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M&A Monitor September 2025

DATA & TRENDS IN THE SOUTHERN EUROPEAN
SME M&A MID-MARKET



Introduction

Thank you for your interest in the first edition of the M&A Monitor for Southern Europe by Dealsuite. This report consolidates research performed by Dealsuite, the leading tool for M&A transactions. It contains statistics and trends for the Southern European M&A mid-market (enterprises with a revenue between €1 million and €200 million) across Spain, Italy, Greece, and Portugal over the first half of 2025.

The aim of this study is to create periodic insights that improve the Southern European 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.



Floyd Plettenberg MSc. EMFC
CEO Dealsuite



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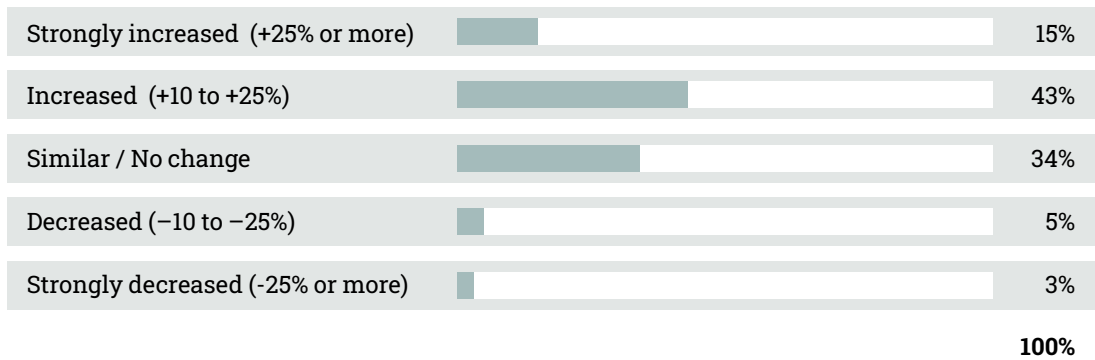
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I Transactions

Increase Reported in the Amount of Transactions in H1-2025

After years of disruption, uncertainty has become a constant in the M&A landscape. Yet in Southern Europe, the market shows signs of structural adaptation. Despite ongoing macroeconomic pressures, 58% of respondents reported an increase in transaction volume in H1-2025 compared to H2-2024, with 15% noting a strong increase of over 25%. Only 8% experienced a decline. This indicates growing resilience across the region, particularly in the SME segment, where dealmakers appear increasingly equipped to navigate volatility as part of the new normal.

