

Europe West Buy and Integrate M&A Barometer

Version 3.0

Main takeaways

February 2026



The better the question. The better the answer. The better the world works.

A photograph of several wind turbines on a hillside at sunset. The sky is a mix of orange, pink, and blue, with some clouds. The turbines are dark silhouettes against the bright sky.

Agenda

- 1 Executive summary
- 2 M&A approach and post-deal relevance
- 3 Integration ideal timing and associated costs
- 4 Impact of artificial intelligence and ESG



Disclaimer

- This material has been prepared for general informational and educational purposes only and is not intended, and should not be relied upon, as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.
- Neither the EY organization nor any of its member firm thereof shall bear any responsibility whatsoever for the content, accuracy, or security of any third-party websites that are either linked (by way of hyperlink or otherwise) or referred to in this presentation.
- The views of third parties set out in this webcast are not necessarily the views of the global EY organization or its member firms. Moreover, they should be seen in the context of the time they were made.

1

Executive summary



Europe West Buy and Integrate Barometer: overview

The EY-Parthenon Europe West B&I (Buy and Integrate) Barometer is an annual survey of senior executives at large corporates in Central Europe.

It explores how leaders shape M&A strategies to accelerate growth, the challenges they face, and how they deliver deal value.

The 2025 respondent community included senior executives drawn from diverse sectors across the business landscape.

Author



Andrea Scialpi

EY-Parthenon

EY Europe West Buy and Integrate
Leader

Head of Transaction Diligence, EY Italy



The purpose

Aims to understand decision-making, growth-focused M&A strategies, and value realization challenges in Europe West



Survey methodology

Conducted using a structured questionnaire to capture M&A priorities or sentiment and post-deal integration practices, challenges and value realization



Target audience

The respondent community includes executives, EY clients and leaders from companies

300+
Respondents

300+ senior executives participated in the survey over the past three years

9
Countries

Austria		Netherlands	
Belgium		Portugal	
France		Spain	
Germany		Switzerland	
Italy			

**Focus
Areas**

- Deal rationale and challenges
- Integration approach
- Impact of integration cost on target's EBITDA
- AI and ESG initiatives undertaken by companies

Executive summary

M&A approach and Post-deal priorities

Deal momentum is robust, with **51% of companies executed more than five acquisitions** in the past three years, with target selection now dominated by value creation (84%) and synergy potential (84%).



Integration readiness and execution

Integration planning is moving earlier, with **40% designing integration during due diligence**, yet execution remains the top challenge (26%) highlighting persistent pre-close readiness gaps.



Cost implications and synergy realization

Integration costs are substantial, with **56% of deals seeing $\geq 6\%$ Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) impact and 21% experiencing costs above 13%**, largely driven by duplicate cost elimination (79%) and process optimization efforts (60%).



Environmental, social, and governance as an emerging but secondary driver

Environmental, Social, and Governance remains largely compliance-driven, with **67% focus on regulatory alignment**, while only 26% view it as a strategic driver, limiting its role in M&A value creation.



AI accelerating diligence and integration

AI is moving from exploration to adoption, with **49% running pilots and 30% implementing**, driving gains in analytics (56%) and diligence efficiency (42%), though data privacy (53%) and talent gaps (51%) remain key constraints.



Organizational readiness gaps

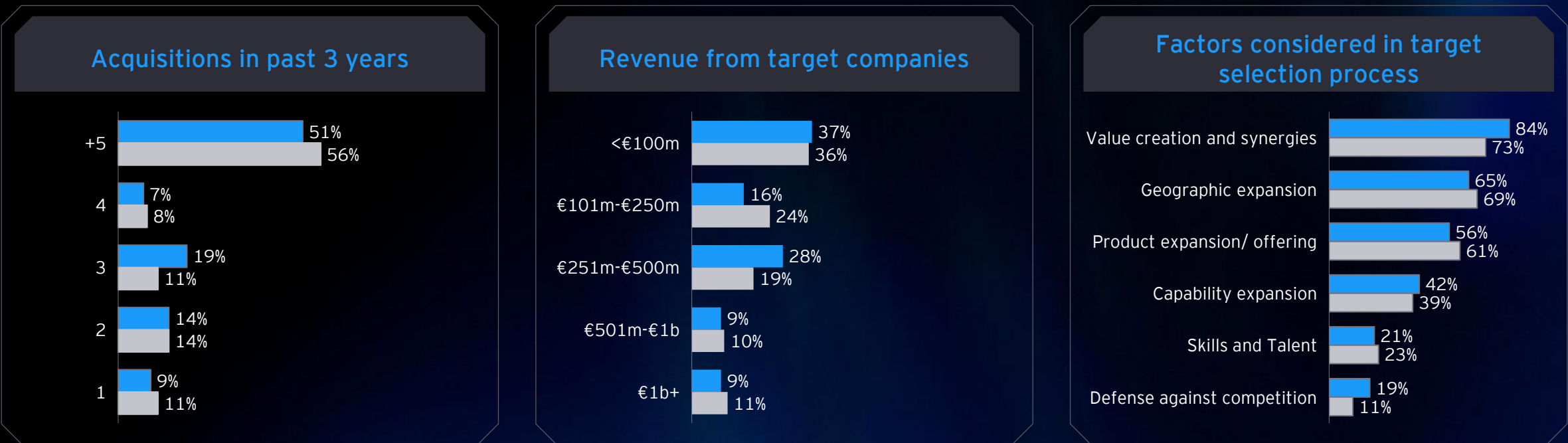
Talent and culture remain major friction points culture integration ranks among the top challenges, with companies relying heavily on **retention payouts (79%) and integration leadership roles (63%)** to stabilize key talent post-deal.



Early, synergy-led M&A planning is considered key to deal success, spanning target selection, pre-deal integration, synergy identification, and advisor support



Value creation emerges as the primary M&A driver as deal sizes and integration complexity increase



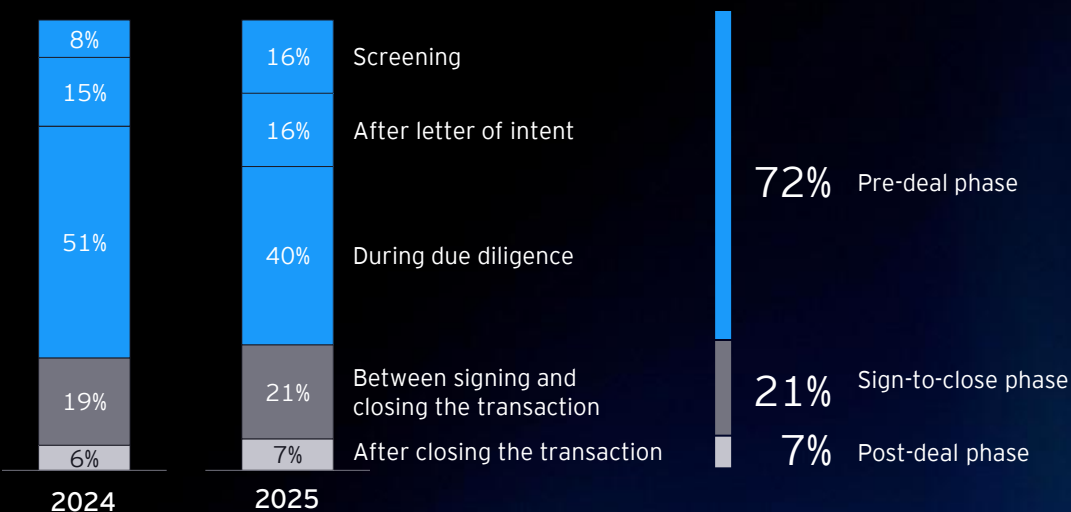
■ 2025 ■ 2024

Key takeaways

- Deal activity remains led by frequent acquirers, with ~51% completing 4+ deals signaling, continued dependence on inorganic growth despite uncertainty.
- Shift toward larger mid-market targets: €251m-€500m revenue assets now ~28% (vs. 19% in FY'24), indicating rising deal complexity.
- Value creation and synergies dominate, increasing to ~84% in FY 25, showing stronger emphasis on measurable post-deal outcomes.
- Geographic and product expansion stay core priorities, underscoring M&A's role in scaling platforms, not just adding capabilities.

