

HORIZONS

BDO'S GLOBAL VIEW OF MID-MARKET DEAL ACTIVITY

MERGERS&ACQUISITIONS

ISSUE 2 | 2025

US TARIFFS UNCERTAINTY IMPACTS THE M&A MARKETS

Sector view

TMT

Real estate

Financial services

Natural resources & energy

CONTENTS

Global view	01
Sector view	04
TMT	05
Real estate	07
Financial services	09
Natural resources & energy	11
Some of our recently completed deals	15

BDO GLOBAL DEAL ADVISORY

1,752 COMPLETED
DEALS IN 2024

2% PRIVATE
EQUITY
4 DEAL
INVOLVEMENT

3% OF OUR
DEALS ARE
2 CROSS
BORDER

**ONE OF THE MOST
ACTIVE ADVISERS GLOBALLY***

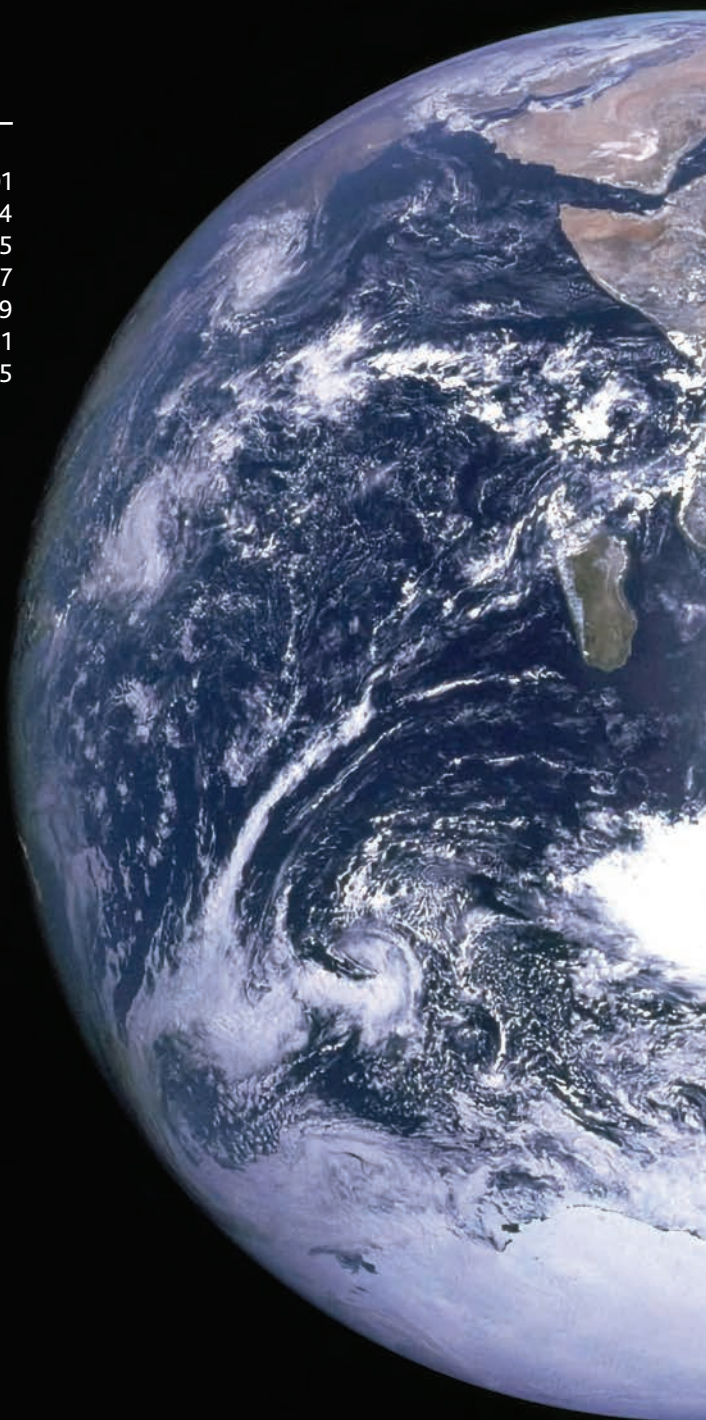
115 COUNTRIES PROVIDING DEDICATED
DEAL ADVISORY SERVICES

2,500 DEAL ADVISORY
PROFESSIONALS

1st Financial Advisor Globally – Factset league tables 2024

1st most active Advisor & Accountant Globally – Pitchbook league tables 2023

2nd leading Financial Due Diligence provider Globally – MergerMarket global accountant rankings 2024



Welcome

WELCOME TO THE SECOND EDITION OF HORIZONS IN 2025, WITH A SECTORS SPECIAL WRITTEN BY OUR BDO M&A PROFESSIONALS AROUND THE WORLD.

Much is being written about the impact of US tariffs on the global trade and it would be remiss not to acknowledge its impact on the M&A market. With new headlines popping out every day, it is not the easiest time to make decisions. Many investors wait and seek clarity before acting. And this has an inevitable effect on the number of M&A transactions completing and going on hold.

The issue of tariffs is being closely watched and analysed by the BDO Public Policy team. Their latest Trade Policy report¹ provides intelligence on major developments, which can be very helpful to the Horizons readers seeking clarity and up to date information.

In this edition of BDO M&A Horizons, we are focusing on Real Estate, TMT, Financial Services and Natural Resources. The overall global data shows a significant decline on deal activity in the last quarter of 2024, a drop of around 25%. The heat chart also shows a reduced number of expected transactions in the next six months. All in all, we continue monitoring the situation whilst we brace and hold to see if M&A activity levels out or starts to recover in the second half of the year.

www.bdohorizons.com

John Stephan & Susana Boo



**JOHN
STEPHAN**

HEAD OF GLOBAL M&A

john.stephan@bdo.co.uk



**SUSANA
BOO**

DIRECTOR, GLOBAL
DEAL ADVISORY

susana.boo@bdo.global

¹ www.bdo.global/en-gb/insights/advisory/corporate-finance/international-trade-policy-developments-q1-2025

Global view

US tariffs uncertainty impacts the M&A markets

2025 started with speculation over the impact of US trade tariffs. At the beginning of April, sweeping change was announced as part of Liberation Day and the stock markets and bond markets in the US and around the world reacted adversely. As we write, we are now in the 90 days pause prompted by market backlash in the US with a 10% universal tariff on all foreign goods. The idea of countries negotiating individual deals in that period sounds challenging and we wait to see what happens next.

