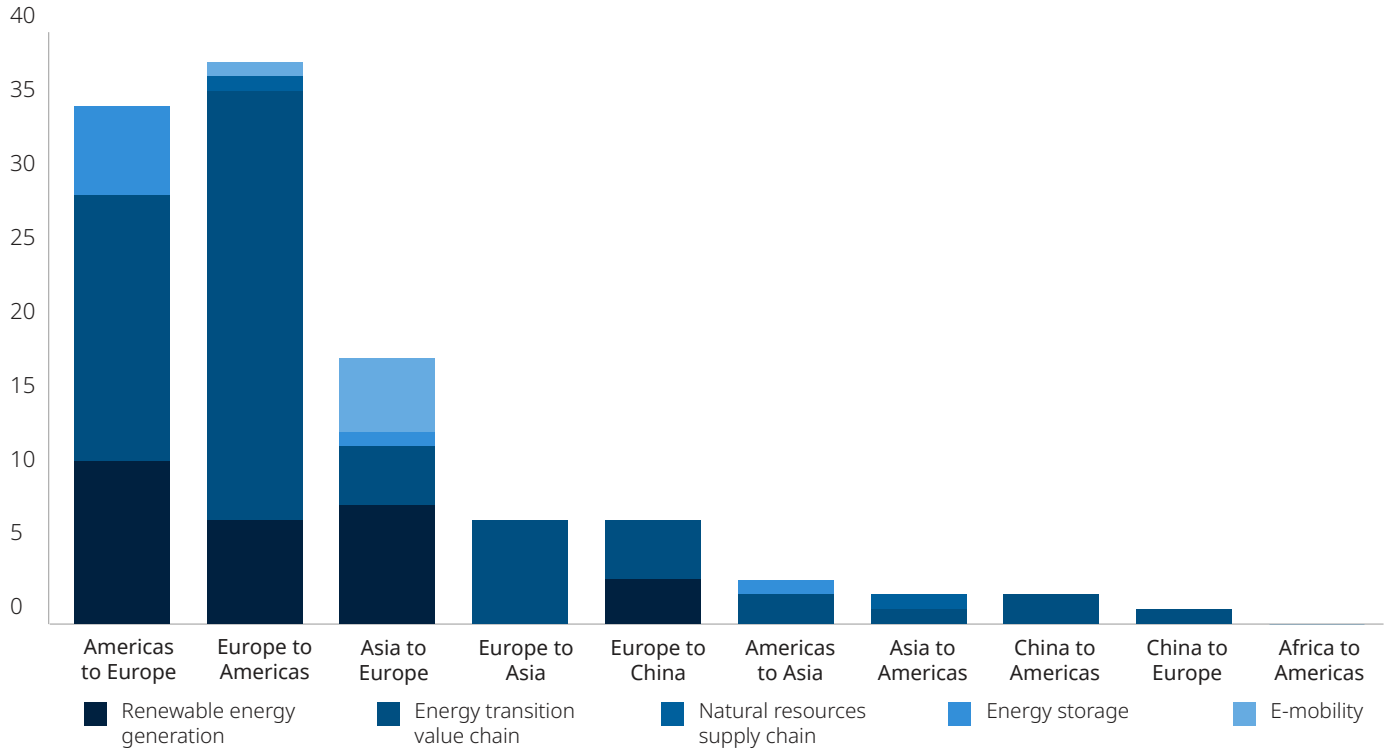


Fig. 18

** Cross-border deals are transactions that occur outside the acquirer's home country*

Market trends

Energy storage

In 2025, energy storage M&A was almost entirely dominated by battery energy storage systems (BESS), which made up 252 of the 264 deals globally (95%). Investors focused on technologies that are commercially proven and can be scaled quickly, particularly to support solar and wind integration on the grid.

In contrast, other storage technologies saw very little activity. These numbers suggest that while alternative storage technologies are gaining attention, they remain in early stages or face higher technical, regulatory, or financing hurdles. The market is prioritizing solutions that deliver near-term value and predictable returns, leaving more experimental approaches to niche players or strategic bets rather than broad M&A activity.

A clear majority (59%) of respondents report a noticeable uptick in energy-storage-related M&A, and this aligns closely with what has been happening in the market. The past 12-18 months have seen battery storage become central to renewables transactions, with acquisitions accelerating as developers and investors reposition around storage-backed business models.

At the same time, the fundamentals driving storage demand have strengthened. Global BESS installations reached 315 GWh in 2025, with a forecast of 450 GWh in 2026,[7] signaling a rapidly expanding asset base that naturally feeds M&A pipelines.

