



NAVIGATING SHIFT: NEW ENGAGEMENT MODELS IN ENERGY M&A

IT INTEGRATION & SEPARATION FOR THE ENERGY INDUSTRY
UPSTREAM • MIDSTREAM • DOWNSTREAM • RENEWABLES & NEW ENERGY

The Energy MD&A Imperative

Energy industry landscape is changing very rapidly and Energy supermajors are changing their strategies to navigate the change, they are offloading mature upstream acreage they would have held for decades, NOCs are opening their books to private capital for the first time, and integrated players are spinning out refining and chemicals businesses to free up cash for low-carbon bets. At the same time, new-energy companies are snapping up conventional infrastructure, not just for the assets, but for the operational muscle that comes with them.

What makes this wave different from earlier M&A cycles is the sheer entanglement underneath the deals. SCADA networks, production historians, trading platforms and ERP systems don't respect the lines drawn in a sale-and-purchase agreement. You can't flip a switch on Day 1 and call it done. Infosys Consulting has worked through exactly this with energy clients, from the first LOI all the way to TSA exit, keeping the lights on while untangling the IT and OT infrastructure underneath.

Energy-Sector Deal Drivers

Portfolio High-Grading

- Supermajors divesting non-core upstream acreage (mature fields, stranded assets)
- Refining & chemicals carve-outs to focus on higher-margin segments
- National oil companies spinning off downstream retail networks

Energy Transition Pivot

- Asset recycling to fund low-carbon capital programmes
- Renewable energy bolt-on acquisitions to meet net-zero commitments
- EV charging & mobility business separations from legacy fuel retail

Activist & Regulatory Pressure

- Shareholder activism demanding operational focus & capital discipline
- EU taxonomy compliance reshaping portfolio strategy
- Government-mandated unbundling of transmission & generation assets

Financial Restructuring

- Debt-reduction divestitures following commodity price cycles
- Monetisation of midstream infrastructure via MLP / infrastructure fund structures
- Sale-leaseback of LNG terminal and pipeline assets

Post-Merger Optimisation

- Integration of duplicated upstream digital & production systems post-consolidation
- Rationalisation of SCADA, historian and OT platforms across combined entities
- Shared-services and IT footprint reduction post-acquisition

Joint Venture Restructuring

- Exit from JV operating structures with complex shared IT entanglement
- Separation of exploration data rooms, seismic libraries & reservoir models
- Repatriation of IT services from operator JV to standalone company

Energy client challenges leading to complex IT MD&A

OT / IT Entanglement

- SCADA, DCS and historian systems shared across divested and retained entities
- Critical safety systems (ESD, F&G) on shared infrastructure
- OT separation requires concurrent operational continuity on producing assets

Data Sovereignty & Complexity

- Exploration data, seismic libraries and sub-surface models are high-value, complex to partition
- Production & reservoir data locked in operator-controlled platforms
- Regulatory data retention obligations across multiple jurisdictions

System Complexity in Energy

- Interdependent commodity trading, risk and scheduling systems
- Prolonged TSAs driven by HSE and operational continuity requirements
- Stranded cost management across shared refining and processing facilities

Regulatory & Compliance

- NERC CIP, IEC 62443 and sector-specific OT cybersecurity standards
- GDPR and cross-border data transfer restrictions on employee and customer data
- Environmental and HSE reporting system continuity obligations

24/7 Operational Continuity

- Zero tolerance for production downtime during system transitions
- Offshore and remote asset constraints on cutover windows
- Safety case implications of any change to control system architecture

Multi-Stakeholder Governance

- JV partners, NOC counterparts, and new-energy buyers with different IT maturity
- Board and investment committee visibility into IT separation risk
- Integration into broader deal PMO structures across legal, tax and HR workstreams

Rationale & Objectives to reduce the complexities

The Rationale	The Objectives
In energy, a clean technical handover isn't enough. Production can't stop, safety-critical control systems can't be touched outside tightly controlled windows, and proprietary subsurface data sitting in shared environments needs to be ring-fenced before any keys change hands. The IT and OT separation has to run in parallel with legal close, not after it.	• Accelerate TSA exit by reducing IT entanglement between seller and buyer systems, people and processes • Preserve production system integrity and safety-critical control system availability throughout transition • Realise cost synergies while managing stranded costs across shared facilities • Establish a standalone, right-sized IT architecture for the new entity from Day 1

End-to-End IT MD&A Journey — Energy Sector

LOI Signed → Pre-Deal Discovery

- IT Capability Model: People, Process & Spend baseline across Upstream, Midstream, Downstream and New Energy segments
- OT Landscape Assessment: SCADA, DCS, historian, safety systems inventory and dependency mapping
- Data Asset Inventory: Seismic libraries, reservoir models, production databases, trading positions
- Value Realisation Model: IT cost synergy and stranded cost quantification

