



EY Entrepreneurship Barometer Survey

Europe Central

(Number of Respondents: 1,009)

April 2026

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



Shape the future
with confidence

Executive Summary (1/2)



Innovation, AI and Digital Maturity

- Innovation intent is widespread, with 56% prioritizing product innovation and ~46% focusing on process and organizational innovation, while only 7% report no planned innovation, indicating innovation is embedded but largely incremental.
- Digital technologies are firmly mainstream, AI/ML adoption stands at 76%, data analytics at 66%, and cloud computing at 53%, yet advanced technologies like blockchain (11%) and RPA (33%) remain niche.
- AI adoption and investment have accelerated sharply, with 75% having invested in AI and usage delivering efficiency gains for 60% and cost savings for 51%, but commercial impact remains muted, with only 38% reporting revenue growth benefits.
- The biggest constraints on AI value realization are non-technical, led by data privacy concerns (53%), regulatory uncertainty (45%), & IP risks (36%), alongside persistent difficulty scaling pilots to production (35%).



Entrepreneurial Ecosystem

- Entrepreneurial sentiment remains fragile, as only 27% rate conditions as favorable while 45% rate them unfavorable, highlighting sustained pressure on confidence across the region.
- Regulatory burden is the dominant ecosystem constraint, with 63% citing bureaucracy/regulatory complexity, and regulatory changes negatively impacting finance and tax (53%), sales and revenue (43%), and human capital (40%).



Investment and Financing

- Investment intent is cautious and optimization-led, with 55% planning IT and software investments and 45% focusing on automation, while 11% plan no investments at all, up from 9% last year.
- Financing remains highly conservative, as 65% rely primarily on reinvested profits, while investment is most constrained by economic uncertainty (57%), financial constraints (41%), and geopolitical instability (40%).

Executive Summary (2/2)



Workforce Dynamics

- Hiring momentum is cooling, with full-time hiring intent at 43% and 35% planning to keep headcount flat, alongside rising use of flexible talent (22% hiring freelancers).
- Labor market friction remains structural, driven by skills shortages (63%), experience gaps (50%), and compensation pressure (29%), while workforce challenges increasingly center on retention (44%) and cost management (41%).



Sustainable Growth

- Financial security risks are overwhelmingly cost-driven, with higher labor costs (80%), higher operating costs (79%), geopolitical instability (74%) and inflationary pressures (74%) seen as the most negative factors.
- While 63% report improved operational efficiency, people outcomes lag, with employee satisfaction up for only 40% and employee turnover increasing for 24%, signalling growth-with-strain dynamics.



Mergers and Acquisitions

- Near-term exit appetite is low, as 66% are not likely to sell in the next 12 months, although 34% are at least somewhat open, indicating conditional openness rather than urgency.
- Exit planning is uneven, with 26% targeting an exit in 1-4 years, 26% in 5-10 years, and 27% having no exit plan, while preferred legacy paths remain family succession (40%) and trade sale (39%).

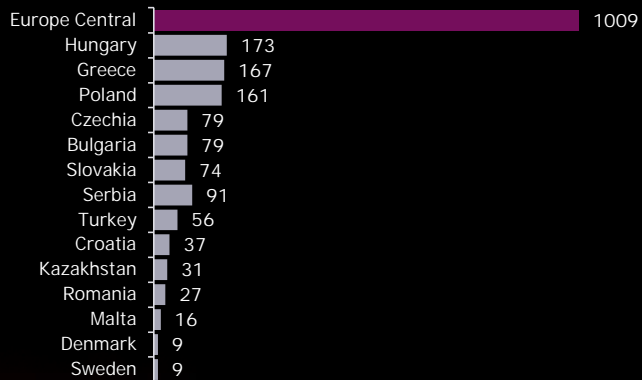


Family Business Perspectives

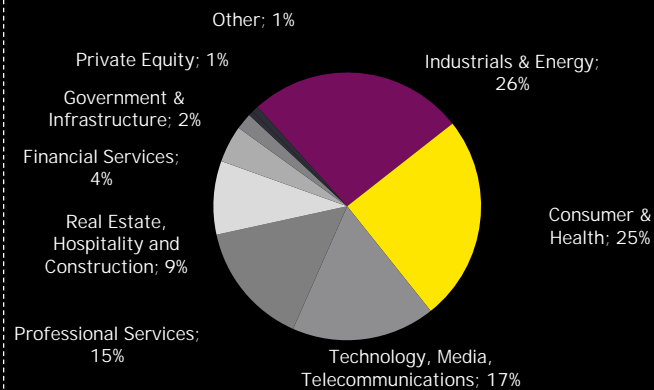
- Governance and succession maturity is weak, with only 23% having a formal succession plan and 29% not having addressed succession at all, representing a significant continuity risk.
- Wealth preservation strategies remain business-centric, led by retaining earnings (56%) and diversification outside the business (38%), yet 16% report no formal sustainability or wealth strategy.

Respondent profile – Europe Central (1/2)

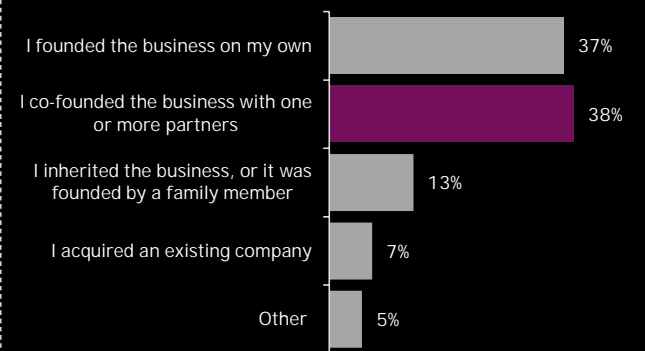
Number of respondents by country



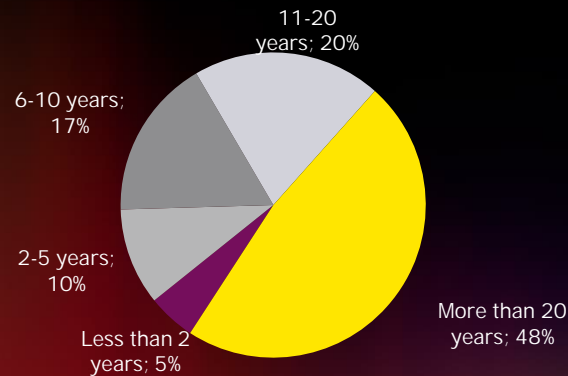
Which of the following best describes your primary industry?



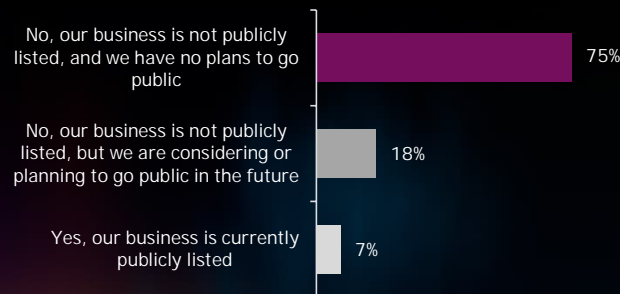
How was your company founded?



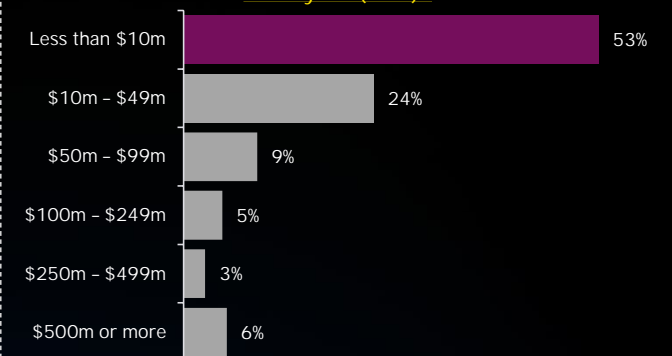
How many years ago was your company founded?



Is your business a publicly listed company?