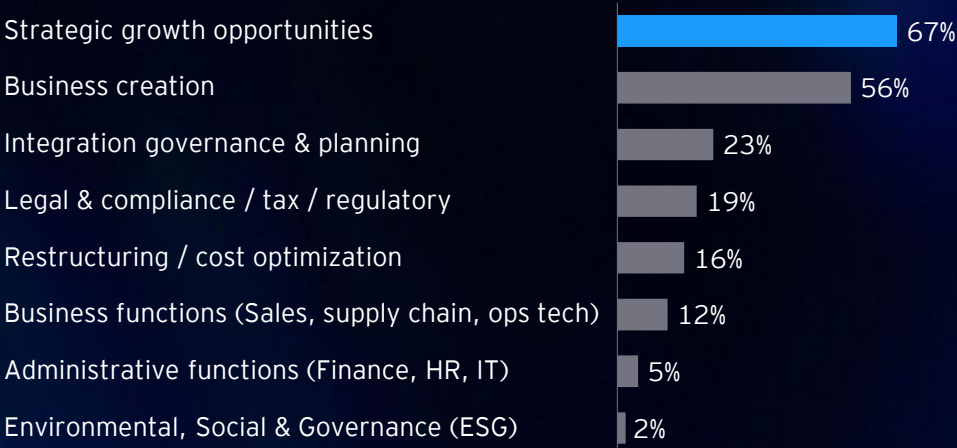
Early-stage integration planning continues to dominate, reinforcing its role in de-risking transactions and accelerating value capture

At what stage did you start planning the integration?



- Pre-deal integration planning leads, with **72%** starting before signing, reinforcing its importance for deal readiness.
- Due diligence planning remains strong (**40%**), reflecting continued focus on operational, financial, and organizational preparedness pre-commitment.
- Post-deal planning is still minimal (**7%**), indicating an ongoing shift from reactive integration to proactive value protection and execution certainty.

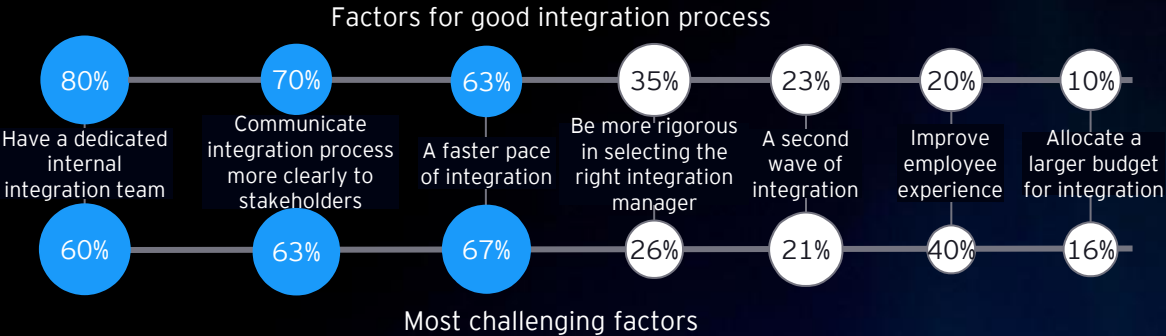
Important aspects of diligence process in achieving deal value



- Strategic growth and new business creation are top priorities, signaling a shift toward long-term value creation over downside risk focus.
- **Integration governance (23%)** remains a key deal-success driver, highlighting the need for early alignment on the operating model and execution roadmap.
- Compliance/functional diligence (legal, restructuring, ops, ESG) ranks lower, suggesting greater maturity in these areas and/or a pivot toward strategic upside.

Integration priorities remain well understood across organizations, yet execution challenges continue to shape integration outcomes

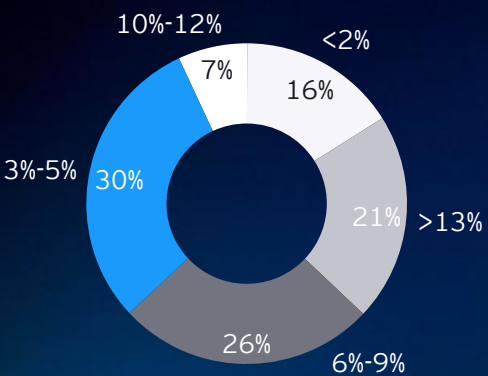
Must have capabilities for successful integration process



Key takeaways

- Core integration priorities are stable YoY—communication, skilled resourcing, and integration pace remain top in 2025, broadly in line with 2024, showing continued agreement on what drives success.
- Execution still lags: despite this clarity, ~60-70% of respondents continue to struggle with these same critical capabilities, indicating limited YoY improvement.
- Budget and employee experience remain lower priority (≤20% both years), reinforcing that outcomes depend more on leadership focus and coordination than incremental spend.

Impact of the integration costs on the target's EBITDA in %



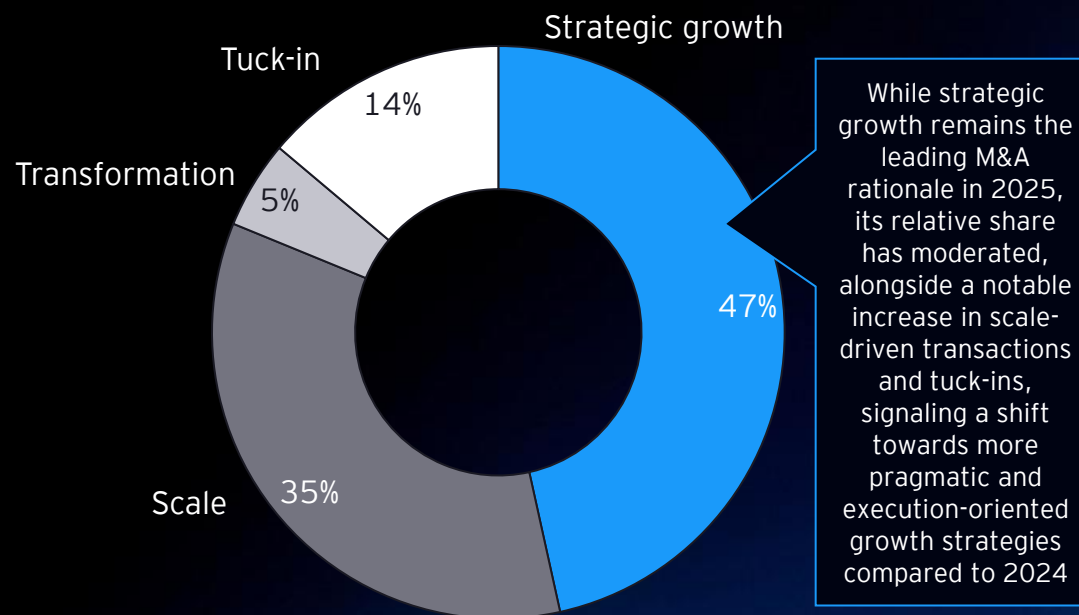
- Integration driven EBITDA impact is stable YoY, most deals in 2024 and 2025 see ≥3% impact, reinforcing integration as a value sensitive phase.
- Mid-single digit impact bands persist, indicating limited gains in integration efficiency; synergy capture delays still outweigh improvements in cost planning.
- Overall, the YoY stability suggests execution pace not cost control is the primary lever to protect post-close value.

2

M&A approach and post-deal relevance

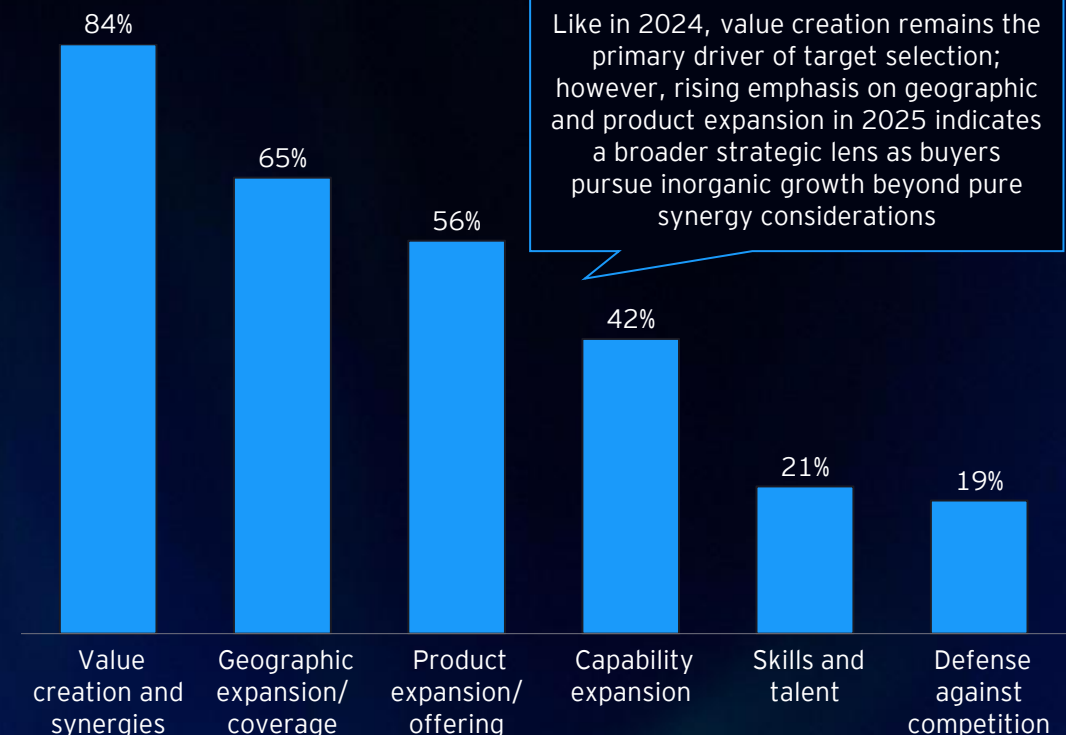
Buyers continue to anchor M&A strategies on strategic growth and value creation, while increasingly prioritizing scale, tuck-in transactions and geo-offering expansion

What was the primary strategic rationale for the significant M&A transaction completed by your company?