Figure 1. Development of M&A Transaction Volume in H1-2025 Compared to H2-2024

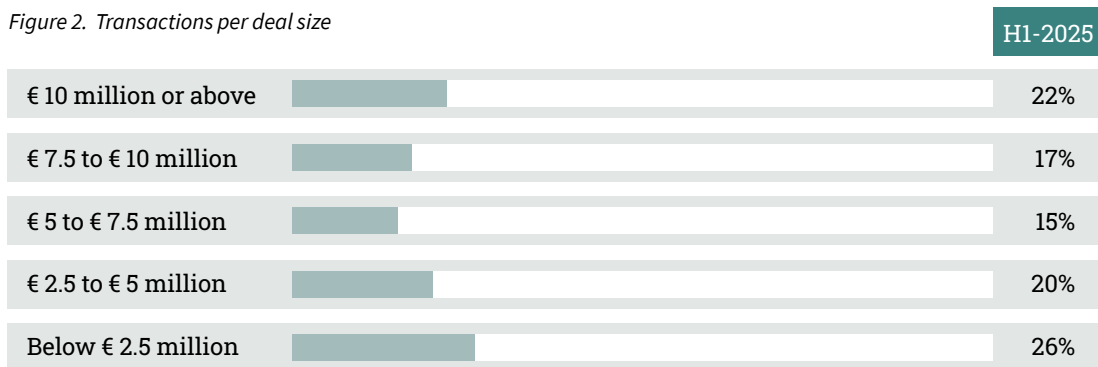


I Transactions

22% of Transactions Had a Deal Size Above € 10 Million

In H1-2025, smaller transactions dominated the Southern European M&A market. Deals with an enterprise value below €5 million accounted for nearly half of all activity, with the smallest segment, those under €2.5 million, comprising 26% of the market. Transactions valued between €2.5 and €5 million made up a further 20%. Mid-sized deals were less prevalent, with 15% in the €5–7.5 million range and 17% in the €7.5–10 million bracket. At the upper end, 22% of transactions had a value of €10 million or more.

Figure 2. Transactions per deal size



II Expected Sector Shifts

Largest Decline Expected in Deal Activity in the Automotive, Transportation & Logistics Sector

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 (22% of respondents), followed by IT Services (18%) and Business Services (15%).

Automotive, Transportation & Logistics was most frequently cited as the sector expected to see the largest decrease (27% of respondents), followed by Retail Trade (19%) and Wholesale Trade (11%).

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



“ From my perspective as an M&A advisor, the decline in activity in the transport and logistics sector reflects a complex macroeconomic environment. Persistent inflation, rising interest rates, and the cost of capital make financing and valuations more challenging, while geopolitical tensions, trade barriers, and tariffs reduce the fluidity of exchanges and visibility on growth prospects, dampening investors' risk appetite. In Italy, the economic slowdown and weak domestic demand further limit the dynamism of the M&A market, impacting volumes and logistics services. However, niches continue to attract capital: supply chain digitalization, green solutions, e-commerce, and last-mile logistics driven by online shopping. In short, despite a weakened landscape, future deals will focus on resilient and innovative segments capable of capturing new market trends. ”

Carlo Serroni
CEO of Docfin



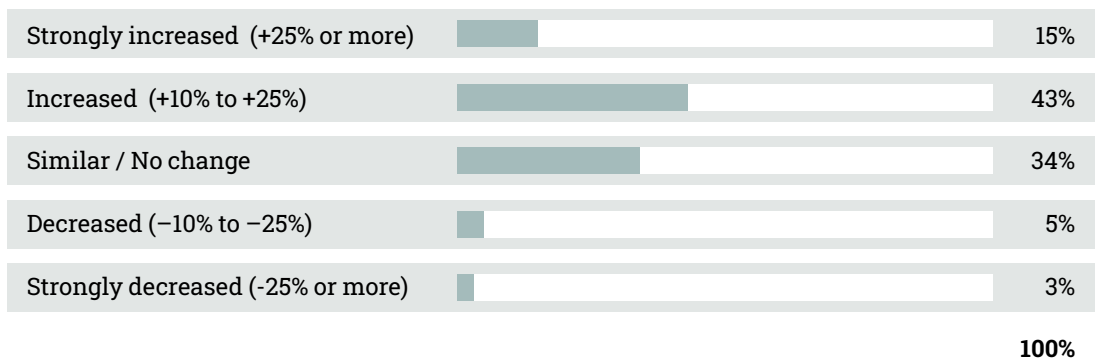
III Assignments

Increase in the number of 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, one third of advisors reported a similar number of transactions compared to H2-2024 (34%). While 8% 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