The concept of using tariffs to bolster US manufacturing and pave the way for reduced taxes also feels challenging. The uncertainty caused by all of this has inevitably impacted the M&A markets as investors wait to seek more clarity and assess the impact on companies and their earnings and prospects.

Against that backdrop, the global mid-market deal activity fell steeply by over 25% on the final quarter of 2024 and was over 20% down on the corresponding quarter of 2024. As the chart below depicts, that is a significant fall to below 2021 deal levels and almost back to pre-COVID activity levels. When we look at aggregate deal value, the fall is just as steep compared to the prior quarter (nearly 25% down) but not as bad as the corresponding first quarter of 2024 (around 6% down).

Looking at the mix of trade and private equity, trade volume of deals was down a lot more (31% fall) compared to private equity activity (16% fall). The aggregate value of those trade deals fell by 30%, whereas private equity fell by less (8% down). Without private equity investors, the start to the year would have been a lot worse. Private equity activity accounted for 35% of all deals.

The desire to stimulate economies to counter the impact of tariffs may put further downward pressure on Interest rates. That would assist private equity returns and activity levels. There are huge amounts of capital available to invest and we see that as very important for the M&A market.

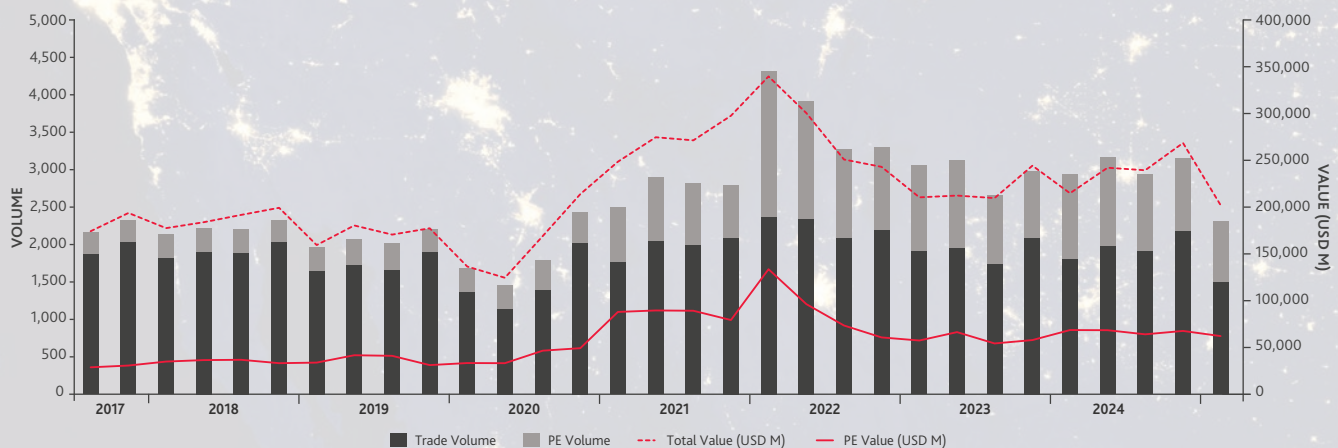
With respect of the pricing of deals, we believe that multiples have compressed but it varies by sector and type of business.

Global capital markets recovered in 2024 and into the first quarter of 2025 in some countries outside of the US before falling sharply in response to tariffs followed by some recovery.

In terms of sectors, deal activity was down in all sectors, with Leisure down 50% closely followed by Business Services and Energy, Mining & Utilities. Consumer, Pharma and TMT recorded the lowest falls.

Looking around the world, deal activity was down in every region, save for the Middle East which was flat. The greatest declines were in China and parts of Asia, Europe and Latin America. Deal activity fell less in North America in the quarter despite the tariffs concerns. The lowest fall in volume was in Japan, where aggregate deal value increased.

Global Mid-Market M&A



Global heat chart by region and sector

	TMT	Industrials & Chemicals	Pharma, Medical & Biotech	Consumer	Business Services	Financial Services	Energy, Mining & Utilities	Leisure	Real Estate	TOTAL	%
North America	639	318	412	213	219	171	86	64	13	2,135	36%
Greater China	129	221	66	39	38	19	34	11	9	566	9%
CEE	51	92	17	49	44	23	28	18	6	328	5%
Southern Europe	95	131	66	103	91	43	36	37	5	607	10%
India	43	37	17	19	27	20	17	7	3	190	3%
Latin/South America	67	39	18	54	49	33	36	7	2	305	5%
Nordic	29	35	29	19	28	4	7	10	4	172	3%
UK/Ireland	74	21	38	55	53	40	19	24	10	334	6%
Australasia	33	23	19	29	24	26	28	18	4	204	3%
DACH	51	139	57	47	37	17	17	11	5	381	6%
Other Asia	33	45	10	20	12	18	6	10	2	156	3%
South East Asia	45	32	12	30	41	51	24	12	9	256	4%
Japan	12	28	13	8	12	9		2	2	86	1%
Middle East		8	1	1	4	4	3			21	0%
Africa		6	2	5	5	8	14	2	2	44	1%
Benelux	19	19	17	27	20	10	7	6	1	126	2%
Israel	21	8	6	6	1	6	1	2	3	54	1%
TOTAL	1,348	1,202	800	724	705	502	363	241	80	5,965	

* Percentage figures are rounded up to the nearest one throughout this publication.

Note: The Intelligence Heat Charts are based on 'companies for sale' tracked by Mergermarket in the respective regions between 1 October 2024 and 31 March 2025. Opportunities are captured according to the dominant geography and sector of the potential target company. Mergermarket's Heat Chart of predicted deal flow is based on the intelligence collected in our database relating to companies rumoured to be for sale, or officially up for sale in the respective regions. It is therefore indicative of areas that are likely to be active in the months to come. The intelligence comes from a range of sources, including press reports, company statements and our own team of journalists gathering proprietary intelligence from M&A across the regions. The data does not differentiate between small and large transactions, nor between deals that could happen in the short or long-term.