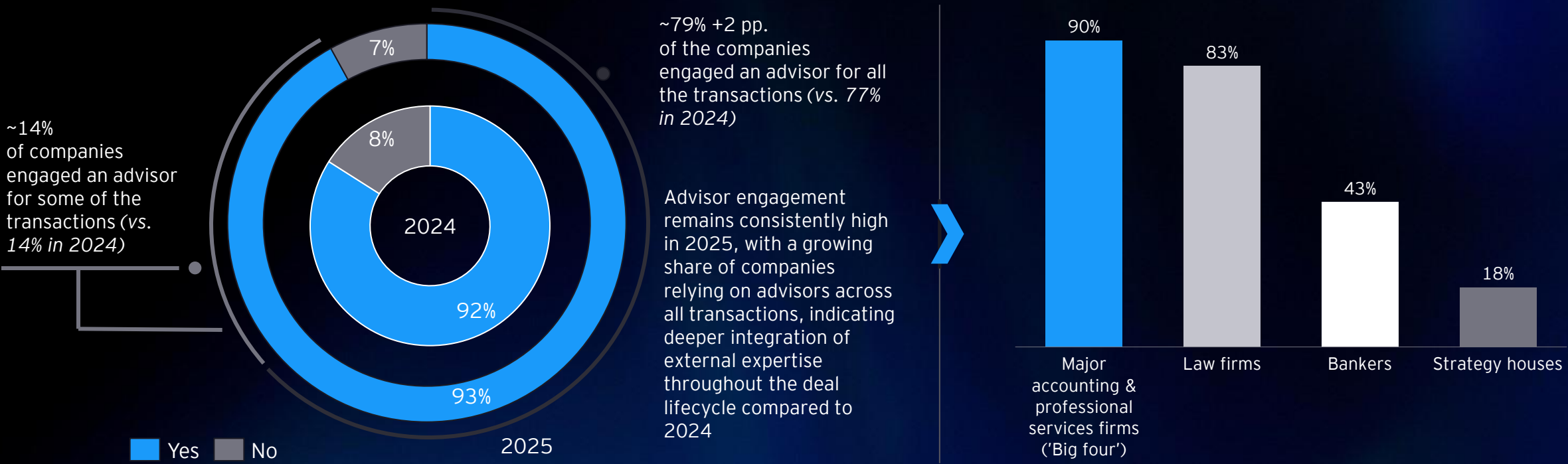
- Strategic growth (expansion of market offering and/or geographic reach, focus on revenue synergies)
- Scale (create economies of scale, expand market presence, focus on cost synergies)
- Transformation (enter new markets and transform the way the industry works)
- Tuck-in (increase revenue by leveraging brand strength, enhance or complement an existing product)

What were the factors considered in the target selection process?



Buyers continue to engage external advisors for transaction related services, with sustained preference for Big Four and law firms across M&A activities

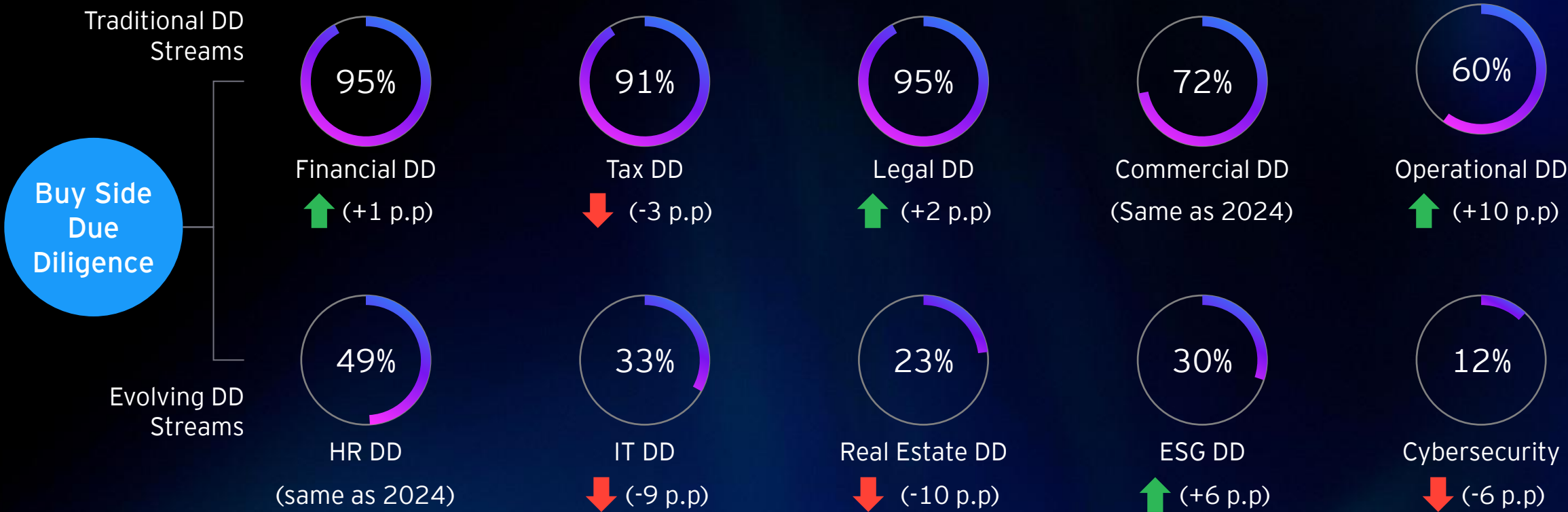
In the acquisitions you made, did you engage an advisor? If yes, what advisor did you engage in the past for Buy and Integrate services?



Big Four firms continue to dominate as the primary advisors for M&A transactions in 2025, while engagement with bankers and strategy houses remains selective, reinforcing the preference for end-to-end transaction and integration capabilities

Executives increasingly combine traditional due diligence (DD) with selective innovative streams to address broader deal risks and value considerations

For the acquisition process, what type of due diligence (DD) have you dealt with?



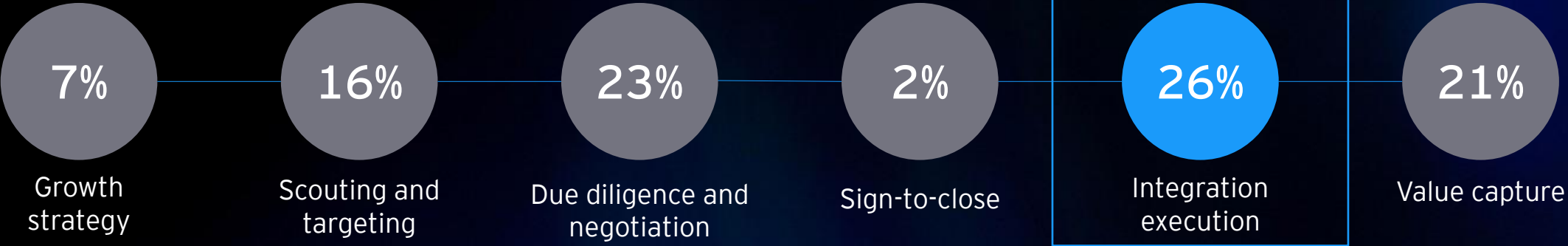
Innovative due diligence adoption remains selective in 2025, with ESG gaining relevance while IT, real estate and cybersecurity DD show moderation, suggesting a more targeted and risk-driven application of non-traditional due diligence (DD) streams compared to 2024

↑ Increased from 2024 survey ↓ Declined from 2024 survey

Integration execution continues to emerge as the most critical challenge for buyers, reflecting the growing complexity of translating deal intent

What is the most challenging phase of the entire transaction process?

