



EY-Parthenon CEE M&A Barometer

1Q25 Research and insights



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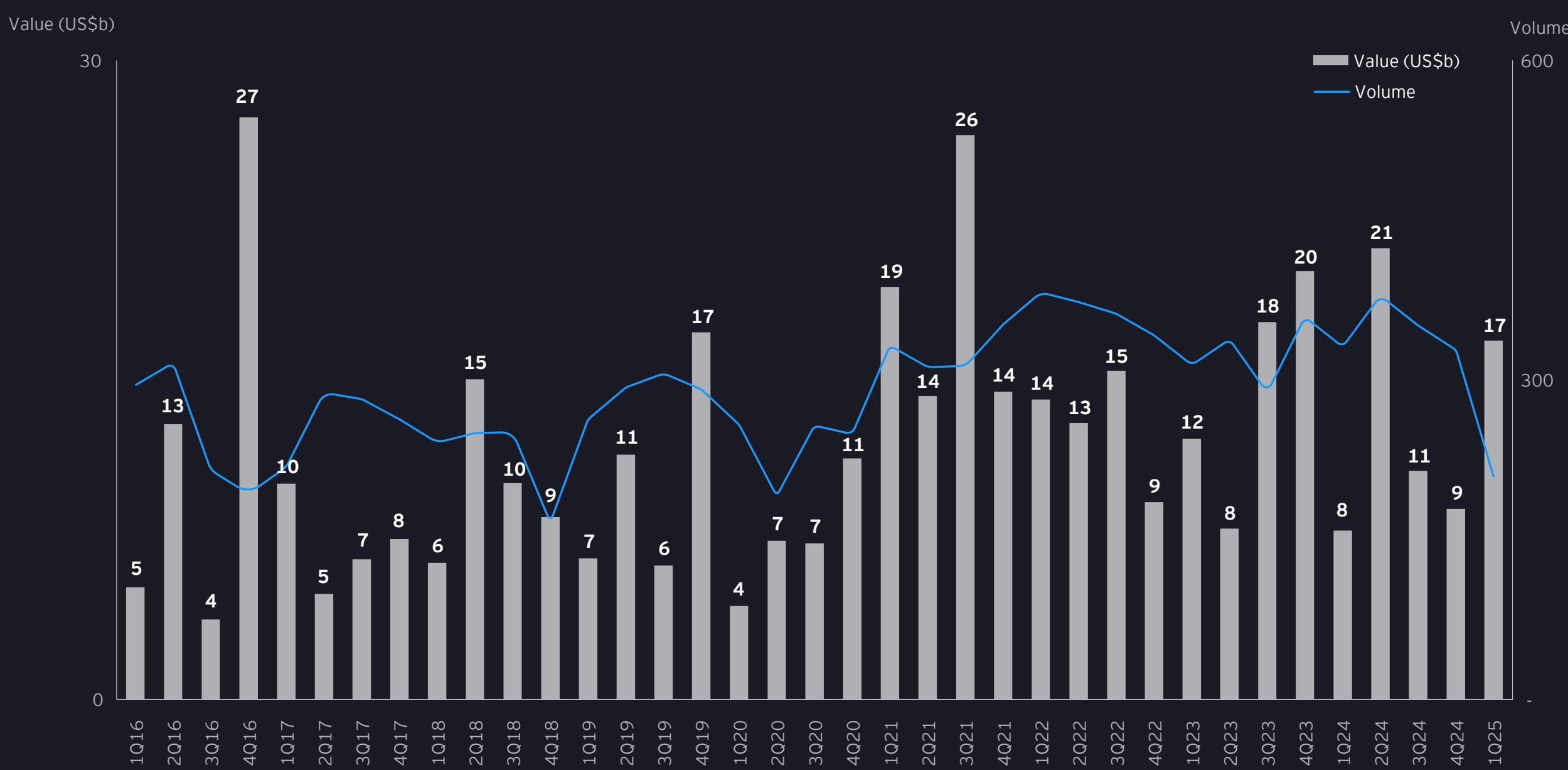
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See [methodology notes](#) for source and criteria for data. If you require further information regarding sources used, please contact the author.

01 | M&A activity in the CEE region saw a dip in 1Q25

Deal volume was trending lower while deal value experienced a significant increase both YoY and QoQ



Deal activity in CEE slowed in 1Q25, with 209 transactions totaling US\$16.8b, down by 36% QoQ and 37% YoY in deal volume. However, total deal value surged, up 88% QoQ and 113% YoY, driven by a notable increase in mid-to-large size transactions.

Deal sizes shifted upward in 1Q25, with transactions between US\$100m and US\$5b rising to 33.3% of disclosed deals from 14.4% in 1Q24. Concurrently, deals under US\$50m fell to 52.4%, down from 75.6% in 1Q24. Notably, five deals exceeded US\$1b, compared to one in the same period last year.

The first quarter's standout deal was Czech based EP Global Commerce's US\$4.2b public delisting offer for 25.6% stake in Metro AG, an international food wholesaler, aimed at enabling long-term strategy execution, streamlining governance, and driving profitability without public market constraints.

In 1Q25, CEE economies have been primarily driven by domestic demand, with consumer spending supported by tight labor markets and moderating inflation. While investment remains subdued amid external uncertainty, strong consumption provides

a stable foundation for growth opportunities in consumer-driven sectors.

US-EU tariff risks, especially the anticipated 10% blanket tariffs from Q2, are dampening investor sentiment in manufacturing-heavy and trade-dependent CEE economies. However, this may prompt strategic acquisitions to localize supply chains and reduce external exposure.

EU funding, particularly via the Recovery and Resilience Facility, remains a key catalyst in deal-making. Poland and the Czech Republic are set to benefit from increased infrastructure investment and PPPs.

Rising defense spending, amid reduced US security guarantees, is expected to boost activity in CEE's defense sector. Countries like Poland and the Czech Republic, with sizable defense manufacturing bases, are well-positioned for vertical integration, joint ventures, and cross-border M&A.

Despite headwinds from German industrial weakness and Chinese competition, CEE economies are pushing to diversify their manufacturing bases. Poland's broader export mix and lower trade reliance model highlights opportunities in value-added production and regional supply chains, supporting targeted deal activity.

Source: EY analysis, Oxford Economics and Dealogic

Overall CEE M&A deal volume remained muted in 1Q25

Poland led in terms of deal volume and the Czech Republic in terms of deal value

In 1Q25, Poland and Türkiye led the CEE in deal activity, despite YoY declines of 41% and 31% respectively. Poland recorded 48 deals (US\$1.76b), and Türkiye 38 deals (US\$1.81b). Key targeted sectors in Poland included technology, power and utilities, health care, consumer products and retail sectors, accounting for 52% of Poland's deal volume.

Recent transactions in Poland's digital and technology sectors reveal a strategic pivot towards consolidation, operational synergy, vertical specialization, and targeted innovation. For instance, Topicus.com's stake in Asseco Poland signals deeper consolidation within vertical market software, aimed at scale, synergy, and influence – particularly in sectors like healthcare and public services. Meanwhile, CCC's acquisition of Modivo underscores a broader move towards unified ownership structures that optimize efficiency and profitability across customer touchpoints.