The outlook has remained at a lower level than last year

In recent years the number of rumoured transactions has been running in the range of 8,000 to 9,000. That dipped in 2024 to just below 6,000 deals and that level carried on into 2025. North America is main hotspot along with Southern Europe and by sector, Industrials is the hottest sector followed by TMT.

Global themes that are influencing M&A

With the impact of tariffs and the uncertainty it is causing, we expect deal activity into Q2 will decline further before hopefully flattening out in the second half of the year. Both trade and private equity have high levels of cash to invest. We continue to expect the global mega-trends of digitisation and decarbonisation to be key drivers of M&A activity.



JOHN STEPHAN

HEAD OF GLOBAL M&A

john.stephan@bdo.co.uk



Sector view



P05

TMT

Tech M&A activity slows in 1Q25 amid policy uncertainty



P07

Real estate

The evolving landscape of real estate: economic forces and asset class transformation



P09

Financial services

The UK equity release sector



P11

Natural resources & energy

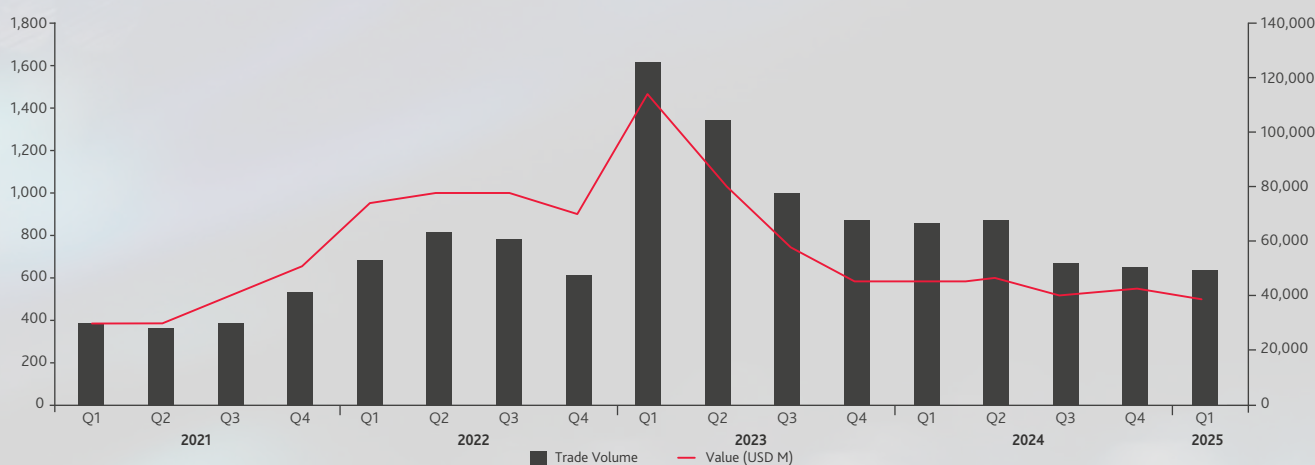
More strategic and regional deals against the global deal softening backdrop

TMT

Tech M&A activity slows in 1Q25 amid policy uncertainty, but AI remains a bright spot

The first quarter of 2025 saw a notable slowdown in U.S. technology M&A activity, as elevated macroeconomic and policy uncertainty — fueled in large part by the Trump administration's rapid-fire executive actions — cast a long shadow over deal-making. According to Mergermarket, global technology M&A deal volumes declined approximately 19% year-over-year, with an aggregate deal value of \$54.0 billion in Q1, up from \$44.9 billion in Q1 2024. The pullback in deal volumes reflects a growing hesitation among corporate boards, private equity sponsors, and lenders to commit capital in an increasingly volatile environment.

Global Mid-Market M&A



Graph and analysis: BDO Global. Data: MergerMarket.

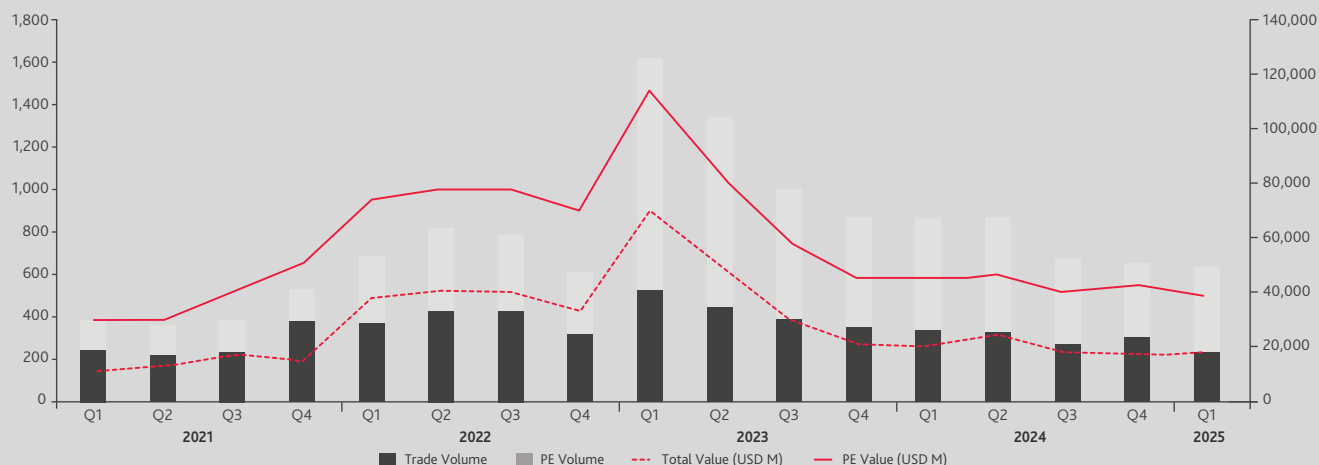
Public market tech valuations have come under pressure in 2025 as rising geopolitical tensions, new tariffs, 'higher for longer' interest rates and regulatory unpredictability weigh on investor sentiment. The Nasdaq Composite is down nearly 15% year-to-date through mid-April, erasing the optimism that carried into the new year. This reset in valuations has rippled into the private markets, where later-stage companies are seeing marked-down valuations particularly those that raised at peak multiples in 2021–2022. According to Capital IQ, median EV/Revenue multiples for SaaS M&A transactions fell to 5.8x in Q1 2025, compared to 7.2x in the same period last year.