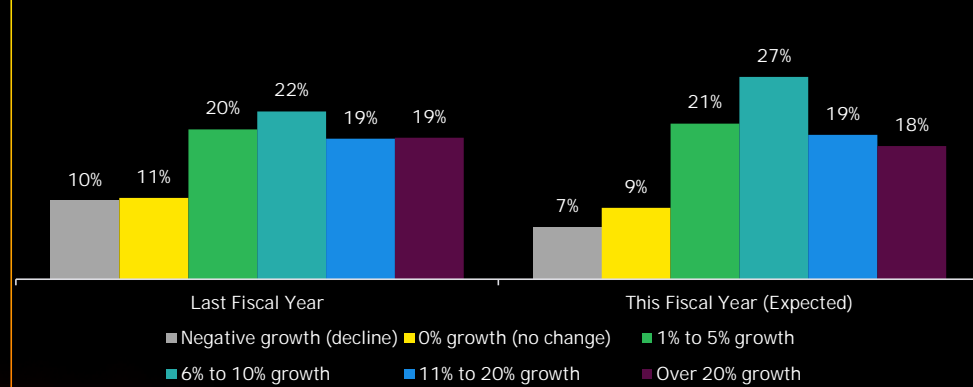


What was your organization's annual revenue in the last fiscal year (USD)?

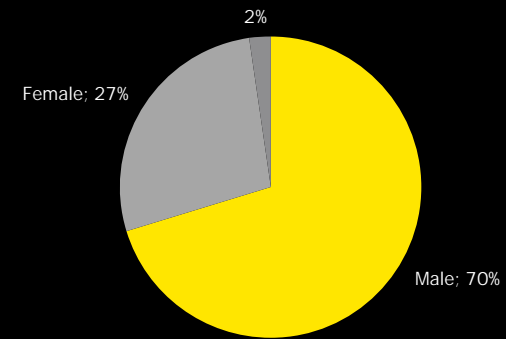


Respondent profile – Europe Central (2/2)

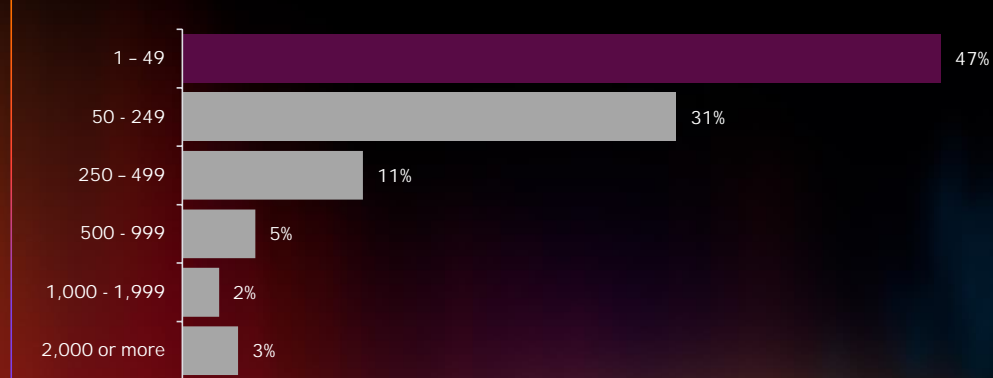
Revenue growth % (Last Fiscal vs Next Fiscal)



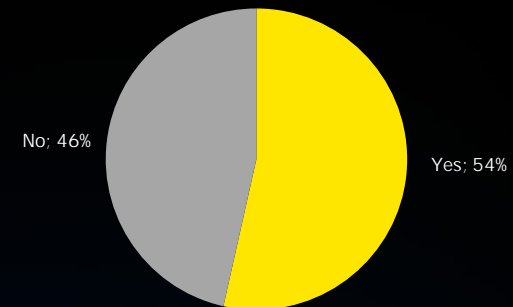
What is the gender you identify with the most



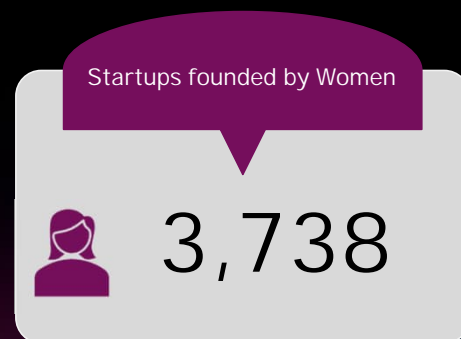
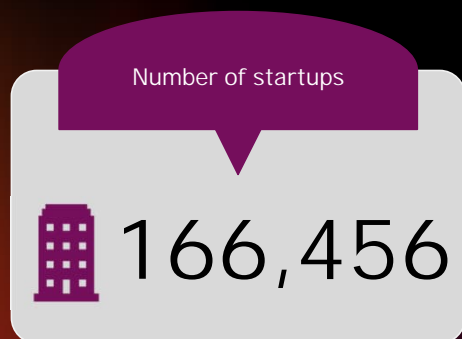
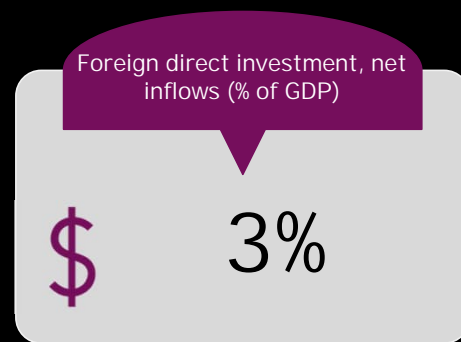
What is your organization's total headcount?



Is your company a family business or enterprise (Yes/No)?



Europe Central entrepreneurs are innovating, digitizing, and optimizing, but are constrained by regulation, cost inflation, talent scarcity, and under-developed governance and succession frameworks



Business Ready 2025 (Score)			
Economy	Pillar 1 Regulatory Framework	Pillar 2 Public Services	Pillar 3 Operational Efficiency
Bulgaria	76.98	66.51	66.52
Croatia	78.05	75.29	67.82
Czechia	80.73	72.30	68.62
Greece	79.46	66.91	61.64
Hungary	74.71	68.42	70.89
Kazakhstan	69.51	71.61	66.40
Malta	67.22	55.59	64.35
Poland	79.02	68.34	63.63
Romania	78.07	66.12	66.34
Serbia	76.23	61.53	69.07
Slovak Republic	78.45	69.82	68.68
Türkiye	66.81	73.43	62.91

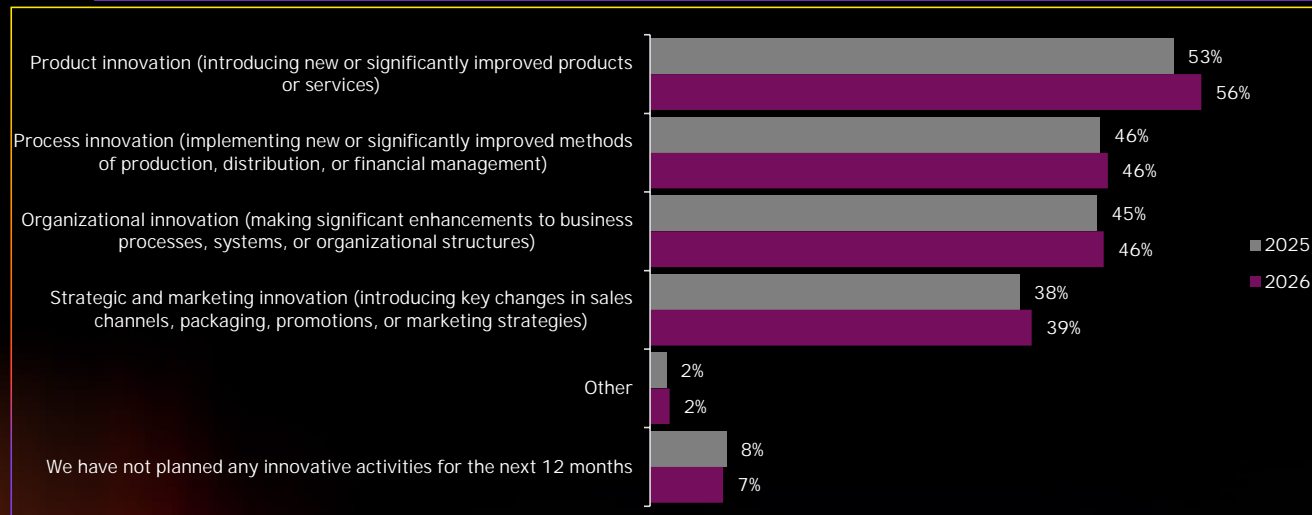
Note: Cell colour represents the quintile an economy is in for each of the three pillars

■ Top Quintile ■ Second Quintile ■ Third Quintile

The innovation portfolio is becoming more product led in Europe Central while operational foundations remain non negotiable

Q

What are your key areas of innovation for the next 12 months? Select all that apply.