The Czech Republic and Türkiye led regional deal values in 1Q25. In Türkiye, technology and life sciences drove deal volumes, while the consumer products and retail, media and entertainment, and infrastructure sectors contributed 95% of deal value. Similarly in Greece, health care, infrastructure, and insurance represented 86% of the transaction value.

The Czech economy grew 0.7% QoQ in Q4 and entered 2025 with a 0.9ppt carryover, supported by recovering consumption. While fixed investment remains weak and external risks – particularly US-EU tariffs targeting the automotive sector – weigh on outlook, the macro backdrop is supported by moderating inflation (2.7%), stable policy rates (3.8%), and rising public investment. EU funding and positive spillovers from German fiscal stimulus are expected to support infrastructure and manufacturing, creating selective opportunities for investment and acquisitions in consumer-driven and industrial sectors.

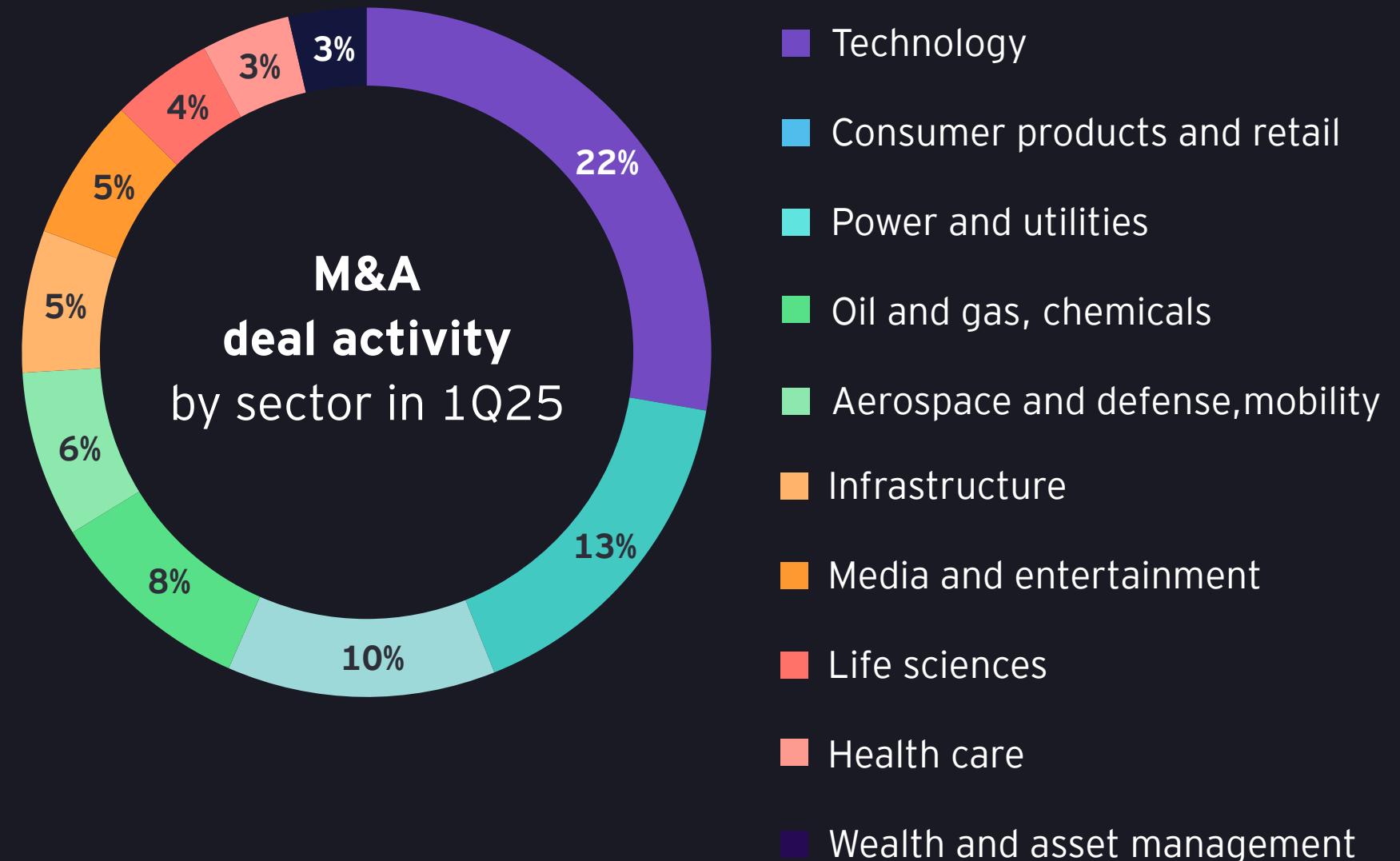
Source: EY analysis, Oxford Economics and Dealogic

Active countries	Deal volume					Deal value (US\$m)				
	1Q25	4Q24	1Q24	Q-O-Q	Y-O-Y	1Q25	4Q24	1Q24	Q-O-Q	Y-O-Y
Poland	48	73	82	-34%	-41%	1,761	1,019	477	73%	269%
Türkiye	38	62	55	-39%	-31%	1,808	2,037	994	-11%	82%
Romania	21	31	31	-32%	-32%	48	543	463	-91%	-90%
Czechia	26	49	38	-47%	-32%	5,779	1,223	4,406	373%	31%
Lithuania	14	20	18	-30%	-22%	52	480	39	-89%	33%
Greece	13	21	23	-38%	-43%	3,029	1,838	321	65%	844%
Latvia	14	12	19	17%	-26%	1,370	-	-	-	-
Estonia	12	15	22	-20%	-45%	273	378	41	-28%	566%
Hungary	7	15	18	-53%	-61%	16	225	243	-93%	-93%
Bulgaria	6	9	7	-33%	-14%	52	85	19	-39%	174%

1. The table above represents the sum of total deal volume and value for a country from either a target or acquiror perspective.
2. Active countries have been selected on the basis of top targeted countries in the last quarter in terms of deal count.