Have you seen a noticeable increase in M&A activity related to energy storage assets or technologies in the past 12-18 months?

Only one answer possible

Fig. 19

7 Global BESS demand jumps 51% in 2025 as installations top 300 GWh - Energy Storage

Energy and infrastructure assets: Investments

Energy systems are increasingly electrified, distributed and digitized. For this year's Report, we expanded our coverage to capture M&A activity across three infrastructure categories that are complementary to the energy transition's success: Data Centers and Digital Infrastructure, Network Infrastructure, and Smart Infrastructure.

Data Centers and Digital Infrastructure encompasses physical data center facilities, cloud computing infrastructure, AI computing platforms, digital twin technologies, energy management software, and data analytics solutions that optimize energy systems.

Network Infrastructure includes fiber optic networks, telecommunications systems, wireless infrastructure, and cabling solutions that enable the digital connectivity required for smart grids, distributed energy resources, and real-time energy management.

Smart Infrastructure covers building automation systems, industrial controls, sensors and monitoring equipment, testing and certification services, security systems, and advanced manufacturing technologies that improve energy efficiency and enable intelligent energy management.

In 2025, the Americas emerged as the dominant acquirer, accounting for approximately 51% of all infrastructure deals across the three categories. This consolidation wave was driven by US technology giants, private equity firms, and specialized infrastructure investors seeking to build integrated platforms capable of serving the compute-intensive demands of AI applications and energy optimization systems.

Europe, while generating significant target company activity, showed more modest outbound acquisition patterns, with European buyers primarily consolidating within their home region. Notable exceptions included European infrastructure funds and industrial players making strategic investments in Asian data center capacity and US technology platforms. Asia demonstrated growing sophistication in data center operations, with several intra-regional consolidation deals and selective acquisitions of European assets, particularly in markets like the Middle East where digital infrastructure buildout is accelerating rapidly.

Energy transition infrastructure M&A top sub-sectors in 2025 by geography (volume)