2025



The While integration execution remains the most challenging phase of the transaction process, its relative intensity has eased in 2025, suggesting early signs of improved preparedness, though post-deal execution continues to dominate buyer concerns compared to pre-deal phases

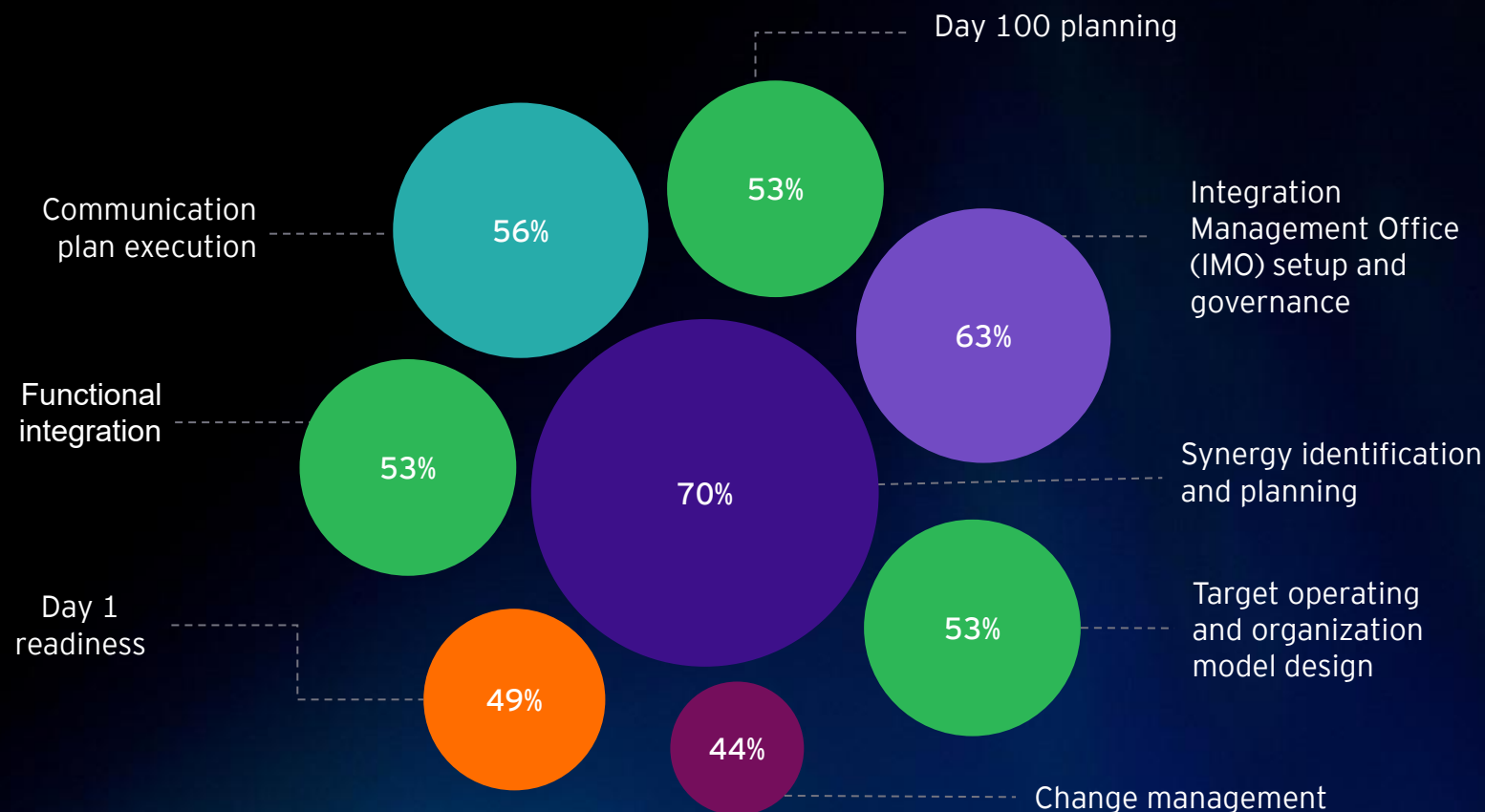
2024



The sustained prominence of integration challenges highlights the need to shift focus earlier in the transaction lifecycle, embedding integration thinking during due diligence to mitigate downstream execution risk and accelerate value capture

Synergy identification and planning continue to anchor integration efforts, alongside growing focus on functional integration to enable effective post-deal execution

What kind of integration activities did you carry out?

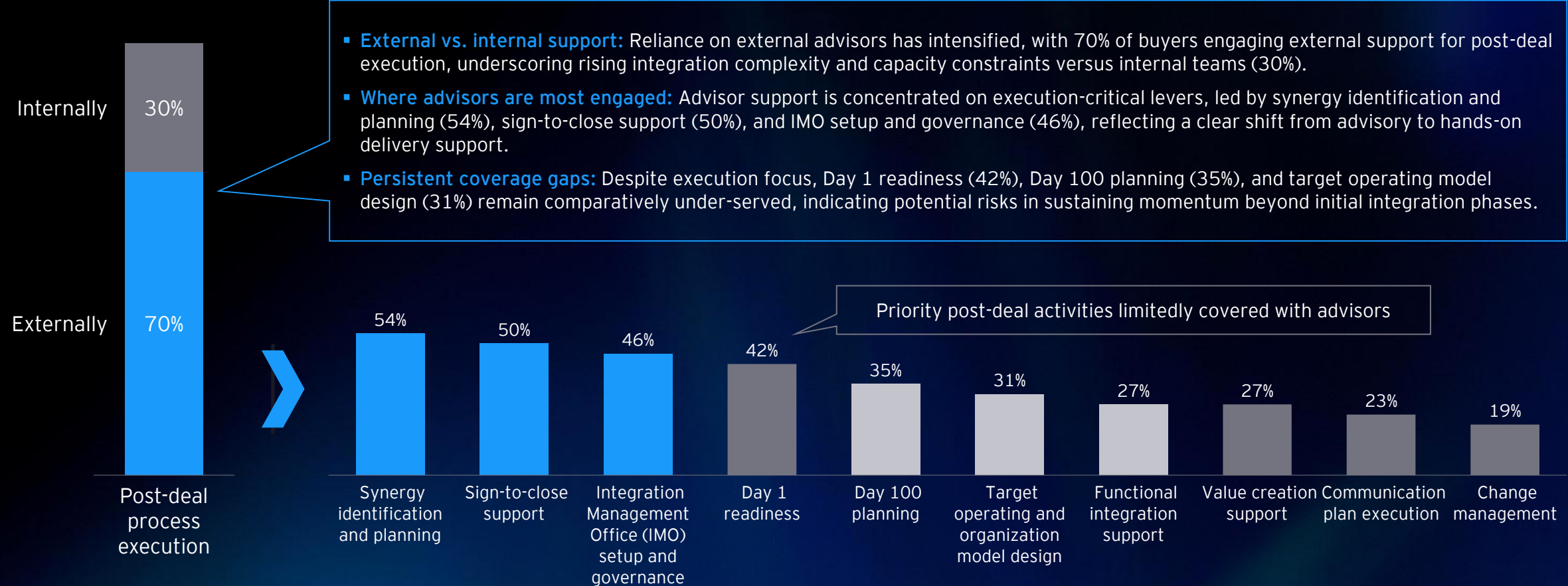


Key takeaways

- Synergy identification remains the primary integration priority, continuing to attract the highest focus in 2025, reinforcing its central role in value realization post-deal.
- Functional integration has gained prominence, reflecting increased attention on aligning operating models and core functions to support execution readiness beyond Day 1.
- Practical execution enablers are increasingly emphasized, with higher focus on IMO setup, governance, and Day-100 planning, indicating a shift from purely transformational initiatives toward structured, execution-led integration.

