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M&A Monitor August 2025

DATA & TRENDS IN THE CEE SME M&A MARKET



Introduction

Thank you for your interest in the third M&A Monitor for Central and Eastern Europe by Dealsuite. This report consolidates research performed by Dealsuite, the leading tool for M&A transactions. It contains statistics and trends for the CEE M&A mid-market (enterprises with a revenue between € 1 million and € 50 million) over the first half of 2025.

The aim of this study is to create periodic insights that improve the CEE market's transparency and to serve as a benchmark for M&A professionals. We are convinced that sharing information within our network leads to an improved quality and volume of deals.



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Table of Contents

I	Transactions	4
II	Expected Sector Shifts	6
III	Assignments	7
IV	Financing Availability	8
V	EBITDA Multiples in CEE	9
VI	Multiples in Relation to Company Size	11
VII	Cross Border Transactions	13
VIII	Artificial Intelligence	14
IX	Deal Terms	15
X	Buyer Intent	16
XI	Outlook	17
XII	Method	19
XIII	About Dealsuite	20

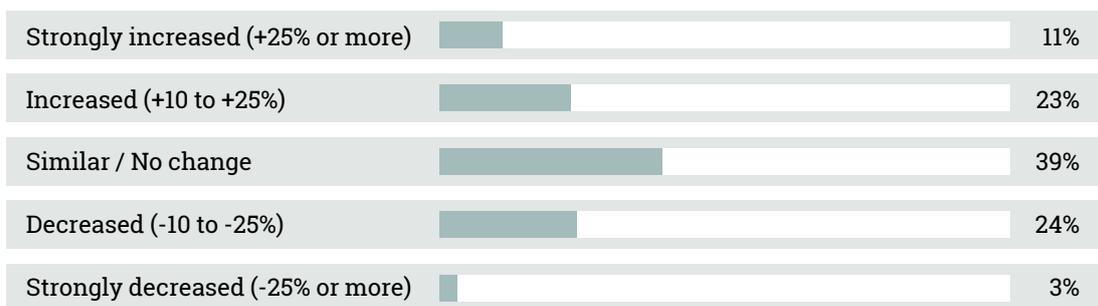
I Transactions

Amount of Transactions in H1-2025 Remains Stable

After years of turbulence, uncertainty has become less of an exception, and more of a constant. Since 2020, the M&A market has been confronted with a series of external influences: high inflation, rapidly rising interest rates, geopolitical tensions both inside and outside of Europe, and global trade wars putting pressure on economic dynamics. Where these factors previously led to hesitation among buyers and sellers, there now appears to be a structural adjustment. Many dealmakers have adapted to this new reality, where volatility is more often the rule than the exception. This adaptation marks the emergence of a 'new normal' that is visible across the M&A market, particularly in the SME segment, which has traditionally also been less susceptible to macroeconomic fluctuations.

Even now, the SME segment is showing a relatively stable picture, despite ongoing external uncertainties. This translates into a market that appears more resilient than before.

Figure 1. Development of M&A transaction volume in H1-2025 compared to H2-2024

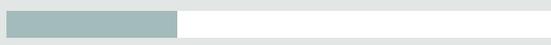
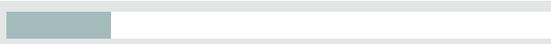


I Transactions

Decrease in Average Deal Size

In the first half of 2025, the average deal size decreased compared to the second half of 2024, marking a shift toward smaller transactions. While deals above €10 million accounted for 41% of transactions in H2-2024, their share dropped by 10 percentage points to 31% in H1-2025. At the same time, smaller transactions gained ground, with deals between €2.5 and €5 million increasing by 3 percentage points and those below €2.5 million also rising by 3 percentage points. The only larger bracket that saw growth was the €7.5 to €10 million range, which increased by 9 percentage points.

Figure 2. Transactions per deal size

		H1-2025		H2-2024
€ 10 million or above		31%	↓ -10	41%
€ 7.5 to € 10 million		19%	↑ 9	10%
€ 5 to € 7.5 million		12%	↓ -5	17%
€ 2.5 to € 5 million		22%	↑ 3	19%
< € 2.5 million		16%	↑ 3	13%

II Expected Sector Shifts

The number of expected transactions in a sector is influenced by a variety of market, industry, and financing-related factors. To gain insight into anticipated shifts, advisors were asked in which sector they expect the largest increase or decrease in the number of transactions in H2-2025. Each respondent could indicate one sector. The results are presented in two charts, showing the three sectors most frequently mentioned for an expected increase and decrease.

Industrial & Manufacturing was most frequently cited as the sector expected to see the largest increase (23% of respondents), followed by Healthcare & Pharmaceuticals (19%) and Software Development (14%).