Technology continued to lead in deal volume in 1Q25

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, consumer products and retail, healthcare
Türkiye	Technology, oil and gas, chemicals, power and utilities, consumer products and retail, wealth and asset mgmt.
Romania	Oil & gas, chemicals, aerospace & defense, mobility, technology
Czechia	Technology, life sciences
Lithuania	Power and utilities, consumer products and retail, technology
Greece	Consumer products and retail, infrastructure
Latvia	Oil and gas, chemicals, consumer products and retail
Estonia	Technology, consumer products and retail
Hungary	Technology
Bulgaria	Technology, consumer products and retail, telecommunications, insurance, power and utilities

Technology sustained its position at the forefront of deal volume in 1Q25

Recent QoQ data shows a 19% drop in deal count and a 64% fall in deal value, despite YoY value growth

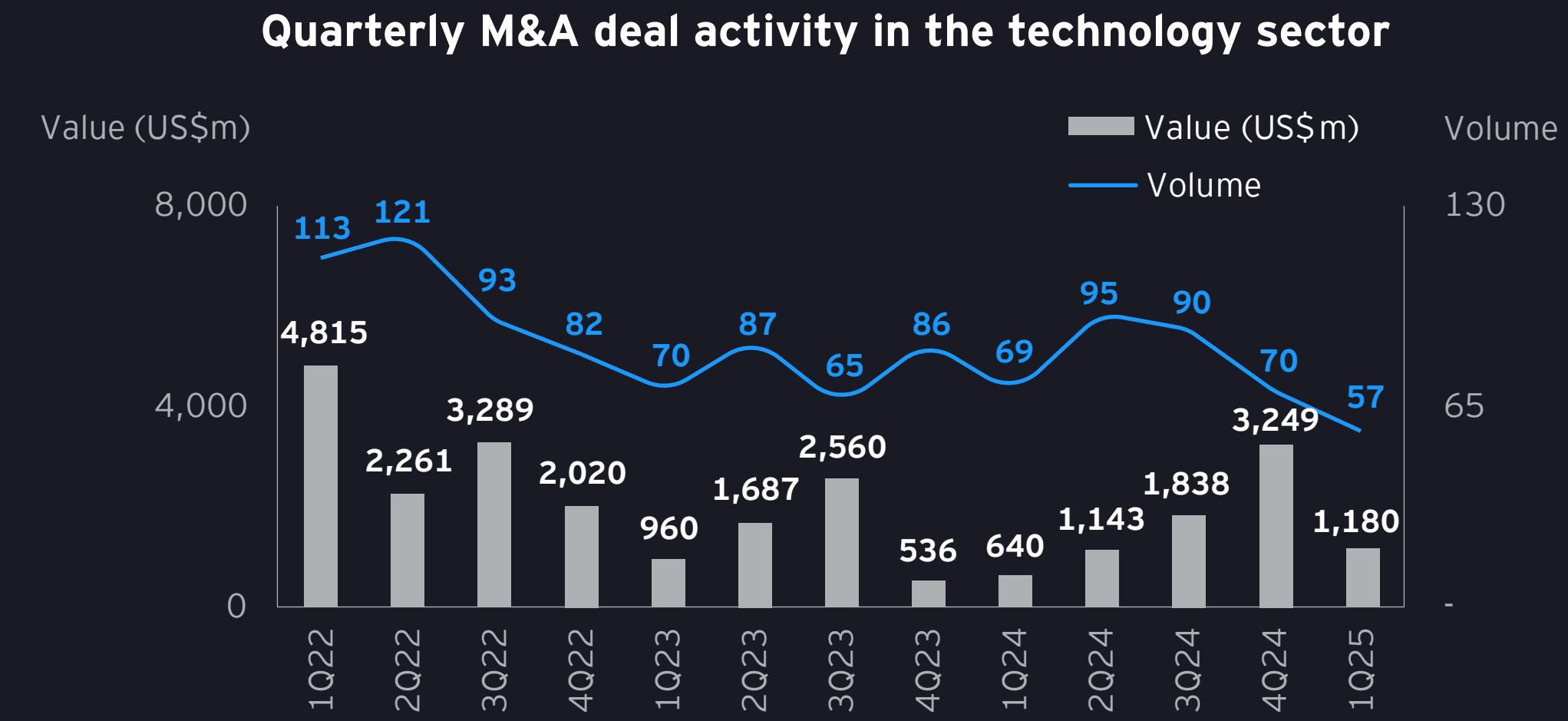
The technology sector led CEE deal activity in 1Q25, recording 57 deals worth US\$1.2b. Despite a 17% YoY drop in deal volume, deal value surged by 84% YoY, reflecting a pivot toward larger, higher-value transactions.

Inbound transactions accounted for the majority of technology deal volume in 1Q25 at 39%. The sector's deal activity was led by Poland, Türkiye, and Czechia in volume, and by Poland and Ukraine in deal value. In 1Q25, the share of mid and large-sized deals (US\$100m-US\$5b) rose from 9% to 36% YoY, while transactions below US\$50m declined from 91% to 64%.

Strategic buyers drove 68% of the sector's transaction volume in 1Q25, while private equity accounted for the remaining 32%.

The technology sector in the CEE Region is undergoing targeted consolidation and vertical integration, as companies seek to enhance operational efficiency, scale, market positioning, and digital service capabilities, while also exploring new market opportunities.

For instance, in Poland, CCC's planned acquisition of Modivo, a fashion e-commerce platform, aims to streamline operations and integrate customer engagement to boost profitability. Similarly, Topicus.com's proposed 14.8% stake in Asseco Poland, a provider of IT solutions for sectors like healthcare, public services, and banking, supports its strategy to consolidate in vertical software and expand into new markets.



Date	Target	Sector	Country	Acquirer	Sector	Country	Value (US\$m)
17-Feb-25	MODIVO SA (22.81%)	Technology	Poland	CCC SA	Consumer products and retail	Poland	355
04-Feb-25	Asseco Poland SA (14.84%) (Treasury Shares Purchase Agreement)	Technology	Poland	Topicus.com Inc Yukon Niebieski Kapital BV	Technology	Canada, Netherlands	257
31-Jan-25	Asseco Poland SA (10%)	Technology	Poland	Topicus.com Inc Yukon Niebieski Kapital BV	Technology	Canada, Netherlands	174
19-Mar-25	Uklon (97%)	Technology	Ukraine	VEON Ltd Kyivstar PJSC	Telecommunications	Ukraine	155
23-Jan-25	Barba Stathis SA (100%)	Consumer products and retail	Greece	Ideal Holdings SA	Technology	Greece	135

Source: EY research and Dealogic

Consumer sector remained a consistent deal contributor in 1Q25

Strategic buyers are driving deal activity to enhance market presence and operational efficiency

The consumer products and retail sector contributed significantly to deal volume in 1Q25, despite YoY and QoQ declines.