Post-deal excellence hinges on expert support for sign-to-close transition, synergy planning, and Integration Management Office (IMO) establishment

For the post-deal process, what kind of support did you get from the engaged advisor (PMI)



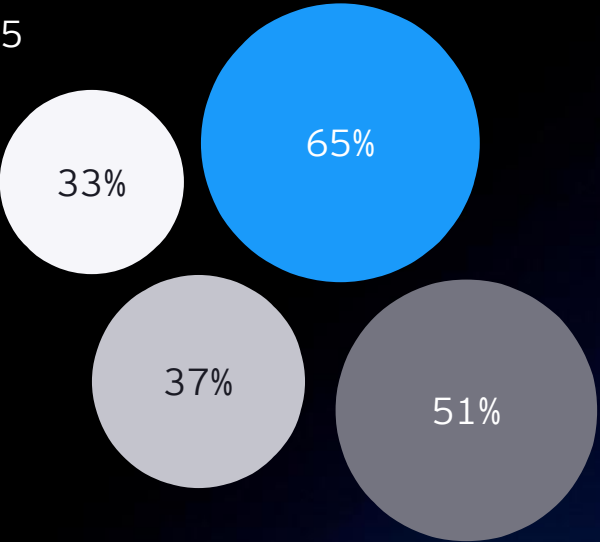
3

Integration ideal timing and associated costs

Early integration initiation accelerates synergy realization, with cost reduction and process improvements as the primary value drivers

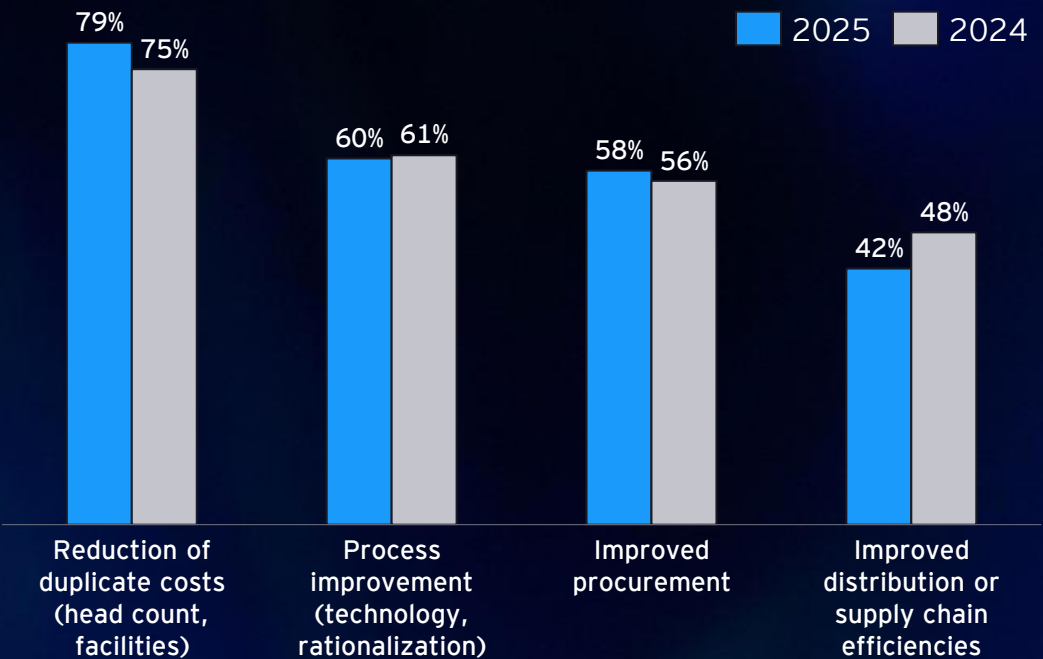
What actions did you take to increase your chances of achieving deal synergies?

2025



- Allocation of responsibilities to functional representatives
- Initiated integration earlier
- Utilized tools and technology for timeline management and synergy tracking
- Set more ambitious synergy targets

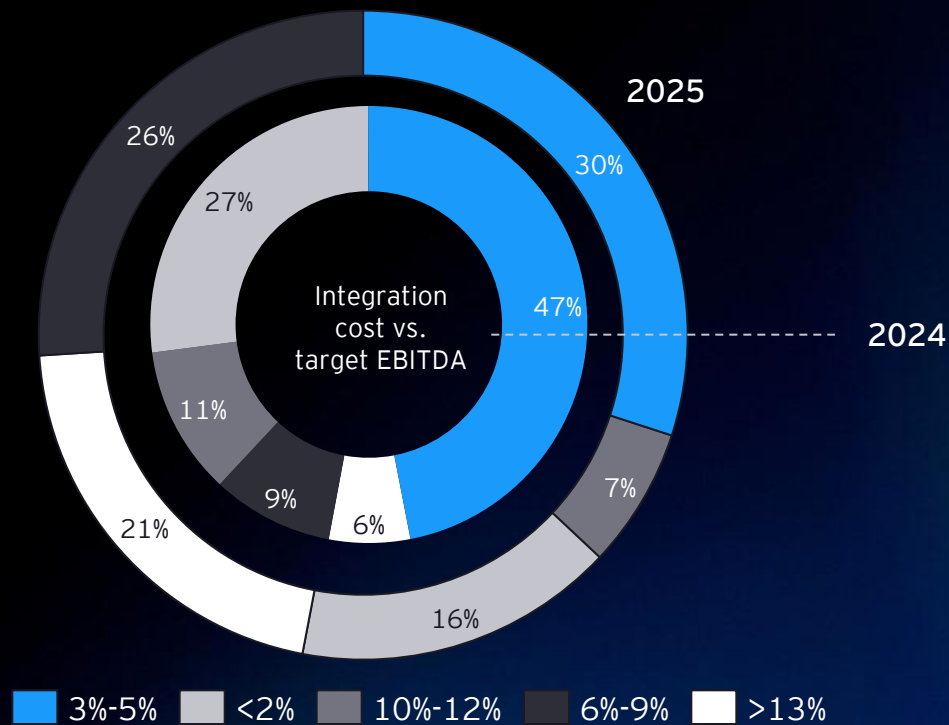
Which of the following were the main drivers to select the cost savings or synergy initiatives?



Starting integration early enables faster alignment of strategies and processes, reduces execution risks, and accelerates the realization of cost synergies – particularly through duplicate cost reduction and process improvements.

Integration costs typically remain below 5% of target EBITDA, with supply chain and procurement and sales and marketing driving the highest impact

What was the impact of the integration costs on the target's EBITDA in percentage?



Which were the most impacted business areas by the integration costs?

Function	Highest	Moderate	Least
IT and systems	72%	28%	0%
Legal and regulatory	16%	70%	14%
Pension and benefits	21%	16%	63%
Real estate and facilities	26%	67%	7%
Research and development	33%	44%	23%
Sales and marketing	63%	35%	2%
Severance and retention	37%	56%	7%
Supply chain and procurement	60%	40%	0%
Environmental, Social, and Governance (ESG)	9%	16%	74%