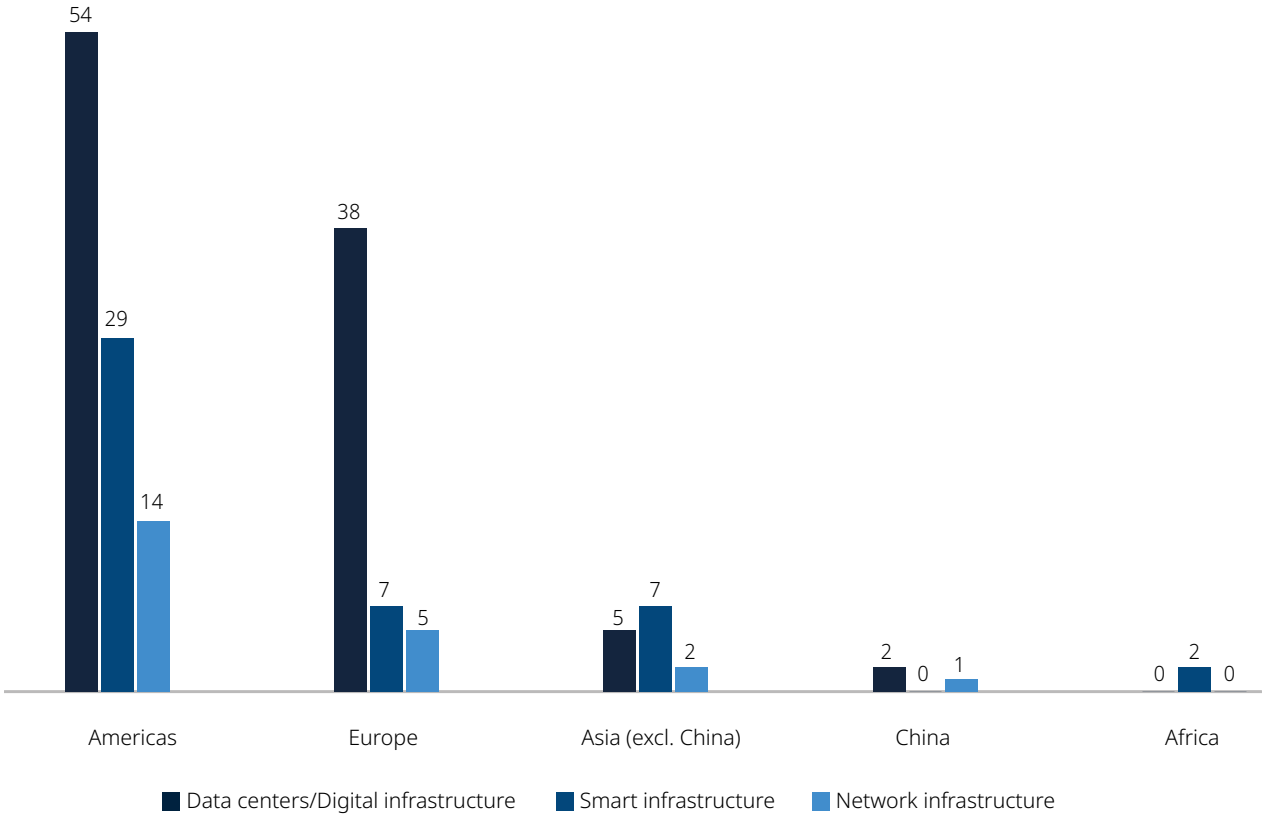


Fig. 20

Data centers and Digital Infrastructure

The surge in Data centers and Digital Infrastructure M&A, representing USD20 billion of the USD27 billion total infrastructure deals value, is linked to AI deployment and its staggering energy requirements. The industry is experiencing an "AI infrastructure arms race,"[8] with technology companies, cloud providers, and specialized data center operators racing to secure computing capacity, cooling technologies, power management systems, and the software platforms needed to optimize these energy-intensive facilities.

The convergence of data center operations with energy management software is particularly striking, with numerous acquisitions targeting platforms that optimize power usage effectiveness, predict energy consumption patterns, and facilitate participation in demand response programs.

Network infrastructure

Network infrastructure, though representing only 22 deals, proved strategically significant as fiber and telecommunications assets provide the essential connectivity layer enabling distributed energy systems. The consolidation in this space was characterized by platform building, with established fiber operators acquiring regional networks to create comprehensive coverage capable of supporting utility-grade communications requirements. The relatively modest deal count belies the critical importance of these assets – without robust, low-latency communications infrastructure, the coordination of distributed solar, battery storage, EV charging networks, and virtual power plants becomes impossible.

Smart infrastructure

Smart infrastructure M&A, comprising 45 deals, reflected the broadening recognition that energy transition requires intelligent buildings, industrial facilities, and transportation systems – not just clean generation sources. Acquisition activity spanned building management systems, industrial automation, sensors and monitoring equipment, testing and certification services, and robotics platforms that enable the deployment and maintenance of renewable energy installations.

The smart infrastructure consolidation wave also reflects a maturation in understanding energy transition requirements. Early-stage thinking focused primarily on generation and storage; current strategic positioning recognizes that optimizing energy consumption across buildings, industrial processes, and transportation networks is equally critical. Companies offering platforms that integrate across these domains – combining real-time monitoring, predictive analytics, and automated controls – commanded particular attention from both strategic and financial acquirers seeking to build comprehensive energy intelligence platforms.

E-mobility

E-mobility M&A activity contracted in 2025, with deal volume declining from 233 to 214 transactions (–8% year-on-year) and aggregate disclosed value falling from USD28 billion to USD17 billion (–39%). The sharper reduction in value relative to volume resulted in a significant compression in average deal size, from approximately USD120 million in 2024 to USD79 million in 2025 (–34%). This indicates a market shift away from large, high-valuation transactions toward smaller, more targeted deals.

8 The trillion-dollar AI arms race is here | AI (artificial intelligence) | The Guardian

This trend reflects structural and macroeconomic factors shaping the sector in 2025. Elevated interest rates and tighter financing conditions increased the cost of capital, discouraging large leveraged transactions. Geopolitical uncertainty and tariff risks further constrained cross-border dealmaking, while volatility in EV adoption trajectories and battery supply chains introduced strategic hesitation. As a result, industry participants prioritized flexibility, favoring joint ventures, alliances, and minority investments over full acquisitions.