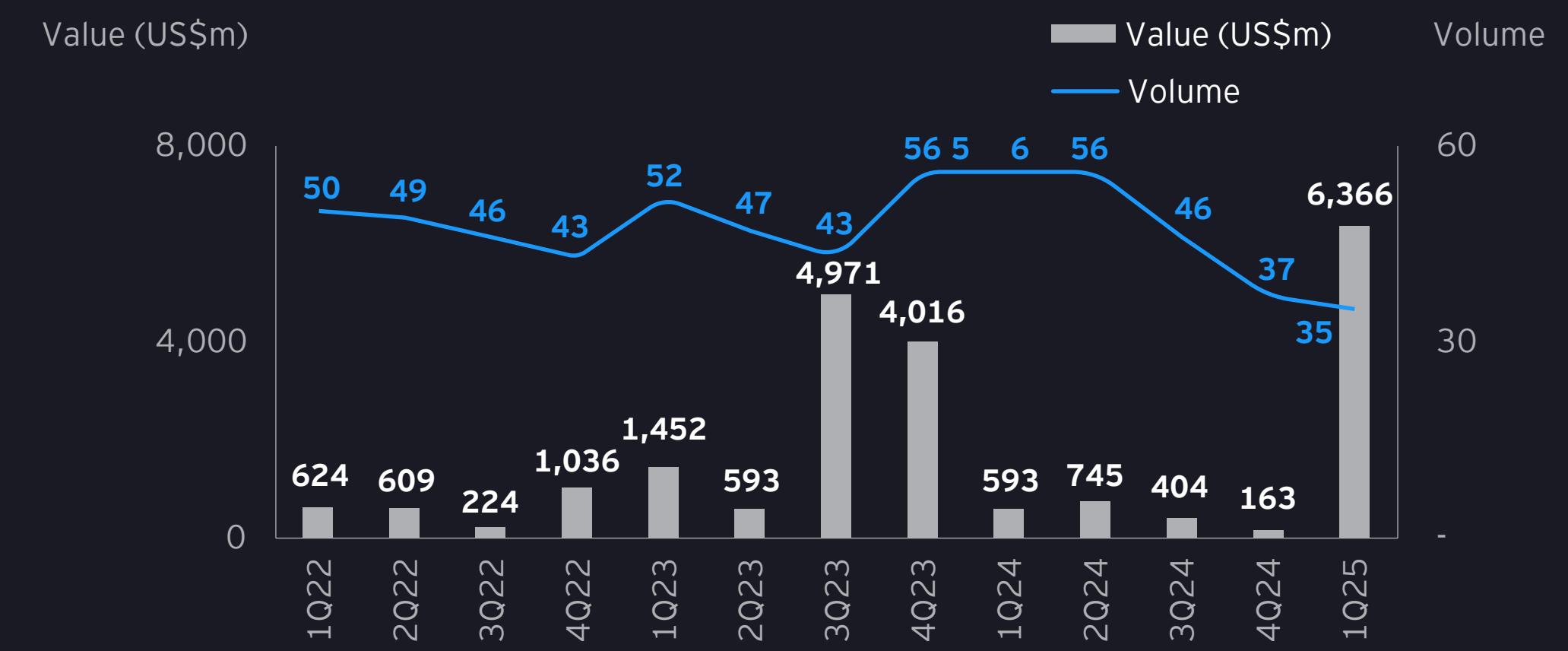
The sector witnessed 35 deals worth US\$6.4b in 1Q25, with deal value rising by 974% YoY, while volume dropped 38% YoY. Compared to 4Q24, deal value surged by 3,806%, and volume declined by 5%.

Domestic transactions dominated the sector, accounting for 63% of deal volume. The sector's deal momentum was led by Poland, Türkiye, and Greece in deal count, and Latvia in deal value. In 1Q25, the share of mid and large sized deals (US\$100m-US\$5b) rose to 45% from 6% in 1Q24, while transactions below US\$50m declined from 76% to 36%.

Despite a decline in volume, corporate transactions drove c.77% of deal activity, with strategic consolidation focused on enhancing market presence, operational efficiency, and profitability.

For instance, in 1Q25, EP Global Commerce's US\$4.2bn offer to delist Metro AG, a food wholesaler, is likely to support its long-term transformation and growth. Similarly, CCC's acquisition of Modivo, a Polish fashion e-commerce platform aims to streamline operations and boost profitability through improved integration. In the Baltics, Salling Group's US\$1.3b planned acquisition of RIMI Baltic, a food retailer, is likely to strengthen its footprint and growth prospects internationally. Additionally, PREMIA Properties' purchase of SEMELI Winery diversifies its portfolio, focusing on wine tourism and production.

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



Date	Target	Sector	Country	Acquirer	Sector	Country	Value (US\$b)
05-Feb-25	Metro AG (25.55%)	Consumer products and retail	Germany	EP Global Commerce as EP Global Commerce GmbH	PE/VC	Czechia, Germany	4,215
02-Mar-25	Rimi Baltic SIA (100%)	Consumer products and retail	Latvia	F Salling Holding A/S Salling Group A/S	Consumer products and retail	Denmark	1,349
17-Feb-25	MODIVO SA (22.81%)	Technology	Poland	CCC SA	Consumer products and retail	Poland	355
23-Jan-25	Barba Stathis SA (100%)	Consumer products and retail	Greece	Ideal Holdings SA	Technology	Greece	135
16-Jan-25	Cakovecki mlinovi dd (44%)	Consumer products and retail	Croatia	Mlin i Pekare Doo	Consumer products and retail	Croatia	101

Source: EY research and Dealogic

Power and utilities sector ranked third in regional deal activity in 1Q25

There is a transition toward renewable power generation and modernization of energy networks

The power and utilities sector recorded 23 deals worth US\$0.9b in 1Q25 – a 15% QoQ rise in deal value despite a YoY decline in both value and volume. It ranked third by activity, with corporate buyers accounting for 91% of transactions.

Domestic transactions were predominant in the sector's M&A activities during 1Q25, accounting for 48% of the total transaction volume. Poland led the sector in both deal count and value during 1Q25.

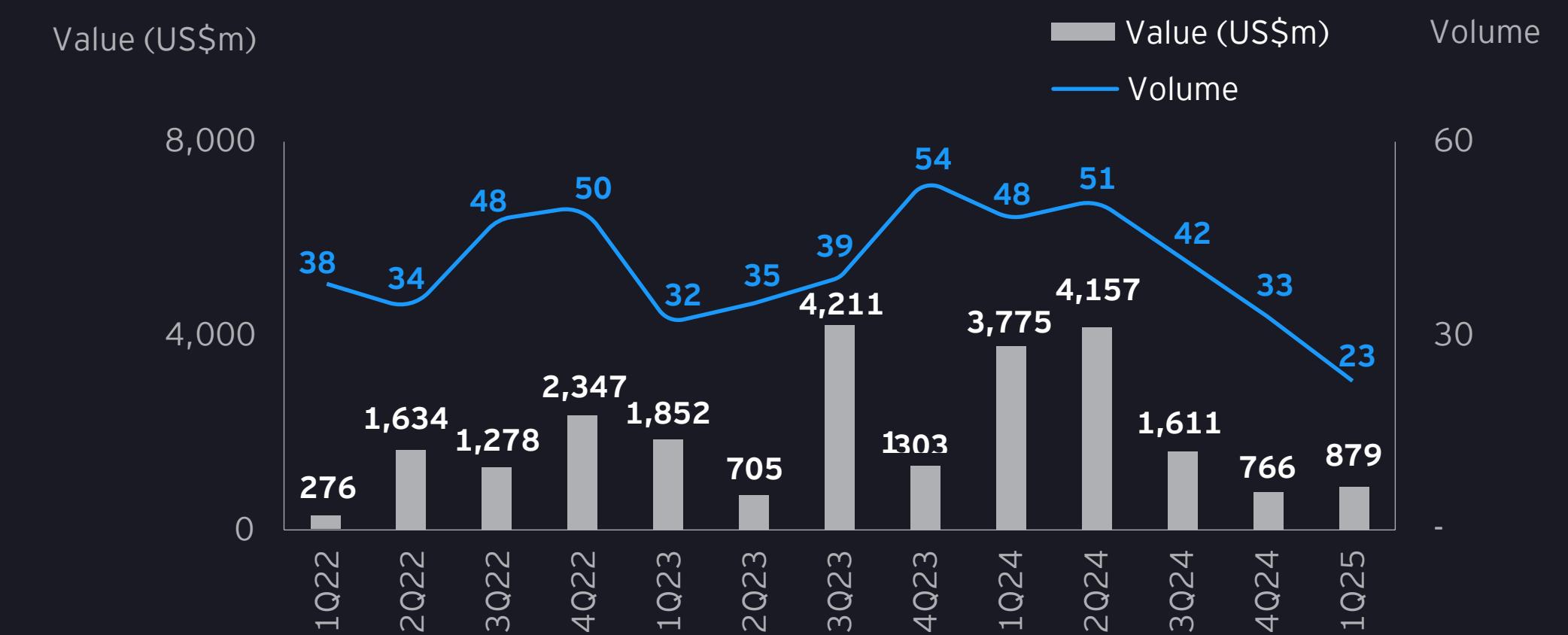
Energy transition and infrastructure upgrades continue to drive M&A in the CEE power and utilities sector. Despite macroeconomic pressures, strategic and state-backed players are actively investing in hydropower, wind, solar, hydrogen, and fuel infrastructure to boost