IT-services was most frequently cited as the sector expected to see the largest decrease (19% of respondents), followed by Hospitality & Tourism (16%) and Construction & Engineering (15%)

Figure 3: Top 3 sectors with expected increase in number of transactions in H2-2025

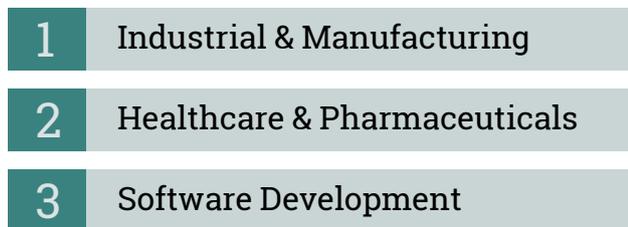


Figure 4: Top 3 sectors with expected decrease in number of transactions in H2-2025



“Businesses in the Construction & Engineering sector face significant challenges, including costly financing, reduced state subsidies, and declining purchasing power.”

Mateja Ahej
Partner and Director
Targo Finance d.o.o.



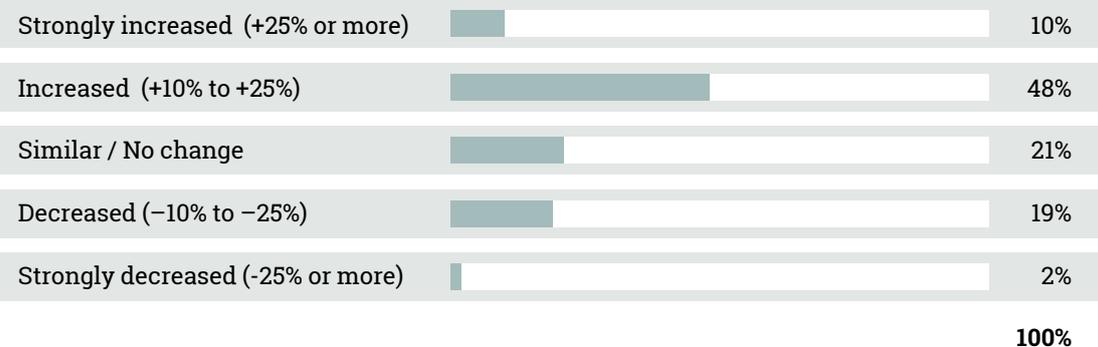
III Assignments

Increase in the Number of M&A Assignments

The results are explained in more detail in Figure 5 below. These are assignments received in H1-2025 and completed in H1-2025, however, it is worth noting that some of these projects may be completed during a later period or canceled.

In H1-2025, 21% of advisors reported a similar number of transactions compared to H2-2024. While 21% of advisors noticed a drop, 58% reported an increase in the number of assignments.