Comparative analysis (2026 vs 2025):

- Product innovation increased from 53% (2025) to 56% (2026), reinforcing that the region is leaning more into product-led growth as the primary innovation pathway.
- Process innovation stays flat at 46% in both years. Organizational innovation edges up from 45% to 46%. This points to sustained investment in scalability and efficiency, which typically reflects pressure to deliver more with the same or fewer resources.
- The innovation mindset is widening, but commercial activation remains secondary. Strategic and marketing innovation moves from 38% in 2025 to 39% in 2026. At the same time, "no innovation planned" declines from 8% to 7%. This suggests more organisations are committing to innovation, yet the demand generation and route to market agenda is still not accelerating at the same rate as product and operations.

Regional observations:

- Product innovation is the dominant regional priority in 2026 (56%), ahead of process and organizational innovation, signalling that Europe Central entrepreneurs are primarily pursuing market-facing growth rather than internal reinvention.
- Process (46%) and organizational (46%) innovation form a strong "execution backbone", suggesting many firms are pairing product moves with operational/organizational readiness rather than treating innovation as purely customer-led.
- Strategic/marketing innovation is a secondary but meaningful lever (39%), indicating a substantial share are innovating through go-to-market/channel changes rather than only through product or operations.

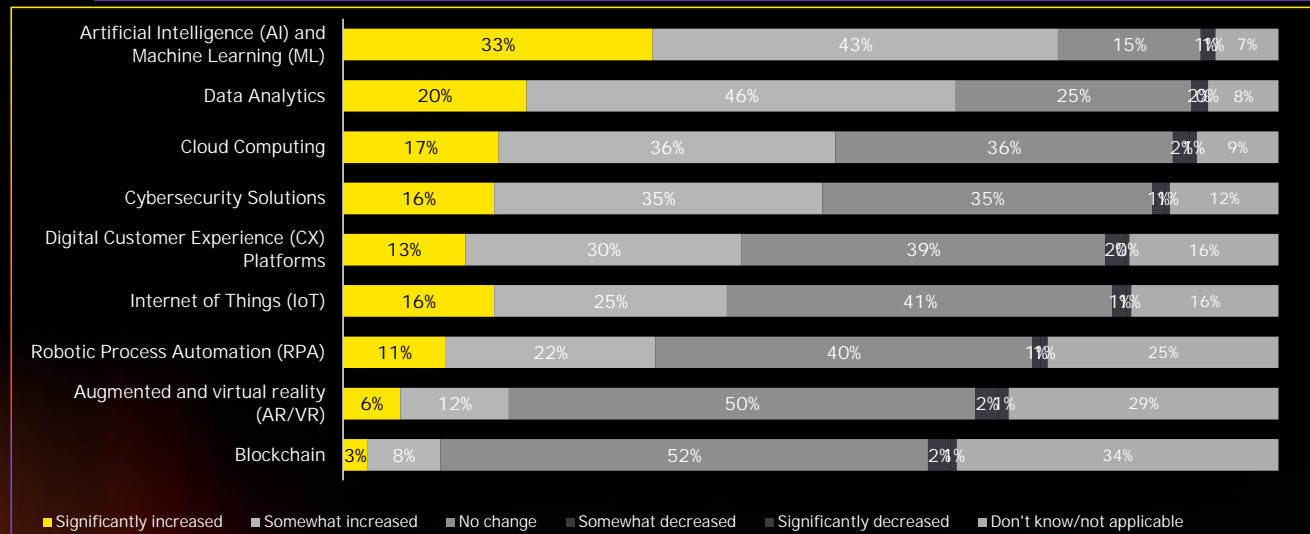
Regional vs country level observations:

- Kazakhstan and Slovakia (both 68%) outperform the regional average, highlighting a stronger product-led growth mindset than the Europe Central norm. Poland (67%) and Bulgaria (66%) also significantly exceed the regional benchmark, reinforcing a cluster of product-innovation leaders. Malta (38%) and Hungary (42%) fall well below the regional average, indicating weaker emphasis on product renewal relative to peers.
- Poland (53%), Kazakhstan (52%), and Türkiye (50%) are materially more aggressive in go-to-market experimentation than the region as a whole while Romania (30%) and Serbia (31%) lag the regional trend, indicating more conservative approaches to strategic and marketing innovation.

AI has become the unifying digital theme across Europe Central, marking a decisive transition from experimentation to mainstream operational adoption

Q

How has your use of the following digital technologies in your business operations changed over the past 12 months?



Comparative analysis (2026 vs 2025):

- Organizations are moving away from broad digital experimentation toward technologies that directly improve productivity, decision quality and operational efficiency. AI is becoming the central force multiplier, while everything else either supports it or gets deprioritized.
- Artificial Intelligence saw a step-change at the regional level, increasing from 61% in 2025 to 76% in 2026 (+15% change), marking a decisive transition from experimentation to mainstream operational adoption.
- IoT adoption increased modestly from 38% in 2025 to 41% in 2026 (+3% change), reflecting gradual uptake rather than rapid scale-up.
- AR and VR adoption declined in 2026 compared to 2025 reflecting de-prioritization of immersive technologies.

Regional observations:

- ▶ AI and machine learning adoption shows the strongest momentum region-wide in 2026 (76%), positioning AI as the dominant digital capability shaping Europe Central entrepreneurs' operating models.
- ▶ Data analytics (66%) has emerged as the second most scaled technology, indicating a growing shift from intuition-led to data-driven decision-making across the region.
- ▶ Advanced and frontier technologies (RPA at 33%, AR/VR at 18%, Blockchain at 11%) remain niche, reinforcing that most Europe Central firms are still focused on scaling core digital capabilities before pursuing experimental technologies.

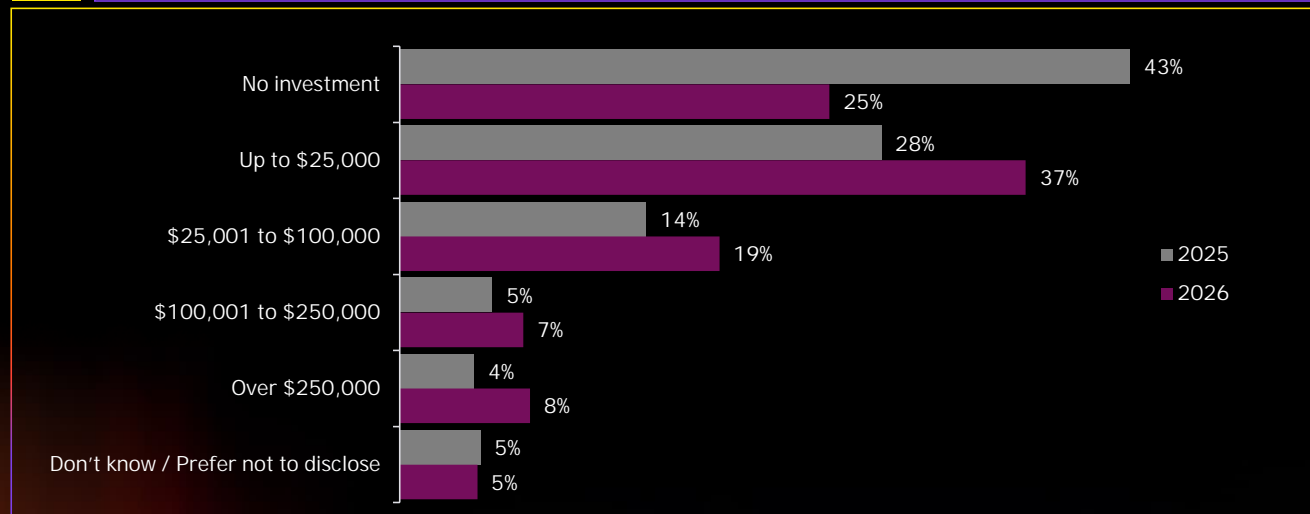
Regional vs country level observations:

- ▶ Slovakia (89%) significantly outperformed the regional average, reflecting advanced AI integration rather than pilot-level experimentation.
- ▶ Türkiye (63%) and Poland (62%) exceeded the regional average, indicating advanced scalable infrastructure use while Czech Republic (44%), and Slovakia (43%) underperform, suggesting plateauing or already-embedded cloud usage.
- ▶ Poland and Türkiye consistently outperformed across Digital CX (both 70%), RPA (66% & 38%), and Blockchain (26% & 27%), positioning them as multi-technology digital frontrunners rather than single-capability adopters.

Europe Central has crossed a turning point from AI hesitation to AI commitment, with a sharp collapse in no investment and growth across all funded tiers. The dominant AI investment model remains pragmatic and incremental, but the rise in six-figure investments signals the early formation of AI leaders pulling ahead of the pack

Q

Please indicate the range of your business's investment in artificial intelligence (AI) over the past three years? Select one.