energy security, support sustainability, expand transmission networks, and align with EU climate goals.

EIB's US\$108b investment plan in 2025, prioritizes clean energy and innovation. In Jan 25, it pledged US\$0.5b to Poland's Baltica 2 wind farm to accelerate green transition.

For instance, in 1Q25, planned strategic acquisitions, such as ENERGO-PRO's US\$272m acquisition of Brazil's Baixo Iguaçu hydropower plant, expand its global footprint and boost its capacity to 1,850 MW. ENEA's US\$236m purchase offer of wind and solar assets from European Energy supports Poland's clean energy targets, doubling ENEA's wind capacity. In Estonia, Eesti Energia's offer to acquire minority shares in Enefit Green aims to create an integrated, state-owned energy group.

Quarterly M&A deal activity in power and utilities sector

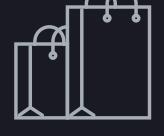
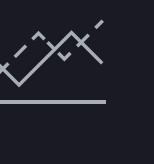


Date	Target	Sector	Country	Acquirer	Sector	Country	Value (US\$m)
21-Feb-25	Power Station (Consorcio Empreendedor Baixo IguaCu plant, 100%)	Power and utilities	Brazil	Energo Pro AS	Power and utilities	Czechia	272
26-Mar-25	Power Station (Six wind farms with capacity of 83.5 MW, 100%)	Power and utilities	Poland	Enea SA	Power and utilities	Poland	236
27-Mar-25	Enefit Green AS (22.83%)	Power and utilities	Estonia	Eesti Energia AS	Power and utilities	Estonia	221
17-Mar-25	GreenWay Holding SA (Min%)	Power and utilities	Poland	BPCE SA Mirova SA	Banking and capital markets	France	55
12-Mar-25	Biotrend Cevre ve Enerji Yatirimlari	Power and utilities	Turkiye	Freepoint Eco-Systems International Ltd	Power and utilities	United Kingdom	30

Source: EY research and Dealogic

Number of targeted deals in key sectors in 1Q25

 (versus 1Q24)

	Technology	46	 19%
	Consumer products and retail	27	 41%
	Other sectors	26	 28%
	Power and utilities	21	 45%
	Oil and gas	16	 7%
	Aerospace and defense	13	 28%
	Infrastructure	11	 69%
	Media and entertainment	11	 21%
	Life sciences	8	 50%
	Health care	7	 30%
	Wealth and asset management	6	 14%
	Banking and capital markets	5	 44%
	Industrial products	4	 71%
	Insurance	4	 60%
	Telecoms	4	 100%
	Mining and metals	-	 100%

Source: Dealogic

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

Top 10 deals in CEE – 1Q24

Reached a combined value of US\$4.7b, representing 57.2% of the region's total in 1Q24

Source: Dealogic

	Date	Target	Sector	Country	Acquirer	Sector	Country	Value (US\$m)
1	05-Feb-25	Metro AG (25.55%)	Consumer products and retail	Germany	EP Global Commerce as EP Global Commerce GmbH	PE/VC	Czechia, Germany	4,215
2	18-Mar-25	Kyivstar PJSC (100%)	Telecommunications	Ukraine	Cohen Circle Acquisition Corp I	PE/Private Investment	United States	1,972
3	27-Jan-25	Hellenic Healthcare SARL (60%)	Health care	Greece	Pure Health Holding PJSC	Health care	United Arab Emirates	1,384
4	02-Mar-25	Rimi Baltic SIA (100%)	Consumer products and retail	Latvia	F Salling Holding A/S Salling Group A/S	Consumer products and retail	Denmark	1,349
5	21-Mar-25	TANAP Project Co (3%)	Oil and gas, chemicals	Türkiye	Apollo Global Management Inc	PE/Asset management	Türkiye	1,000
6	12-Feb-25	SBB doo Beograd (100%)	Media and entertainment	Serbia	PPF Group NV PPF Telecom Group BV	Banking and capital markets	Czechia	856
7	20-Feb-25	Astir Palace Vouliagmeni SA (70%)	Infrastructure	Greece	George Prokopiou (Private Individual)	PE	Greece	732
8	12-Feb-25	United Group BV (NetTV Plus business, 100%)	Media and entertainment	Serbia	Telekom Serbia (Srbija) AD	Telecommunications	Serbia	676
9	06-Feb-25	Ethniki Hellenic General Insurance Co SA (70%)	Insurance	Greece	Piraeus Financial Holdings SA	Banking and capital markets	Greece	487
10	10-Mar-25	Mars Spor Kulubu ve Tesisleri Isletmeciliği AS (100%)	Media and entertainment	Türkiye	Benefit Systems SA	Other sectors	Poland	420

