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4Q24 SaT research and insights



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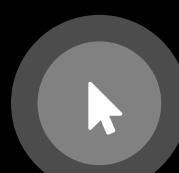
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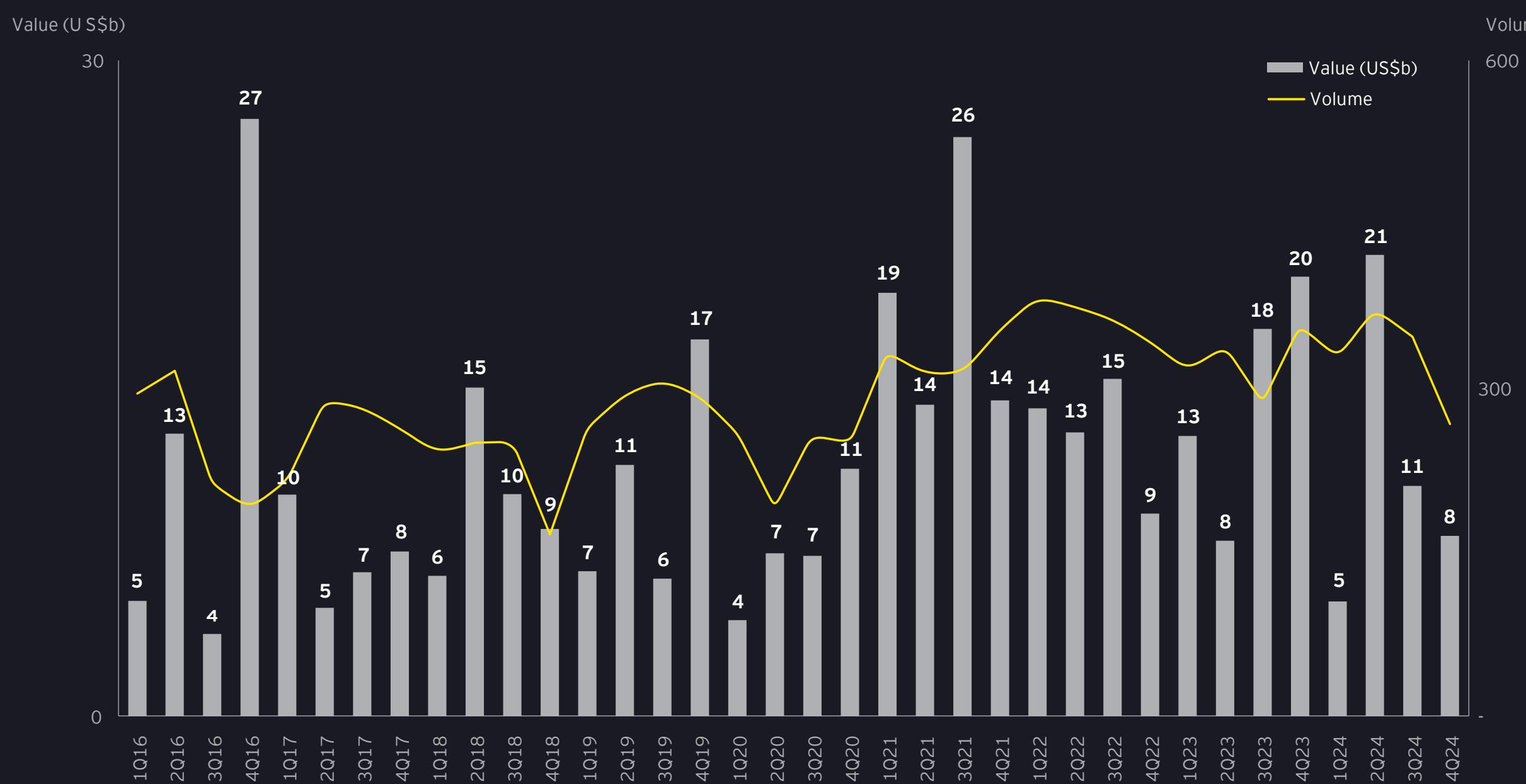
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See **methodology notes** for source and criteria for data. If you require further information regarding sources used, please contact the author.

M&A activity in the CEE Region lost momentum in 4Q24

Cumulative deal volume for 2024 witnessed a YoY rise, however, deal value experienced decline



Source: EY analysis, Oxford Economics and Dealogic

01

In 2024, the total number of transactions rose slightly by 1.2% to 1,314, up from 1,298 in 2023, but there was a notable drop in deals valued over US\$1b, featuring just four such big-ticket deals in 2024 compared to 16 in 2023.

The CEE Region's deal activity began slowly in 2024, peaked in Q2, and then declined in the second half of the year. The fourth quarter saw a 22% reduction in deal value and a 23% fall in the number of deals from the previous quarter, totaling US\$8.2b from 267 transactions.

In 4Q24, CEE transaction sizes saw a slight QoQ uptick, with deals in the US\$100m-US\$5b range rising from 23% to 31% of disclosed values. Concurrently, the share of transactions below US\$50m dropped from 66% in 3Q24 to 51% in 4Q24. Furthermore, high-value deals over US\$1b fell to just one in 4Q24, a decrease from six in the same quarter of 2023.

In 4Q24's mega deal, Miniclip's US\$1.2b acquisition of Easybrain from Embracer Group bolstered its mobile gaming presence, tapping into the ad-driven games sector. The deal leverages Easybrain's revenue-

generating expertise in free and ad-supported games, thereby, enhancing Miniclip's expertise in game scaling and monetization.

From an investment and acquisition standpoint, the CEE Region presents a mixed landscape, with domestic demand driving growth amid weak fixed investment. CEE currencies and assets may become more volatile and risk-prone depending on the influence of the new US administration's policies, challenging central banks to balance FX stability with growth.

Investment growth is inconsistent due to tough financial climates and low global demand impacting business investments. However, the 2025 outlook is optimistic, with potential economic stimulus hinting at strategic investment opportunities in consumer-led sectors and we anticipate areas likely to benefit from the ECB's rate cuts, anticipated to spur international capital goods demand.

For example, the Czech Republic's shift towards increased public investment during an election year presents potential investment and acquisition opportunities, as does Poland's modest fiscal tightening.

Overall CEE M&A activity remained subdued in 4Q24

Poland and Greece led in terms of deal volume and value, respectively

During the final quarter of 2024, Poland and Turkey led the CEE Region in terms of deal activity. However, Poland experienced a significant YoY fall of 49%, with 58 deals totaling US\$1.0b, and a 43% decline from the preceding quarter. The technology, power and utilities, chemicals and advanced materials, and consumer products and retail sectors were particularly active, accounting for 47% of Poland's deal volume.

Poland's recent transactions in the technology sector demonstrate a shift towards unified, tech-centric platforms that meet changing demands of consumers and businesses. For instance, Benefit Systems' takeover of Wellbee integrates mental health into the digital benefits arena, while ASEE Group's purchase of Askep.net is a move towards enhancing digital health care services with SAAS platforms mirroring the ongoing trend.

In 4Q24, Greece and Turkey were at the forefront of deal values in the CEE Region. Turkey's deals were predominantly in technology, aerospace and defense, and chemicals and advanced materials, making up 68% of its transaction value. In Greece, the banking and capital markets, and real estate sectors represented 72% of transaction value. Notably, Greek shipowner George Prokopiou expanded his real estate investments by acquiring a significant stake in the Four Seasons hotel operated by Astir Palace Vouliagmeni SA for US\$326m.