Figure 5. Development in the number of assignments compared to H2-2024

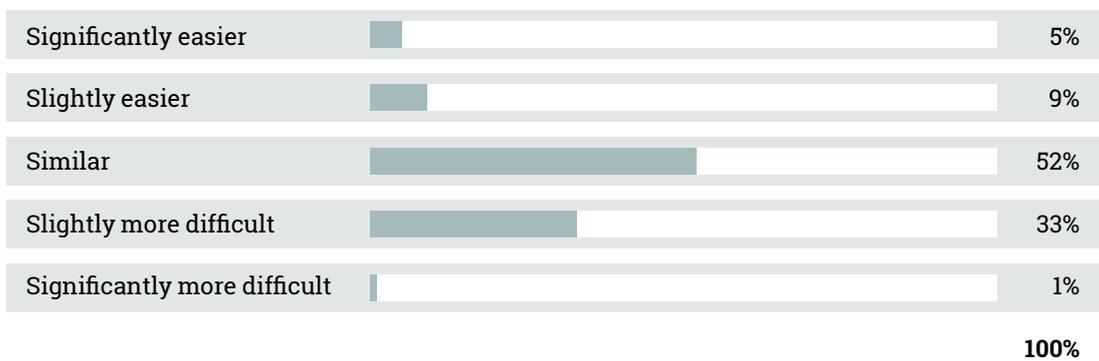


IV Financing Availability

Financing Expected to Become More Difficult in H2-2025

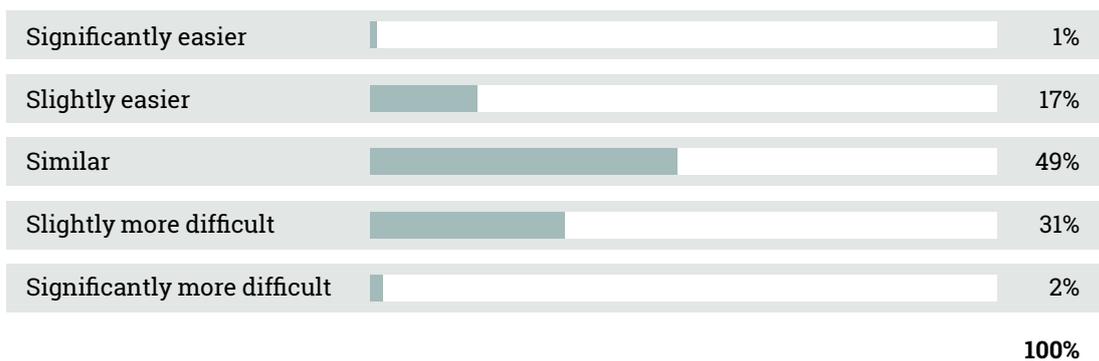
Advisors were asked to report on the availability of financing compared to H2-2024, the results are shown in Figures 6 and 7. According to 52% of the advisors, access to financing in CEE has remained similar compared to the second half of 2024. A total of 14% of respondents report that financing has become easier, whereas 34% indicate it has become more difficult.

Figure 6. Availability of Financing Compared to H2-2024



Looking ahead to the second half of 2025, respondents are split in their expectations for financing conditions. While just under half anticipate conditions to remain stable (49%), a notable share foresee some degree of improvement (18%), and a slightly larger group expect financing to become more challenging (33%).

Figure 7. Expected Availability of Financing in H2-2025



V EBITDA-multiples in CEE

The Average EBITDA-Multiple decreased From 5.3 to 5.2

Dealsuite is reporting the average multiples per sector every six months, the average EBITDA multiple paid for a company in a specific sector. In this study, participants were asked about the current multiples being paid, based on their (revised) insights. The results are shown in Figure 8. The reported multiples are based on the enterprise value (EV) of the acquired companies.

The average EBITDA multiple slightly decreased from 5.3 to 5.2 in H1-2025. Most sector multiples saw a slight decline or remained stable. The Software Development sector and Agri & Food sector both saw an increase of 0.1.

Figure 8. Average EBITDA multiple per sector (EV/EBITDA)

	H1-2025	H2-2024	Difference
Healthcare & Pharmaceuticals	7.4	7.4	-
Software Development	6.7	6.6	0.1
IT services	6.2	6.2	-
Agri & Food	5.7	5.6	0.1
E-commerce & Webshops	5.4	5.6	-0.2
Business Services	5.3	5.3	-
Industrial & Manufacturing	5.1	5.2	-0.1
Media & Communication	5.1	5.2	-0.1
Wholesale Trade	4.7	4.8	-0.1
Automotive, Transportation & Logistics	4.3	4.3	-
Retail Trade	4.2	4.2	-
Construction & Engineering	3.9	3.9	-
Hospitality & Tourism	3.9	4.1	-0.2

The applicable EBITDA multiple for the CEE M&A mid-market was:

5.2

V EBITDA-Multiples in CEE

Largest Spread Reported in Agri & Food Sector

Company valuations are inherently specific and depend on factors such as growth, profitability, market position, and risk. While a multiple alone is not a complete valuation method, it provides a useful benchmark, particularly for comparing similar transactions in the near term.

Figure 9 illustrates the distribution of EBITDA multiples by sector. Some sectors encompass a wide range of companies, which explains the broader spreads compared with sectors composed of more similar businesses. The table shows the typical range of EBITDA multiples per sector, though individual transactions can occur at significantly higher or lower levels.

To provide a representative view of a typical company within each sector, the range has been adjusted to exclude the two largest outliers per sector.

Figure 9. Spread of EBITDA multiples per sector*

	Lowest	Average	Highest
Healthcare & Pharmaceuticals	6.7	7.4	8.3
Software Development	6.3	6.7	7.5
IT Services	5.7	6.2	7
Agri & Food	5	5.7	6.7
E-commerce & Webshops	4.4	5.4	6
Business Services	4.7	5.3	6.1
Industrial & Manufacturing	4.8	5.1	5.5
Media & Communication	4.4	5.1	5.8
Wholesale Trade	4.3	4.7	5.3
Automotive, Transportation & Logistics	3.8	4.3	4.9
Retail Trade	3.8	4.2	4.8
Construction & Engineering	3.4	3.9	4.5
Hospitality & Tourism	3.6	3.9	4.7

*The spread of multiples has been corrected for the two largest outliers.