Mixed Financing Outlook, with Cautious Optimism

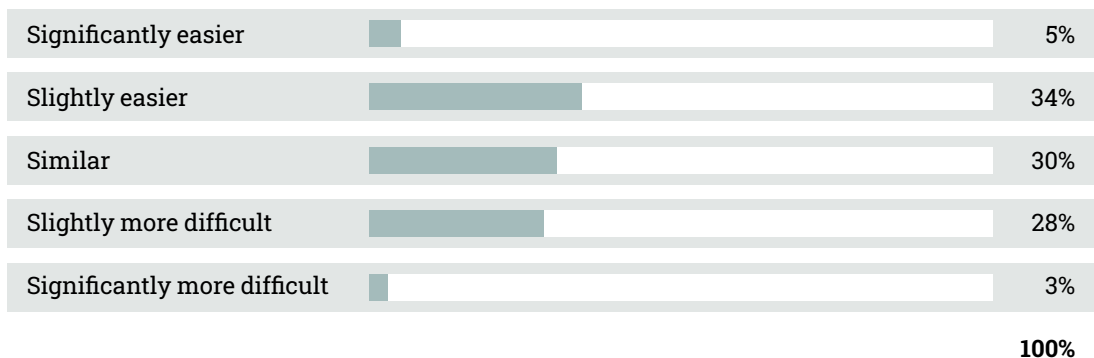
Advisors were asked to report on the availability of financing compared to H2-2024, the results are shown in Figures 6 and 7. According to 53% of the advisors, access to financing in Southern Europe has remained similar compared to the second half of 2024. A total of 30% of respondents report that financing has become easier, whereas 17% 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 30% anticipate conditions to remain stable, a notable share foresee some degree of improvement (39%), and a slightly smaller group expect financing to become more challenging (31%).

Figure 7. Expected Availability of Financing in H2-2025



“ In today’s market, rising input costs are squeezing margins and making valuations harder to justify. Even when deals move forward, the challenge doesn’t stop at signing. Post-merger integration in capital-intensive sectors often proves far more complex than expected. That’s why we see both financiers and investors becoming more selective and cautious in their approach. ”

Julian Sina
Senior financial analyst at Winnerge



V EBITDA-multiples in Southern Europe

The Average EBITDA Multiple in Southern Europe is 5.3

Defined by collection input from 117 leading Mid-Market M&A advisory firms operating in Spain, Italy, Portugal, and Greece, about transactions completed in H1-2025.

The average EBITDA-multiple in Southern Europe is 5.3 and varies by sector. It ranges from 3.8 (Construction & Engineering) to 7.4 (Healthcare & Pharmaceuticals and Software Development). This means that sector averages can differ significantly, ranging from 3.8 to 7.4, almost double depending on the industry.

The results of this study provide a starting point for the applicable sector-multiples. They therefore offer a good benchmark for cross-checking company valuations in the near future.

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

	H1-2025
Healthcare & Pharmaceuticals	7.4
Software Development	7.4
IT Services	6.9
Agri & Food	5.4
Business Services	5.3
E-commerce & Webshops	5.2
Industrial & Manufacturing	4.9
Media & Communication	4.9
Retail Trade	4.5
Wholesale Trade	4.4
Automotive, Transportation & Logistics	4.3
Hospitality & Tourism	4.3
Construction & Engineering	3.8

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

5.3

V EBITDA-multiples in Southern Europe

Largest Spread Reported in Business Services 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. Standard deviation of EBITDA-multiples per sector

	Lowest	Average	Highest
Software development	6.8	7.4	8.3
Healthcare & Pharmaceuticals	6.9	7.4	8.3
IT Services	6.2	6.9	7.5
Agri & Food	4.7	5.4	5.9
Business Services	4.4	5.3	6.2
E-commerce & Webshops	4.7	5.2	5.6
Industrial & Manufacturing	4.1	4.9	5.4
Media & Communication	4.0	4.9	5.4
Retail Trade	3.8	4.5	4.9
Wholesale Trade	3.7	4.4	5.2
Hospitality & Tourism	3.8	4.3	4.7
Automotive, Transportation & Logistics	3.4	4.3	4.7
Construction & Engineering	3.2	3.8	4.5