Domestic deals led deal activity, despite declines in YoY and QoQ volumes

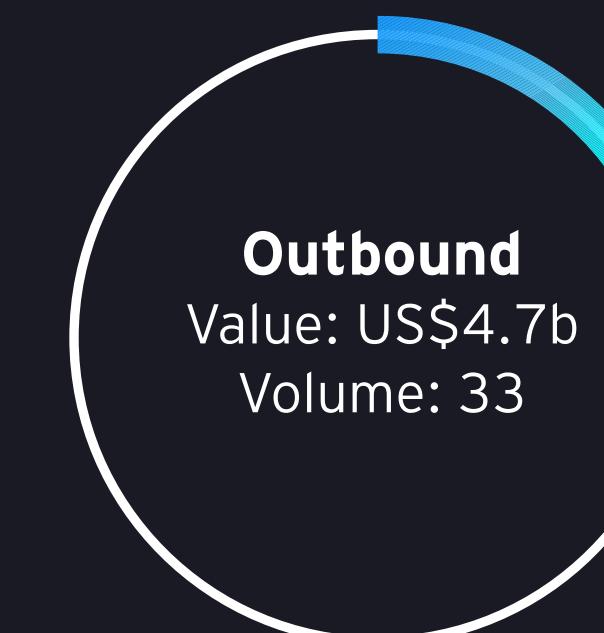
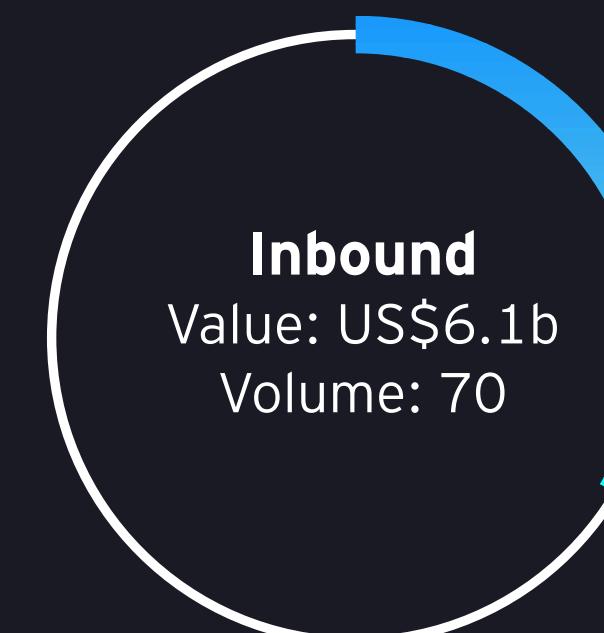
Inbound and outbound deal values surged YoY in 1Q25, rising by 425% and 705% respectively

Domestic transactions remained dominant in 1Q25, accounting for 51% of deal volume with 106 deals worth US\$6.0b. While deal volume declined YoY and QoQ, deal value rose by 10% QoQ.

Three mid-to-large deals (US\$500- US\$1000m) were recorded in media and entertainment and infrastructure in 1Q25, compared to two such deals in the aerospace and defense, mobility, and technology sectors in 4Q24.

Only one big-ticket deal (US\$1b+) was completed in the oil and gas and chemicals sector in 1Q25.

Inbound activity reached 70 deals valued at US\$6.1b, with deal volume dropping by 23%



Source: EY analysis and Dealogic

QoQ and 25% YoY, but value surging 144% QoQ and 425% YoY. The UK, Germany, the USA, and Sweden were the most active acquirers of CEE-based targets.

51% of inbound transaction volume targeted the technology, power and utilities, and consumer products and retail sectors.

Three big-ticket inbound deal (US\$1b+) occurred in the telecommunications, health care, and consumer products and retail sectors in 1Q25.

Outbound activity in 1Q25 comprised 33 deals worth US\$4.7b, a 403% QoQ and 705% YoY increase in deal value, despite a decline in deal volume.

58% of outbound deal flow targeted entities in technology, media and entertainment, and consumer products and retail in 1Q25.

Top 10 countries for inbound in 1Q25

(by deal volume) Source: Dealogic

The UK	11
Germany	7
The US	6
Sweden	5
Switzerland	4
France	4
Italy	4
Belgium	3
Austria	3
Canada	3

Top 10 countries for outbound in 1Q25

(by deal volume) Source: Dealogic

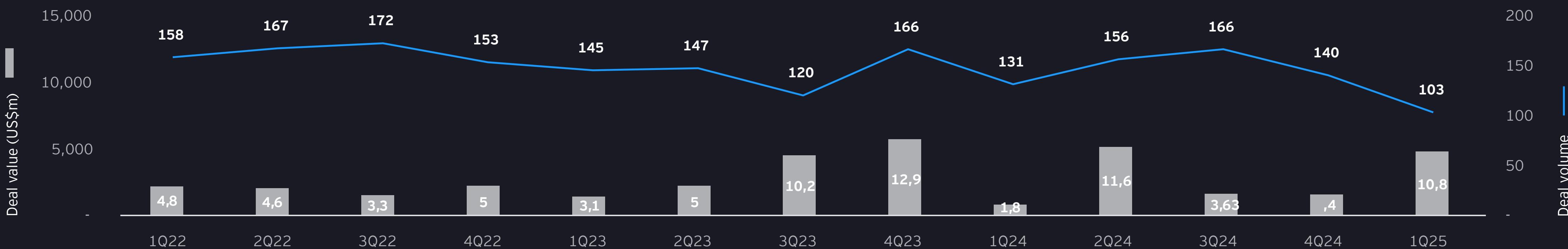
Germany	13
The US	4
Sweden	2
Netherlands	2
Canada	2
Denmark	2
Austria	2
Brazil	1
Malaysia	1
The UK	1

Cross-border deal value surged in 1Q25, rising 518% YoY and 214% QoQ

Germany, the UK and the USA being the most active countries

Quarterly cross-border – 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 UK (11)	Poland (4), Czechia (2), Croatia (1), Romania (1), Türkiye (1), Estonia (1), Malta (1)
Germany (7)	Poland (3), Croatia (1), Romania (1), Czechia (1), Latvia (1)
USA (6)	Romania (1), Ukraine (1), Türkiye (1), Czechia (1), Cyprus (1), Greece (1)
Sweden (5)	Türkiye (2), Poland (1), Bulgaria (1), Estonia (1)
Switzerland (4)	Türkiye (2), Czechia (1), Romania (1)

Source: Dealogic

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

Target country	Most active CEE aquirer country
Germany (13)	Czechia (4), Türkiye (4), Poland (3), Greece (1), Romania (1)
USA (4)	Türkiye (1), Czechia (1), Bulgaria (1), Cyprus (1)
Sweden (2)	Latvia (2)
Netherlands (2)	Poland (2)
Canada (2)	Türkiye (1), Slovakia (1)

02 | Both corporate and PE deal value rose in 1Q25 despite declining volume

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

Private Equity (PE) deals in CEE reached US\$8.7b in 1Q25, up by 230% QoQ and 435% YoY, surpassing corporate deal value, which rose by 29% QoQ and YoY to US\$8.1b.