The Greek economy is expected to expand by 2% in 2025, outperforming earlier forecasts, driven by strong domestic demand, NextGenEU-funded investments, and a robust labor market easing inflation. Investment in sectors like private housing is on the rise, and with supportive government policies, Greece presents potential for investment and acquisition opportunities.

Investment in Greek startups has been on an upward trajectory, with a significant 15% rise in 2024, amounting to over €555m across more than 90 companies, signaling a dynamic and diverse deal-making startup environment in Greece.

Source: EY analysis, Oxford Economics and Dealogic

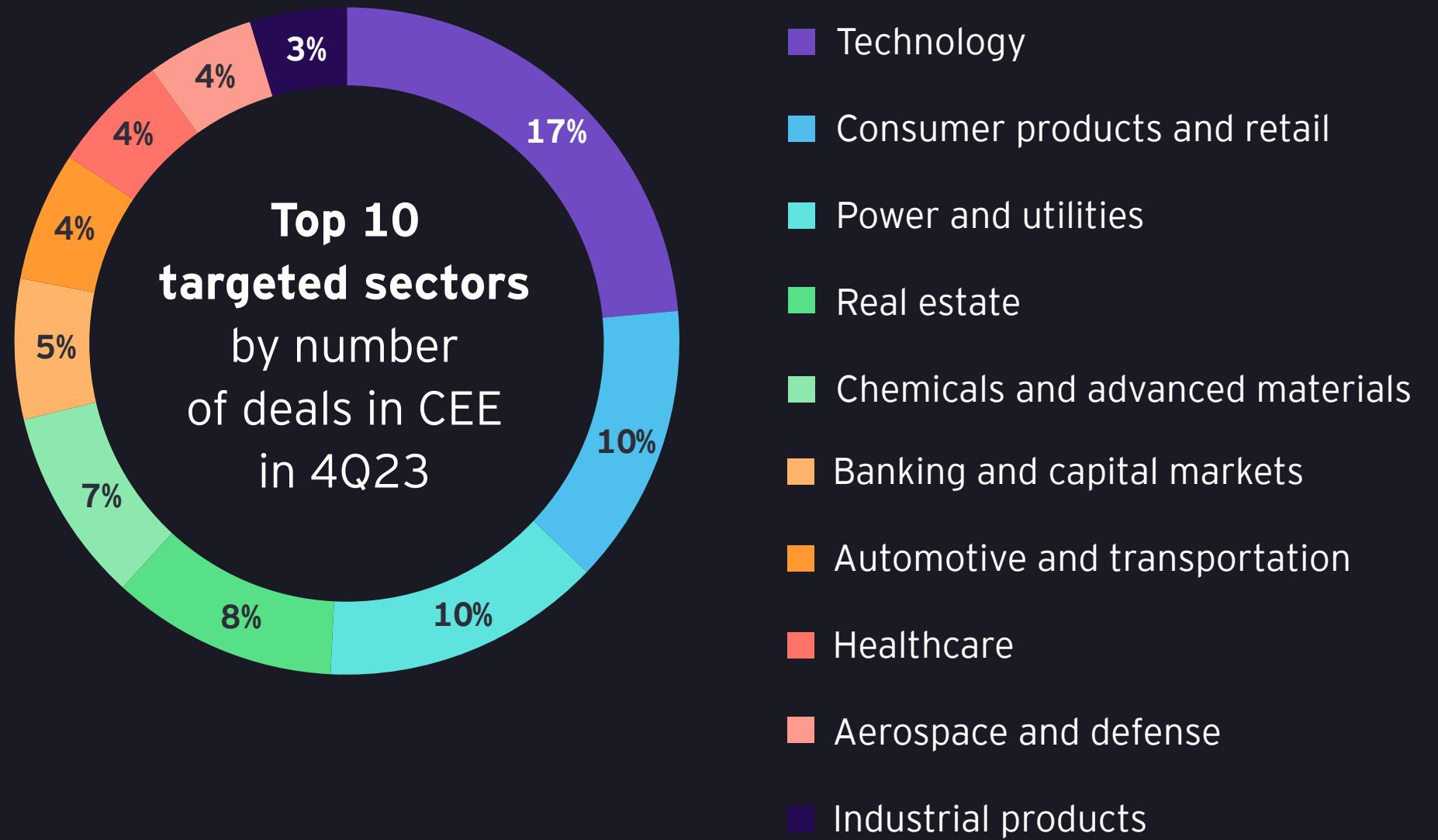
| Active countries | Deal volume | | | | | Deal value (US\$m) | | | | |
|------------------|-------------|------|------|-------|-------|--------------------|-------|-------|-------|-------|
| | 4Q24 | 3Q24 | 4Q23 | Q-O-Q | Y-O-Y | 4Q24 | 3Q24 | 4Q23 | Q-O-Q | Y-O-Y |
| Poland | 58 | 102 | 114 | -43% | -49% | 955 | 1,784 | 1,588 | -46% | -40% |
| Turkey | 47 | 56 | 58 | -16% | -19% | 1,988 | 2,099 | 1,653 | -5% | 20% |
| Czechia | 39 | 26 | 45 | 50% | -13% | 622 | 129 | 3,363 | 382% | -82% |
| Romania | 26 | 43 | 35 | -40% | -26% | 513 | 1,355 | 2,103 | -62% | -76% |
| Lithuania | 15 | 22 | 12 | -32% | 25% | 480 | 204 | 68 | 135% | 606% |
| Greece | 21 | 21 | 18 | 0% | 17% | 2,083 | 5,271 | 5,221 | -60% | -60% |
| Estonia | 12 | 21 | 16 | -43% | -25% | 357 | 24 | 250 | 1388% | 43% |
| Latvia | 8 | 13 | 6 | -38% | 33% | - | 24 | 158 | -100% | -100% |
| Hungary | 12 | 13 | 17 | -8% | -29% | 225 | 33 | 370 | 582% | -39% |
| Ukraine | 7 | 5 | 7 | 40% | 0% | 71 | 15 | 538 | 373% | -87% |

1. The table above represents the sum of total deal volume and value for a country from either a target or acquirer perspective.

2. Active countries have been selected on the basis of top targeted countries in the last quarter in terms of deal count.

Technology maintained its dominance in deal volume in 4Q24

Closely followed by consumer products and retail, and power and utilities



Source: EY analysis and Dealogic

Note:

1. The donut chart above contains top 10 targeted sectors by number of deals in CEE
2. The table on right consists of active sectors in top 10 targeted countries in CEE on the basis of highest number of deals

The most active target sectors in the top 10 countries (by deal volume)

| Target country | Active target sector |
|----------------|--|
| Poland | Technology, power and utilities, chemicals and advanced materials, consumer products and retail |
| Turkey | Consumer products and retail, technology, real estate, power and utilities and aerospace and defense |
| Czechia | Technology, power and utilities |
| Romania | Technology, power and utilities, consumer products and retail, real estate, healthcare |
| Lithuania | Technology, power and utilities |
| Greece | Real estate, power and utilities |
| Estonia | Technology |
| Latvia | Technology, consumer products and retail |
| Hungary | Chemicals and advanced materials, consumer products and retail, banking and capital markets |
| Ukraine | Technology, real estate, banking and capital markets, automotive and transportation, oil and gas |

Technology continued to lead the way in the deal landscape in 4Q24

The recent QoQ trend reflects a 53% rise in deal value, although deal volume declined by 35%

The technology sector led deal activity in the CEE Region in 4Q24, with 58 deals worth US\$2.8b. While deal volume dropped 32%, deal value surged 424% compared to 4Q23.