E-mobility M&A deal value and volume 2024-2025

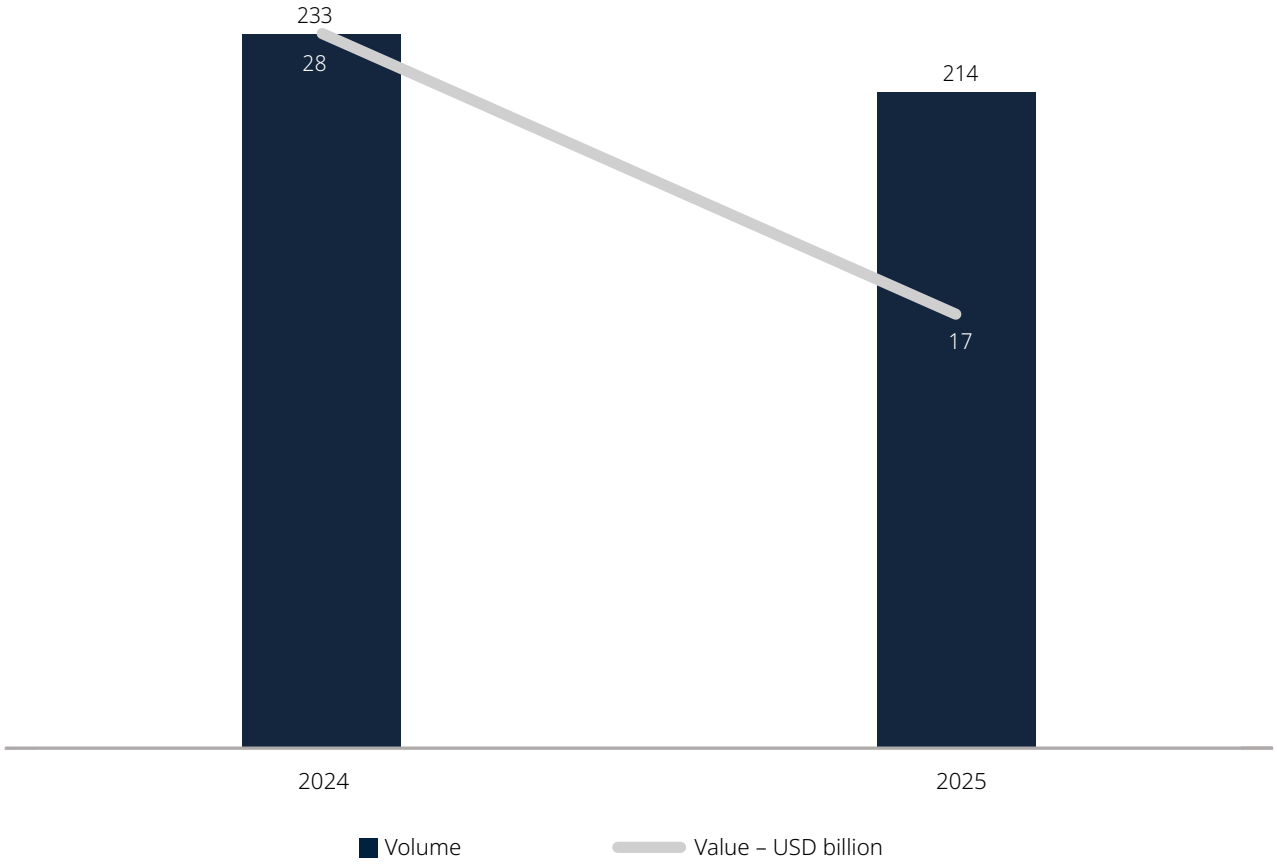
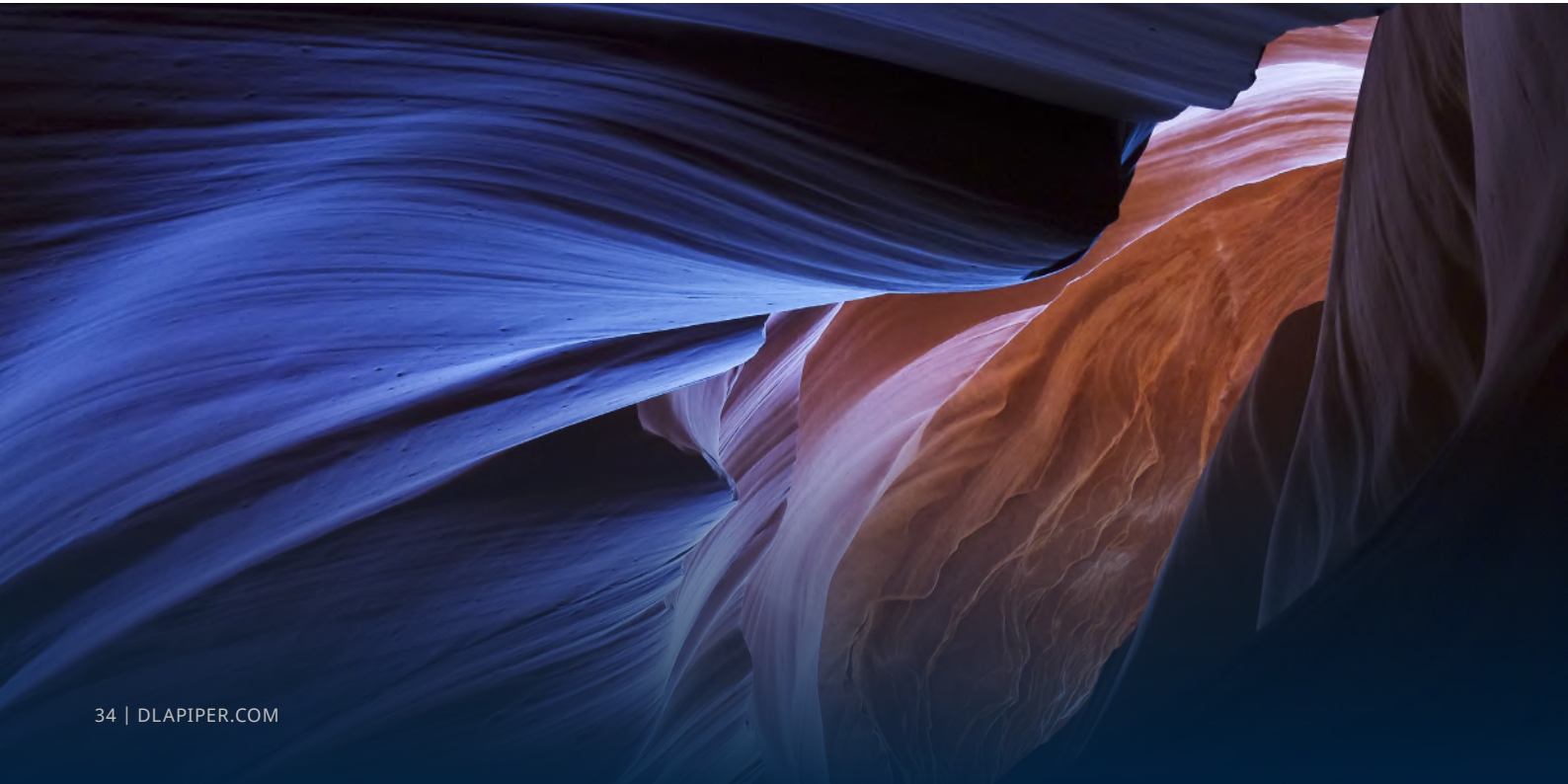