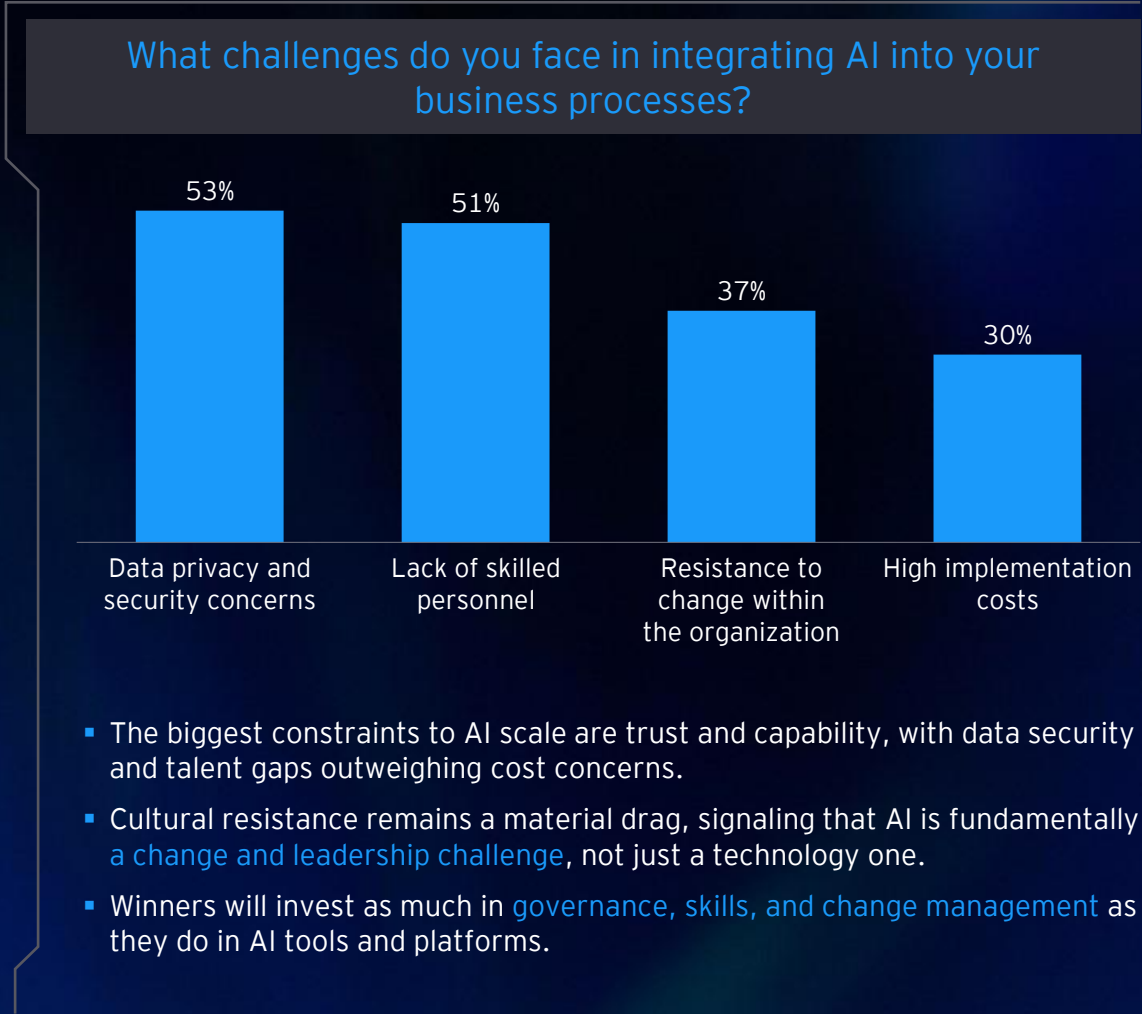
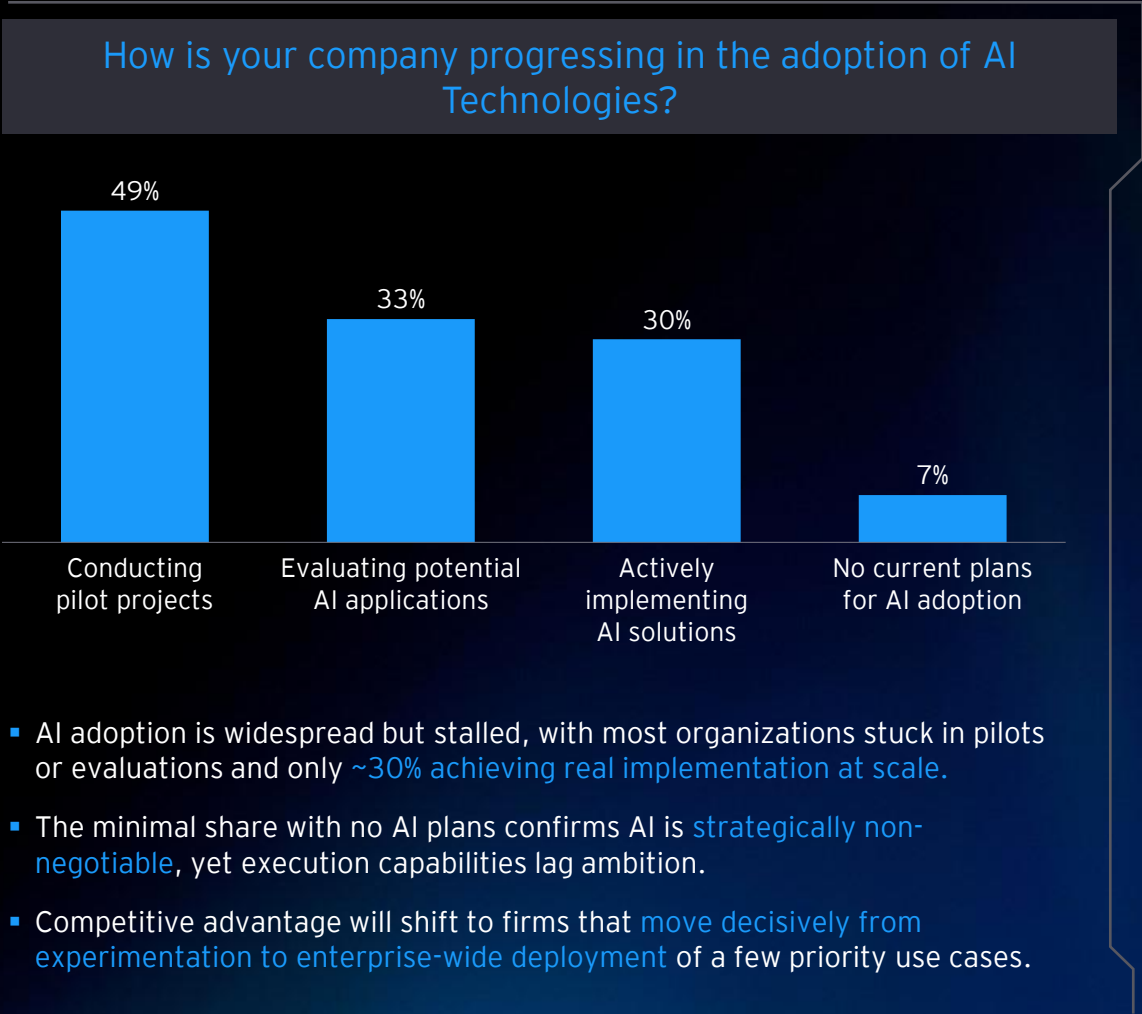
While integration is critical to unlocking deal value, associated costs generally remain modest relative to target EBITDA. A disciplined and well-sequenced integration approach is essential to capture synergies without diluting EBITDA performance.

4

Impact of AI and ESG

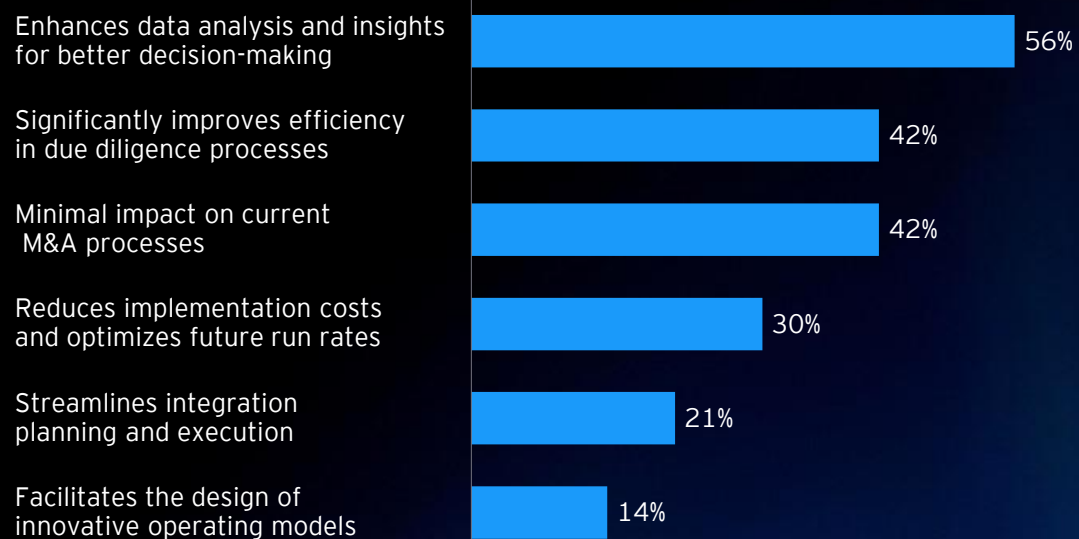


AI adoption is gaining momentum, with companies moving beyond pilots, although data security, skill gap and change management remain key barriers to scale

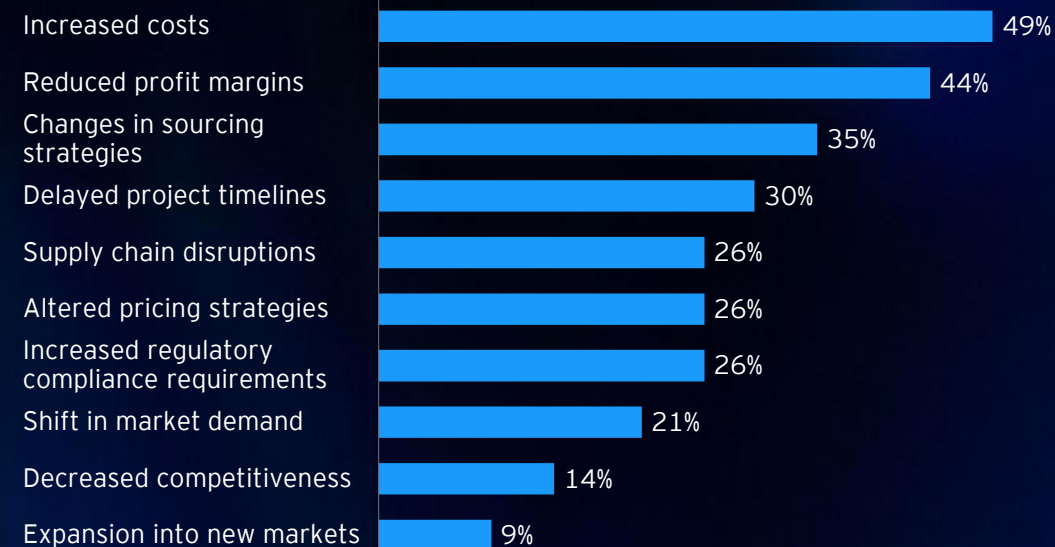


While GenAI is increasingly seen as a value enabler in M&A processes, trade & tariff dynamics continue to exert significant cost and operational pressure on businesses

How do you perceive the role of generative AI in enhancing your M&A processes, particularly in diligence, integration, and future operating model design?