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

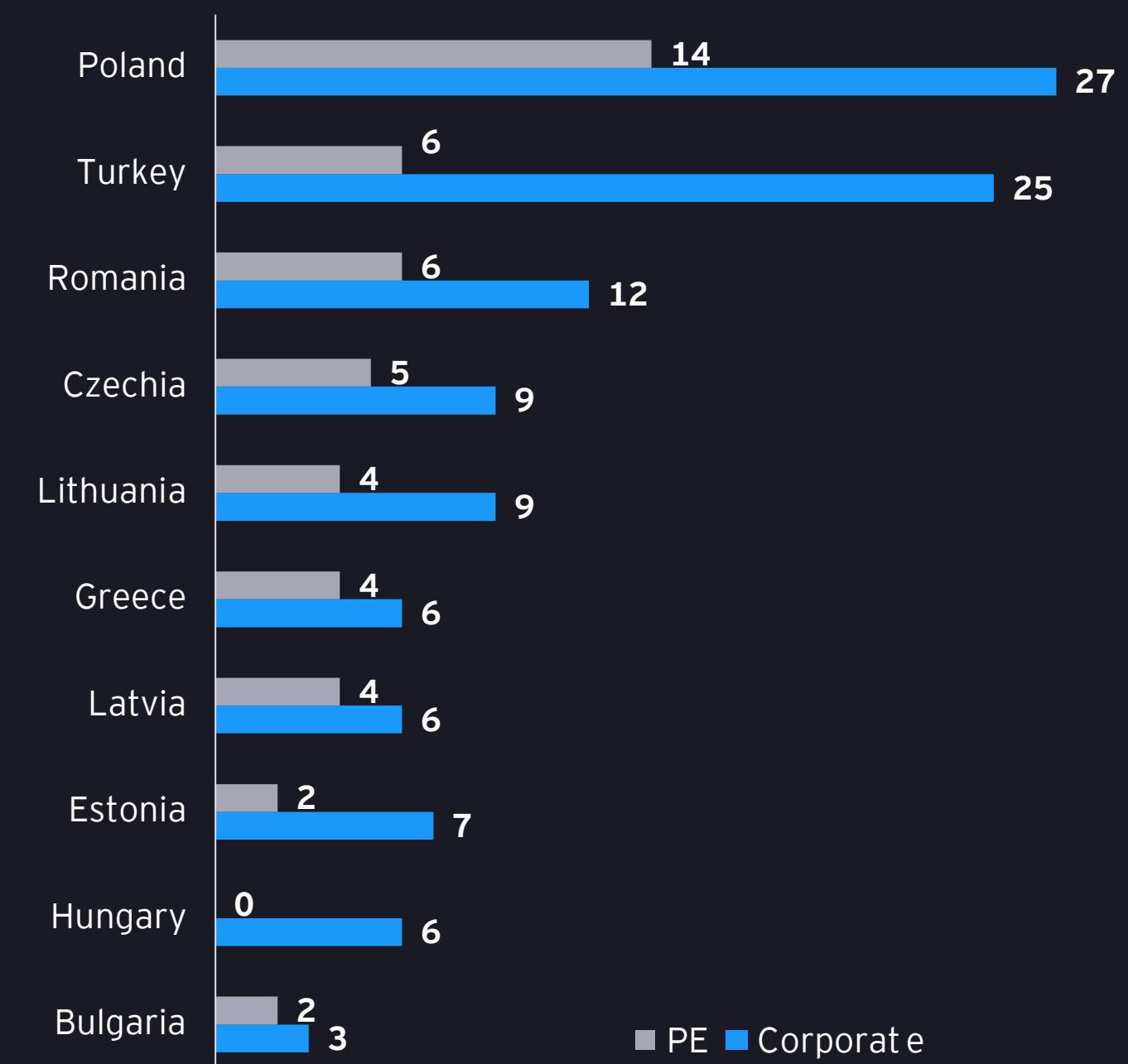
The transaction volume for both PE and corporate deals declined, with PE transactions down by 29% QoQ to 58 and corporate deals falling by 39% QoQ to 151 in 1Q25.

Out-of-region PE acquisitions rose to 24% in 1Q25, up from 20% in 4Q24, driven primarily by European investors, who made up 71% of such deals, highlighting the growing interest in cross-border PE transactions. Meanwhile, CESA-based PE acquirer deals dipped to 75.9% in 1Q25 from 80.5% in 4Q24, though it remained the dominant source of PE deals.

In 1Q25, strategic buyers accounted for 72% of total deals, while PE accounted for the remaining 28%. The top three target sectors by corporate deal volume were technology, power and utilities, and consumer products and retail. Meanwhile, the leading sectors for PE involvement were technology, consumer products and retail, infrastructure, healthcare, life sciences, as well as oil and gas, chemicals.

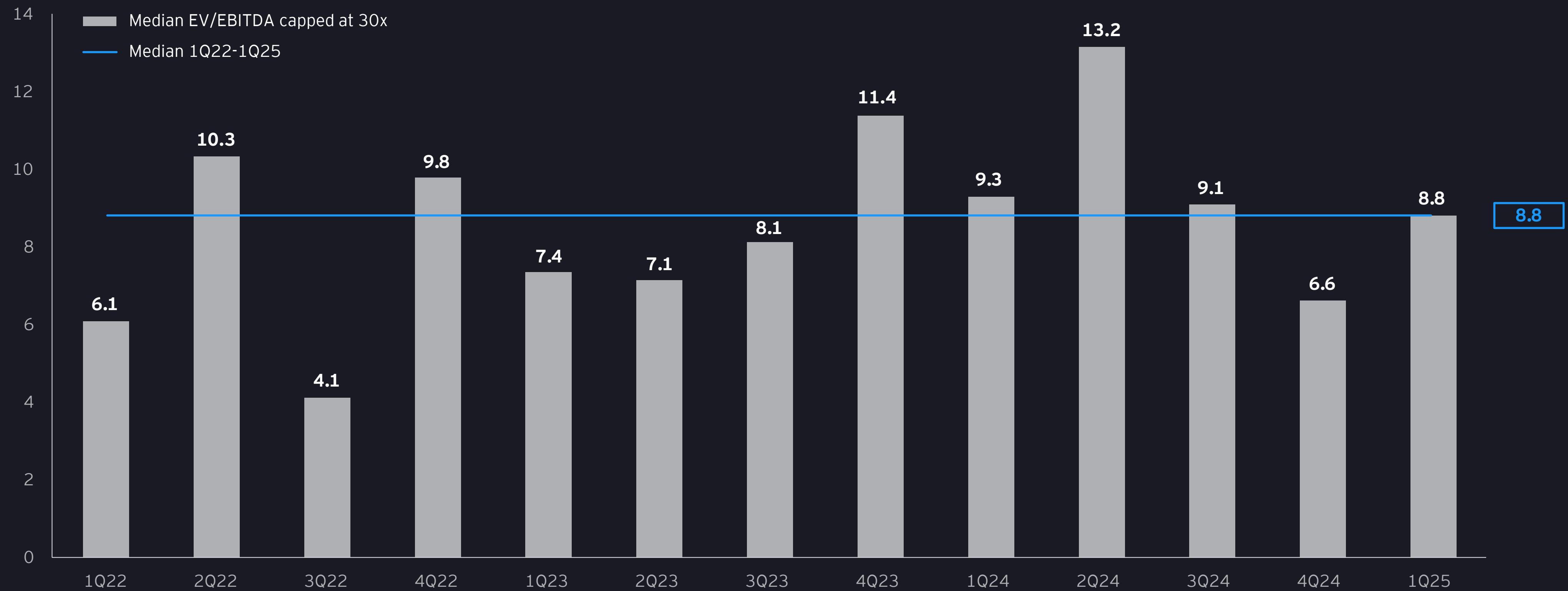
In 1Q25, the majority of the disclosed transactions had PE and strategic buyers concentrated in the smaller deal (US\$0-50m) bracket, with two corporate and three PE deals exceeding US\$1b. Additionally, there was a QoQ reduction in the number of smaller deals (US\$0-50m) occurring in 1Q25.