VI Multiples in Relation to Company Size

Big Difference Between Multiples for Large and Small Companies

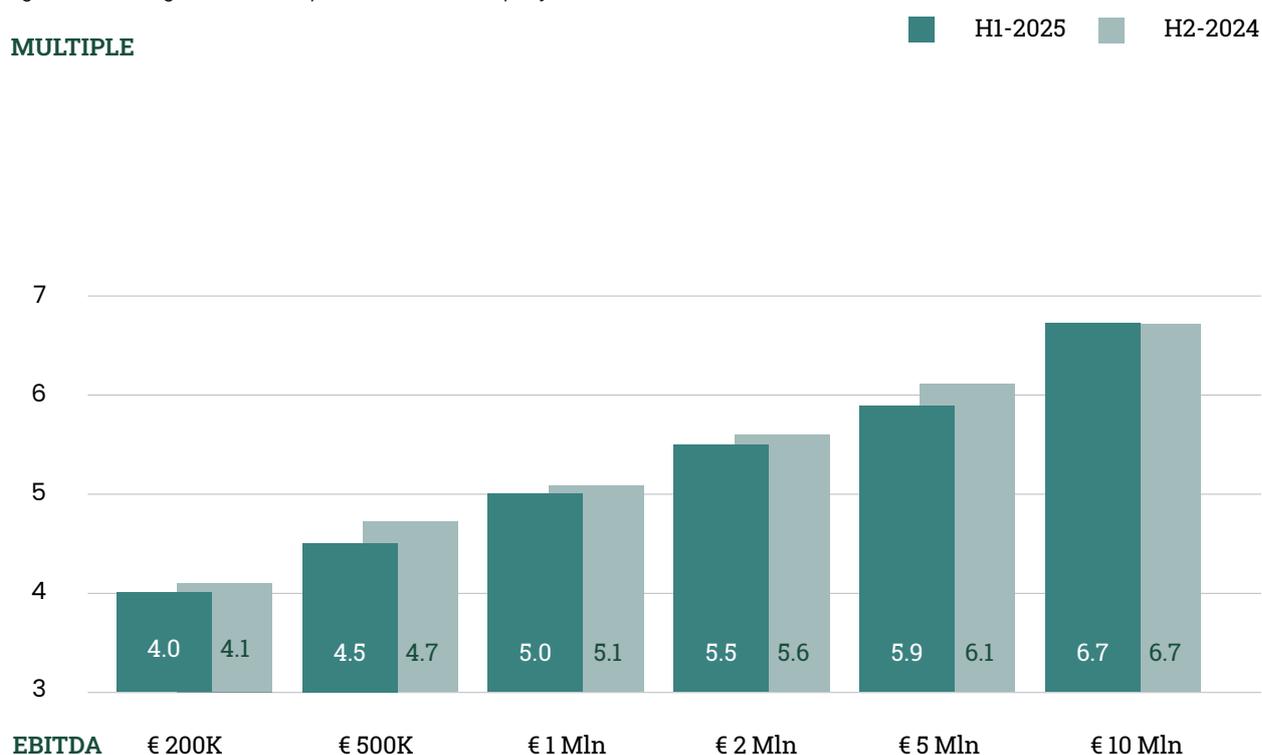
The size of a company can influence the average paid EBITDA multiple. For the first time, the impact of the so-called Small Firm Premium on the average EBITDA multiples for SMEs in Central Eastern Europe (CEE) is being analyzed. Specifically, companies with an EBITDA ranging from €200.000 to €10.000.000 are considered. This EBITDA range is a realistic representation of SMEs in CEE and is therefore used to express the size of a company.

Research has shown that the smaller a company is, the greater the chance that the expected cash flows will not be realised (Damodaran, 2011; Grabowski and Pratt, 2013). Consider, for example, the dependency on certain customers or suppliers, or the dependency on specific technical know-how that can quickly diminish when staff leave. This can have a significant impact on the returns and thus on the value of a company. The higher risk premium that applies to smaller companies (the so-called Small Firm Premium) causes a value-reducing effect. As a result, the EBITDA multiples paid for larger companies are on average higher than the multiples paid for smaller companies.

The results of this monitor survey confirm that companies with a low EBITDA have a lower multiple than companies with a high EBITDA. The influence of company size on EBITDA multiples paid is presented in Figures 10A and 10B.