Comparative analysis (2026 vs 2025):

- The market is moving from AI curiosity to digital investment momentum, with a barbell forming between light pilots and serious scale. The share of businesses reporting no AI investment fell sharply from 43% in 2025 to 25% in 2026 (-18% change), representing one of the strongest structural shifts across the entire Barometer.
- Large investments are growing quickly, but they are still not the norm. "Over \$250,000" doubles from 4% to 8% and "\$100,001 to \$250,000" rises from 5% to 7%. This shows that a subset of firms has crossed the threshold into enterprise deployment, which usually requires data modernisation, governance, security controls and change management.

Regional observations:

- ▶ AI investment is now firmly established across Europe Central, with only 25% of businesses reporting no investment in the past three years, signalling a major shift from exploration to commitment.
- ▶ The most common investment band region-wide is "up to \$25,000" (37%), indicating that AI adoption is being driven primarily by small-scale, practical deployments rather than large transformational bets.
- ▶ Nearly one-quarter of respondents (26%) report investing more than \$25,000, demonstrating that a meaningful minority is already moving beyond pilots toward scaled AI implementation.
- ▶ High-value AI investments remain concentrated, with only 8% of businesses investing over \$250,000, suggesting that large-scale AI transformation is still the exception rather than the norm.

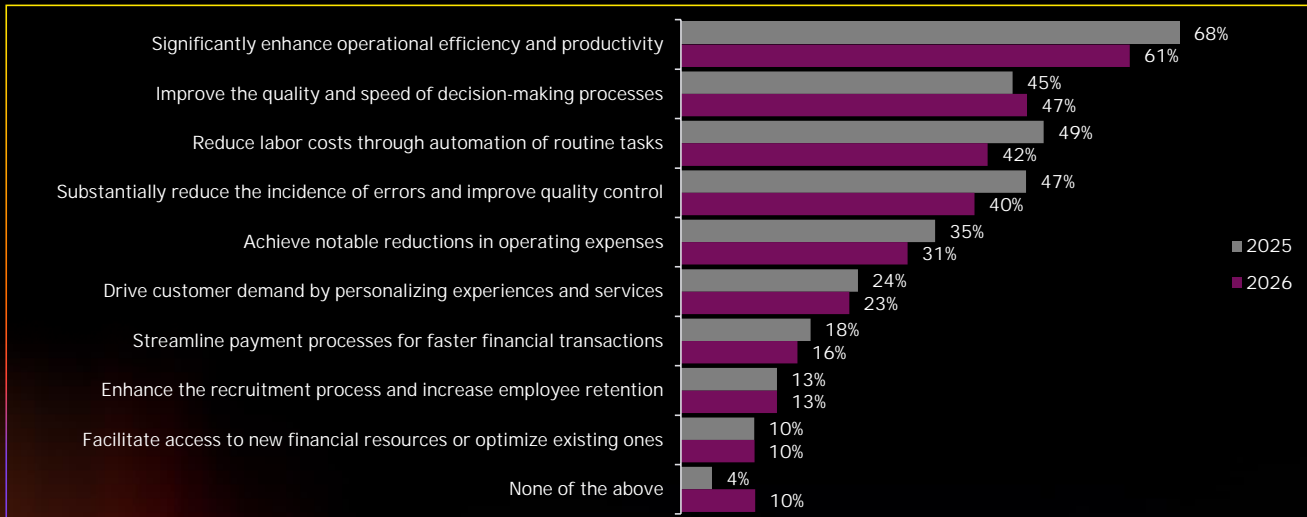
Regional vs country level observations:

- ▶ Hungary stands out as the most pronounced laggard, with 57% reporting no AI investment, indicating a significant gap in AI readiness. In contrast, Poland (7%) and Malta (13%) show near-universal engagement with AI investment.
- ▶ Kazakhstan emerges as the strongest investor, with 42% of firms investing more than \$100,000 (including 26% over \$250,000), far exceeding any other Europe Central market.

AI's perceived value is shifting from big cost-out promises to decision quality and operational resilience. Confidence remains high overall, but entrepreneurs are becoming more disciplined about where AI is likely to deliver near-term impact

Q

How do you anticipate AI and other digital technologies will impact your business in the next three years? Select all that apply



Comparative analysis (2026 vs 2025):

- As AI expectations mature, emphasis is shifting from broad transformational promise to selective, execution-dependent impact. This recalibration is evident in a 7% decline - from 68% in 2025 to 61% in 2026 - in expectations that AI will significantly enhance operational efficiency, signaling a transition toward more pragmatic, experience-driven assessments.
- Anticipated labor-cost reduction through automation fell from 49% to 42% (-7% change), suggesting entrepreneurs are reassessing the ease and speed of workforce substitution.
- Perceived quality-control benefits declined from 47% to 40% (-7% change), reinforcing a more realistic view of implementation and integration challenges.

Regional observations:

- ▶ Operational efficiency and productivity (61%) is the dominant expected impact of AI and digital technologies, confirming that the primary regional value lens remains cost, speed, and execution improvement rather than growth alone.
- ▶ Improved decision-making quality and speed (47%) is the second most cited benefit, signalling increasing expectations that AI will augment management judgment and planning, not just automate tasks.
- ▶ Expectations around direct cost reduction are more muted, with only 31% anticipating notable operating-expense reductions, suggesting realism about transformation costs and payback periods.
- ▶ Customer-centric and revenue-side impacts remain relatively limited, with just 23% expecting AI to drive customer demand through personalization.

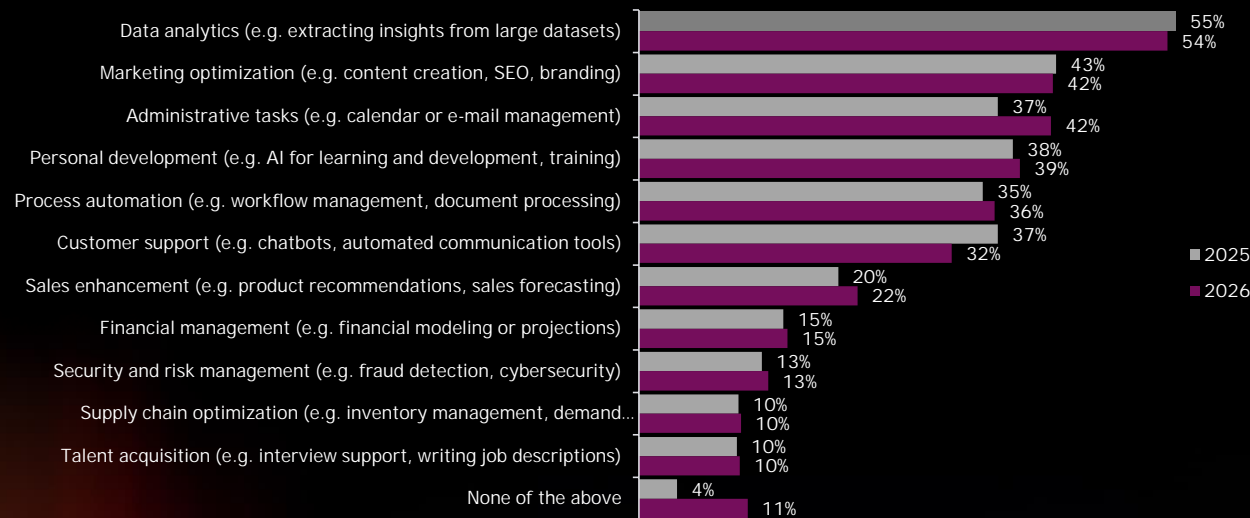
Regional vs country level observations:

- ▶ Malta (88%), Türkiye (79%), Greece (75%), and Slovakia (72%) show stronger conviction than the region, indicating a clear belief in AI as a productivity engine. Hungary (43%) and Poland (47%) under-index, suggesting more cautious expectations about efficiency gains.
- ▶ Türkiye (57%) and Slovakia (53%) significantly exceed the regional norm, pointing to stronger automation and workforce-mix expectations. Hungary (26%) is again the most conservative market on workforce impacts.
- ▶ Kazakhstan (65%) and Malta (56%) lead strongly, suggesting AI is expected to improve accuracy and consistency in operations.

