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# M&A and Capital Raising 2024 Trends and 2025 Outlook



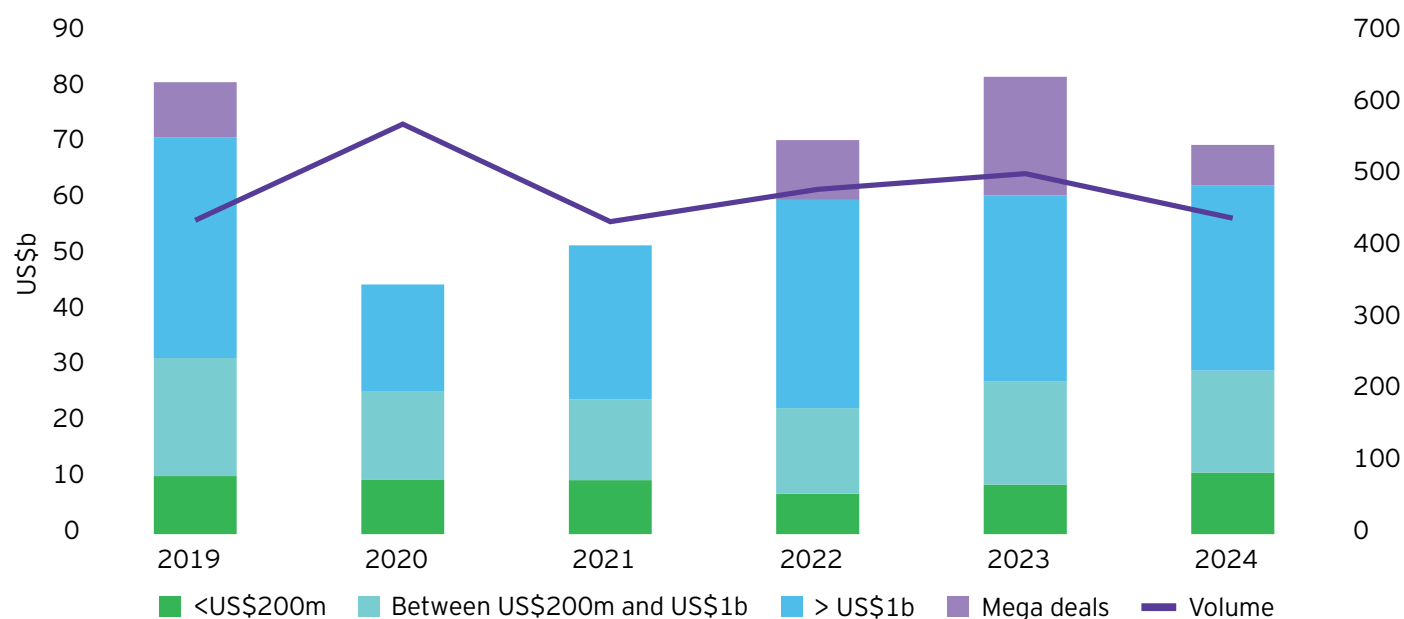
The mining sector must invest at least US\$2.1t by 2050 to meet rising demand.<sup>1</sup> A tighter capital raising market and evolving market dynamics will create both challenges and opportunities for mining companies seeking to switch to growth.

In 2024, a large portion of M&A activity was driven either by companies rationalizing portfolios and focusing on transition minerals, such as copper and lithium, or those doubling down on metallurgical coal investments. In a weaker

economy and a tighter financing market, it's not surprising that completed M&A deal value declined by 15% y-o-y to approximately US\$70 billion, with the number of completed deals also down 12% y-o-y to 441 in 2024.

<sup>1</sup> "Mining Industry Needs \$2.1 Trillion Dollars in New Investment by 2050 to Meet Net-Zero Demand for Raw Materials, Finds BloombergNEF in New Report", BNEF, October 2024, <https://about.bnef.com/blog/mining-industry-needs-2-1-trillion-dollars-in-new-investment-by-2050-to-meet-net-zero-demand-for-raw-materials-finds-bloombergnef-in-new-report/>, accessed 12 March 2025

## Mining and metals deals, by value and volume 2019-2024



Source: EY analysis of Refinitiv Data

2024 was arguably the year of the ‘deals that didn’t happen’ as major M&A was pushed as an agenda but not necessarily consummated. This is in part due to the high complexity of getting major M&A over the line, but also due to the increasingly significant impact that different portfolios are having on relative valuations – gone are the days where commodities ‘rise and fall as one’ with contrasting fortunes seen across the diversified companies, driven by very different commodity portfolios.

As a result, we are seeing an increase in joint ventures or strategic alliances as miners seek to drive synergies rather than full mergers and acquisitions. A great example is the joint mine plan between Anglo American and Codelco which is expected to unlock an additional 2.7 million tonnes of copper production over a 21-year period from 2030, without additional capital expenditure but rather through operational synergies and cost savings.<sup>2</sup>

Activist funds continued to flex their muscles during 2024, forcing strategic change that will have a lasting impact on the sector.

In 2025, the outlook for M&A and capital raising continues to be complex:

- The **Geopolitics** will be a major driver of activity, with US policies promoting domestic investments and rising

tariffs leading to both greenfield investments and M&A in the steel and aluminium sectors.

- The **Middle East** is emerging as a notable player in mining investments, with increasing interest from Saudi Arabia and the United Arab Emirates in mining and steel ventures.
- Interest in **gold and copper** is expected to continue, driven by high prices and strong demand outlook.
- **Thermal coal** prices are also above long-term averages and, with the current headwinds to the shift to renewable energy, we may see increasing interest in thermal coal assets to ensure energy security in the short- to medium term, particularly in the US.
- Lower lithium prices, a smaller market size, and oversupply issues have made investment in the sector challenging. The robust outlook is, however, already driving some counter-cyclical investments and we also expect to see increased investment as the market scales in size.
- Green steel production with the use of DRI and green hydrogen has yet to move past the pilot stage. However, until it is commercial, there are likely to be ongoing acquisitions across the metals value chain focused on securing supply of higher-grade iron ore and metallurgical coal, specific grades of steel and investments in metal services and scrap recycling.

<sup>2</sup> “Anglo American and Codelco to unlock significant value from joint mine plan for Los Bronces and Andina copper mines,” **Anglo American Press Release**, 20 February 2025, <https://www.angloamerican.com/media/press-releases/2025/20-02-2025b>

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