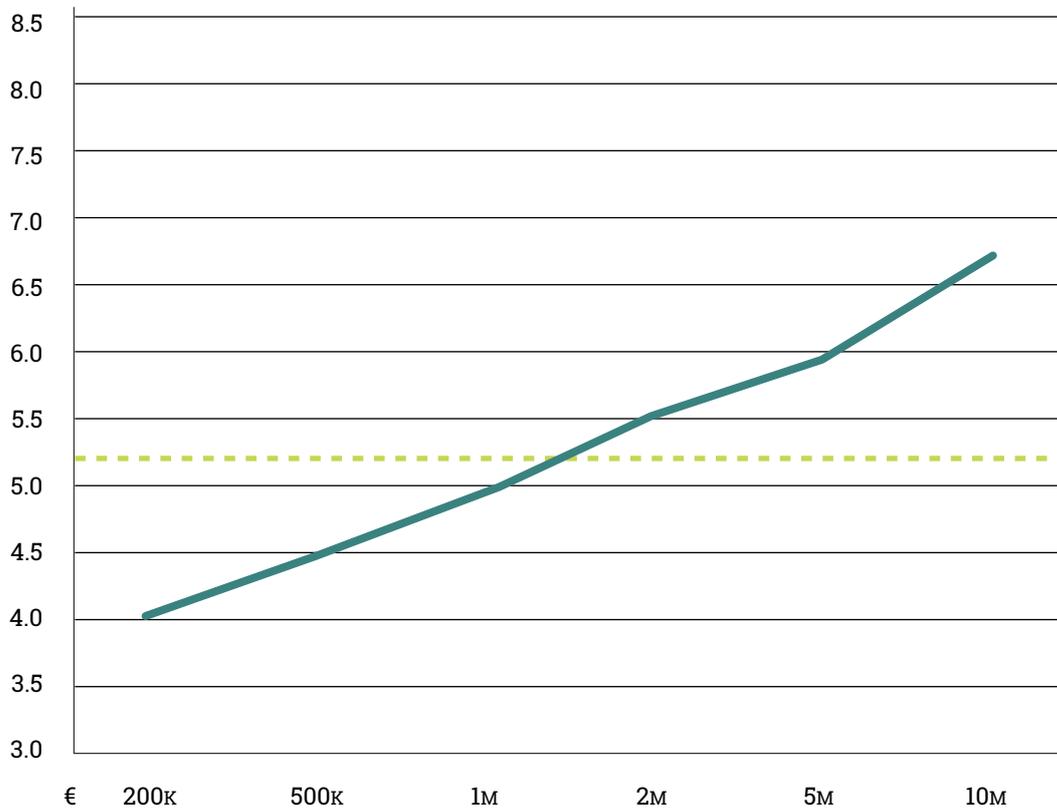
The difference in the EBITDA multiple between companies with a normalised EBITDA of €200.000 and €10.000.000 is 2.7 (4 compared to 6.7).

Figure 10A. Average EBITDA multiple in relation to company size



VI Multiples in Relation to Company Size

Figure 10B. Average EBITDA multiple in relation to company size



■ Average EBITDA multiple across all sectors regardless of company size.

■ Average EBITDA multiple by company size H1-2025.

**Note: The scale of the 'Normalized EBITDA' in this graph is disproportionate.*

For companies with an EBITDA below €200.000, we do not determine a multiple for the following reasons:

- 1 For small companies, the risk premium is very case and company specific.
- 2 The normalised EBITDA of small companies is often unstable - it often fluctuates heavily in terms of percentages per year - and is therefore not a good unit of measurement on which to base the valuation.
- 3 The value of small companies is largely dependent on the (future) potential of the company. In a small company with a lot of potential, the EBITDA in absolute terms can be increased or even multiplied relatively easily.

VII Cross-border Transactions

A comparison of EBITDA multiples between different countries highlights the advantages of cross-border deals. For example, it can be beneficial to buy a particular company abroad, or to sell a company to an international buyer. Figure 8 shows the differences in EBITDA multiples between European markets.

Figure 11. Comparison between average EBITDA multiple by sector (Enterprise Value) in the United Kingdom and Ireland Central and Eastern Europe and neighbouring countries