Despite the broader slowdown, select types of deals are still getting done. Strategic buyers with strong balance sheets are opportunistically pursuing smaller tuck-in acquisitions that enhance product capabilities or expand into adjacent markets. Financial sponsors, while more selective, continue to pursue add-ons to platform investments where synergies and integration risks are well understood. Recapitalizations and minority growth investments are also more common as founders delay full exits and seek to extend runway amid a slower IPO market.

Financial sponsors continue to struggle against well capitalized strategic buyers

Private equity deal volume in the technology sector declined 25% year-over-year in Q1 2025, while strategic M&A fell just 8%. This underscores the continued strength of well-capitalized corporate buyers in a 'higher for longer' interest rate environment, which disproportionately impacts financial sponsors relying on leverage to fund new platform investments. At the same time, rising concerns over trade wars and recession risks have pushed high-yield credit spreads above 460 basis points as of early April up from under 300bps at the start of the year — further increasing borrowing costs and putting pressure on valuations.

Global Mid-Market M&A



Graph and analysis: BDO Global. Data: MergerMarket.

AI, cybersecurity & other secular growth subsectors continue to shine

Certain sub-sectors within tech have proven more resilient. Cybersecurity continues to draw interest given its mission-critical nature, with deal volume relatively flat year-over-year despite the broader downturn. Infrastructure software — particularly cloud management and DevOps tools — has also seen sustained activity as enterprises prioritize efficiency and digital resiliency.

The brightest spot, unsurprisingly, is artificial intelligence. AI deal activity continues to outpace the broader market, driven by both strategic buyers eager to future-proof their tech stacks and investors chasing long-term secular growth.

According to FactSet, over \$12 billion in AI-related M&A was announced in Q1 2025, representing nearly 23% of total tech deal value. Notable transactions include multiple corporate acquisitions of generative AI startups and continued venture-to-strategic exits across the AI infrastructure stack.

A marquee deal announced in Q1 2025 that underscores the strength of cybersecurity and IA in tech M&A was Google's all-cash acquisition of Wiz, a leading cloud security platform, for \$32 billion. As noted in Alphabet's press release, 'Both cybersecurity and cloud computing are rapidly growing industries with a vast range of solutions. The increased role of AI, and adoption of cloud services, have dramatically changed the security landscape for customers, making cybersecurity increasingly important in defending against emergent risks and protecting national security.'

Outlook for remainder of 2025 challenged due to elevated policy & economic uncertainty

Looking ahead, the M&A outlook for the remainder of 2025 remains clouded by policy unpredictability. The Trump administration has introduced a record number of executive orders in its first 100 days, some promoting pro-growth deregulation, but others — including volatile trade and antitrust signals —

have created substantial uncertainty. As a result, many dealmakers remain on the sidelines, waiting for clarity that may not arrive for some time.

For now, discipline, selectivity, and a focus on sectors with clear secular growth tailwinds — such as AI and cybersecurity — are guiding M&A strategy. In this environment, certainty is scarce, and conviction is everything.



**PATRICK
BISCEGLIA**

MANAGING DIRECTOR

pbisceglia@bdocap.com

Real estate

The evolving landscape of real estate: economic forces and asset class transformations

The global real estate market is currently navigating a period of significant flux, profoundly shaped by the intricate interplay of macroeconomic factors such as tariffs, the trajectory of interest rates, prevailing market uncertainty, and notable shifts in fiscal policy across major economies. These forces are exerting considerable influence on the valuation and future prospects of core real estate asset classes, including office, multifamily, retail, industrial, and hotels, necessitating a comprehensive understanding for investors, developers, and policymakers alike.

Navigating the macroeconomic currents: inflationary pressures and the interest rate response

The recent widespread implementation of tariffs, exceeding initial expectations, has emerged as a key driver of inflationary pressures within the real estate sector. By increasing the cost of imported goods, particularly essential construction materials, tariffs are directly elevating the expenses associated with new development. This rise in replacement costs can, paradoxically, provide a degree of support to existing property values and potentially lead to higher rental rates across various asset classes as landlords seek to offset increased operational and maintenance expenses. However, this inflationary effect is occurring against a backdrop of anticipated monetary policy tightening. Central banks globally are signaling a move towards higher interest rates to combat rising inflation, a conventional response that will inevitably increase the cost of debt financing, dampen the appetite for real estate investment, and exert downward pressure on asset valuations through the expansion of capitalization rates. The substantial fiscal stimulus and increased government borrowing observed in key economies, such as Germany's strategic investments in infrastructure and defense, add another layer of complexity, potentially exacerbating inflationary trends and influencing the future path of interest rates.

Furthermore, long-term demographic shifts in the Western world, characterized by declining birth rates and a rise in protectionist sentiments, pose a structural headwind for real estate demand. These trends have the potential to erode long-term GDP growth and alter population pyramids, ultimately impacting the fundamental demand drivers across various property sectors.

Asset class specific challenges and opportunities:

• Office Sector Under Pressure:

The office market faces a significant recalibration driven by the widespread adoption of flexible work models and heightened economic uncertainty. The dramatic surge in vacancy rates, particularly in the United States, underscores a fundamental shift in demand dynamics. While return-to-office mandates are gaining traction in some areas, the long-term impact on overall space requirements remains a critical concern. Escalating construction costs, fueled by tariffs, are making new office developments increasingly challenging to justify economically. Moreover, the potential for rising interest rates amplifies the pressure on this highly leveraged asset class, increasing borrowing costs and potentially triggering refinancing challenges, particularly given the looming debt maturities. Adaptive reuse strategies, while offering a potential avenue for value preservation, are often

capital-intensive and their viability is being tested by rising inflation and the higher cost of debt. The European office market mirrors many of these challenges, with remote work significantly impacting demand and necessitating a re-evaluation of office space utilization and tenant expectations.

• Multifamily resilience tested by affordability:

The multifamily sector has demonstrated considerable resilience, underpinned by fundamental demographic trends and persistent housing affordability constraints. However, the sector's performance is increasingly market-specific, with some previously high-growth areas experiencing a correction. The rising cost of construction materials, exacerbated by tariffs, is a significant impediment to increasing supply, particularly in the affordable housing segment. This supply constraint, coupled with affordability challenges driven by stagnant wage growth relative to inflation and rising interest rates, is expected to lead to a 'flight to quality' in tenant demand. Investors face the delicate balance of strong rental demand constrained by tenants' ability to pay, increasing the risk of collection losses in more affordable properties. Technological advancements in property management and data analytics are becoming increasingly crucial for optimizing operations and navigating these economic pressures.

