

EVALUESERVE



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**Corporate and Investment Banking Practice
M&A Briefing – Oil & Gas
Insights and Outlook**

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Oil & Gas

[Oil & Gas industry M&A deals total \\$9.4 billion globally in June 2022](#)

Total Oil & gas industry M&A deals worth \$9.4bn were announced globally in June 2022, led by Targa Resources' \$3.55bn acquisition of Lucid Energy Group. The value marked an increase of 54.01% over the previous month of \$6.11bn and a drop of 24.2% when compared with the last 12-month average, which stood at \$12.41bn. Comparing M&A deals value in different regions of the globe, North America held the top position, with total announced deals in the period worth \$7.68bn. At the country level, the US topped the list in terms of deal value at \$6.16bn. In terms of volumes, North America emerged as the top region for Oil & gas industry M&A deals globally, followed by Asia-Pacific and then Europe. The top country in terms of M&A deals activity in June 2022 was the US with 26 deals, followed by the China with 11 and Canada with six. In 2022, as of June, Oil & gas M&A deals worth \$43.39bn were announced globally, marking an increase of 41.6% year on year.

Source: Offshore Technology, 31-July-2022

[What does energy investment look like in 2022?](#)

Despite sky-high fuel prices providing historic profits for suppliers – the IEA expects net revenue for the world's oil and gas producers to double to an unprecedented \$4tn – “investment in oil, gas, coal, and low-carbon fuel supply is the only area that, in aggregate, remains below the levels seen prior to the pandemic in 2019”. Almost half of the additional \$200bn in capital investment planned in 2022 is projected to be consumed by higher costs rather than adding energy supply capacity or savings. Prices are increasing as a result of diverse supply chain challenges, tight labour and service markets, and the influence of higher energy prices on vital construction commodities such as steel and cement. High prices are driving some countries to increase their investment in fossil fuels to secure and diversify their supply sources.

Source: Offshore Technology, 28-July-2022

[Big Oil set to open cash taps with another record quarter](#)

Top Western energy companies are expected to unleash billions in returns to shareholders when they announce what is set to be a second-straight quarter of record-breaking profits, lifted by stellar refining margins and high oil and gas prices. A rapid recovery in demand following the end of pandemic lockdowns and a surge in energy prices, driven by Russia's invasion of Ukraine, have boosted profits for companies such as Exxon Mobil (XOM.N) and Shell (SHEL.L) after a two-year slump.

Source: Reuters, 21-July-2022

[Oil & Gas industry M&A deals total \\$6.1 billion globally in May 2022](#)

Total Oil & gas industry M&A deals worth \$6.1bn were announced globally in May 2022, led by Petronas Chemicals Group's \$2.39bn acquisition of Perstorp Holding. The value marked an increase of 55.2% over the previous month of \$3.93bn and a drop of 51.5% when compared with the last 12-month average, which stood at \$12.57bn. Comparing M&A deals value in different regions of the globe, Europe held the top position, with total announced deals in the period worth \$2.78bn. At the country level, the Sweden topped the list in terms of deal value at \$2.39bn. In terms of volumes, North America emerged as the top region for Oil & gas industry M&A deals globally, followed by Europe and then Asia-Pacific. The top country in terms of M&A deals activity in May 2022 was the US with 24 deals, followed by the UK with seven and Canada with six. In 2022, as of May, Oil & gas M&A deals worth \$33.87bn were announced globally, marking an increase of 44.4% year on year.

Source: Offshore Technology, 23-June-2022

[Oil & Gas industry M&A deals total \\$3.9 billion globally in April 2022](#)

Total Oil & gas industry M&A deals worth \$3.9bn were announced globally in April 2022, led by Ithaca Energy's \$1.46bn acquisition of Siccar Point Energy. The value marked a decrease of 56.9% over the previous month of \$9.12bn and a drop of 69.6% when compared with the last 12-month average, which stood at \$12.91bn. Comparing M&A deals value in different regions of the globe, North America held the top position, with total announced deals in the period worth \$1.62bn. At the country level, the US topped the list in terms of deal value at \$1.55bn. In terms of volumes, North America emerged as the top region for Oil & gas industry M&A deals globally, followed by Asia-Pacific and then Europe. The top country in terms of M&A deals activity in April 2022 was the US with 12 deals, followed by the UK with four and China with three. In 2022, as of April, Oil & gas M&A deals worth \$27.03bn were announced globally, marking an increase of 46.5% year on year.