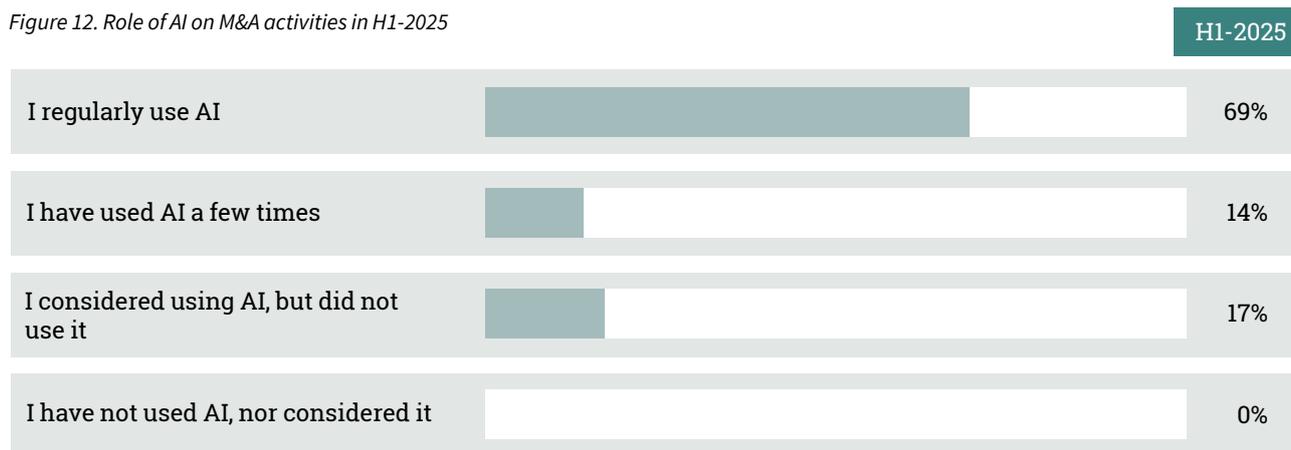
	CEE	DACH	UK&I	France	Netherlands	Nordics	Southern Europe
Healthcare & Pharmaceuticals	7.4	8.4	7.6	7.5	6.4	8.0	7.4
Software Development	6.7	8.9	8.2	7.7	7.4	8.0	7.4
IT Services	6.2	8.0	7.6	7.2	6.7	7.4	6.9
Agri & Food	5.7	5.4	5.3	5.1	5.4	5.5	5.4
E-commerce & Webshops	5.4	6.4	6.4	4.9	5.0	5.2	5.2
Business Services	5.3	5.7	5.9	5.3	4.9	5.8	5.3
Industrial & Manufacturing	5.1	5.3	5.3	4.9	5.0	5.0	4.9
Media & Communication	5.1	4.6	4.1	4.7	3.8	4.5	4.9
Wholesale Trade	4.7	4.6	3.5	4.1	5.2	4.6	4.4
Automotive, Transportation & Logistics	4.3	4.3	4.0	4.4	4.1	4.5	4.3
Retail Trade	4.2	2.8	3.4	4.5	2.3	4.2	4.5
Construction & Engineering	3.9	4.9	3.8	3.8	4.5	4.4	3.8
Hospitality & Tourism	3.9	3.1	4.1	4.4	3.1	4.2	4.3
Average:	5.2	5.55	5.3	5.25	4.9	5.5	5.3

VIII Artificial intelligence

AI Has Become an Indispensable Tool in M&A Processes

In the first half of 2025, AI has established a strong foothold in M&A activities across the CEE region. Nearly seven in ten respondents (69%) report using AI on a regular basis, while a further 14% have experimented with it a few times. Only a small minority have not yet adopted AI, indicating that its role in the M&A process is already widely recognized.

Figure 12. Role of AI on M&A activities in H1-2025



In H1-2025, AI is perceived as adding the greatest value in market research, where 71% of respondents report significant value. Strong results are also seen in identifying off-market opportunities and in faster evaluation of targets, with majorities recognizing at least some added value. In contrast, the role of AI in due diligence and legal documentation is viewed as more limited, with fewer respondents seeing significant value. Post-merger integration remains the area where AI is least impactful, as nearly half of advisors report no added value.

Figure 13. Added value of AI

	No added value	Limited added value	Significant added value
Market research	1%	28%	71%
Legal documents creation/evaluation	13%	36%	51%
Identifying off-the-market opportunities	11%	46%	43%
Faster target evaluation	5%	54%	41%
Efficient Due Diligence process	19%	46%	35%
Post-merger integration	46%	38%	16%

IX Deal Terms

Increase in the Number of Earn-Outs and Warranties and Indemnities

Macroeconomic developments can influence the use of specific deal terms. In this edition of the M&A Monitor, the application and frequency of various deal terms were analyzed (Figure 14).

In H1-2025, the use of most common deal terms in CEE remained broadly stable compared with H2-2024. Warranties and indemnities were widely applied, with 53% of respondents reporting no change and 44% indicating an increase. Earn-outs also gained traction, as nearly 40% of respondents observed higher usage. By contrast, vendor loans and capital maintenance commitments showed little movement, with the vast majority reporting no change. Asset/liability transactions saw a modest increase, noted by 30% of respondents, while suspensive conditions were largely stable with only limited upward shifts.