Adoption is broad in Europe Central but value capture is bifurcating between quick win productivity and harder customer outcomes

Q

In which of the following areas have you implemented AI and other digital technologies in your business operations? Select all that apply



Comparative analysis (2026 vs 2025):

- AI use is shifting toward everyday productivity, led by administrative tasks. Administrative tasks increase from 37% in 2025 to 42% in 2026. This points to faster adoption of low friction tools that improve personal and team throughput, because they require less data integration and deliver visible gains quickly.
- Customer facing deployment is losing momentum, even as back office use holds steady. Customer support declines from 37% to 32% while process automation rises slightly from 35% to 36% and data analytics stays broadly stable at 55% to 54%. This suggests firms are prioritising internal reliability over external automation, often driven by concerns on response quality, brand risk, and governance readiness.

Regional observations:

- ▶ Data analytics is the top implementation area region-wide (54%), indicating that most Europe Central businesses are using AI/digital first to extract insight and improve decisions rather than to fully automate end-to-end processes.
- ▶ Marketing optimization and administrative tasks are tied as the next most common use cases (both 42%), showing that adoption is concentrated in “high-frequency, low-friction” functions where tools can be deployed quickly.
- ▶ Personal development (39%) and process automation (36%) form the mid-tier, suggesting many firms are building internal capability and automating workflows, but at a slower rate than analytics and marketing.

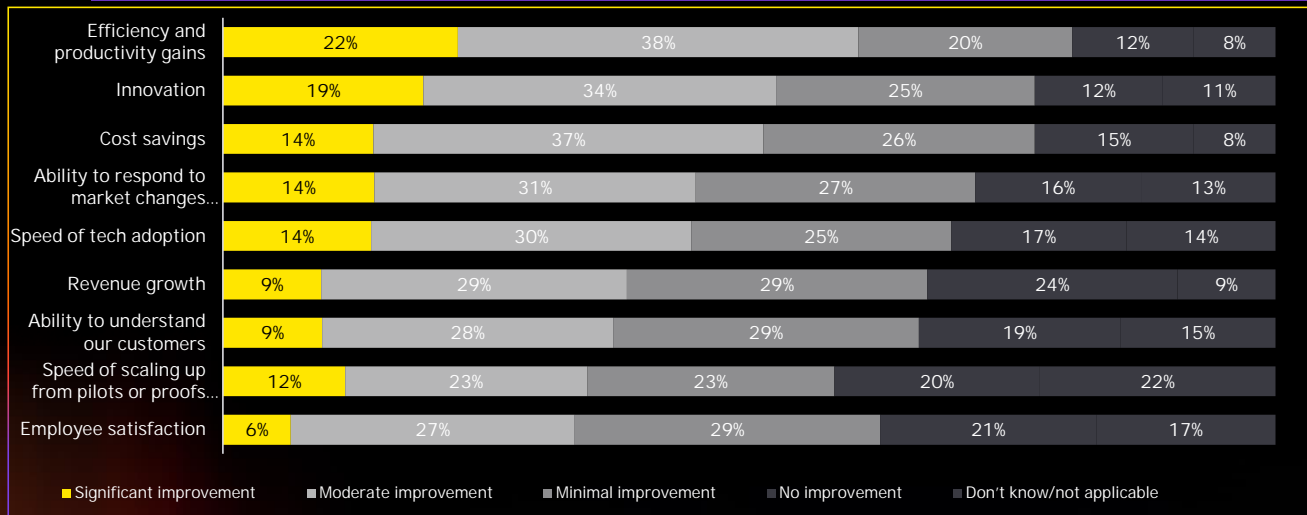
Regional vs country level observations:

- ▶ Malta (75%), Kazakhstan (71%), and Serbia (66%) are clear leaders, signalling more advanced “insight-led” operating models than the region overall.
- ▶ Türkiye (54%) significantly outperform, showing stronger adoption of AI/digital in brand/content and growth engines. Malta (25%) under-indexes sharply, suggesting its AI/digital effort is disproportionately focused on analytics/automation rather than marketing.
- ▶ Malta (31%) is the clear leader, with Poland & Türkiye (both 20%) also above average, suggesting these markets are pairing AI adoption with a stronger risk agenda.

Europe Central's digital value story is strongest on internal performance (efficiency, innovation, cost) and weakest on commercial conversion (revenue growth, customer understanding) and scaling execution (POC-to-scale)

Q

Over the past three years, to what extent has the adoption of digital technologies improved your company's performance in the following areas? Select one for each row



Regional observations:

- ▶ Digital adoption is delivering its strongest regional value in operational performance, with efficiency/productivity the top improvement area (60%), indicating that most firms are realizing "execution gains" rather than purely strategic upside.
- ▶ Innovation benefits are also meaningful (53%), suggesting technology is increasingly enabling new offerings, new ways of working, and experimentation—not just digitizing existing processes.
- ▶ Cost savings are reported by a majority (51%), reinforcing that digital investments are translating into tangible financial outcomes, though not as consistently as productivity uplift.
- ▶ Speed and responsiveness benefits sit in the mid-tier, with ability to respond to market changes (45%) and speed of technology adoption (44%), implying many firms still struggle to translate tools into fast decision and deployment cycles.

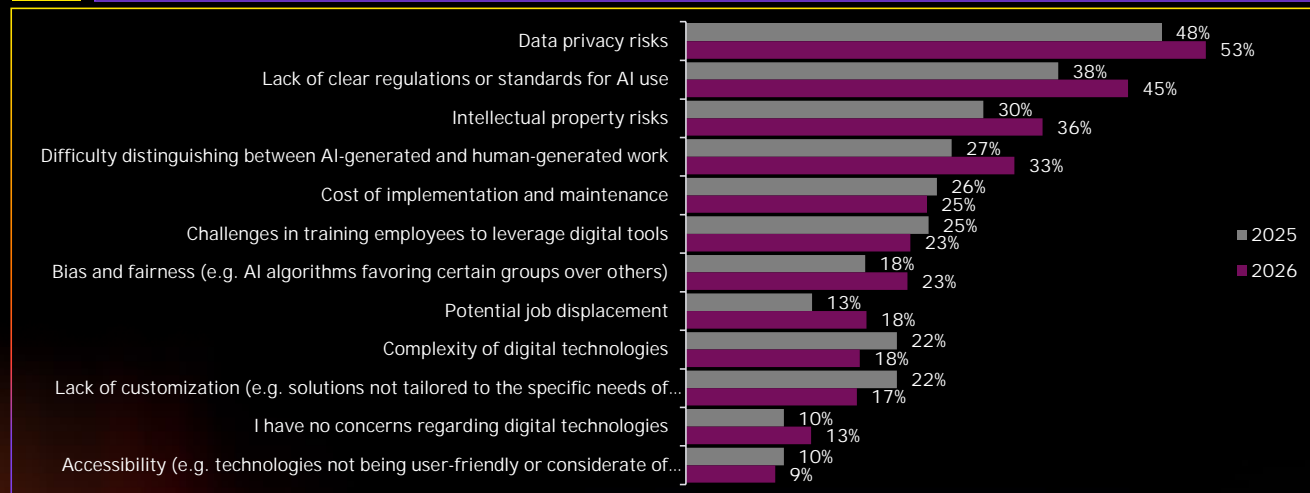
Regional vs country level observations:

- ▶ Kazakhstan (77%) and Serbia (77%) are clear leaders, showing strong operational conversion from technology adoption. Hungary (42%) and Poland (44%) under-index sharply, signalling weaker execution uplift from digital investments.
- ▶ Kazakhstan (74%) and Türkiye (71%) show the strongest innovation uplift, implying more effective use of digital for new value creation. Poland (39%) and Hungary (41%) lag, suggesting digital is skewing more toward hygiene than innovation.
- ▶ Kazakhstan (71%) and Croatia/Serbia (65–67%) report strong cost outcomes, indicating measurable savings realization. Malta (19%) and Hungary (35%) are the clearest laggards, pointing to limited cost payoff despite adoption.
- ▶ Kazakhstan (61%) and Türkiye (54%) lead, indicating stronger customer-insight enablement. Hungary (21%) and Malta (19%) are the weakest, showing limited customer analytics/insight payoff.

The adoption constraint has shifted from technology capability to trust and governance, with rising concerns in privacy, regulation, IP and authenticity

Q

Which of the following concerns, if any, do you have about using AI and other digital technologies in your business? Select all that apply



Comparative analysis (2026 vs 2025):

- Governance anxiety is rising and it is now the dominant barrier. Data privacy risks increase from 48% in 2025 to 53% in 2026. Lack of clear regulations or standards rises from 38% to 45%. Wider real-world AI use is increasing compliance exposure and reputational risk, especially as more data interacts with third-party tools.
- Trust and ownership risks are accelerating faster than cost concerns. Intellectual property risks climb from 30% to 36%. Difficulty distinguishing AI generated versus human generated work rises from 27% to 33%. Increased AI-generated content and analysis are driving greater uncertainty around provenance, copyright and auditability.
- Implementation friction is easing, but people impact concerns are growing. Complexity drops from 22% to 18% and lack of customization falls from 22% to 17%. Cost is broadly flat at 26% to 25% and training declines from 25% to 23%. At the same time, bias and fairness rises from 18% to 23% and job displacement increases from 13% to 18%. Maturing AI tools and improved usability are shifting leadership attention toward workforce impact and responsible adoption.