Domestic deals made up 50% of the sector's deal volume in 4Q24, with Poland and Turkey leading in volume and Turkey and Lithuania in deal value. Deals in the US\$100m-US\$5b range rose from 14% in 3Q24 to 30% in 4Q24, while transactions below US\$50m decreased from 76% to 60%.

Strategic buyers led the sector in 4Q24, dominating with 74% of the sector's transaction volume, while private equity accounts for the remaining 26%.

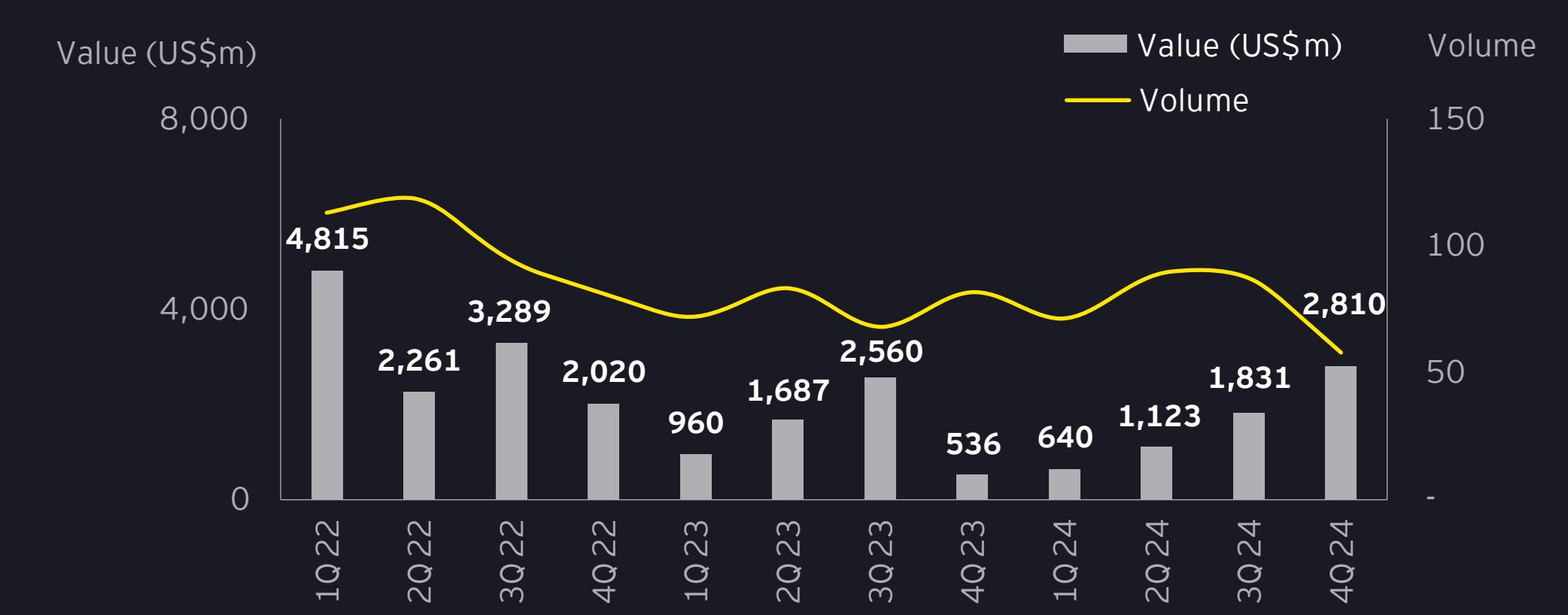
The technology sector in the CEE Region is witnessing strategic consolidation and expansion as companies seek

to strengthen market positioning, expand geographical footprint, diversify product portfolio, and enhance innovation capabilities.

For instance, deals like Embracer's divestment of Easybrain to Miniclip and Vinted's secondary share sale underscore a focus on enhancing market positioning through M&A, with a strong emphasis on mobile gaming, e-commerce, and digital platforms.

Additionally, Cyber_Folks's acquisition of Shoper SA helps in expanding its presence in the CEE Region by creating an innovative e-commerce ecosystem. Similarly, Invia Group's integration with WP Holding reflects a growing trend of leveraging regional synergies and scaling operations in high-demand sectors such as online services.

Quarterly M&A deal activity in the technology sector



| Date | Target | Sector | Country | Acquirer | Sector | Country | Value (US\$m) |
|-----------|---|------------|-----------|---|-------------------------|---------------------|---------------|
| 14-Nov-24 | Easybrain Ltd (100%) | Technology | Cyprus | Tencent Holdings Ltd, Miniclip SA | Technology | China | 1,173 |
| 01-Nov-24 | Sosyo Plus Bilgi Bilisim Teknolojileri Danismanlik Hizmetleri Ticaret AS (Stk%) | Technology | Turkey | General Atlantic LLC, Qatar Investment Authority and other investors | PE, SWF | Turkey, US, MENA | 500 |
| 24-Oct-24 | Vinted UAB (6.8%) | Technology | Lithuania | TPG Capital LP, Hedosophia Services Ltd, FJ Labs Inc and other investors | PE | US | 367 |
| 23-Dec-24 | INVIA.CZ as (100%) | Technology | Czechia | Wirtualna Polska Holding SA Wirtualna Polska Media SA | Media and entertainment | Poland | 250 |
| 29-Nov-24 | Shoper SA (46.57%) | Technology | Poland | cyber_Folks SA | Technology | Poland | 135 |

Source: EY research, Merger market and Dealogic

Consumer was a steady deal contributor in 4Q24 amid market shifts

Strategic buyers are driving deal activity to enhance market positioning and customer experience

The consumer products and retail sector was a key contributor to deal volume in 4Q24, despite declines in both YoY and QoQ activity.

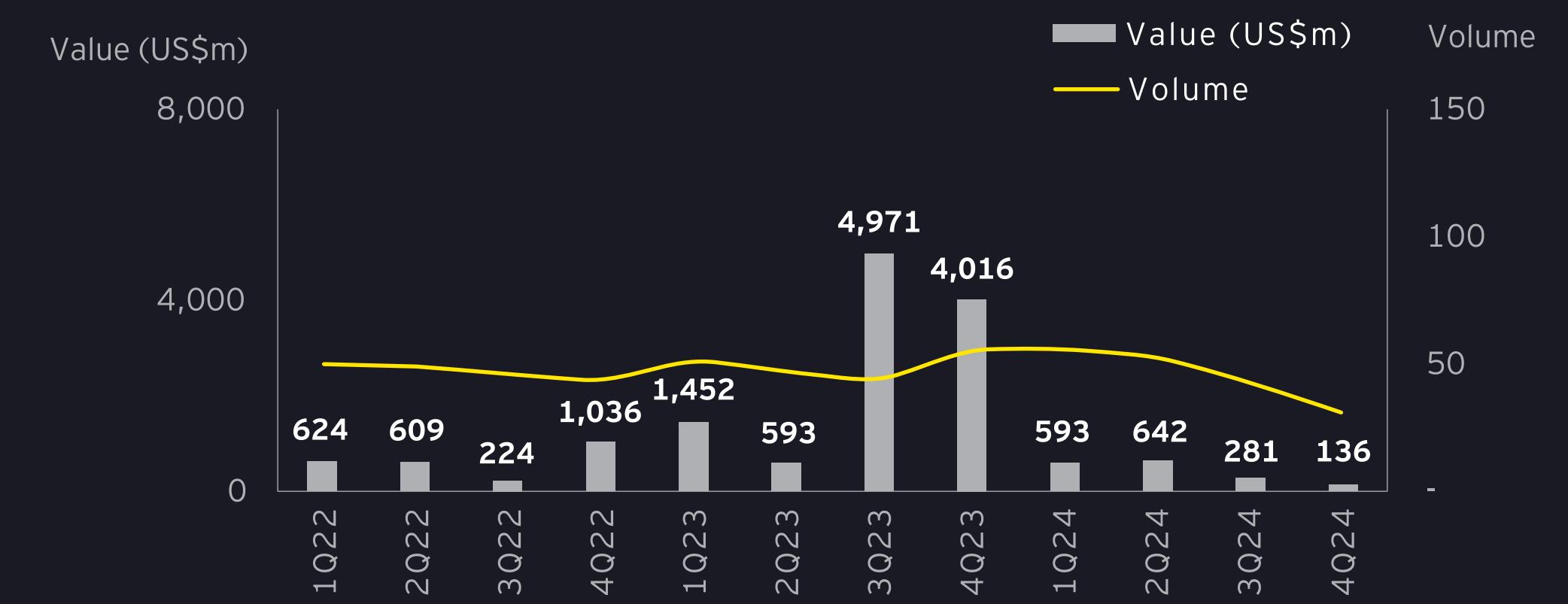
The sector saw 31 deals valued at US\$136m in 4Q24, reflecting a 97% drop in value and a 45% decline in volume compared to 4Q23, and a 52% drop in value and 28% in volume from 3Q24.