- **Retail transformation amidst economic uncertainty:** The retail sector continues its transformative journey, navigating the dual pressures of tariff-induced cost increases for goods and construction, and a potential softening of consumer spending due to inflationary pressures. This dynamic is accelerating the need for strategic adaptations among retailers, leading to further store closures, particularly among underperforming formats. Essential goods retailers, however, tend to exhibit greater resilience during inflationary periods. The fragile economic recovery in Europe, coupled with the looming threat of trade disputes, adds a layer of uncertainty to the sector's outlook. While some segments, such as retail warehouses and prime high street locations, show signs of stabilization, a broad recovery in yields across the retail landscape is expected to be a protracted process.
- **Industrial sector faces moderating growth:** The industrial sector, a beneficiary of e-commerce growth and supply chain optimization, now faces a period of moderating growth following the exceptional demand surge during the pandemic. Tariffs have the potential to increase operational costs for logistics and distribution centers, which could translate to higher rents. However, a broader economic slowdown would likely dampen overall demand. Rising interest rates present a headwind for investment in this sector. The European logistics market anticipates a more sustainable pace of rental growth, with regional opportunities emerging in Central and Eastern Europe due to reshoring trends and in Southern Europe due to data center development.

- **Hotel sector recovery remains fragile:** The hotel sector's recovery from the pandemic remains susceptible to economic headwinds. Tariffs could increase operational costs, potentially leading to higher room rates. However, discretionary spending on travel is likely to be among the first casualties of rising unemployment and inflation. Geopolitical factors impacting international travel patterns further add to the sector's vulnerability. Hotels catering to domestic demand are expected to fare relatively better. Rising interest rates also pose a challenge for investment in this capital-intensive asset class.

The ascending role of institutional investors in housing

The increasing presence of institutional investors in European housing markets introduces a significant new dynamic. Their growing activity, particularly in major urban centers, has implications for house price inflation and the transmission of monetary policy. Bulk acquisitions by these investors can exert upward pressure on prices and potentially decouple housing costs from local wage levels, impacting affordability for local residents, especially first-time buyers. Furthermore, institutional investors appear to exhibit a heightened sensitivity to monetary policy changes, potentially amplifying the effects of interest rate adjustments on the housing market. While providing liquidity and stability, the inherent mismatch between the liquid liabilities and illiquid assets of some investment funds creates potential systemic risks that warrant careful consideration by regulators.

Adapting to a shifting economic paradigm

The global real estate market is navigating a period of significant transformation driven by a complex interplay of economic forces. Tariffs, interest rate adjustments, market uncertainty, and evolving fiscal policies are reshaping the risk-reward calculus across all asset classes. The increasing influence of institutional investors in housing adds another layer of complexity, particularly in European markets. For stakeholders across the real estate spectrum, a deep and nuanced understanding of these interconnected dynamics is paramount. Strategic adaptation, informed by robust data analysis and a careful assessment of both opportunities and emerging risks, will be crucial for navigating this evolving economic paradigm and ensuring long-term success and stability in the real estate sector. Policymakers, in particular, must address the potential implications of institutional investment in housing to maintain market stability and ensure affordability.

WRITTEN BY



**ALEXANDRE
AMPER**

GLOBAL REAL ESTATE VALUATION
AND TRANSACTION LEADER

alexandre.amper@bdo.ch



**GUILLAUME
SAVREUX**

SENIOR MANAGER - BDO USA
REAL ESTATE VALUATION

gsavreux@bdo.com

Financial services

The UK Equity Release Sector

WRITTEN BY



**DUNCAN
CHANDLER**

HEAD OF FINANCIAL
SERVICES, M&A



**BEN
HURRELL**

VICE PRESIDENT, M&A
AND CAPITAL MARKETS



**KRISTIN
LOUBSER**

BDO FINANCIAL
SERVICES, M&A

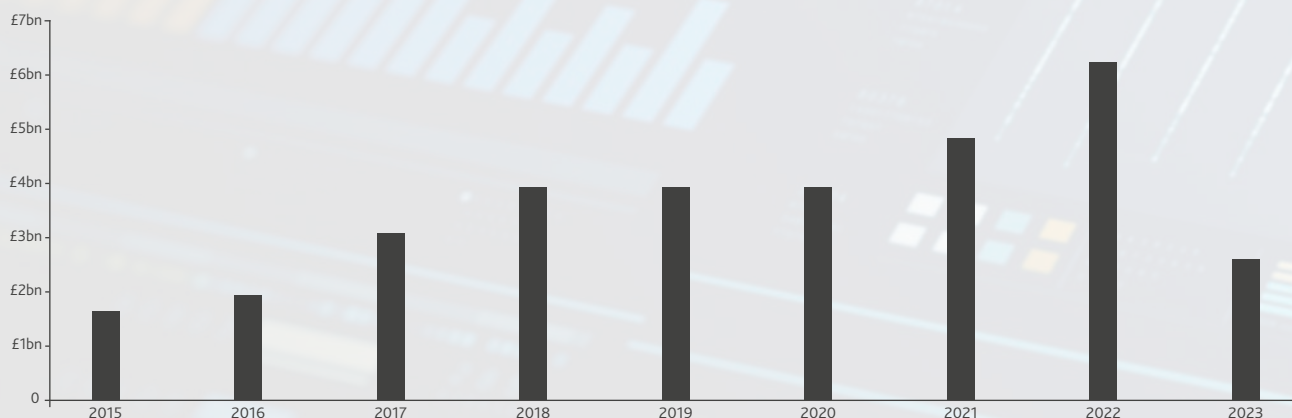
A key product for older home-owners

Equity release is an FCA-regulated industry enabling existing homeowners over the age of 55 to extract cash proceeds secured against equity from their primary residence, in the form of a lump sum or through a series of payments drawn down over time ('draw down'). Primary consumer objectives typically include providing additional income in retirement, facilitating one-off expenditure, lifestyle purchases or experiences, or meeting later life care costs. There are multiple benefits to the product; these include cash released being tax-free, certainty of fixed interest rates and, increasingly, enhanced flexibility of the drawdown proposition. In this way, equity release allowed over 26,000 customers to take out new plans in 2023 and safely draw down substantial amounts of their housing wealth¹.