**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

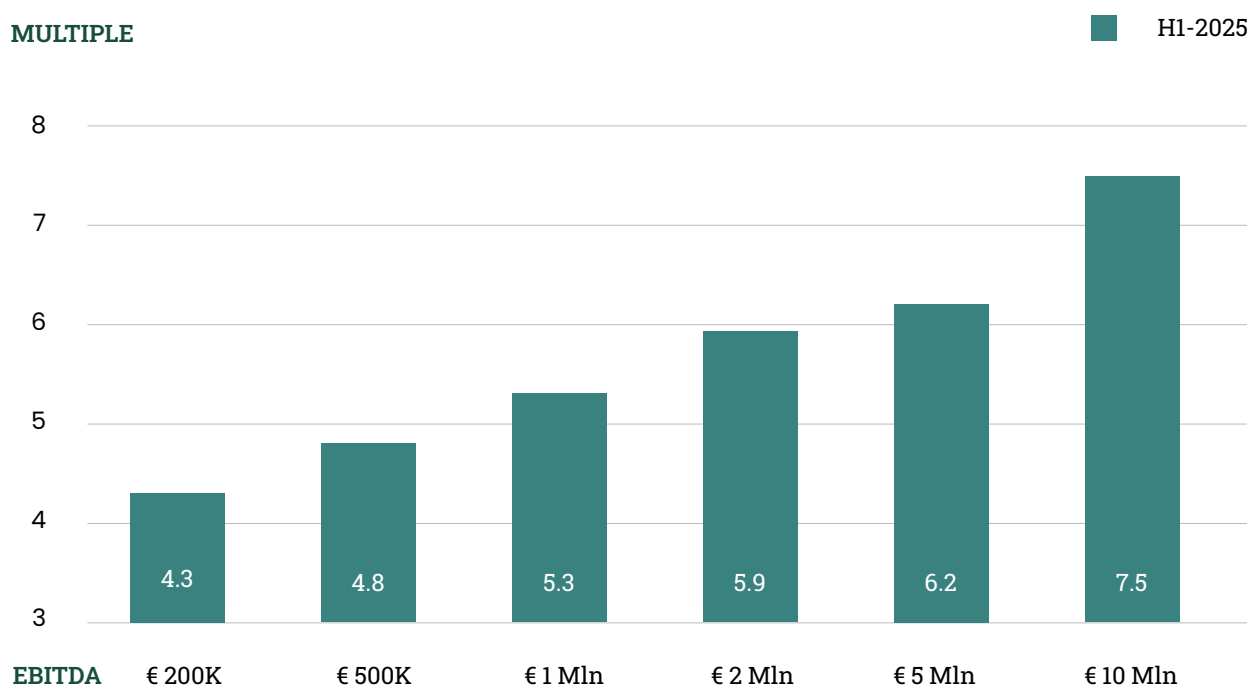
The size of a company can influence the average paid EBITDA multiple. For the first time, the impact of the so-called Small Firm Premium on the average EBITDA multiples for SMEs in Southern Europe is being analyzed. Specifically, companies with an EBITDA ranging from €200,000 to €10,000,000 are considered. This EBITDA range is a realistic representation of SMEs in Southern Europe 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.