Domestic transactions were prevalent in the consumer products and retail sector's M&A activities, making up 65% of the sector's deal volume, with Turkey, Poland, and the Czech Republic leading in deal count and Romania in deal value during 4Q24.

Despite the downturn, the sector remained a significant player, with corporate transactions accounting for c. 90% of the sector's deal volume. Strategic consolidations aimed at market expansion, operational enhancement, customer-centricity, and cost synergies have driven deal-making in the sector.

For instance, in 4Q24, Lekarna Lemon's acquisition of Czechia-based Chytra lekarna AS and Frasers Group's investment in Hudson Malta Sales Ltd are expected to bolster their market positions and expand their footprint in the Czech Republic, and Southern Europe and Africa respectively. Similarly, the sale of Brico Dépôt Romania presents a growth opportunity in the DIY market, with a focus on an omnichannel model for improved customer experience.

Quarterly M&A deal activity in consumer products and retail sector



| Date | Target | Sector | Country | Acquirer | Sector | Country | Value (US\$m) |
|-----------|--|-------------------------------|---------|--------------------------------------|----------------------------------|---------|---------------|
| 18-Dec-24 | SC Bricostore Romania SA (100%) | Consumer products and retail | Romania | SC Altex Romania SRL | Chemicals and advanced materials | Romania | 73 |
| 17-Oct-24 | Efeler Ciftligi Tarim ve Hayvancilik AS (100%) | Consumer products and retail | Turkey | Altinmarka Gida Sanayi ve Ticaret AS | Consumer products and retail | Turkey | 18 |
| 13-Dec-24 | Kitax kft (100%) | Consumer products and retail | Hungary | Aquila SRL | Automotive and transportation | Romania | 15 |
| 06-Nov-24 | Yonga Mobilya Sanayi ve Ticaret AS (39.58%) | Consumer products and retail | Turkey | Undisclosed Acquirer | PE | Turkey | 14 |
| 09-Oct-24 | KTL Ukraine LLC (70%) | Automotive and transportation | Ukraine | MHP SE | Consumer products and retail | Ukraine | 10 |

Power and utilities sector ranks third in regional deal activity in 4Q24

There is a transition toward increasing renewable power generation capacity, particularly solar and wind

The power and utilities sector experienced a downturn in both deal value and volume in 4Q24, with 28 transactions amounting to US\$0.8b. However, the sector's annual deal volume for 2024 saw a 6% YoY increase, with 166 deals compared to 157 in 2023. It ranked as the third most active sector for the final quarter of 2024, with corporate deals making up 79% of the sector's transaction volume.

Domestic transactions were predominant in the sector's M&A activities during 4Q24.

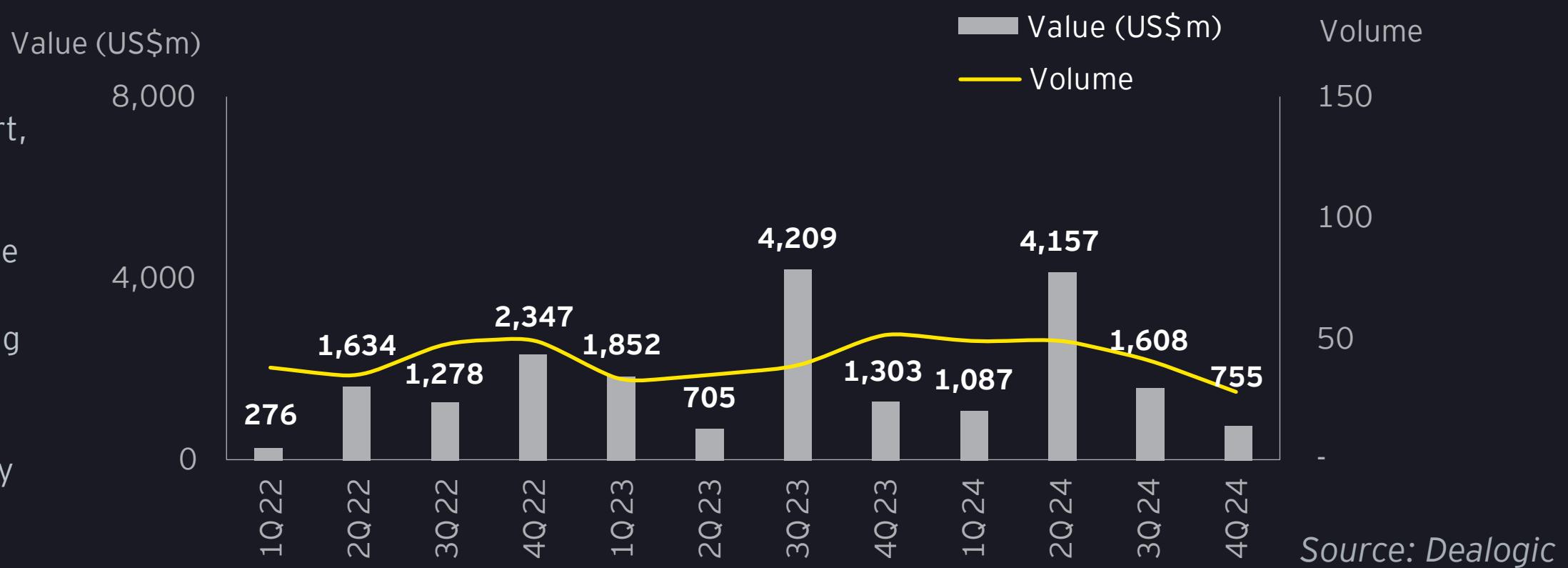
Poland was at the forefront in terms of the number of deals, while Romania and Greece led in deal value.

Investments in the CEE energy sector are driven by the urgent need for modern infrastructure and transition to

green energy. Despite challenges such as inflation, supply chain issues, and higher interest rates causing project delays, countries like Serbia and Hungary are actively pursuing energy and infrastructure projects with policy and financial support, including government incentives and EU policies.

In 4Q24, strategic acquisitions such as MVM's purchase of E.ON and Helleniq's acquisition of Elpedison, are aimed at strengthening market positions and advancing the energy transition. Meanwhile, investments by entities like Eesti Gaas and EBRD in renewable energy development and infrastructure aim to diversify energy supplies, enhancing energy security and supporting sustainable growth in the Region.