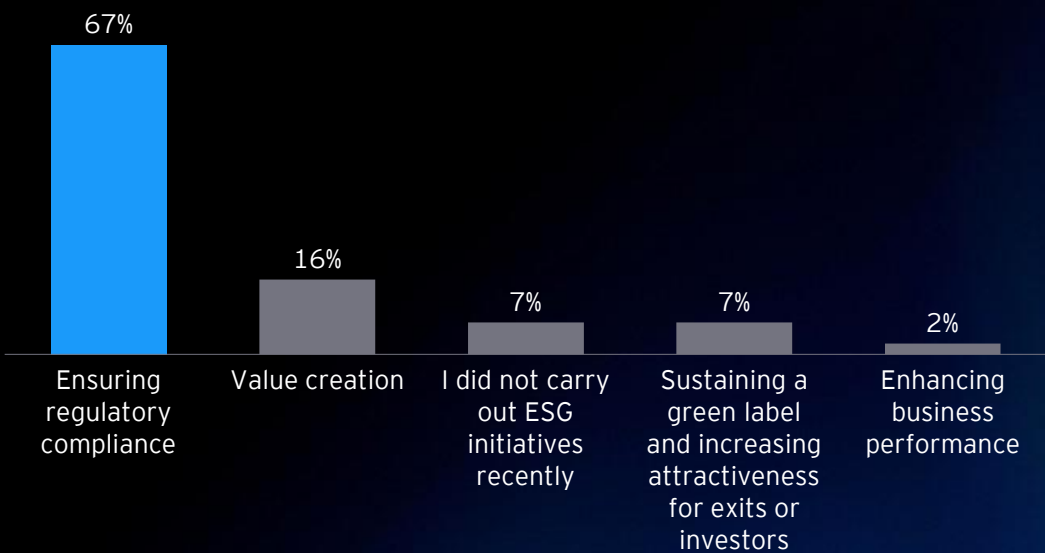
What impact have trade and tariffs had on your business operations?



- GenAI is increasingly viewed as a **value enabler in M&A**, particularly in **data-driven decision-making and diligence efficiency**, signaling a shift from experimental use to targeted value creation. At the same time, **trade and tariff pressures** are structurally raising costs and compressing margins, forcing organizations to rethink sourcing, pricing, and execution timelines.
- Together, this creates a clear mandate: **use GenAI to offset external cost pressures by accelerating integration, improving deal quality, and designing leaner post-merger operating models.**

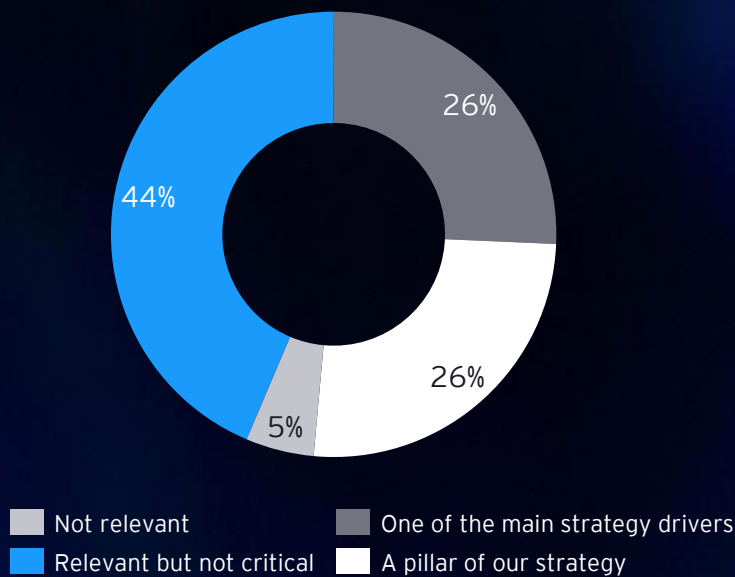
Despite broad acknowledgment of ESG's importance, most companies continue to approach it as a compliance requirement rather than a core value-creation lever

What are the primary objectives of ESG initiatives you ran over the last 3 years?



- ESG initiatives have been largely compliance-driven, with **regulatory adherence** cited as the **primary objective** by a majority of companies.
- **Value creation and performance** impact remain secondary, indicating limited integration of ESG into core business strategy.

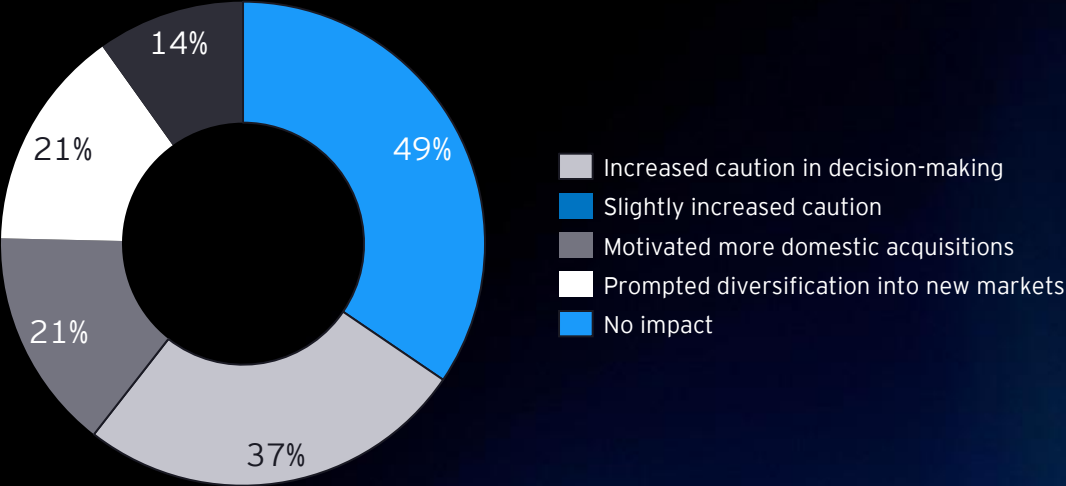
How would you rank the priority of ESG initiatives for your company?



- While ESG is considered relevant by most organizations, it is rarely viewed as a key strategic driver.
- A significant proportion still sees ESG as non-critical or low priority, reinforcing its treatment as a checkbox activity rather than a growth lever.

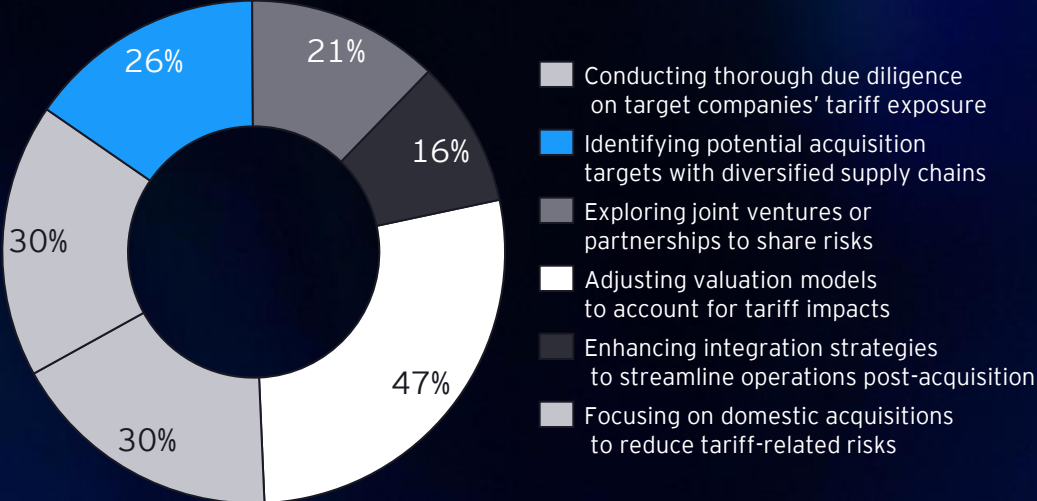
Tariffs and supply chain disruptions are increasing caution in M&A, driving stronger diligence, supply chain diversification, and a focus on domestic deals

How have tariffs and supply chain challenges influenced your M&A strategy?