Number of PE and corporate deals in 1Q25



Source: Dealogic

03 | In 1Q25, the quarterly EV/EBITDA multiple was on par with the long-term median



Outlook for the deal landscape in the CEE Region ^(1/2)

CEE's 2025 deal landscape is shaped by moderate economic recovery, nearshoring momentum, infrastructure-driven growth, and resilient investor appetite – despite geopolitical risks, trade headwinds, and monetary policy divergence across the Region

04

Macroeconomic outlook: recovery amid global headwinds

CEE economies entered 2025 with solid momentum, driven largely by domestic demand and easing inflation. However, blanket 10% US tariffs on EU trade – expected from Q2 – pose a major risk, especially for CEE's export-heavy economies deeply embedded in German-led supply chains.

Countries like Poland and Czechia face indirect hits despite limited direct US trade. Growth is expected to stay uneven and is set for moderate growth in 2025, led by Poland (3.6%), Czechia (2.4%), and Slovakia (2.3%), with Poland benefiting from strong carryover and solid Q1 data. Fiscal stimulus in Germany may soften the blow, while trade policy uncertainty continues to weigh on investment sentiment.

Macroeconomic policy - key driver of M&A outlook

Interest rate cuts across the CEE Region remain cautious amid inflation concerns and external volatility. The Czech National Bank kept its policy rate steady at 3.75% in March 2025, signaling a gradual path toward easing. Poland's central bank also held its rate at 5.75%, with expectations of a 75bps reduction by year-end.

Meanwhile, Hungary grapples with fiscal strain and a negative sovereign outlook, and Slovakia contends with political uncertainty – though pre-election stimulus in Hungary is expected to support economic activity later in the year. In contrast, Greece and Türkiye continue their monetary easing cycles as inflation shows signs of stabilizing. These diverging monetary trends are influencing capital flows and shaping investor sentiment.

Infrastructure and digital transformation fueling M&A in CEE

Major infrastructure upgrades like the €31B Central Communication Port and TEN-T expansion are attracting investor interest. Transport modernization is being paired with digital rollouts – 5G corridors, fibre networks, and smart logistics. Rail Baltica and the Via Baltica 5G Corridor exemplify this integration. EU and national funding, together with PPP models, are expected to make infrastructure a top investment magnet.

Nearshoring momentum: resilient, trade-independent models in focus

Nearshoring is driving M&A activity across CEE as global firms restructure supply chains amid deglobalization and geopolitical uncertainty. Poland's diversified, trade-independent growth model positions it as a key nearshoring hub, less exposed to German industrial slowdown. Romania and Czechia are also attracting interest due to their proximity, skilled labor, and infrastructure upgrades.

While the Region remains vulnerable to EU tariff impacts due to its supply chain depth, this very integration makes it a preferred location for EU-bound reshoring. These structural dynamics are expected to fuel sustained cross-border investment over the next 3-5 years.

Investment activities to boost economic growth

EU-backed public investment and rising private capital spending are expected to drive growth across the CEE Region, with Poland emerging as a major beneficiary. Poland's economic recovery, aided by unlocking of €76bn in structural and resilience funding, positions it for sustained expansion.

The European Investment Bank's investment plans are also supporting green transition, digitalization, and infrastructure upgrades across Poland, Romania, Bulgaria, Czechia, Slovakia, Greece, and Slovenia. These developments are strengthening the Region's long-term fundamentals and enhancing its attractiveness for strategic investors.

Outlook for the deal landscape in the CEE Region (2/2)

The deal momentum in the CEE Region is driven by rising defence spending, ESG-focused investments, tech and renewable energy growth, and recovering private equity activity, with Poland, Greece, and the Baltics leading as key investment hubs

04

Defense spending as a targeted growth lever

Poland's defence spending is set to reach 5% of GDP in 2025, spurring investments and deals in military production and logistics. This is expected to benefit its large manufacturing base, particularly in arms, electronics, and dual-use technologies. Czechia is also ramping up defense procurement, benefiting broader supply chains as well as focusing on modernizing outdated military platforms. Although the macroeconomic boost is modest, sector-specific M&A interest is rising sharply. Dual-use innovations – such as AI-driven drones – are attracting both state-backed and private capital.

Energy transformation and ESG alignment shaping deal landscape

Regulatory reform is shaping dealmaking, with CEE countries aligning with EU sustainability standards. ESG due diligence is increasingly required, particularly due to the EU Foreign Subsidies Regulation and green disclosure norms. Countries like Bulgaria and Estonia are advancing clean energy laws and green finance under the EU Taxonomy.

The Region is accelerating investment in renewables, grid modernization, and early nuclear development to meet EU climate targets. The EIB has allocated €2.7b via the Modernisation Fund to support 39 clean energy projects across eight CEE countries, boosting ESG-linked capital inflows.

Baltics' focused investments to boost deal momentum

The CEE Region, particularly the Baltics, is attracting increasing investor interest in technology, healthcare, and renewable energy, driven by dynamic economies and favorable business environments. For instance, Estonia is leading the deep tech transformation, while Lithuania and Latvia are investing in energy security and innovation infrastructure.

M&A activity is expected to rise in these sectors through 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.

Greece: a renewed investment frontier

Greece is outperforming the Eurozone with 2.1% growth projected for 2025, supported by EU funds, consumption recovery, and strong fiscal performance. Investment is accelerating, particularly in underdeveloped sectors such as real estate, infrastructure, and energy. Greece's political stability, improved credit ratings, and strategic positioning as a southeastern gateway to Europe are attracting international investors. It is likely to emerge as a key player for cross-border European deal activity in 2025.

PE activity is likely to gain traction in near future

Private equity activity is showing signs of recovery accounting for 28% of total deal volume in Q1 2025, with a significant rise in European funds that have helped to create new opportunities, giving confidence to PE funds to emerge and expand. Focusing on the CEE Region's vast and varied SME landscape, PE firms play an important role as a catalyst for succession planning and there are still many family-owned entities looking for an exit.

However, strategic buyers still dominate (72%) but are increasingly focused on scalable assets in tech, industrials, and healthcare. As local entrepreneurship matures, investor confidence is also bolstering deal flow.

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 deal status in the analysis comprising completed, partially completed or pending deals from Dealogic.
- We have included all deals of stake acquisition – whether above or below 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 the CEE Region – i.e., a summation of CEE targeted deals and outbound from CEE, and for each of the regions respectively.
- Cross-border 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 region and sub-area using the target/acquirer's country and to EY's sector and sub-sector using the target/acquirer primary SIC code, respectively.
- Dealogic is a live database and deals are continually added.

Definitions

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 regions other than Poland, and from the rest of the world. The same definition applies to other countries as well.

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

CEE 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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