Day 0 — Deal Signed → SMO Toolkit

- IT Divestiture Planning & Governance: Workstream alignment across IT, OT, HSE, Legal and Finance
- IT Day 1 Blueprint: Minimum viable IT to operate standalone from Day 1 (ERP, production systems, trading platforms)
- IT Synergy & Cost Analysis: Stranded cost identification, OT rationalisation roadmap, shared service wind-down plan
- IT TSA Strategy & Planning: TSA service catalogue, pricing, exit milestones, OT transition sequencing

Day 1 — Deal Closed → OCM Toolkit

- IT Spend and Contract Management: Third-party vendor novation, OT software licensing, cloud contract transfers
- IT Business Management: Standalone operating model stood up, retained IT support model operational
- IT Continuous Improvement: Hypercare monitoring across production-critical systems
- IT Project Portfolio Management: Integration of IT workstreams into deal PMO reporting cadence

Day 2 — TSA Exit TSA Toolkit

- IT Divestiture Programme Management: End-to-end tracking of OT and IT separation milestones
- IT Blueprint Design Execution: Migration of production historian, ERP, trading and scheduling platforms
- IT Synergy & Stranded Cost Management: Realised vs. target synergy tracking, stranded cost mitigation
- OT Cutover Execution: Structured maintenance-window cutovers for SCADA, DCS and safety systems
- TSA Support & Termination: Managed exit from shared services with operational guarantees



Infosys Differentiators — Built for Energy

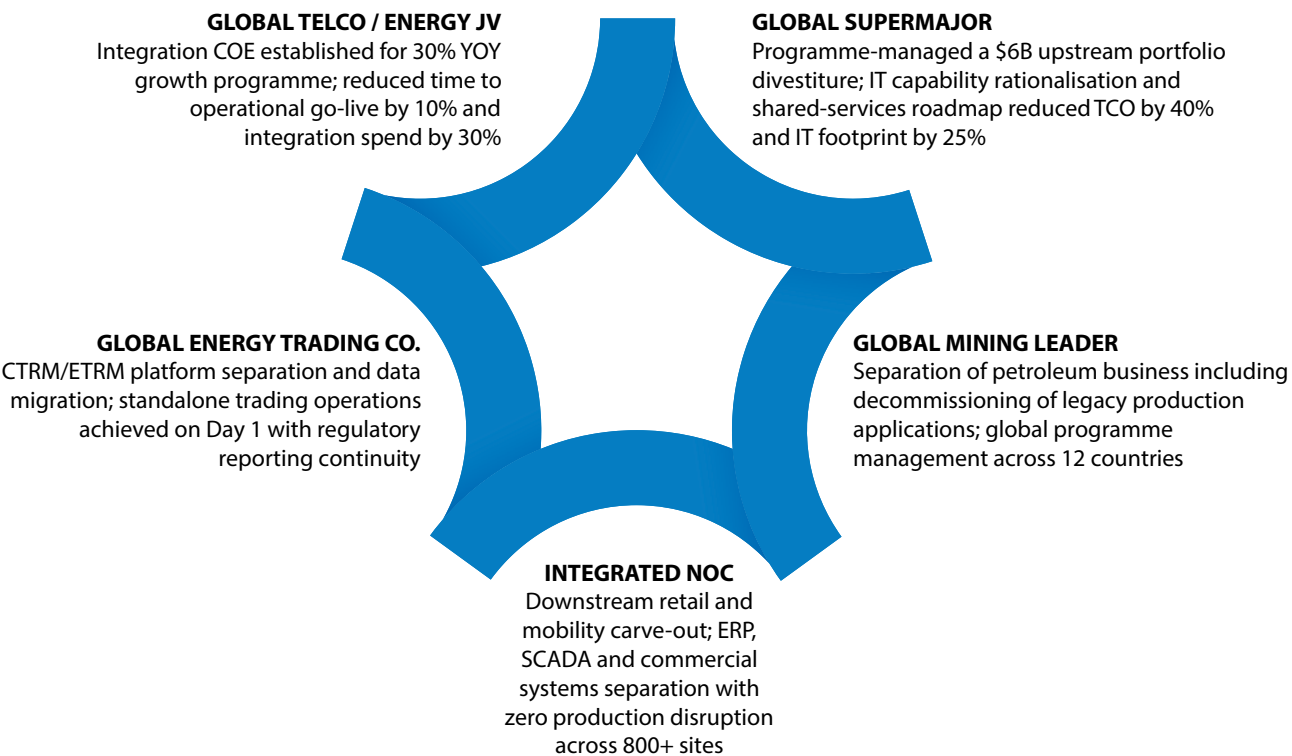
OT-Aware Separation Methodology - Proven playbooks for SCADA, DCS, historian and safety-system separation - IEC 62443 and NERC CIP compliant transition approaches - Offshore and remote-asset cutover experience with constrained windows	Energy Data Expertise - Seismic library partitioning and data room management experience - Production and reservoir data migration across Quorum, OSDU, SAP and OSIsoft platforms - Commodity trading system (CTRM/ ETRM) separation and novation	AI-First Programme Management - Gen AI tooling for rapid IT landscape discovery and entanglement mapping - Real-time dashboards tracking separation progress across 50+ IT and OT workstreams - Automated TSA billing reconciliation and exit-criteria monitoring
Integrated Platform & Toolkits - Single platform covering IT, OT and data separation for the entire journey - Specialised toolkits for energy-specific challenges: JV exit, NOC carve-out, LNG terminal IT - Pre-built integration patterns for SAP, Maximo, Quorum and PI Historian	Experience-Based Approach - Lessons embedded from 15+ energy-sector separations and integrations - Cross-sector insights from mining, chemicals and utilities applied to energy - Experienced PMO and OCM capability specific to energy workforce transitions	Flexible Engagement Models - Managed IT Takeover, Service-Based Transition, Joint Ownership and Hybrid Carve-Out - Outcome-based pricing tied to TSA exit milestones and operational KPIs - IT Asset Securitisation option for capital-constrained buyers