- Companies are becoming more cautious in M&A decision-making, reflecting heightened sensitivity to tariff and supply-chain risk rather than a pullback from deal activity.
- This caution is translating into a preference for domestic acquisitions and selective diversification, prioritizing predictability over cross-border expansion.

How do you plan to mitigate the potential impact of increased tariffs on your company operations and M&A activities in the next 12 months?

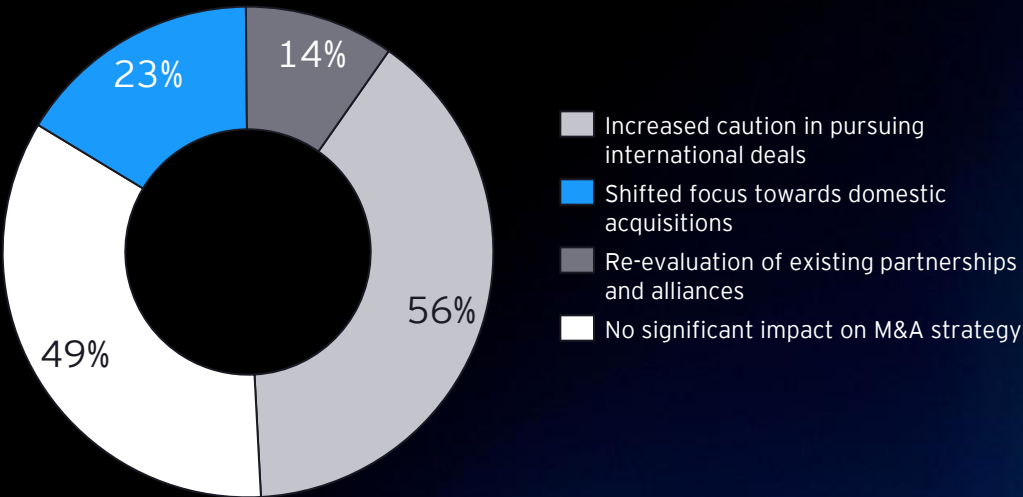


- Firms are focusing on deeper tariff-specific due diligence and acquiring targets with diversified supply chains, embedding risk assessment upfront.
- Fewer companies rely on post-deal levers, signaling a preference to avoid risk at entry rather than fix it after acquisition.
- Lower reliance on joint ventures and post-acquisition integration efficiencies suggests a preference for risk avoidance at entry, rather than complexity management after deal close.



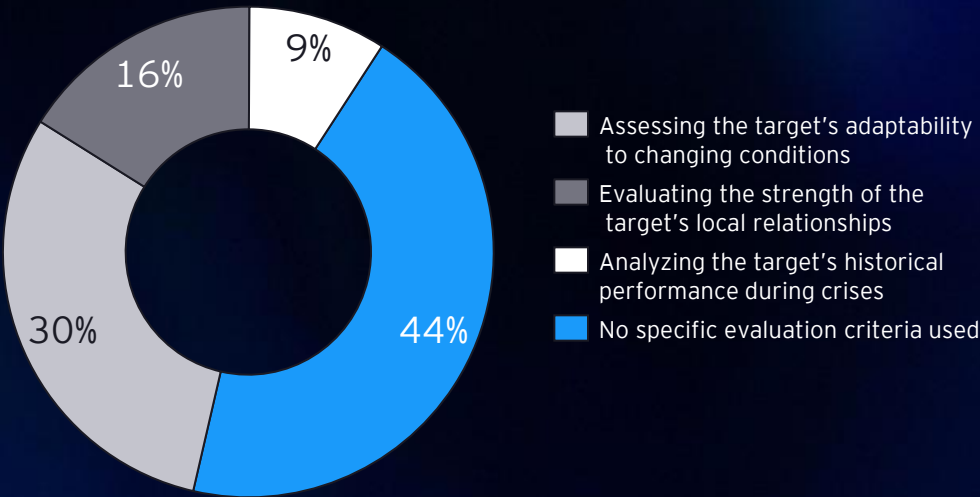
Geopolitical uncertainty is reshaping M&A strategies, driving greater selectivity in international deals and deeper scrutiny of long-term target resilience

How have recent geopolitical tensions influenced your company's approach to M&A?



- Geopolitical uncertainty is **materially reshaping M&A behaviour**, with a majority of companies increasing caution on international deals and reassessing cross-border exposure.
- The shift toward **greater selectivity and domestic or lower-risk transactions** reflects a prioritization of deal certainty over scale or geographic expansion.
- This marks a structural change in M&A strategy, where **risk-adjusted returns and resilience** are becoming as important as growth potential.

How do you evaluate the long-term sustainability of an acquisition target in the context of geopolitical risks?



- Buyers are increasingly emphasizing **forward-looking resilience**, with the strongest focus on a target's adaptability and the robustness of local relationships.
- Traditional backward-looking metrics, such as historical performance, are playing a secondary role in investment decisions.
- The limited use of structured evaluation frameworks highlights an opportunity for acquirers to **institutionalize geopolitical and resilience due diligence**.



Europe West Buy and Integrate community – Key contacts

Buy and Integrate leaders



Jasper Knol Bruins
EY EMEA Buy and Integrate Leader,
EY Adviseurs B.V.
Let's connect on: [Email](#)



Andrea Scialpi
EY Europe West Buy and Integrate
Leader, EY Advisory S.p.A.
Let's connect on: [Email](#)

Austria



Manuel Mangelberger
Partner, TCF-Transaction Diligence,
Ernst & Young
Wirtschaftsprüfungsgesellschaft
mbH
Let's connect on: [Email](#)

France



Pierre Dresco
Partner, Transactions Strategy &
Execution, Ernst & Young Advisory
Let's connect on: [Email](#)

Germany



Georg Beckmann
Partner, Transactions Strategy &
Execution, EY Strategy &
Transactions GmbH
Let's connect on: [Email](#)

Italy



Andrea Scialpi
EY Europe West Buy and Integrate
Leader, EY Advisory S.p.A.
Let's connect on: [Email](#)

Netherlands



Fredi Arditti
Partner, Transactions Strategy &
execution, EY Adviseurs B.V.
Let's connect on: [Email](#)

Portugal



David Oliveira
Executive Director, Transactions
Strategy & Execution, Ernst & Young
S.A.
Let's connect on: [Email](#)

Spain



Efrain Olalla Chicote
Partner, Transactions Strategy &
Execution, Ernst & Young Servicios
Corporativos, S.L.
Let's connect on: [Email](#)

Switzerland



Stefan Frank
Director, Transactions Strategy &
Execution, Ernst & Young AG
Let's connect on: [Email](#)

Belgium



Bart Deckers
Partner, Strategy and Transactions,
Strategy and Execution- Deal
Management, EY Transaction
Advisory Services
Let's connect on: [Email](#)

Europe West B&I team



Andrea Scialpi
EY Europe West Buy and Integrate
Leader, EY Advisory S.p.A.
Let's connect on: [Email](#)

B&I support team



Anubhav Kohli
Senior Manager at EY Global Delivery
Services India LLP
Let's connect on: [Email](#)



Nikita Jaiswal
Assistant Manager at EY Global
Delivery Services India LLP
Let's connect on: [Email](#)



Samriddhi
Senior Analyst at EY Global Delivery
Services India LLP
Let's connect on: [Email](#)

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

About EY-Parthenon

Our unique combination of transformative strategy, transactions and corporate finance delivers real-world value – solutions that work in practice, not just on paper.

Benefiting from EY's full spectrum of services, we've reimagined strategic consulting to work in a world of increasing complexity. With deep functional and sector expertise, paired with innovative AI-powered technology and an investor mindset, we partner with CEOs, boards, private equity and governments every step of the way – enabling you to shape your future with confidence.

EY-Parthenon is a brand under which a number of EY member firms across the globe provide strategy consulting services. For more information, please visit www.ey.com/parthenon.

© 2026 EYGM Limited
All Rights Reserved.
EYG no. 001880-26Gbl

030326

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com