Regional observations:

- ▶ Data privacy is the top regional concern (53%), confirming that trust, security, and handling of sensitive information remain the main barriers to confident AI scaling.
- ▶ Regulatory uncertainty is the second-largest concern (45%), signaling that many businesses still lack clear “rules of the road” to adopt AI at scale without governance risk.
- ▶ Intellectual property risks (36%) and difficulty distinguishing AI vs human work (33%) form the next tier, showing that content ownership and authenticity are becoming mainstream operational concerns.
- ▶ Job displacement (18%) is a mid-level concern, indicating workforce anxiety exists but is not the primary reason firms hesitate.

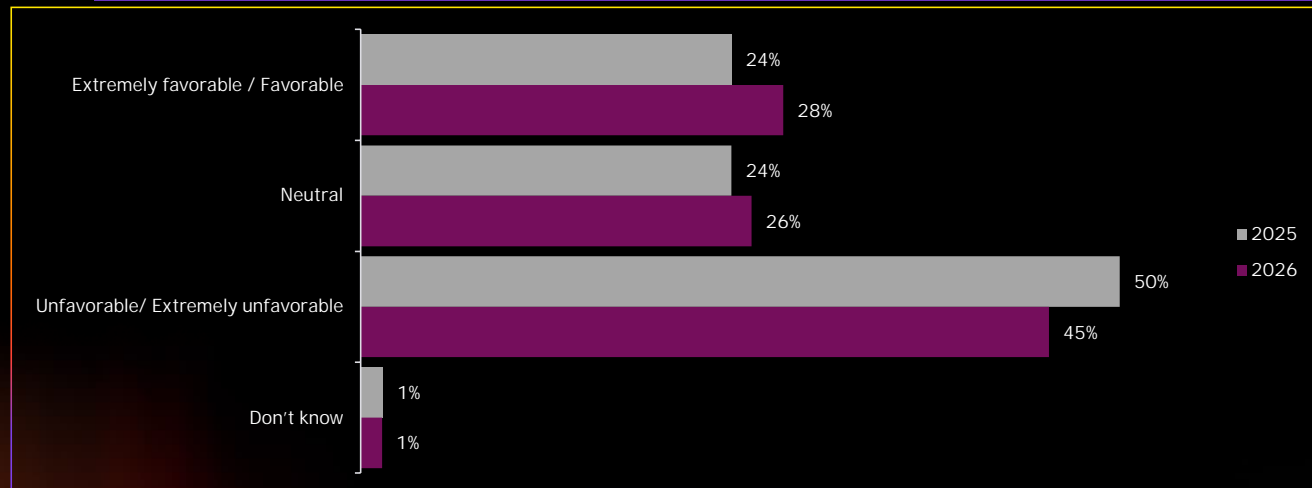
Regional vs country level observations:

- ▶ Croatia (65%), Greece and Hungary (both 61%), and Romania/Malta (56%) are above the regional norm, indicating stronger sensitivity to data handling and confidentiality. Türkiye (22%) is a clear low outlier, suggesting either lower perceived privacy risk, different data regimes, or a maturity gap in risk awareness.
- ▶ Malta (69%) strongly exceed the region, positioning regulatory clarity as their primary constraint to scaling AI. Czech Republic (34%) sits well below the regional average, suggesting regulation is not perceived as the binding constraint there relative to other risks.

Europe Central entrepreneurial sentiment remains fragile, with only incremental improvement from 2025 and negative views still dominating. Recovery in confidence appears uneven and country-specific, underscoring the need for differentiated policy engagement and support rather than a uniform regional narrative

Q

How do you assess the current conditions for entrepreneurial businesses in your country? Select one



Comparative analysis (2026 vs 2025):

- Sentiment is improving at the margin but it remains net negative. Favourable rises from 24% in 2025 to 28% in 2026. Unfavourable falls from 50% to 45%. This is likely selective easing in business frictions such as demand stability, funding access for some segments, and ecosystem maturity, but not enough to flip the overall mood.
- Neutral responses are rising, which signals uncertainty more than optimism. Neutral increases from 24% in 2025 to 26% in 2026. The driver is typically mixed signals in the operating environment, where some sectors see tailwinds while others face pressure from costs, competition, or policy complexity.
- Negative intensity still dominates the narrative in 2026, which caps confidence. In 2026, only 4% rate conditions as extremely favourable, while 15% rate them as extremely unfavourable. Net unfavourable at 45% still exceeds net favourable at 28% by 17 points. The structural concerns tend to persist, such as cash flow stress, customer acquisition costs, regulatory clarity, and the cost of capital. These factors weigh more heavily on entrepreneurs than incremental improvements.

Regional observations:

- ▶ Entrepreneurial sentiment across Europe Central remains broadly cautious, with only 28% rating conditions as favorable or extremely favorable, indicating a subdued confidence environment region-wide.
- ▶ Neutral sentiment accounts for 26% of responses, suggesting a large segment of entrepreneurs perceives the environment as stable but lacking strong momentum.
- ▶ Negative sentiment is dominant at the regional level, with 45% describing conditions as unfavorable or extremely unfavorable, highlighting persistent structural and macroeconomic pressures.
- ▶ Uncertainty is limited, with just 1% selecting “don’t know,” implying entrepreneurs have a clear, if often pessimistic, view of current conditions.

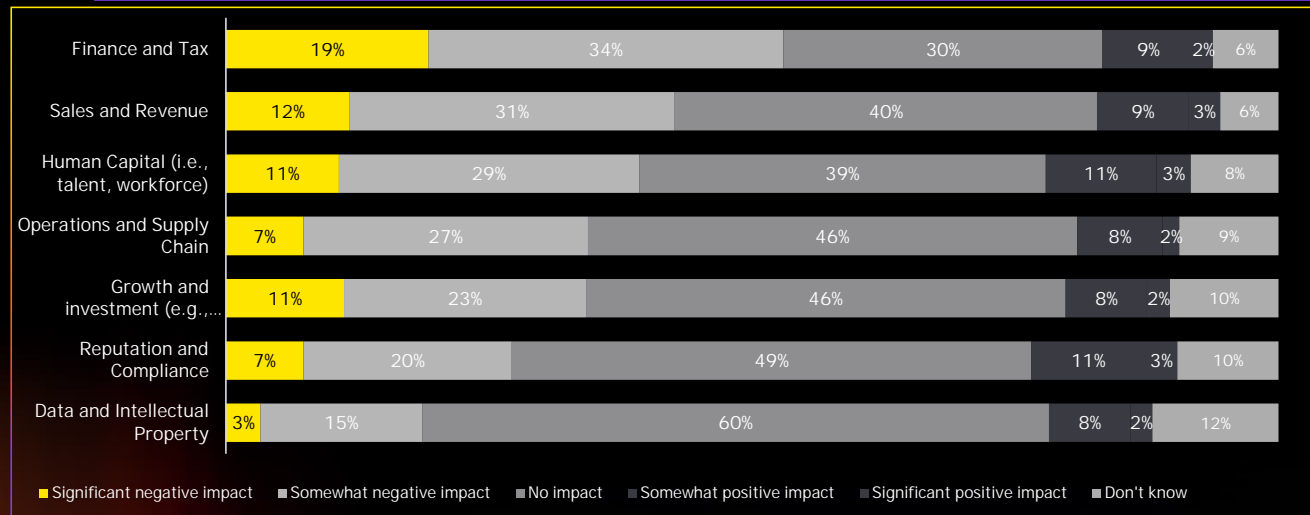
Regional vs country level observations:

- ▶ Slovakia is the most pessimistic market, with 84% rating conditions unfavorable or extremely unfavorable, pointing to acute perceived constraints on entrepreneurship. Serbia (69% negative,) and Hungary (68% negative) also significantly underperform the regional average, signalling structurally difficult business environments. Romania (63% negative) follows closely, reinforcing a cluster of countries with entrenched entrepreneurial pessimism.
- ▶ Kazakhstan and Malta show comparatively strong optimism, each with 44% rating conditions favorable or extremely favorable (vs region), highlighting relatively supportive local environments

In Europe Central, regulation acts less as a purely legal burden and more as a broad economic and growth constraint, materially affecting finance, revenues, workforce dynamics and investment decisions

Q

Over the past 24 months, to what extent have the following areas of your business been impacted by regulatory changes? Select one response per row



Regional observations:

- ▶ Regulatory change is most negatively felt in Finance and Tax (53%), making it the primary channel through which regulation is affecting business stability and predictability across Europe Central.
- ▶ Sales and revenue (43%) and Human Capital (40%) follow as major pressure points, indicating regulation is directly shaping commercial outcomes and workforce management—not just back-office compliance.
- ▶ Operations and supply chain (34%) and Growth & investment (34%) show moderate but meaningful negative impact, suggesting regulation is influencing day-to-day execution as well as expansion and M&A decisions.
- ▶ Reputation and compliance impacts are more selective (27%), implying that while compliance burden matters, reputational exposure is not the dominant regulatory concern for most firms.