Quarterly M&A deal activity in power and utilities sector



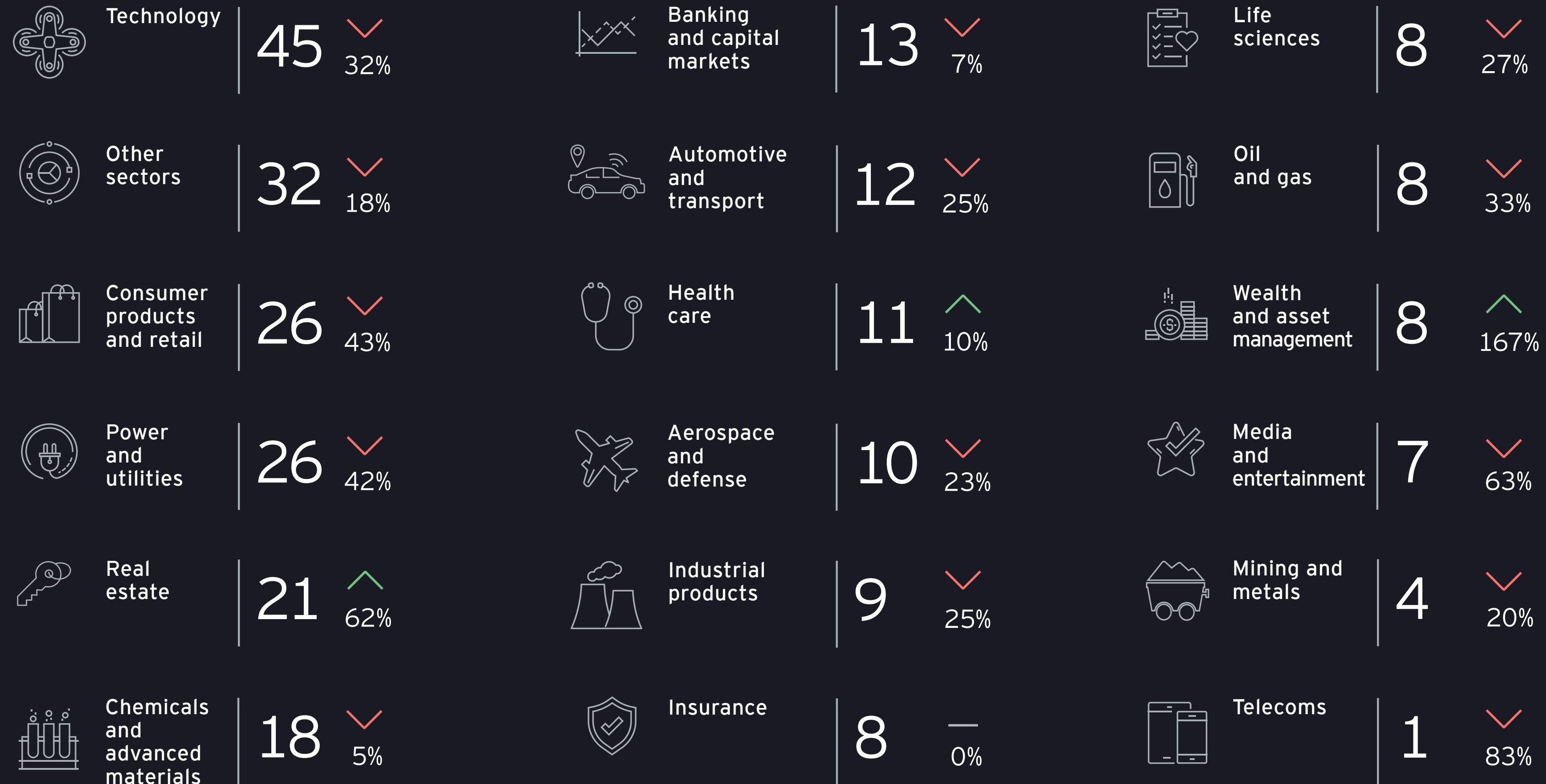
Source: Dealogic

| Date | Target | Sector | Country | Acquirer | Sector | Country | Value (US\$m) |
|-----------|--|---------------------|-----------|--|-----------------------------|----------------|---------------|
| 16-Dec-24 | E.ON Asist Complet SA (98%) E.ON Energie Romania SA | Power and utilities | Romania | MVM Magyar Villamos Muvek Zrt | Power and utilities | Hungary | 210 |
| 09-Dec-24 | ElpEdison BV (50%) | Power and utilities | Greece | Helleniq Energy Holdings SA | Oil and gas | Greece | 206 |
| 31-Oct-24 | EWE Polska Ltd (100%) | Power and utilities | Poland | Infortar AS, Eesti Gaas | PE, Oil and gas | Estonia | 130 |
| 03-Oct-24 | Green Genius UAB (Min%) | Power and utilities | Lithuania | European Bank for Reconstruction & Development - EBRD | Banking and capital markets | United Kingdom | 110 |
| 05-Dec-24 | Sunly OU (Stk%) | Power and utilities | Estonia | European Bank for Reconstruction & Development - EBRD; Vardar AS; Mirova SA | Banking and capital markets | United Kingdom | 63 |

Source: EY research, Merger market and Dealogic

Number of targeted deals in key sectors in 4Q24

(versus 4Q23)



Source: Dealogic

Note: Based on number of targeted deals for sectors in CEE

Top 10 deals in CEE – 4Q24

Reached a combined value of US\$4.7b, representing 57.2% of the Region's total in 4Q24

Source: Dealogic

| | Date | Target | Sector | Country | Acquirer | Sector | Country | Value (US\$m) |
|----|-----------|---|----------------------------------|---------------|--|----------------------------------|-----------|---------------|
| 1 | 14-Nov-24 | Easybrain Ltd (100%) | Technology | Cyprus | Tencent Holdings Ltd Miniclip SA | Technology | China | 1,173 |
| 2 | 07-Nov-24 | Hellenic Bank plc (37.14%) | Banking and capital markets | Cyprus | Eurobank Ergasias Services & Holdings SA, Eurobank SA | Banking and capital markets | Greece | 805 |
| 3 | 23-Dec-24 | Port Terminals (Fenerbahce-Kalamis Marina, 100%) | Aerospace and defense | Turkey | KOC Holding AS, Marmara Turizm Tesisleri Tek-Art Kalamis ve Fenerbahce | Automotive and transportation | Turkey | 504 |
| 4 | 01-Nov-24 | Sosyo Plus Bilgi Bilişim Teknolojileri Danışmanlık Hizmetleri Ticaret AS (Stk%) | Technology | Turkey | General Atlantic LLC, Qatar Investment Authority, and other investors | PE | Turkey | 500 |
| 5 | 24-Oct-24 | Vinted UAB (6.8%) | Technology | Lithuania | TPG Capital LP, Hedosophia Services Ltd, FJ Labs Inc and other investors | PE | Lithuania | 367 |
| 6 | 31-Oct-24 | Hotels (Four Seasons Hotel, 30%) | Real estate | Greece | George Prokopiou (Private Individual) | Private Investment/HNWI | Greece | 326 |
| 7 | 29-Nov-24 | Pacific Soda LLC (40%) Sisecam Wyoming LLC | Chemicals and advanced materials | United States | Turkiye Sise ve Cam Fabrikalari AS | Chemicals and advanced materials | Turkey | 285 |
| 8 | 15-Nov-24 | Ekol Lojistik AS (international transport network connecting Türkiye and Europe, 100%) | Automotive and transportation | Turkey | DFDS A/S | Aerospace and defense | Denmark | 255 |
| 9 | 23-Dec-24 | INVIA.CZ a.s (100%) | Technology | Czechia | Wirtualna Polska Holding SA Wirtualna Polska Media SA | Media and entertainment | Poland | 250 |
| 10 | 26-Nov-24 | Hotels (Grand Hyatt Athens, 100%) | Real estate | Greece | Blackstone Inc Blackstone Real Estate Partners LP | PE | US | 246 |