Source: Offshore Technology, 23-May-2022

Oil & Gas industry M&A deals total \$9.0 billion globally in March 2022

Total oil & gas industry M&A deals worth \$9 billion were announced globally in March 2022, led by British Columbia Investment Management and Macquarie Asset Management Holding's \$5.53 billion acquisition of National Grid Gas. The value marked an increase of 114% over the previous month of \$4.22 billion and a drop of 26.8% when compared with the last 12-month average, which stood at \$12.34 billion. Comparing M&A deals value in different regions of the globe, Europe held the top position, with total announced deals in the period worth \$6.56 billion. At the country level, the UK topped the list in terms of deal value at \$5.75 billion. In terms of volumes, North America emerged as the top region for oil & gas industry M&A deals globally, followed by Europe and then Asia-Pacific. The top country in terms of M&A deals activity in March 2022 was the US with 21 deals, followed by the Canada with nine and the UK with five. In 2022, as of March, oil & gas M&A deals worth \$23 billion were announced globally, marking an increase of 43.8% year on year.

Source: Offshore Technology, 21-Apr-2022



Bank of Montreal aims to cut emissions from energy loans in net-zero push

Bank of Montreal laid out a plan to sharply reduce emissions connected to loans to the energy and power generation sectors by 2030 as its aims for a longer term goal of being net zero. Canada's fourth largest bank said its new target is a 33.0% cut in scope 1 and 2 emissions from oil and gas borrowers, which refers to the emissions produced by the companies themselves and their suppliers. The reduction is compared to 2019 levels. The Toronto based bank is also aiming for 24.0% cut by 2030 in scope 3 emissions, those produced from the burning of the fuels that oil and gas companies produce. That implies consumers will reduce their use of fossil fuels over time. Bank of Montreal said it plans cut the carbon intensity of financed emissions from power generators by 45.0%. By 2035, new loans on new personal vehicles in Canada will be restricted to zero emission cars and trucks.

Source: Bloomberg, 7-Mar-2022

Oil & Gas industry M&A deals totalled \$9.4 billion globally in January 2022

Total oil & gas industry M&A deals worth \$9.4 billion were announced globally in January 2022, led by Enterprise Products Partners' \$3.3 billion acquisition of Navitas Midstream Partners. The value marked an increase of 67.1% over the previous month of \$5.6 billion and a drop of 32.2% when compared with the last 12-month average, which stood at \$13.8 billion. Comparing M&A deals value in different regions of the globe, North America held the top position, with total announced deals in the period worth \$7.8 billion. At the country level, the US topped the list in terms of deal value at \$7.8 billion. In terms of volumes, North America emerged as the top region for oil & gas industry M&A deals globally, followed by Europe and then APAC. The top country in terms of M&A deals activity in January 2022 was the US with 22 deals, followed by the China with four and Germany with four.

Source: Offshore Technology, 28-Feb-2022

Oil & Gas industry witnessed a surge in high value deals in 2021 driven by oil price recovery

A total of \$74.0 billion deals were undertaken in the oil and gas industry last year, compared to only 40 in 2020. Oil price recovery encouraged companies to undertake more high value deals to push forward their growth plans. The largest deal in terms of value for 2021 was announced towards the end of the year, when prices were at multi year highs. It involved the proposed \$13.9 billion acquisition of North Sea operator Lundin Energy by Aker BP. Global M&A activity in the oil and gas industry grew annually by 16.0% to reach \$335.0 billion in 2021, considering M&As with known deal value. All regions, except China, the MEA, reported an increase in deal value in 2021, compared to the previous year. However, in terms of deal volume, M&A activity was largely flat at around 1,800 oil and gas deals in 2021. The upstream sector contributed to the highest M&A transaction value of \$120.0 billion in 2021. It also recorded the highest growth of 48.0% compared to 2020