Fig. 21

Infrastructure funds

In this part of the survey, we asked respondents whether activity is rising inside infrastructure funds or via newly created specialist vehicles. The most common signal is the launch of dedicated energy transition funds (41%), followed by higher allocations to transition assets within existing funds (33%). Respondents also note platform acquisitions in optimization, trading, or ancillary businesses (18%), which suggests managers are building capability sets around storage, flexibility services and grid-enabling solutions rather than focusing only on pure generation.

On the capital structure side, infrastructure debt aimed at transition projects (16%) is growing but remains a smaller part of what lawyers are seeing, which is consistent with lenders moving cautiously into merchant-exposed or technology-evolving areas.



Are you observing an increase in energy transition–related activity within infrastructure funds or dedicated funds?

Multiple answers possible

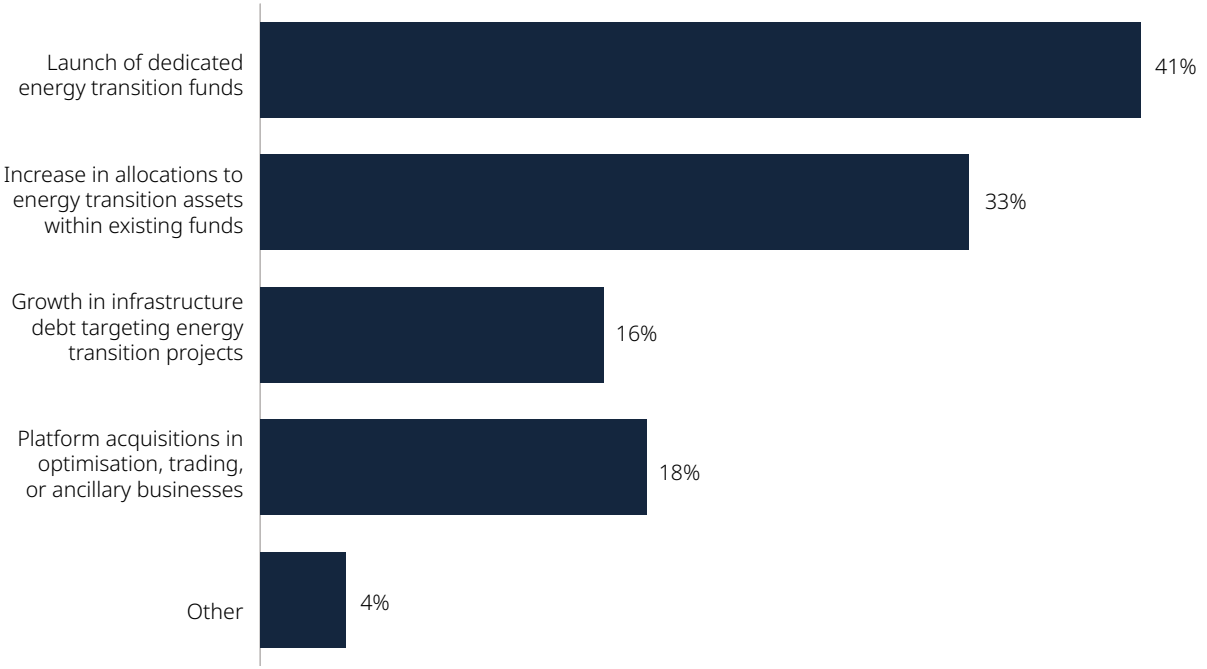


Fig. 22

In our survey, respondents were asked to characterize the current energy and infrastructure fund investment environment relative to 18-24 months ago. The most common view is a balanced market (56%), with another (32%) seeing conditions shift towards buyers and only (9%) describing a sellers' market. This aligns with a market that is active but increasingly differentiated by asset type and risk profile.

How would you characterize today's energy and infrastructure fund investment environment compared to 18–24 months ago?

Only one answer possible

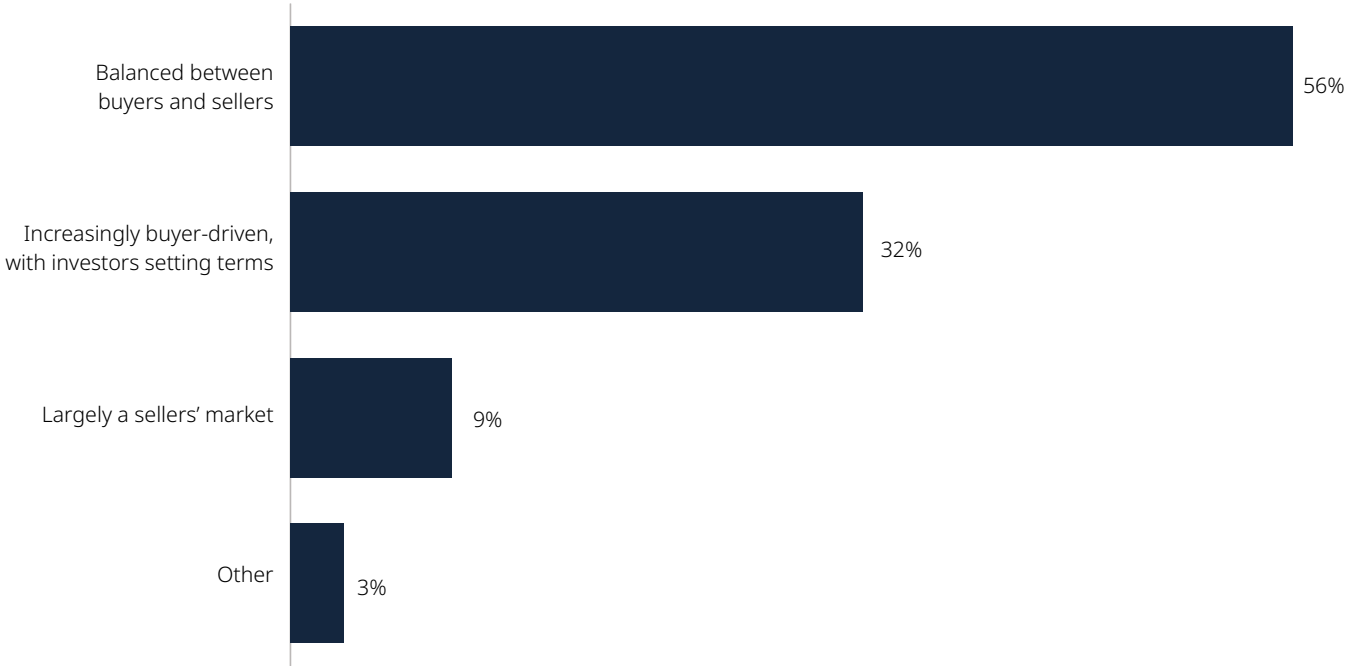


Fig. 23

In this question, respondents were asked which transaction types they expect to be most active. The leading answer is joint ventures or partnerships with industrial and tech players (47%), followed by development-stage project investments (41%) and platform acquisitions or roll-ups across storage, DER, biogas, district energy and ancillary services (33%). Together, these point to a preference for shared risk, pipeline access and capability building, rather than pure buyouts of single assets.