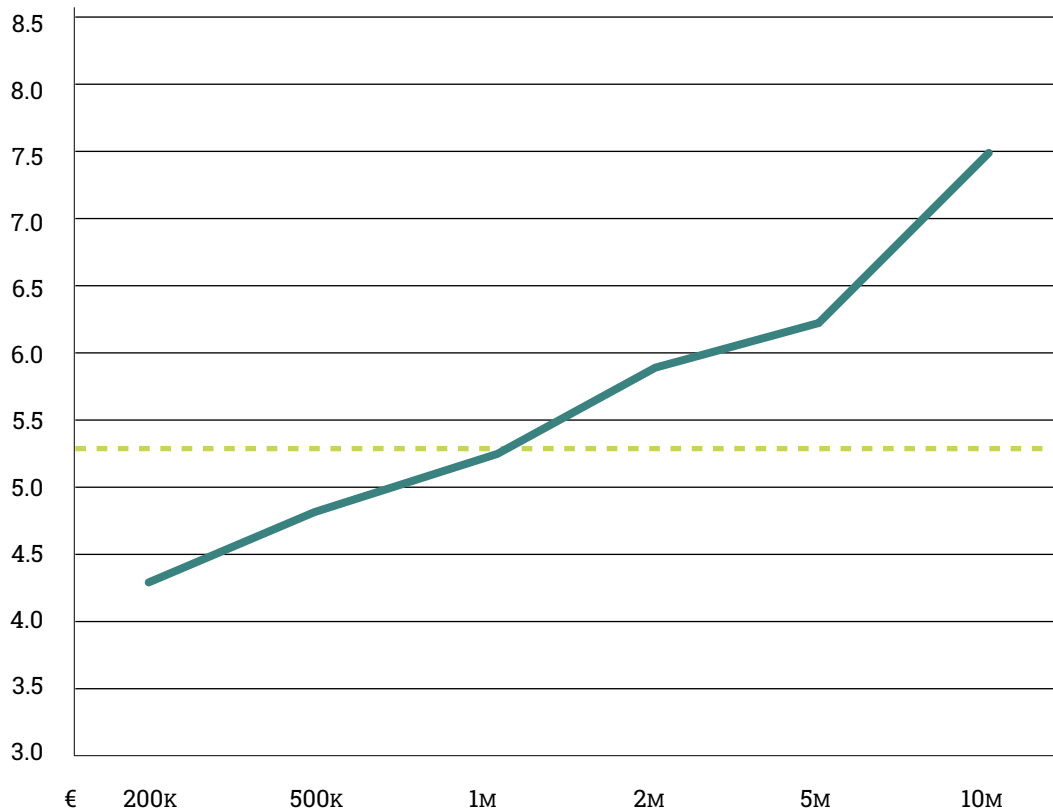
The difference in the EBITDA multiple between companies with a normalised EBITDA of €200,000 and €10,000,000 is 3.2 (4.3 compared to 7.5).

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 - and fluctuates heavily year-on-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 11 shows the differences in EBITDA multiples between European markets.

Figure 11. Comparison between average EBITDA multiple by sector (Enterprise Value) in Southern Europe and neighbouring countries

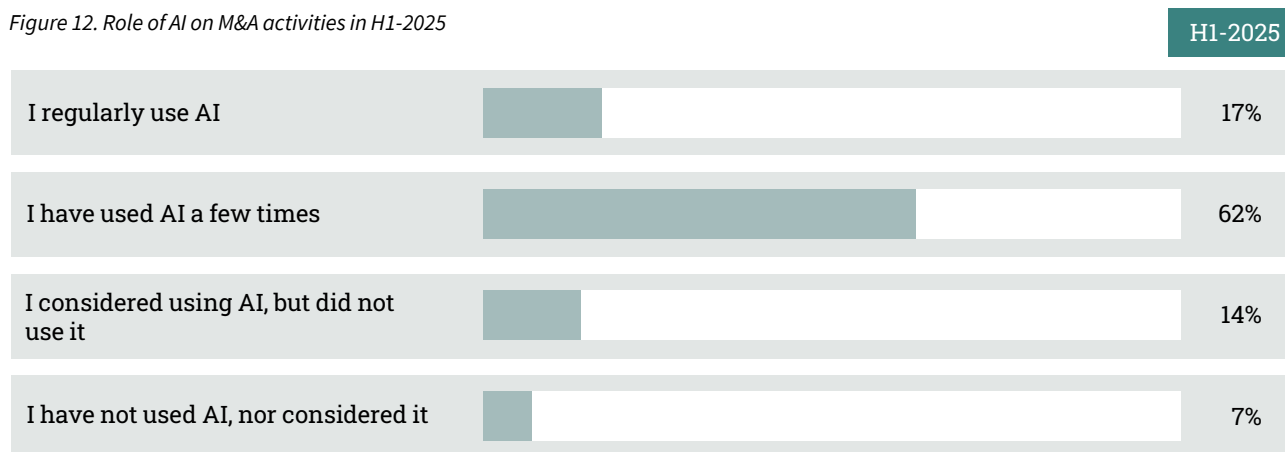
	Southern Europe	CEE	DACH	UK&I	France	Netherlands	Nordics
Healthcare & Pharmaceuticals	7.4	7.2	8.4	7.6	7.5	6.4	8.0
Software Development	7.4	6.6	8.9	8.2	7.7	7.4	8.0
IT Services	6.9	6.0	8.0	7.6	7.2	6.7	7.4
Agri & Food	5.4	5.6	5.4	5.3	5.1	5.4	5.5
Business Services	5.3	5.1	5.7	5.9	5.3	4.9	5.8
E-commerce & Webshops	5.2	5.4	6.4	6.4	4.9	5.0	5.2
Industrial & Manufacturing	4.9	5.1	5.3	5.3	4.9	5.0	5.0
Media & Communication	4.9	5.0	4.6	4.1	4.7	3.8	4.5
Retail Trade	4.5	4.2	2.8	3.4	4.5	2.3	4.2
Wholesale Trade	4.4	4.6	4.6	3.5	4.1	5.2	4.6
Automotive, Transportation & Logistics	4.3	4.4	4.3	4.0	4.4	4.1	4.5
Hospitality & Tourism	4.3	3.8	3.1	4.1	4.4	3.1	4.2
Construction & Engineering	3.8	4.2	4.9	3.8	3.8	4.5	4.4
Average:	5.3	5.2	5.55	5.3	5.25	4.9	5.5