Source: Globaldata, 16-Feb-2022

[Oil & gas M&A registered a strong recovery in 2021](#)

As oil prices edged upwards in 2021, oil & gas companies felt more confident in undertaking high value deals to push forward their growth plans. A total of \$74.0 billion deals were undertaken in the oil and gas industry last year, compared to only 40 in 2020. The largest deal in terms of value was announced in December 2021 involving the proposed \$13.9 billion acquisition of North Sea operator Lundin Energy by Aker BP. The global M&A activity in the oil and gas industry grew annually by 16.0% to reach \$335 billion in 2021, considering M&As with known deal value. All regions, except China, the MEA, reported an increase in deal value in 2021, compared to the previous year. However, in terms of deal volume, M&A activity was largely flat at around 1,800 oil & gas deals in 2021. The upstream sector contributed to the highest M&A transaction value of \$120.0 billion in 2021. It also recorded the highest growth of 48.0% compared to 2020. This growth in deal making was largely driven by the shale and subsea themes. The US shale plays, particularly the Permian Basin, remained the most attractive target for oil and gas M&As in 2021. Besides, the oil and gas assets in the North Sea also witnessed several deals in the last year, including the one involving Lundin Energy

Source: Offshore Technology, 8-Feb-2022

[JP Morgan and Citi tops M&A financial advisers chart by value and volume in Oil & Gas sector for 2021](#)

JP Morgan and Citi topped M&A financial advisers in the Oil & Gas sector for 2021 by value and volume, respectively. JP Morgan advised on 29 deals worth \$81.3 billion, which was the highest value among all advisers tracked. Meanwhile, Citi led in volume terms, having advised on 30 deals worth \$54.2 billion. A total of 1,799 M&A deals were announced in the sector during 2021. Deal value for the sector increased by 16.4% from \$287.9 billion in 2020 to \$335.0 billion in 2021. Goldman Sachs occupied the second position in terms of value, with 12 deals worth \$57.3 billion, followed by Citi. Barclays occupied the fourth position by value, with 17 deals worth \$43.3 billion, followed by RBC Capital Markets, with 30 deals worth \$35.0 billion. RBC Capital Markets occupied the second position in terms of volume, followed by JP Morgan. Jefferies occupied the fourth position by volume, with 27 deals worth \$16.4 billion, followed by Perella Weinberg Partners, with 18 deals worth \$26.3 billion.

Source: GlobalData, 27-Jan-2022

[Upstream M&A rises 25.0% y-o-y in 2021 to \\$66.0 billion](#)

In the second year of a COVID-influenced market, M&A rose 25.0% y-o-y to reach \$66.0 billion. However, activity was uneven with a slow beginning and end to 2021, including \$9.0 billion transacted in Q4 2021. That kept the yearly total below the \$72.0 billion average from 2015 to 2019. But the volume of deals remained depressed with 172 and 179 transactions in 2020 and 2021, respectively, versus an average of nearly 400 deals per year before COVID. PE exits continued into the Q4, with two of the top three deals of Q4 2021 involving the sale of a PE-backed E&P to a public company.

Source: Enverus, 13-Jan-2022

[U.S. oil & gas M&A activity slows in Q4, Oil producers struck deals worth just \\$9.0 billion in the final three months of 2021, a 50.0% slump from the Q3 \\$18.5 billion](#)

Dealmaking in the U.S. oil & gas industry halved in value in the Q4 from the Q3, with the annual total falling short of the pre-pandemic average. Oil producers struck deals worth just \$9.0 billion in the Q4 2021, a 50% slump from the Q3 \$18.5 billion. But the full year totalled \$66.0 billion, a jump of 25.0% thanks to a two-year peak in the Q2. M&A activity in the industry took a hit in 2020 from the pandemic pushing oil & gas prices to record lows, although commodity prices made a strong rebound last year, sparking a wave of consolidation. That has, however, also pushed up valuations, making it difficult for buyers and sellers to agree on a price and leading to fewer but larger deals.

Source: Reuters, 13-Jan-2022

About Corporate and Investment Banking Practice:

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