Domestic deals dominated deal activity despite a YoY and QoQ decline

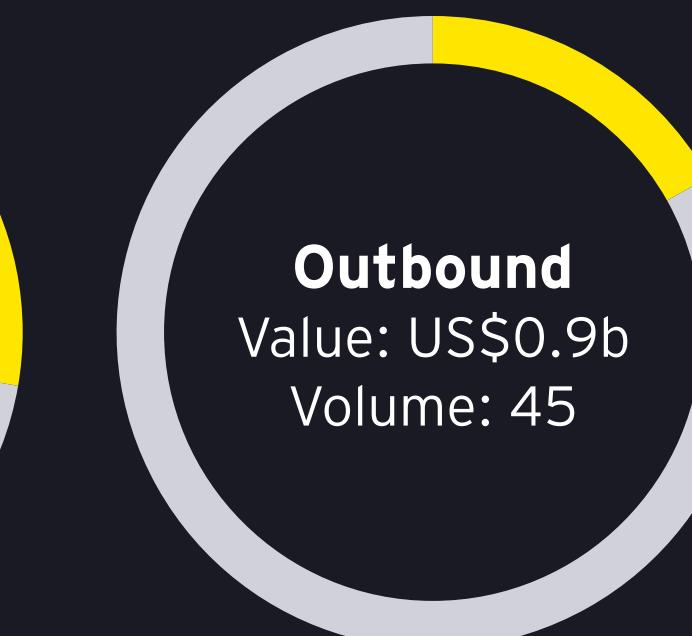
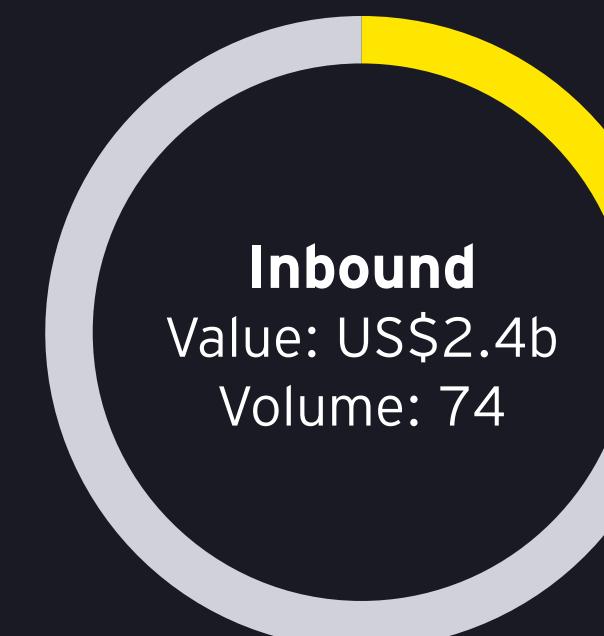
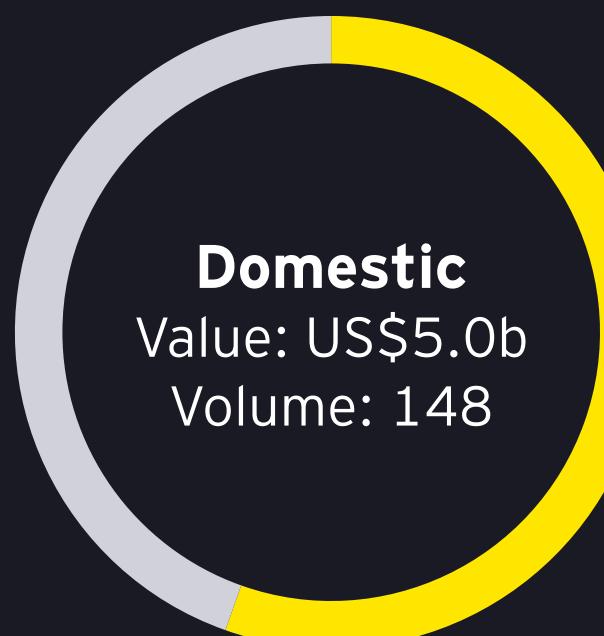
Inbound deal value initially spiked by 341% in 2Q24, dipped in 3Q24, and then rose again by 47% in 4Q24

In 4Q24, domestic transactions continued to be the dominant segment, representing 55% of the total deal volume. The CEE Region saw 148 domestic deals valued at US\$5.0b, reflecting a decline compared to both the previous quarter and the same period last year.

Three large deals (US\$500-US\$1000m) were recorded in technology, banking and capital markets, and aerospace and defense in 4Q24, compared to one such deal in the industrial products sector in 4Q23.

In 3Q24, only one big-ticket deal (US\$1b+) was completed in the automotive and transportation sector.

In 4Q24, there were 74 inbound deals worth US\$2.4b, reflecting a 36% drop in deal count but a 47% increase in deal value from 3Q24.



Source: EY analysis and Dealogic

The USA, UK, Germany, and Sweden were the most active acquirers of CEE-based targets.

54% of inbound transaction volume targeted the technology, power and utilities, consumer products and retail, and chemicals and advanced materials sectors.

Only one big-ticket inbound deal (US\$1b+) occurred in the technology sector in 4Q24.

Outbound activity in 4Q24 consisted of 45 deals worth US\$0.9b, a 50% drop in value and a 4% decrease in deal count compared to 3Q24.

36% of outbound deal flow targeted entities in real estate, consumer products and retail, and chemicals and advanced materials sectors in 4Q24.

Top 10 countries for inbound in 4Q24 (by deal volume) Source: Dealogic

| | |
|-------------|----|
| The US | 11 |
| The UK | 10 |
| Germany | 8 |
| Sweden | 5 |
| France | 4 |
| Italy | 4 |
| Finland | 3 |
| Netherlands | 3 |
| Denmark | 2 |
| Spain | 2 |

Top 10 countries for outbound in 4Q24 (by deal volume) Source: Dealogic

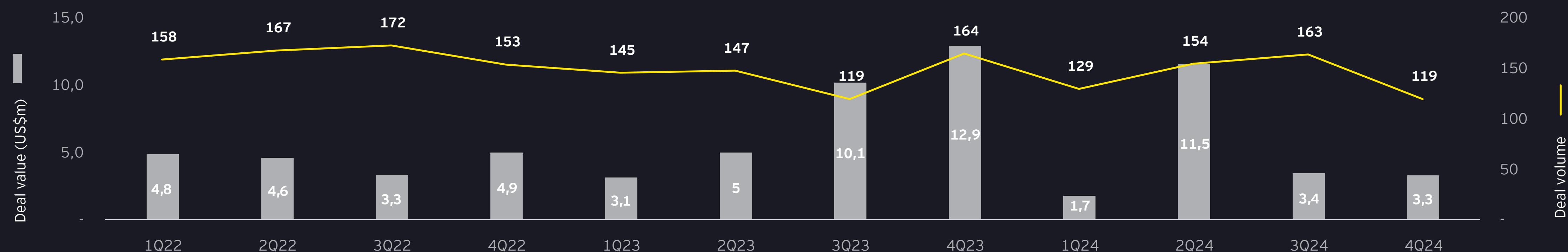
| | |
|--------------------|---|
| Germany | 8 |
| The UK | 7 |
| Italy | 6 |
| Austria | 3 |
| The US | 3 |
| Netherlands | 3 |
| Canada | 2 |
| Spain | 2 |
| Finland | 2 |
| Dominican Republic | 2 |