Figure 14. Frequency percentage of applied deal terms

	Strongly decreased (-25% or more)	Decreased (-10% to -25%)	Similar / No change	Increased (+10% to +25%)	Strongly increased (+25% or more)
Earn out	0%	2%	59%	33%	6%
Vendor Loan	3%	14%	72%	10%	1%
Capital maintenance commitment	3%	6%	81%	10%	0%
Warranties and indemnities	0%	3%	53%	40%	4%
Asset/liability transaction	0%	4%	66%	27%	3%
Suspensive conditions	0%	4%	79%	15%	2%

X Buyer Intent

On Average 5.2 Interested Buyers per Company for Sale

The M&A market is a ‘sellers market’. The balance between supply and demand in the M&A market varies by sector. M&A advisory firms were asked to indicate, for each sector, how many serious potential buyers typically show interest in a company that is put up for sale. The results are presented in Figure 15.

Various factors can influence the number of interested buyers. This is affected, among other things, by financing conditions, economic uncertainty, or sector developments that impact buyer appetite. On average, there were 5.7 interested parties per offered firm in H1-2024. In H1-2025, that number slightly decreased to 5.2 interested parties per offered firm on average.

Figure 15. Average number of interested* parties per firm

	H1-2025	H2-2024	Difference
Software development	7.5	8.9	-1.4
Healthcare & Pharmaceuticals	6.9	7.6	-0.7
IT Services	6.6	7.0	-0.4
E-commerce & Webshops	6.3	5.3	1.0
Industrial & Manufacturing	6.0	8.0	-2.0
Construction & Engineering	5.8	7.1	-1.3
Business Services	4.9	5.8	-0.9
Agri & Food	4.9	4.2	0.7
Automotive, Transportation & Logistics	4.3	4.9	-0.6
Wholesale trade	4.3	4.1	0.2
Media & Communication	3.8	4.0	-0.2
Retail trade	3.8	4.1	-
Hospitality & Tourism	3.0	3.4	-

The average number of interested parties per firm is

5.2

*Definition of ‘interested’: A party that engages in direct contact with the seller

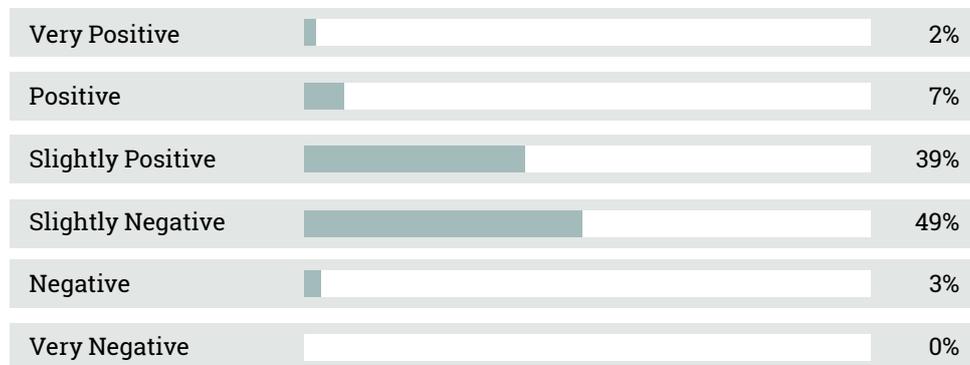
XI Outlook

Vast Majority of Advisors Optimistic for H2-2025

Assessing the performance of the CEE M&A mid-market is based on many factors, including the willingness of entrepreneurs to sell their businesses, funding availability, macroeconomic developments etc. An interpretation of these factors is needed to determine how the market will develop. The survey included both assessments of the M&A mid-market in H1-2025 (retrospective) and H2-2025 (projection).

The advisors were asked to evaluate the performance of H1-2025. The responses were mixed, with close to half of the advisors looking back at H1-2025 with a satisfied feeling, and 52% of respondents looking back with a rather negative feeling.

Figure 16. Assessment CEE M&A mid-market H1-2025



“ We are feeling opportunistic about the following year of M&A due to registered positive economic development in 2025 and the forecasts for the future distinguishing Poland as one of the growth regions in Europe. At the same time, the number of companies in Poland facing the issue of corporate succession is steadily increasing. Growth-oriented Polish companies will also increasingly focus on acquisitions in order to achieve their growth targets, both in Poland and in neighbouring countries. ”