VIII Artificial intelligence

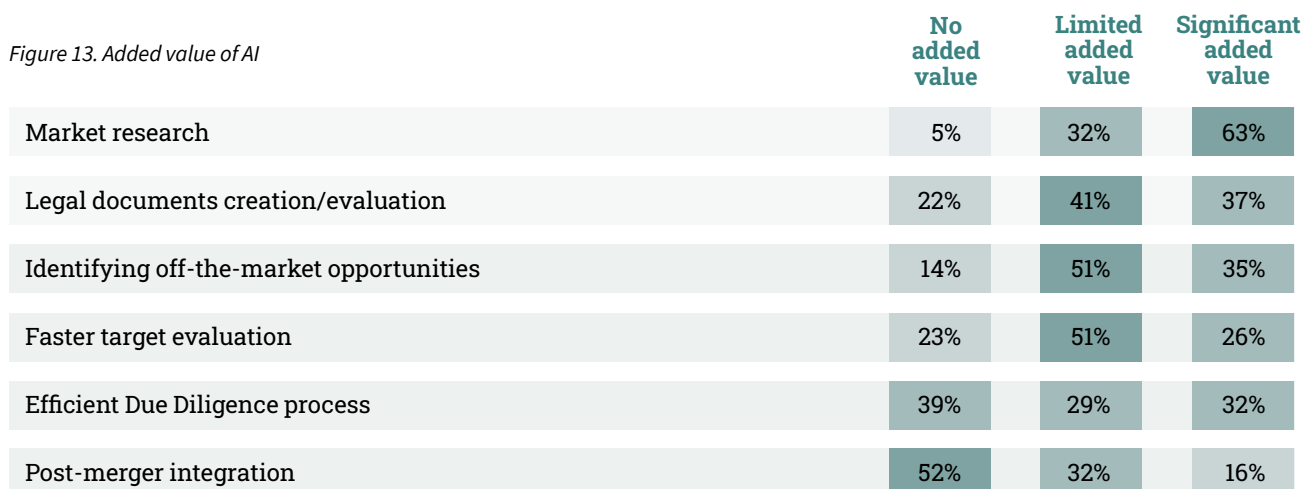
AI is Becoming Integral to M&A Activities

In the first half of 2025, AI has become a widely adopted tool in M&A activities across Southern Europe. 17% report using AI on a regular basis, while the majority of advisors have experimented with it a few times (62%). A smaller group (14%) have considered AI but not yet applied it, and only 7% have not engaged with it at all, underscoring that AI is now firmly embedded in the regional M&A landscape.