Cross-border deal volume declined in 4Q24 compared to previous quarters

UK, Germany and the USA being the most active countries

Quarterly cross-border deals by value and volume

Source: EY analysis and Dealogic



Most active CEE target countries from top 5 investing countries (by deal volume)

| Aquirer country | Most active CEE investment destination |
|-----------------|---|
| The US (11) | Romania (3), Malta (2), Lithuania (1), Latvia (1), Czechia (1), Estonia (1), Bulgaria (1), Greece (1) |
| The UK (10) | Lithuania (3), Greece (2), Estonia (2), Malta (1), Turkey (1), Latvia (1) |
| Germany (8) | Poland (2), Romania (1), Bulgaria (1), Greece (1), Slovenia (1), Latvia (1), Lithuania (1) |
| Sweden (5) | Poland (2), Lithuania (1), Turkey (1), Slovenia (1) |
| France (4) | Turkey (3), Poland (1) |

Most active CEE aquirer countries in top 5 destinations (by deal volume)

| Target country | Most active CEE aquirer country |
|----------------|---|
| Germany (8) | Czechia (3), Romania (1), Poland (1), Turkey (1), Cyprus (1), Hungary (1) |
| The UK (7) | Czechia (3), Poland (2), Malta (1), Greece (1) |
| Italy (6) | Turkey (2), Cyprus (1), Romania (1), Greece (1), Poland (1) |
| Austria (3) | Bulgaria (1), Romania (1), Czechia (1) |
| The US (3) | Greece (2), Turkey (1) |

Source: Dealogic

Corporate deal value rose in 4Q24 despite a decline in volume

Poland maintained its position as the leader in the Region in both deal types

The CEE region saw corporate deals worth US\$5.8b in 4Q24, a 7% increase from the previous quarter but a 62% decline from the same period the previous year. At the same time, PE deals totaled US\$2.4b in 4Q24, a 52% decrease QoQ and a 50% drop YoY.



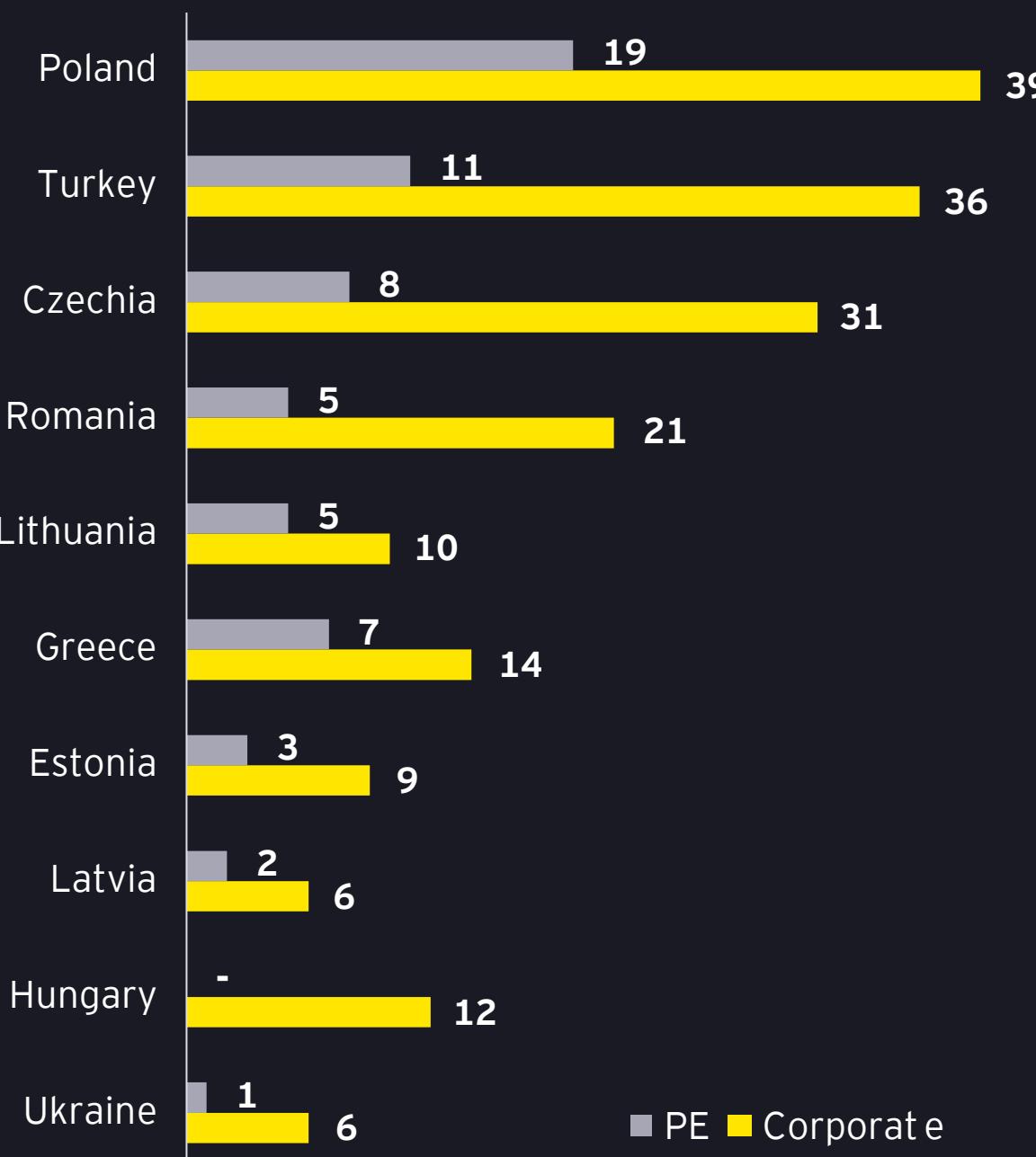
Source: Dealogic

Note:

1. Corporate and PE deals have been identified using the criteria that Dealogic uses to classify a buyer as either a corporate or PE
2. Pie charts represent percentage of total deal value by buyer type

02

Number of PE and corporate deals in 4Q24



Source: Dealogic

Despite the YoY and QoQ declines in deal value and volume for both PE and corporate deals in 4Q24, overall transaction volume in 2024 rose by 1.2% to 1,314, up from 1,298 in 2023. The growth was largely driven by a 6% rise in PE deal volume, reaching 335 in 2024, up from 316 in 2023.