Market growth has been impressive over the past two decades

Secondly only to the US in size, the UK equity release sector has seen significant growth over the last decade, growing at a rate of c. 20% p.a. between 2012 to 2022, reaching record high levels of £6.2bn of lending in 2022². A combination of funding flexibility, product sophistication and heightened consumer awareness have been key contributing factors to the success over the last decade. Increased life expectancy, the cost-of-living crisis and a reduction in DB pension schemes have also driven customer demand. The wealth management market is now also seeing equity release as a key product, with financial advisers considering it as a key tool in supporting intergenerational wealth planning in a market where the average house price to salary ratio has notoriously doubled to 9x in the past few decades³.

Equity Release UK Lending Market (annual volumes)



Portfolio M&A is complex

One form of market activity is the sale of portfolios, although equity release portfolios present valuation challenges above and beyond traditional mortgage portfolios. A key difficulty is that equity release mortgage valuations are usually option clauses present or so-called No Negative Equity Guarantees ('NNEG') to ensure that the outstanding mortgages cannot be worth more than the future house price. This optionality needs including in the valuation approach and accordingly requires an understanding of house price volatility.

Additionally, the valuation of equity release portfolios is often further complicated by associated hedging strategies which generally involve complex derivative structures. Valuation approaches are not standard and require various techniques for determining future house prices, expectations on mortality rates and the associated optionality. These include simulation and indexation, but both are inherently judgemental and sensitive to inputs. The related hedging instruments, which serve to mitigate the interest rate risk present in long dated exposures, also need to be constructed from features and assumptions inherent in the underlying portfolio adding to the overall valuation conundrum. This overall complexity is a break on portfolio-related M&A activity, but not a dampener. For legacy portfolios achieving the required yield is a challenge with the current interest rate environment.



Corporate M&A is currently quiet, but will rebound

At BDO, we have been close to the sector's M&A activity over the past few years, acting on the landmark deal on the full take-out of the Responsible Group, a leading UK equity release provider, by Royal London (an earlier transaction in 2021 had seen a minority stake purchased, with this now accelerated to a full sale). The Responsible Group consists of Responsible Life (the adviser and broker) and Responsible Lending (the correspondent lender), providing a full service offering of equity release, and the transaction emphasises the confidence in equity release as a product for the mass affluent as well as wealth planners for Royal London. The broker/lender model works well for the two leading independents, notably Key Retirement (acquired by private equity house Partners Group from Phoenix in 2017, and Age Partnership (long mooted for a sale or listing).



Ultimately, the sector will win through

We remain convinced of the sector's resilience and ultimate value in helping Britain plc resolve its crises around demographic shifts, housing and pensions – after all there is considered to be in the over-55 cohort alone some £3.4tn⁴ of property wealth. Growing consumer confidence, with continued expected interest rate reductions, and product innovation, should assist equity release to resume the strong trajectory of the last decade and be a long-term game changer for the UK.

^{1,2} Equity Release Council (ERC)

³ Schroders

⁴ ERC

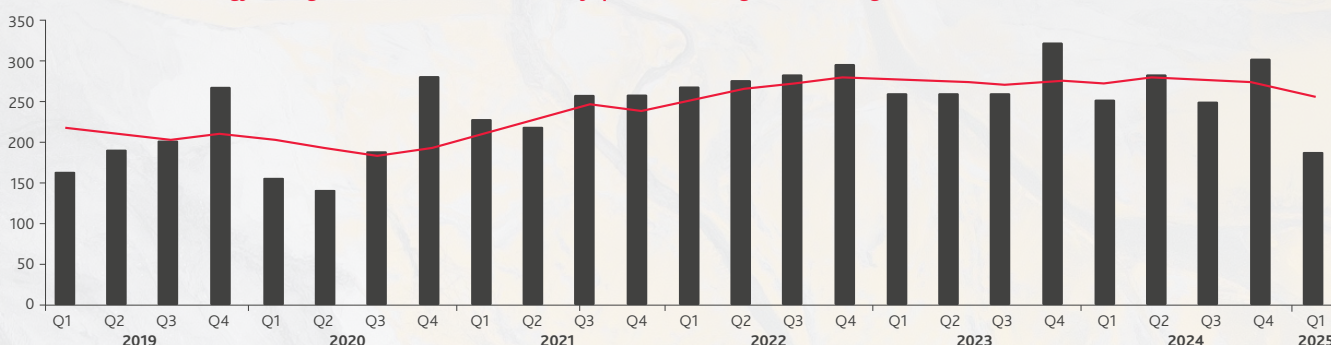


Natural resources and energy

More strategic and regional deals against the global deal softening backdrop

Mid-market Energy, Mining & Utilities (EM&U) M&A activity in Q1 2025 showed moderate activity, with a total of 190 transactions recorded globally. While this is below the seven-year high achieved in late 2023, the four-quarter rolling average remains robust, underscoring continued appetite in the space despite macroeconomic headwinds.

Global mid-market Energy Mining & Utilities # of M&A Deals by quarter vs rolling annual average



Graph analysis: BDO Global. Data: Merger Market

Macro factors impacting on the trend:

Mid-market EM&U M&A remains steady despite broader market pressures, with buyers favouring strategic, smaller-scale deals like bolt-ons and regional plays. This segment continues to signal broader industry shifts, even as global deal volumes soften.

Key factors shaping mid-market activity include:

- **Sustained energy transition investment:** Over US\$1.8 trillion was invested globally in the energy transition in 2024 (BloombergNEF), with battery storage and power grids leading. Mid-market platforms with strong operations and revenues are key beneficiaries of this.
- **Commodity price resilience:** Stable or rising prices for key commodities like uranium (15-year high) and copper are supporting brownfield deal interest and helping to anchor asset valuations. Copper pricing also remains buoyed by long-term electrification trends. These price trends are influencing deal valuations and triggering renewed interest in less risky brownfield assets.

Macro factors which may make companies hesitant about M&A activity:

- **Uncertainty of Trump policies:** Rising odds of what the new US administration brings has added uncertainty to climate policy and trade. Potential impacts include slower U.S. renewables growth, supply chain volatility, and a resurgence in fossil fuel-linked deal flow.
- **Geopolitical Risk:** Conflicts and China tensions are shifting M&A focus to OECD markets. China's control of over 85% of global rare earth processing has triggered moves to localise supply chains, influencing specialty metals dealmaking.