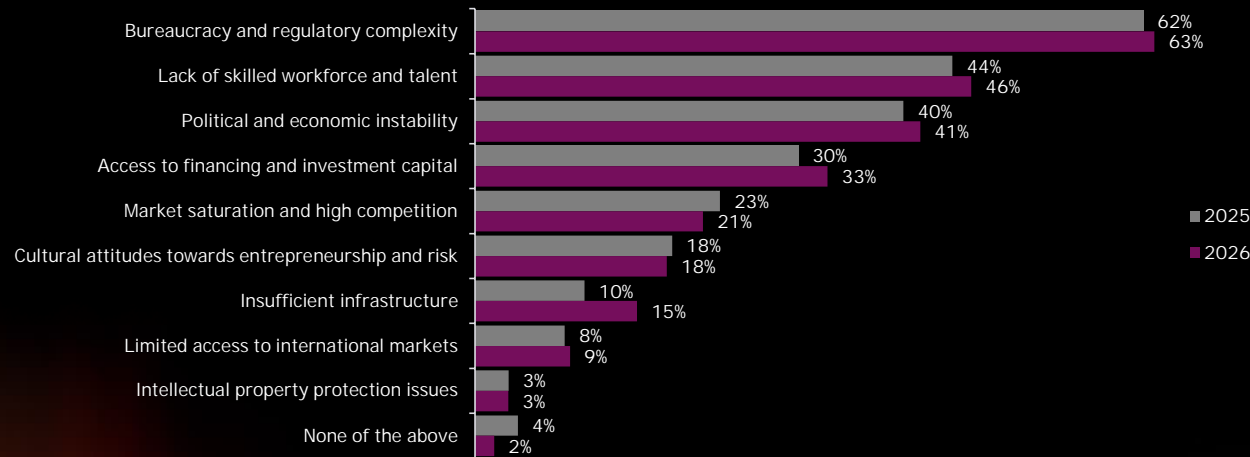
Regional vs country level observations:

- ▶ Slovakia and Romania as dominant regulatory outliers: Across all dimensions such as financial planning stability, workforce impact, commercial activity, expansion and M&A appetite, and compliance/reputational risk, Slovakia and Romania consistently stand out as extreme outliers, indicating that regulatory and tax regimes in these markets are viewed as systemically destabilizing to operations and long-term planning.
- ▶ Secondary regulatory pressure outside the outliers: Kazakhstan repeatedly over-indexes on regulatory drag affecting commercial activity and expansion/investment decisions, suggesting meaningful but less universal constraints compared with Slovakia and Romania.
- ▶ Workforce-specific spillovers: Beyond Slovakia and Romania, Croatia also shows a notably elevated negative workforce impact, implying labor regulation is a localized but material constraint.
- ▶ Compliance and reputational sensitivity pockets: Malta, alongside Romania, shows elevated concern around compliance and reputational exposure, though at levels well below Slovakia's extreme readings

Entrepreneurship barriers in Europe Central are consolidating around structural frictions and scale enablers

Q

What are the most significant barriers to entrepreneurship in your country? Select up to three



Comparative analysis (2026 vs 2025):

- Bureaucracy and regulatory complexity stays the biggest barrier and edges up from 62% in 2025 to 63% in 2026. This points to continued friction from approvals, compliance steps, and uneven interpretation that slows both start up formation and scale up speed.
- Constraints tied to scaling are intensifying across people, capital, and basics of execution. Lack of skilled workforce and talent rises from 44% to 46%, access to financing rises from 30% to 33%, and insufficient infrastructure jumps from 10% to 15%. This is consistent with more businesses attempting to grow beyond early stage, where hiring capacity, funding availability, and infrastructure become the limiting factors.
- Market pressure eases slightly while softer barriers remain steady. Market saturation and high competition falls from 23% to 21%, cultural attitudes remain at 18%, and intellectual property protection issues remain at 3%. This suggests entrepreneurs are less worried about crowded markets than they are about the operating conditions needed to build and deliver.

Regional observations:

- ▶ Bureaucracy and regulatory complexity is the dominant barrier across Europe Central (63%), confirming that friction in navigating rules and administrative processes remains the primary constraint on entrepreneurial growth.
- ▶ Talent scarcity is the second-largest barrier (46%), indicating that even where demand exists, the ability to scale is constrained by skills availability and workforce quality.
- ▶ Political and economic instability is a major structural drag (41%), signalling that macro uncertainty continues to affect risk appetite, investment decisions, and long-term planning.
- ▶ Intellectual property protection issues remain low (3%), implying that day-to-day operational barriers outweigh formal IP concerns for most entrepreneurs.

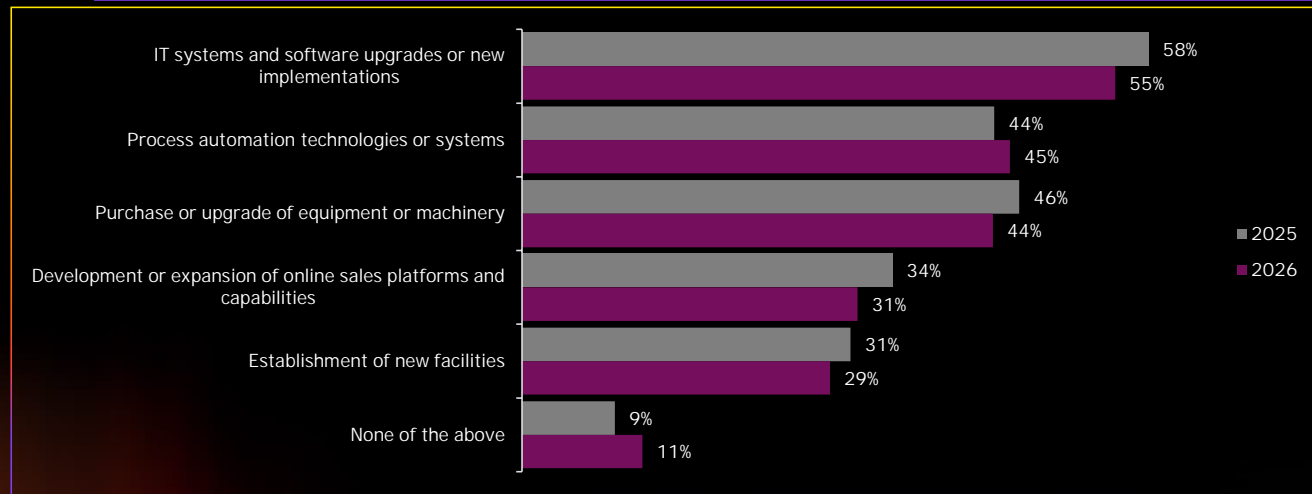
Regional vs country level observations:

- ▶ Czech Republic (84%) and Slovakia (81%) are the strongest outliers, indicating that policy/navigation burden is perceived as a core growth blocker. Türkiye (45%) and Poland (47%) under-index sharply, suggesting that in these markets other constraints (e.g., financing or competition) may dominate the barrier agenda.
- ▶ Slovakia (77%) and Türkiye (70%) stand out as the most instability-sensitive markets, implying macro/political volatility is directly shaping entrepreneurial confidence and investment horizon. Croatia (11%) and Czech Republic (20%) are strong low outliers, implying stability is not perceived as a primary barrier in these markets.