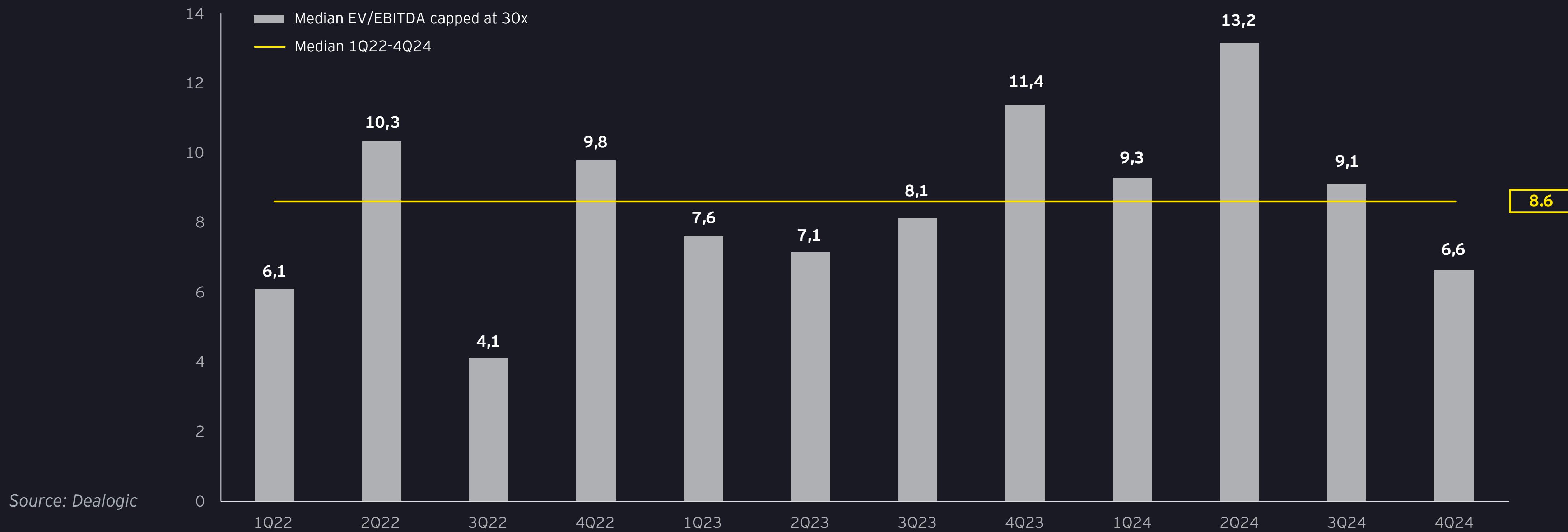
Out-of-region PE acquirer deals slightly dipped in 4Q24, falling from 22.0% in 4Q23 to 21.5%, with European buyers accounting for 64% of them. However, CESA-based PE acquirer deals saw growth, increasing from 78.0% in 4Q23 to 78.5% in 4Q24.

In 4Q24, strategic buyers made up 76% of total deals, while PE accounted for the remaining 24%. The top three target sectors by corporate deal volume were technology, consumer products and retail, and power and utilities. Meanwhile, the leading sectors for PE involvement were technology, real estate, power and utilities, and banking and capital markets.

In 4Q24, the majority of the disclosed transactions had PE and strategic buyers concentrated in the smaller deal (US\$0-50m) bracket, with only one corporate deal exceeding US\$1b. Additionally, there was a QoQ reduction in the number of smaller deals (US\$0-US\$50m) occurring in 4Q24.

In 4Q24, quarterly EV/EBITDA multiple fell below the long-term median

03



Outlook of deal landscape in the CEE Region

Robust macroeconomic strategies, together with the momentum in digitalization and renewable energy, are projected to stimulate M&A, despite a rocky and inconsistent economic rebound in CEE

04

Uneven economic growth in CEE

Economic growth in CEE remains uneven as it enters 2025, with countries like the Czech Republic, Poland and Slovakia likely to see modest growth, while Hungary is facing contraction. As external demand improves and inflation is tamed, growth in these more resilient economies can stimulate M&A and investment activity, particularly in export-oriented sectors. However, high inflation, tight financial conditions, and the impact of tariffs on manufacturing will continue to pose challenges for broader regional growth, influencing investment sentiment.

Macroeconomic policy – key driver of M&A outlook

Macroeconomic policy plays a key role in M&A activity in the CEE Region, with the ECB's recent interest rate cuts easing financing conditions. On 12 December 2024, the ECB reduced its deposit rate to 3.0% from 3.25%, supporting liquidity and driving M&A activity as firms seek capital deployment and liquidity creation amid a fragile recovery.

In the CEE countries, the outlook varies with different monetary and fiscal policies. The Czech National Bank plans rate cuts in early 2025, while Poland's National Bank kept its rate at 5.75% in December, signaling potential easing. In contrast, Slovakia's fiscal tightening has reduced investor confidence, affecting M&A sentiment.

Investment activities to boost economic growth

Investment activities are expected to significantly boost economic growth in the CEE Region, with Poland emerging as a key beneficiary due to its resumed economic recovery in 4Q24, increased EU funding, and a more favorable investment climate post-political changes. In the Czech Republic, upcoming tax reforms are accelerating deal activity as business owners look to exit before 2025 tax changes. Concurrently, Greece also anticipates growth in 2025, driven by robust domestic consumption and NextGen EU funding, thereby enhancing its appeal for M&A activity.

EU-backed public investments and rising private capital spending are likely to drive economic expansion, particularly in Poland, in coming years.

Digital transformation – a key driver for dealmaking

The ongoing global shift towards digital transformation, propelled by advancements in AI, continues to be a key factor driving mergers and acquisitions in the CEE Region. The demand for technological expertise and innovative solutions is expected to catalyse a multitude of transactions in the upcoming period, especially in mobile gaming infrastructure, digital platforms for varied solutions, and e-commerce.

Nearshoring and ESG movements are set to propel M&A transactions

Nearshoring trends and de-globalization are expected to shorten supply chains and benefit the CEE Region the next 3-5 years. ESG considerations, decarbonization, and energy transformation are pushing companies to acquire relevant technologies and assets. Concurrently, businesses are seeking transformative deals to remain competitive in the present landscape as well as adapt their business models for the future, enhance their robustness, and tackle the issue of limited capital.

Baltic's focused investments to boost deal momentum

The CEE Region, particularly the Baltics, is attracting increasing investor interest in technology, health care, and renewable energy, driven by dynamic economies and favorable business environments. M&A activity is expected to rise in these sectors throughout 2025, with notable opportunities in green energy and infrastructure, especially in countries like Bulgaria, Hungary, and Serbia. Government policies and EU incentives are further supporting growth in these key areas.

Methodology

- All M&A data has been sourced from Dealogic and excludes real estate asset acquisitions; inclusion is based on transactions being eligible for ranking in league tables and other analysis by Dealogic.
- We have included deals status in the analysis consisting of completed, partially completed or pending deals from Dealogic.
- We have included all deals of stake acquisition - either less than or greater than 50%.
- Deals with no disclosed deal value have been included in volume analysis, except where specified.

- Analysis has been conducted on overall deals involving a party headquartered in CEE Region – i.e., a summation of CEE targeted deals and outbound from CEE, and for each of the regions respectively.
- Cross-borders analysis includes intra-region cross-border.
- Sector analysis has been conducted on the basis of either target or acquirer sector in the CEE Region, unless otherwise specified.
- Deals have been mapped to EY's Regions and sub-areas using the target/acquirer's country and to EY's sectors and sub-sectors using the target/acquirer primary SIC code, respectively.
- Dealogic is a live database and deals are continually added.

Definitions CEE countries

Domestic activity for CEE: investment within CEE countries, i.e., target and acquirer both are CEE.

Inbound activity for CEE: investment coming from areas other than CEE, i.e., rest of the world.

Outbound activity for CEE: investment going from CEE to areas other than CEE, i.e., rest of the world.

Inbound activity for Poland: investment coming from CEE Region other than Poland, and from the rest of the world. The same definition also applies to other countries.

Outbound activity for Poland: investment going from Poland to other CEE countries, and to the rest of the world. The same definition also applies to other countries.

- Albania
- Bosnia & Herzegovina
- Bulgaria
- Croatia
- Cyprus
- Czechia
- Estonia
- Greece
- Hungary
- Latvia
- Lithuania
- Malta
- Moldova
- North Macedonia
- Poland
- Romania
- Serbia
- Slovakia
- Slovenia
- Türkiye
- Ukraine

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