Outlook: Overall, while sentiment is more cautious compared to the peak in late 2023, the mid-market continues to exhibit disciplined momentum. Buyers are selective, but competition remains high for quality assets, particularly those that fit directly within energy transition themes or offer predictable near-term cash flows.

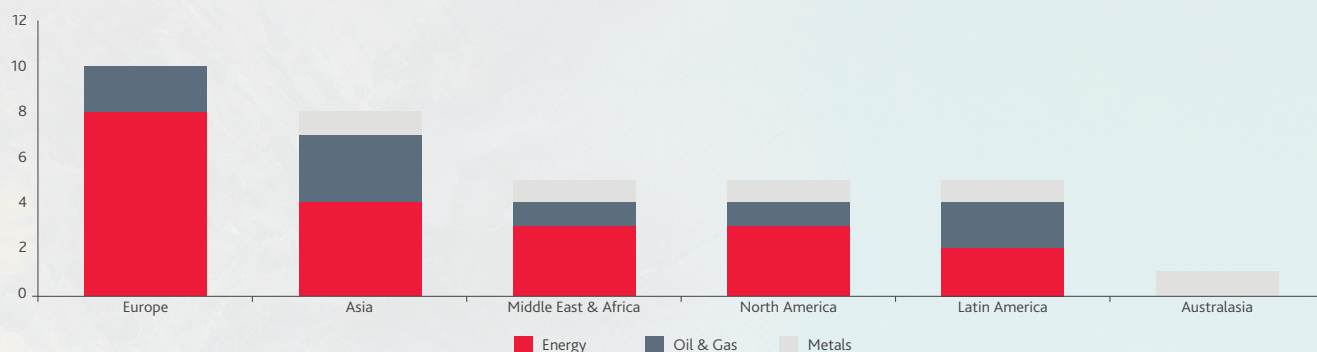
Key regions and sectors

EM&U deals were prominent in the global mid-market with 4 out of the top 10 deals by dollar value and 12% of total deal value. The following regions had a relatively high number of EM&U deals:

- **Latin/South America** – 4 of the top 20 deals representing 26% of the total value;
- **North America** – 5 of the top 20 deals representing 25% of the total value; and
- **Africa** – 1 of the 13 deals representing 25% of the total value.

The table on the next page shows a higher proportion of energy and energy transition deals (21 of 35 total), however, there is still interest in traditional energy sources such as Oil & Gas (9 deals).

Mid-Market Deals Q1 2025 - Number of Deals - Energy, Mining & Utilities



Graph analysis: BDO Global. Data: Merger Market

Renewables & Energy Transition

- Renewables continue to dominate EM&U mid-market activity with 21 of 35 recorded deals globally.
- Institutional and infrastructure investors are targeting grid-related and battery storage platforms.
- A standout deal in Q1 was Drax Group's pending acquisition of Harmony Energy Income Trust (US\$259m), highlighting investor appetite for scale battery infrastructure.
- Other European energy storage and decarbonisation platforms also attracted capital, particularly in the Netherlands and UK.
- Operational platforms with recurring cash flows and supportive policy backdrops remain highly sought after.

Global Insight: Energy transition investment remains a top priority across developed and emerging markets, driven by decarbonisation policies, grid reliability needs, and institutional capital deployment. While Europe continues to lead in battery and grid infrastructure, Asia and Latin America are gaining traction as attractive growth markets.

Oil & Gas

- Oil & gas remains resilient in the mid-market, with 9 deals in Q1 across Europe, North America, and Latin America.
- Buyers are pursuing producing assets, divestments from majors, and infrastructure plays aligned with transition gas.
- In the UK, Ithaca Energy acquired JAPEX UK E&P Ltd (US\$193m), continuing North Sea rationalisation.
- In Germany, NGK Insulators (Japan) acquired Deutsche KNM GmbH (US\$282m), expanding into European engineering and services.
- Traditional energy continues to attract private capital and strategic buyers focused on near-term returns and production security.

Global Insight: Traditional energy continues to play a central role in global energy security. Mid-market deal flow reflects ongoing asset reshuffling by majors, with independents and private capital stepping into strategic production and infrastructure positions. Demand remains steady across North America, Europe, and selected parts of Asia.

Metals, Coal & Other deals

- Metals accounted for five mid-market deals, with no activity recorded in coal or other EM&U segments.
- Transactions focused on critical minerals like lithium, cobalt, and nickel, especially in Australia and South America.
- Select mining deals reflected a pivot toward battery supply chain security and near-term production.
- A notable transaction in the Netherlands saw Yeager Energy BV acquired by Pioneer Point Partners (US\$104m), reflecting interest in subsurface energy storage and geothermal potential.
- Investor interest in uranium is rising, with price momentum supporting M&A exploration in nuclear-adjacent assets.
- Overall, buyers are selective, favouring permitted, near-production assets over riskier greenfield exploration.

Global Insight: Global decarbonisation efforts are refocusing attention on critical minerals, rare earths, and uranium. While overall mining M&A volumes are subdued, mid-market deals remain active in jurisdictions offering resource stability and export reliability. Strategic buyers are increasingly prioritising vertical integration and jurisdictional diversity in the battery mineral supply chain.

Outlook

The outlook for mid-market Energy, Mining & Utilities M&A remains cautiously optimistic despite a slower start to 2025. While Q1 deal volumes declined, the underlying drivers of mid-market activity remain intact — including energy transition investment, strategic asset repositioning, and increased capital targeting smaller, scalable platforms.

Looking ahead, mid-tier players are expected to remain active in consolidating renewable infrastructure, securing critical minerals, and acquiring mature oil and gas assets, particularly as larger firms divest non-core operations. The latest Merger Market Heat Chart suggests that Africa, the Middle East, and Australasia will play a disproportionately important role in mid-market EM&U activity, reflecting investor shifts toward energy security and diversified supply chains.

Despite geopolitical and policy uncertainty we anticipate continued momentum in mid-market deal flow, driven by buyers seeking operational resilience, regional exposure, and alignment with long-term structural themes such as decarbonisation and electrification.