On structure and capital, respondents see structured equity or private credit (20%) playing a supporting role, while full acquisitions of operating assets (18%) are expected to be selective and focused on high-quality targets. Recapitalizations or secondary transactions (16%) and minority stakes (14%) round out the toolkit, signaling a need for flexible capital that can move quickly and align with specialist partners.

What types of transactions do you expect to dominate the market for core-plus or energy transition infrastructure in the next 12-18 months?

Multiple answers possible

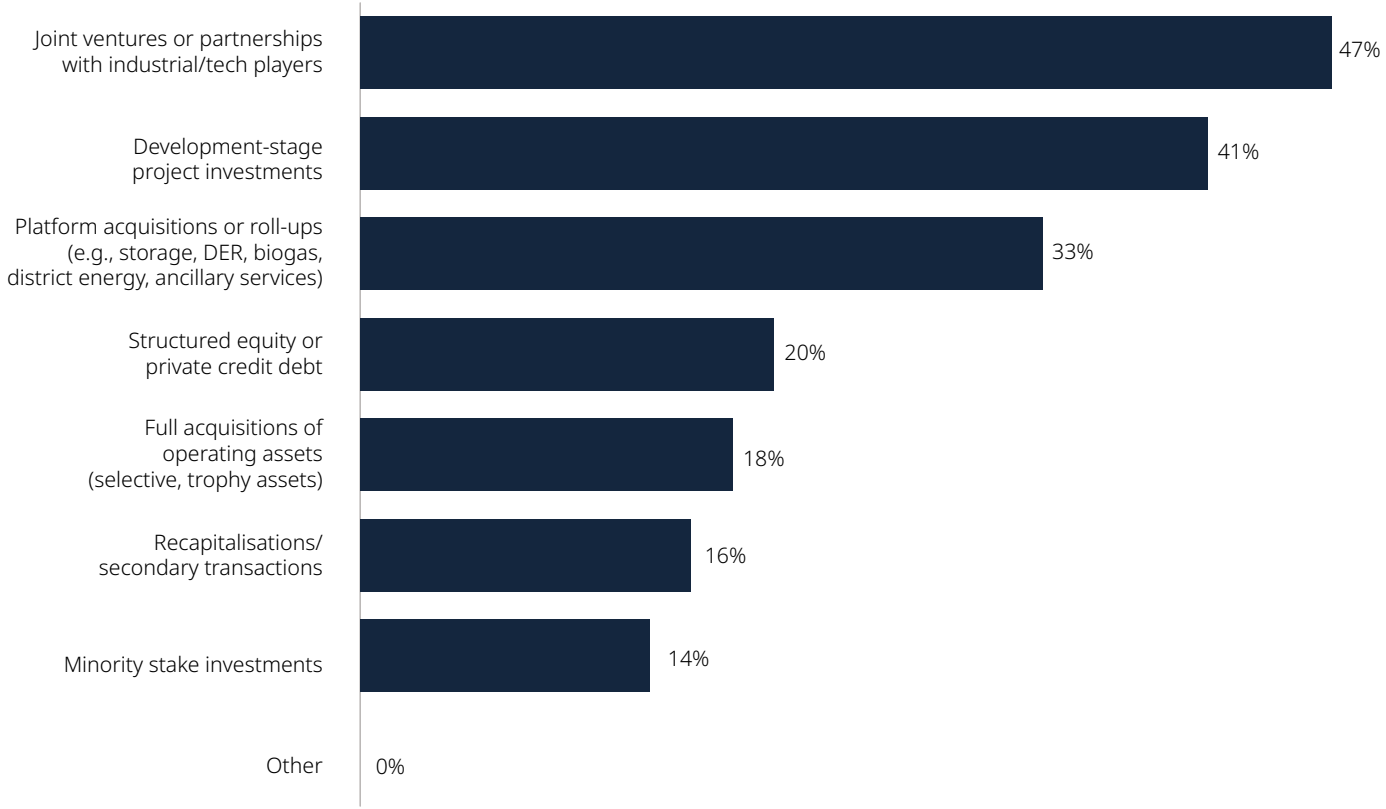


Fig. 24

M&A deal financing

When asked how today's energy and infrastructure deals are being funded, our lawyers pointed clearly to traditional bank debt (80%) as the main financing route. This reflects banks' continued willingness to support projects with stable cash-flow profiles and established risk-allocation structures, which remain common across mature energy-transition assets.