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



In H1-2025, AI is perceived as most valuable in market research, where 63% of respondents reported significant benefits and only 5% saw no added value. Legal document creation/evaluation, identifying off-market opportunities and faster target evaluation are also viewed positively, with a clear majority in each case reporting at least some added value, though fewer rated the impact as significant. In due diligence, opinions are more divided: only about one third of advisors highlighted strong benefits, while many saw limited or no value. Post-merger integration stands out as the least impacted area, with more than half of respondents reporting no added value from AI.



IX Deal Terms

More Risk Sharing Between Buyer and Seller

Macroeconomic developments often shape the application of deal terms. In this edition of the M&A Monitor, their frequency and use in Southern Europe were examined (Figure 14).

In H1-2025, earn-outs stood out as the strongest mover, with more than half of respondents (53%) reporting increased application, and only a small minority observing a decline. Warranties and indemnities also gained traction, with one in three respondents noting higher usage. Suspensive conditions showed a similar trend, as 33% reported an increase while most others saw stability.

By contrast, vendor loans and capital maintenance commitments displayed a more balanced picture: a majority reported no change, while around a quarter indicated greater use. Asset/liability transactions, however, appeared the most stable, with nearly 70% noting no change and only limited signs of increase.

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	1%	11%	35%	46%	7%
Warranties and indemnities	0%	3%	64%	29%	4%
Suspensive conditions	3%	7%	57%	33%	0%
Capital maintenance commitment	0%	13%	63%	19%	5%
Vendor Loan	5%	15%	56%	21%	3%
Asset/liability transaction	4%	16%	69%	11%	0%

X Buyer Intent

On Average 8.4 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. In H1-2025, the number of average interested parties per offered firm is 8.4.

Figure 15. Average number of interested* parties per firm

	H1-2025
IT Services	14.6
Software development	14.2
Healthcare & Pharmaceuticals	11.8
Industrial & Manufacturing	10.0
E-commerce & Webshops	8.4
Agri & Food	8.4
Business Services	7.7
Hospitality & Tourism	7.7
Media & Communication	6.0
Construction & Engineering	5.7
Automotive, Transportation & Logistics	5.6
Retail Trade	5.1
Wholesale Trade	4.5
Average	8.4

The average number of interested parties per firm is

8.4

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



Although there is a lot of competition, there are also many entrepreneurs close to retirement who do not have succession and a lot of capital looking for opportunities.



Enrique Irisarri
M&A Director VÍA Consultores S.L.



XI Outlook

Vast Majority of Advisors Optimistic for H2-2025

Assessing the performance of the Southern European 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).

Looking back at the first half of 2025, the majority of advisors are satisfied with the performance. 83% of advisors report a positive feeling about the performance of H1-2025, while 17% of respondents held a rather negative view. Looking ahead, 90% of advisors have positive expectations for H2-2025.