Six months from 1 October 2024 to 31 March 2025

REGION (OF TARGET COMPANY)	ANTICIPATED LEVEL OF M&A ACTIVITY	AS A % OF TOTAL M&A ACTIVITY FOR REGION
North America	86	4.0%
Latin/South America	36	11.8%
CEE	28	8.5%
Greater China	34	6.0%
Australasia	28	13.7%
Southern Europe	36	5.9%
South East Asia	24	9.4%
UK/Ireland	19	5.7%
Africa	14	31.8%
India	17	8.9%
Nordic	7	4.1%
DACH	17	4.5%
Other Asia	6	3.8%
Benelux	7	5.6%
Israel	1	1.9%
Middle East	3	14.3%
Japan	0	0.0%
TOTAL	363	6.1%



**SHERIF
ANDRAWES**

GLOBAL NATURAL
RESOURCES &
ENERGY LEADER

sherif.andrawes@bdo.com.au



**LEO
MALAN**

SENIOR MANAGER

leo.malan@bdo.com.au



Some of our recently completed deals

HOOGLANDER DIENSTVERLENING

BrandMR Group, a Dutch legal services provider, is acquiring the Dutch law firm Hooglander.

FEBRUARY 2025
NETHERLANDS

GZ PAUL PARTNERS B.V; HANNS-DIRK BRINKMANN

BDO advised the shareholders of Software4You on the sale to Timegrip Group (Main Capital Partners).

FEBRUARY 2025
GERMANY

SULMU OY

BDO acted as the lead advisor to Sulmu Oy in the company's sale to Momentum Group AB.

MARCH 2025
FINLAND



BDO Deal Advisory has acted as exclusive financial adviser to the shareholders of Gladsaxe Klip & Buk A/S in connection with the sale to Metal Holding, which is owned by the Danish family office, NavisionGroup.

MARCH 2025
DENMARK



The BDO Deal Advisory team acted as the lead advisor to the shareholders of OTP Holding AG in the sale to the Alixio Group.

MARCH 2025
SWITZERLAND

denovo

BDO M&A advised on the sale of Denovo Business Intelligence to LEAP Legal Software.

APRIL 2025
UNITED KINGDOM



Acquisition by WMH of the events' agency Win-Win.

NOVEMBER 2024
FRANCE

BYRNE WALLACE LLP

BDO provided financial and tax due diligence services to Byrne Wallace LLP on their merger with LK Shields.

DECEMBER 2024
IRELAND



Afatek A/S has been acquired (70 percent) by Scanmetals A/S, backed by Kirk Kapital and Core Sustainability Capital. BDO Deal Advisory acted as exclusive financial adviser (M&A) to Afatek A/S.

DECEMBER 2024
DENMARK

humac

C&C, Europe's largest Apple Premium Partner, has reached a new milestone by expanding into the Danish market through the acquisition of Humac A/S.

DECEMBER 2024
DENMARK

TECHCOM TECHNOLOGY PTE LTD

Sale of 60% equity stake in Techcom Technology Pte Ltd ("Techcom" or the "Client") and its wholly-owned subsidiary, Techcom Technology Sdn Bhd, to TYK Capital Sdn Bhd.

DECEMBER 2024
SINGAPORE

AZAÉ BELGIUM

BDO assisted the seller (sell side advisor and legal assistance).

DECEMBER 2024
BELGIUM



Lead sell-side M&A advisory services in relation to the sale of Phoenix Drilling Services Pty Ltd to Central Queensland Exploration Pty Ltd.

OCTOBER 2024
AUSTRALIA



BDO Deal Advisory acted as lead advisor to the owners of Aventi Group AS in the sale to Söderbergföretagen AB.

NOVEMBER 2024
NORWAY

£15.00M

RATIO ENERGIES LTD PARTNERSHIP

Ratio Energies Ltd Partnership ("Ratio Energies"), which holds 20% of Ratio's participation units, made an offer to acquire the remaining 80% stake in Ratio.

NOVEMBER 2024
ISRAEL

ORGADATA SOFTWARE-DIENSTLEISTUNGEN AG, BERND HILLBRANDS HOLDING GMBH, KARSTEN TIEMEYER HOLDING GMBH

Sell-side assistance on the sale of ORGADATA Software-Dienstleistungen AG.

NOVEMBER 2024
GERMANY



BDO Deal Advisory acted as lead advisor to the owners of Merster Blikk og Tak AS in the sale to Servicealliansen AS.

NOVEMBER 2024
NORWAY

£75.60M

SPFU

Exclusive sell side advisor to SPFU on 100% UMCC Titanium sale.

NOVEMBER 2024
UKRAINE

UFENAU

BDO acted as financial advisor to Carrillo Asesores (Ufenau Capital Partners AG) in the acquisition of 100% share capital of Sagardoy Abogados SLP.

DECEMBER 2024
SPAIN

MEA ENERGIEAGENTUR MECKLENBURG-VORPOMMERN GMBH

M&A lead advisor to mea Energieagentur Mecklenburg-Vorpommern GmbH in the sale of Solarpark Pinnow GmbH & Co. KG.

DECEMBER 2024
GERMANY

CANARA BANK

Divestment of Canara Bank Tanzania limited.

DECEMBER 2024
INDIA

€10.91M JUGOSLOVENSKO REČNO BRODARSTVO A.D.

BDO in Serbia advised in privatization of JRB.

DECEMBER 2024
SERBIA

CB MEDICAL

BDO acted as the exclusive financial advisor to CB Medical, assisting the shareholders throughout the entire sales process.

DECEMBER 2024
CANADA



Lead advisor and sell-side support for the sale of Viva Gartenbau AG to Green Landscaping Group AB.

NOVEMBER 2024
SWITZERLAND

FOR MORE INFORMATION:

SUSANA BOO

susana.booo@bdo.global

Data compiled by Acuris.

We focus on the middle market, defined as deals with a value from \$5m to \$500m in US Dollars.

BDO International Limited is a UK company limited by guarantee. It is the governing entity of the international BDO network of independent member firms ('the BDO network'). Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium with its statutory seat in Brussels.

Each of BDO International Limited, Brussels Worldwide Services BVBA and the member firms of the BDO network is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the member firms of the BDO network.

BDO is the brand name for the BDO network and for each of the BDO member firms.

© Brussels Worldwide Services BVBA, 2025

www.bdo.global