Respondents also highlighted balance-sheet financing by sponsors or corporates (59%), which is often used to secure deals quickly before seeking longer-term refinancing. Private credit and debt funds (41%) and blended finance structures combining public and private capital (41%) are becoming meaningful parts of the funding mix, showing that investors are turning to more flexible capital sources where bank terms alone are not sufficient. Government-backed loans, grants or subsidies (35%) play a supportive role, particularly in markets where policy incentives are designed to accelerate grid, storage or clean-industrial investment.

Public-market financing (4%) remains limited, reflecting that listed structures or bond issuances are still used selectively in this segment.

How are current energy and infrastructure deals primarily being financed?

Multiple answers possible

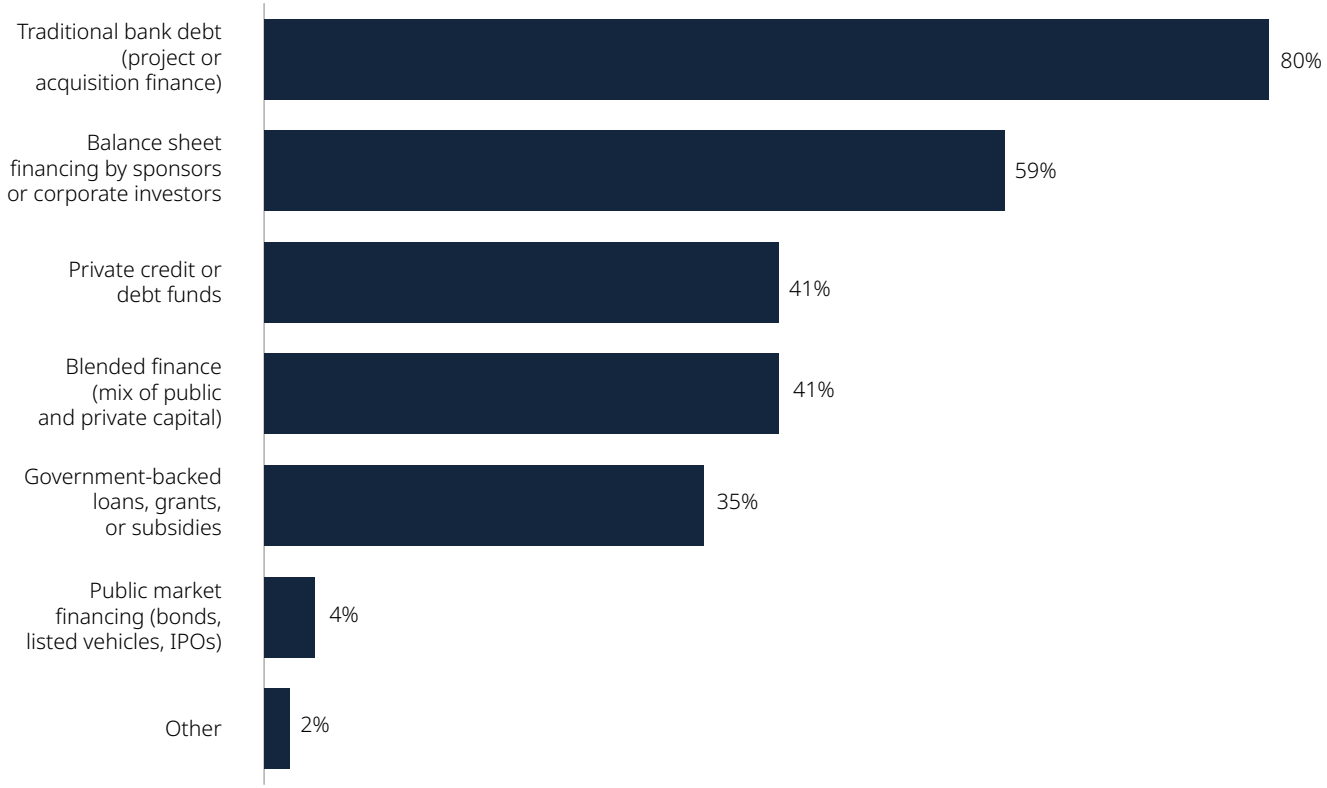


Fig. 25

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