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

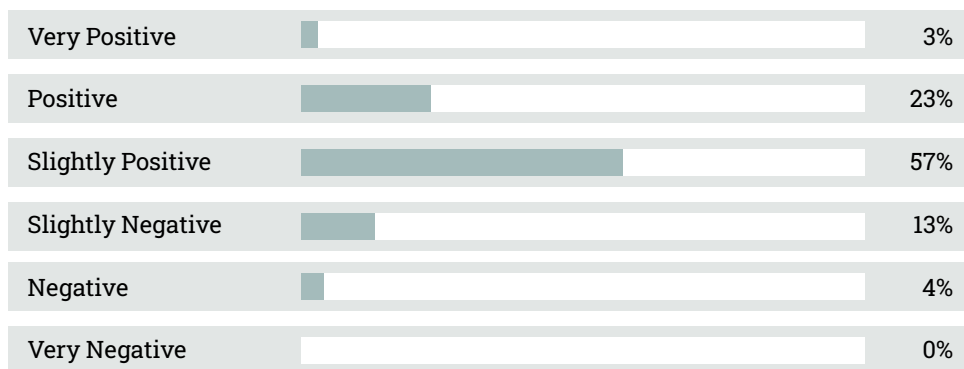
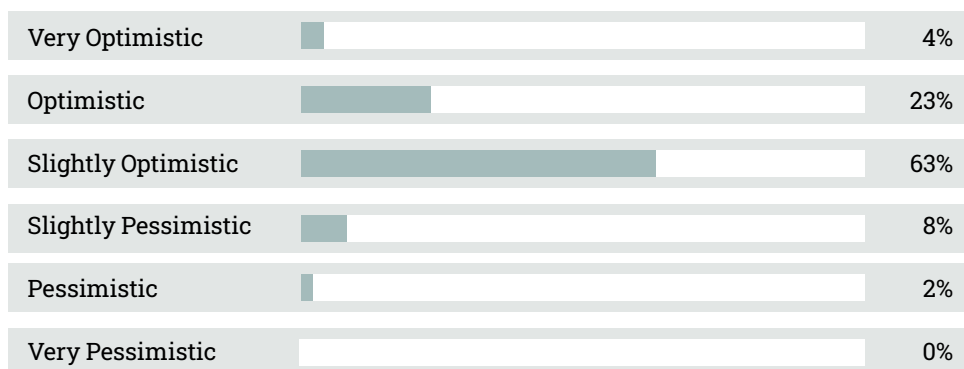


Figure 17. Expectations Southern European M&A mid-market H2-2025



“ The biggest reason to feel opportunistic about the upcoming year in M&A is the availability of quality assets at attractive valuations. Market adjustments and economic uncertainties have created opportunities for strategic buyers and investors to acquire companies with strong fundamentals at competitive prices, setting the stage for value creation and growth. ”

Gonzague Devial
Anquor Corporate Finance, SI

ANQUOR
CORPORATE FINANCE

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 €200 million. The survey was sent to 421 M&A advisory firms. Considering their combined input, they represent an essential part of the M&A mid-market in Southern Europe. Out of the total of 421 advisory firms, we received 117 responses.

Sources used:

- 117 survey responses from key Southern European M&A advisory firms
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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 Carla de Moel.



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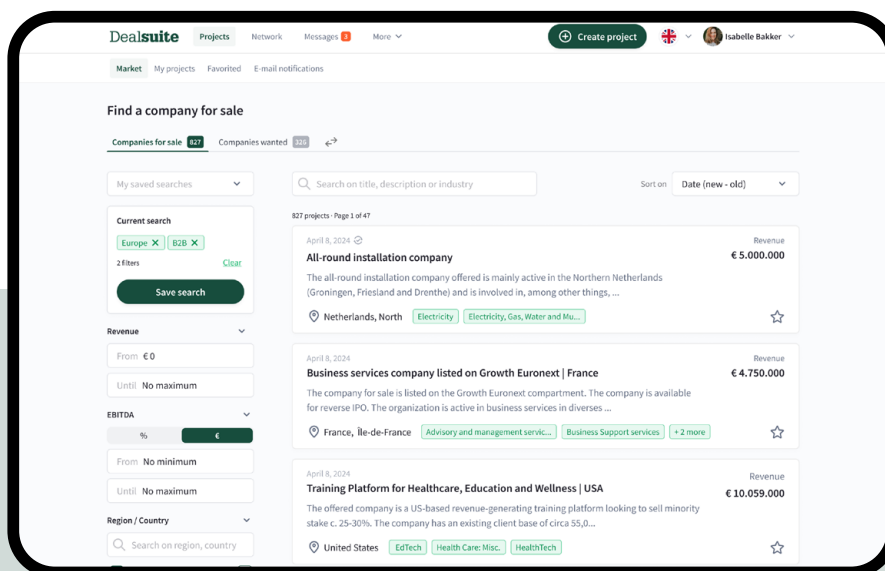
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XIII About Dealsuite in Southern Europe

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.

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