Engagement Model Options

Managed IT Takeover	Service-Based Transition	Joint Ownership Transition	IT Asset Securitisation	Hybrid Carve-Out	Lift & Shift with Transformation
- Acquire divested IT/OT assets - Stabilise operations with operational guarantees - Transfer to buyer at agreed milestones	- No asset transfer - TSA-defined SLAs with progressive handover - HSE obligation continuity maintained	- Shared ownership during transition - JV-compatible governance structure - Defined exit criteria and milestones	- Finance acquisition of divested assets - Special purpose vehicle structure - Deferred payment aligned to deal economics	- Asset acquisition + managed services - Outcome-based pricing - OT continuity embedded in SLAs	- Extract OT/IT systems as-is on Day 1 - Transform to modern architecture during TSA period - Deliver modernised environment at TSA exit

Excellence in Energy MD&A

Energy MD&A is not a side practice for us. It's where a significant chunk of our consulting work sits, and the case work below reflects that. Across upstream separations, downstream carve-outs, LNG infrastructure and trading system novations, the team has been in the room when it mattered, not just advising from the outside.



250+
MD&A projects delivered globally

45+
Energy & resources clients served

500+
Dedicated MD&A specialists

15 yrs+
Energy sector MD&A experience

50k+
Supporting resources globally

(The above project data reflects our cross-industry presence and is not limited to the energy sector only)



A follow-on perspective will be on **How AI simplifies, standardizes and speeds the M&A deal**

Authors



Nandkishor Wankhede

Principal Consultant, Infosys Consulting — Mobility & Convenience

Nandkishor has spent 13+ years working across strategy, finance, operations and product in the energy and mobility space. He worked in fuel retail, EV operations, trading and downstream.



Vikram Chandrashekar

Associate Partner, SURE — Infosys Consulting

Vikram has 25+ years in Energy consulting. He worked with supermajors, NOCs and new-energy companies across upstream, midstream and downstream.

ABOUT INFOSYS CONSULTING

Infosys Consulting is a next-generation consulting partner that bridges strategy and execution. With an AI-first mindset, deep industry knowledge, and the combined strengths of business and technology consulting, it helps enterprises turn bold vision into tangible outcomes, faster, smarter, and at scale. Infosys Consulting is helping some of the world's most recognizable brands transform and innovate. Our consultants are industry experts that lead complex change agendas driven by disruptive technology. With offices in 20 countries and backed by the power of the global Infosys brand, our teams help the C-suite navigate today's digital landscape to win market share and create shareholder value for lasting competitive advantage.

For more information, contact consulting@infosys.com



© 2026 Infosys Limited, Bengaluru, India. All Rights Reserved. Infosys believes the information in this document is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of other companies to the trademarks, product names and such other intellectual property rights mentioned in this document. Except as expressly permitted, neither this documentation nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, printing, photocopying, recording or otherwise, without the prior permission of Infosys Limited and/ or any named intellectual property rights holders under this document.