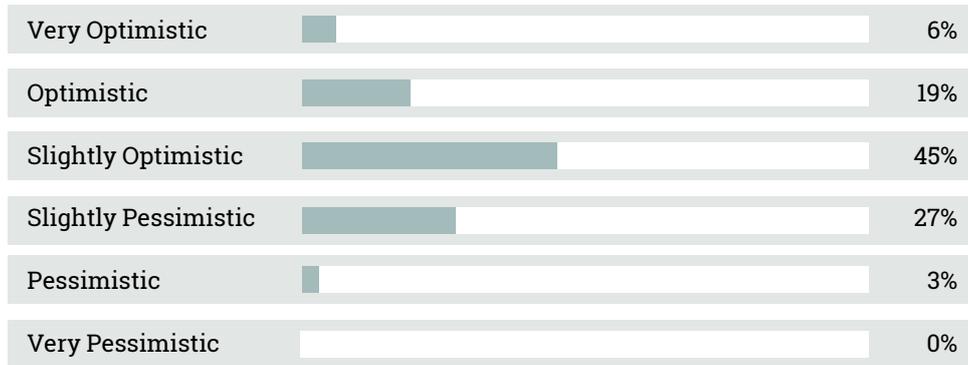
Klaus Sonntag
Senior Partner
Dealbridge M&A Advisors Poland



XI Outlook

The outlook for H2-2025 is more promising, with 70% of advisors sharing an optimistic expectation for the coming half year.

Figure 17. Expectations CEE M&A mid-market H2-2025



“ The general geopolitical situation, combined with turbulent trade and customs policies under Donald Trump, suggests that the M&A market may face greater volatility next year. As a result, many entrepreneurs will begin to reflect on the future direction of their companies, and for some, a sale could emerge as a well-considered solution. ”

Martin Vachata
Partner
Talers Business Advisory



XII Method

The majority of M&A transactions take place in the mid-market. This report uses the definition of a mid-market company as having a revenue between €1 and €50 million. The survey was sent to 452 M&A advisory firms. Considering their combined input, they represent an essential part of the M&A mid-market in Central and Eastern Europe. Out of the total of 452 advisory firms, we received 107 respondents (24% response rate).

Sources used:

- 107 survey responses from key CEE M&A advisory firms
- Bain & Company. (2023, March 28). *How companies got so good at M&A*.
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This research was conducted by Jelle Stuij, and Roos Bijvoet. For further questions, please contact Jelle Stuij. For further information about Dealsuite, please contact Tim Lammar.



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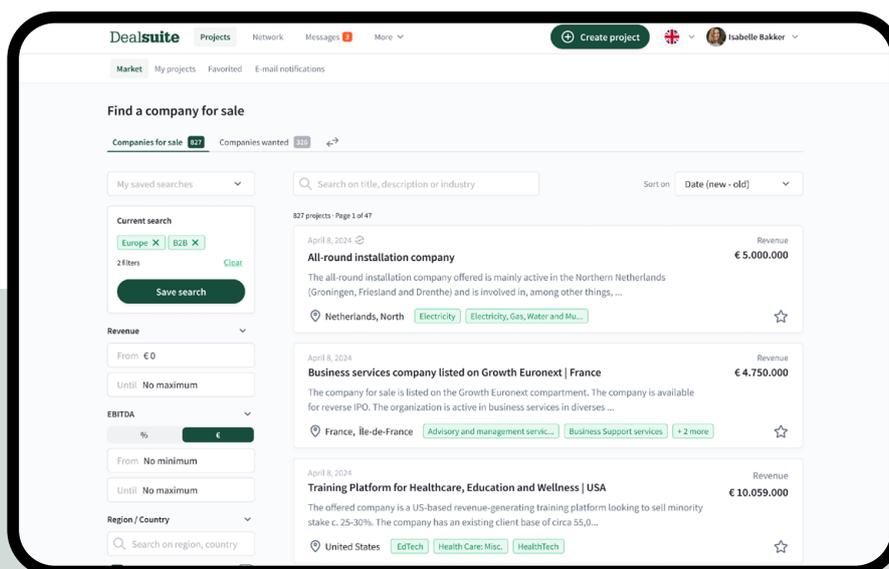
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XIII About Dealsuite in Central and Eastern Europe

Dealsuite is the largest European M&A network. Dealsuite was founded by and for M&A professionals. They realised that a lot of time and costs that are incurred during the process of finding the right buyer or seller can be saved by making use of online networks. Dealsuite enables M&A professionals to communicate with each other easily and securely via a state-of-the-art platform. Dealsuite is offered as a plug-and-play SaaS solution, making it very user-friendly. Thanks to the commitment of our renowned customers and our excellent reputation, the Dealsuite network is rapidly expanding. Currently, Dealsuite is active in over 60 countries.

Dealsuite launched its activities in Central and Eastern Europe and Southern-Eastern Europe in 2023 and is witnessing applications of the Dealsuite.com tool for both domestic and cross-border deal-making. Dealsuite is committed to further invest into the region.

Over 1.750 M&A advisory, private equity firms and corporate M&A teams are connected. We are looking forward to welcoming you and your company to our community.



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