Investment intent across Europe Central remains alive but selective, anchored in IT modernization and efficiency rather than aggressive physical expansion

Q

Do you intend to make any of the following investments in the next 12 months? Select all that apply :



Comparative analysis (2026 vs 2025):

- Investment intent is softening across most categories. IT systems moves from 58% in 2025 to 55% in 2026, equipment moves from 46% to 44%, online sales platforms moves from 34% to 31%, and new facilities moves from 31% to 29%. This reads like a more cautious stance where firms prioritise fewer, higher confidence initiatives.
- Process automation is the one area holding firm and slightly strengthening. Process automation rises from 44% in 2025 to 45% in 2026. This suggests leaders are leaning into productivity and consistency gains that can deliver payback faster than larger expansion bets.
- More firms are choosing to pause or defer investments. "None of the above" increases from 9% in 2025 to 11% in 2026. This points to higher thresholds for capital commitment, often seen when cash preservation and risk control move up the agenda.

Regional observations:

- Digital investments dominate regional intent, with IT systems and software upgrades the top priority (55%), confirming that technology modernization remains the primary lever for competitiveness.
- Process automation is the second most cited investment (45%), indicating continued focus on efficiency, productivity, and cost control rather than pure capacity expansion.
- Capital expenditure on equipment or machinery remains meaningful (44%), suggesting that physical and operational scaling is still relevant alongside digital transformation.
- Nearly one-third of respondents intend to establish new facilities (29%), reflecting selective but tangible growth ambitions despite a challenging macro environment.

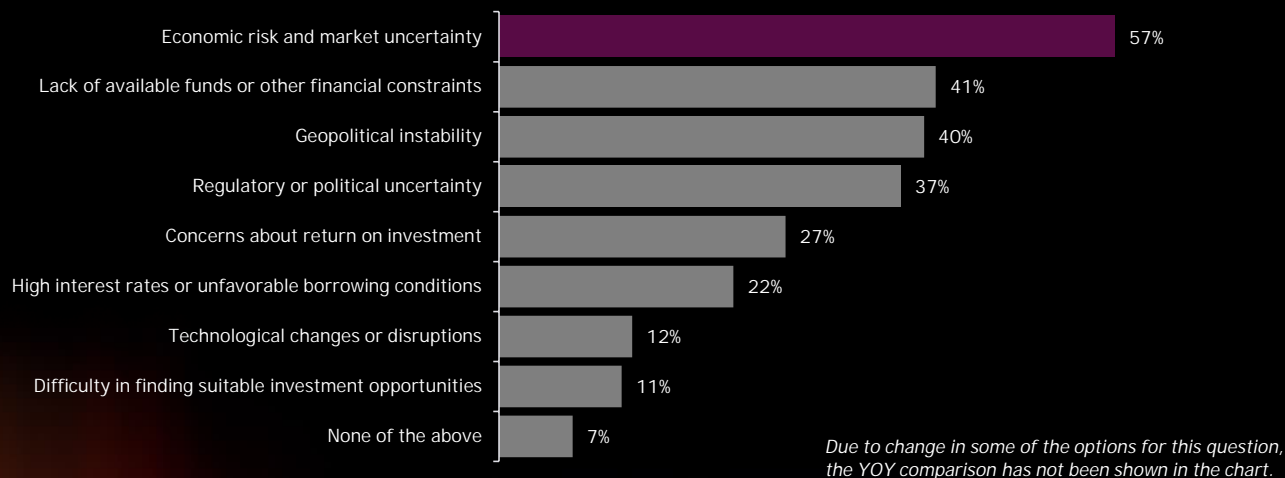
Regional vs country level observations:

- Hungary (55%) and Serbia (53%) place greater emphasis on physical asset investment than the region overall. Slovakia (30%) and Romania (33%) under-index, suggesting more restrained capex cycles.
- Croatia (62%) leads the region, alongside Serbia (55%) and Czech Republic (53%), pointing to strong efficiency-driven investment agendas. Hungary (27%) is a clear laggard, implying slower automation acceleration.
- Kazakhstan (61%) is a major outlier, highlighting aggressive digital-commerce and channel expansion.

The 2026 investment risk stack is led by macro uncertainty, funding constraints and geopolitics, with ROI anxiety rising as firms become more cautious about payback in a volatile environment

Q

What factors could potentially hinder your organization's investment plans in the next 12 months?
Select all that apply :



Comparative analysis (2026 vs 2025):

- Geopolitical instability increases materially (35% to 40%), signalling a clear shift toward external shock-risk as a stronger investment deterrent.
- ROI concerns rise meaningfully (22% to 27%), suggesting entrepreneurs are becoming more cautious about payback and execution certainty even when they can fund investments.
- Economic risk and market uncertainty remains the top inhibitor and is essentially unchanged at 58% in 2025 versus 57% in 2026. This suggests Europe Central countries still see the macro environment as the primary constraint, which keeps investment decisions cautious and staged.

Regional observations:

- ▶ Economic risk and market uncertainty is the #1 brake on investment (57%), indicating that macro volatility remains the primary factor shaping capital allocation decisions.
- ▶ Financial constraints are the #2 barrier (41%), showing that funding availability and internal liquidity remain structurally limiting even when investment intent exists.
- ▶ Geopolitical instability is now a top-tier constraint (40%), reflecting heightened exposure to external shocks and cross-border uncertainty in the region.
- ▶ Regulatory or political uncertainty is a major secondary friction (37%), suggesting policy predictability remains insufficient to enable confident long-horizon investments.

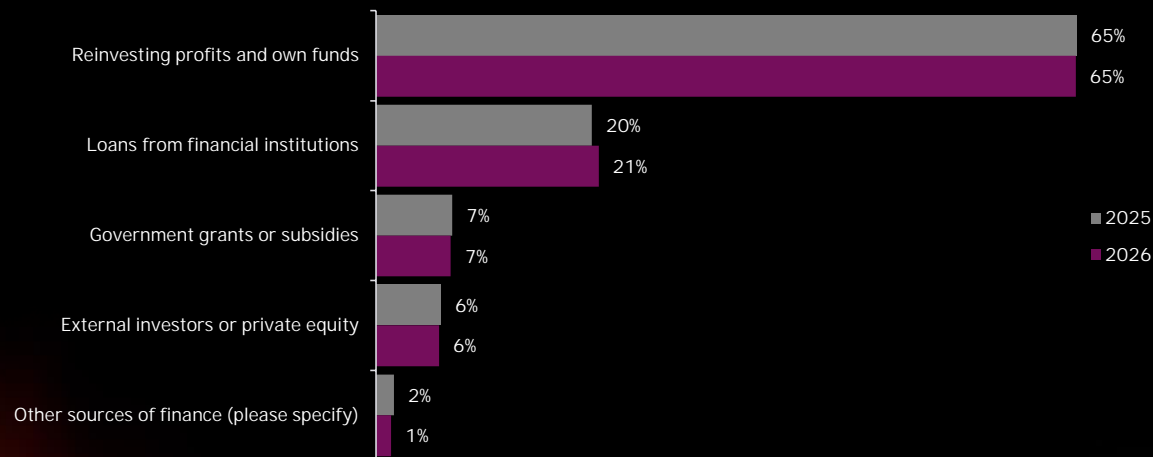
Regional vs country level observations:

- ▶ Malta (63%), Bulgaria (56%), and Hungary/Romania/Slovakia/Türkiye (all 52%) show materially higher funding constraints than the region overall.
- ▶ Serbia (68%) is the dominant outlier, with Romania (52%), and Slovakia (51%) also significantly above the regional norm. Poland (25%) and Hungary (27%) sit well below the regional average, indicating geopolitics is not as central to investment hesitation there.
- ▶ Kazakhstan and Malta (both 19%) are the highest, suggesting that the challenge is not only capital but also identifying "bankable" opportunities.

Europe Central businesses tend to self-fund, enhancing resilience but slowing growth when cash is constrained. Limited equity participation means investor-led growth strategies often require stronger ecosystems or blended-finance models to succeed

Q

What is your company's primary source of finance? Select one - Selected Choice:



Comparative analysis (2026 vs 2025):

- The region's financing structure is remarkably stable, with self-funding unchanged at 65% in both 2025 and 2026, indicating no meaningful diversification of primary funding sources at a Europe Central level.
- Loans increased marginally from 20% to 21%, suggesting a small shift toward debt reliance, but not a structural change.
- Croatia shows a pronounced pivot toward bank financing, with loans rising from 24% to 41% while self-funding drops from 69% to 49%, indicating a structural shift in how businesses fund growth. Malta shifts dramatically toward self-funding, with reinvesting/own funds rising from 65% to 88% and loans collapsing from 18% to 0%, implying a strong move away from debt as the primary channel.

Regional observations:

- ▶ Self-financing dominates the regional funding model, with 65% of entrepreneurs primarily relying on reinvested profits and own funds, signalling a region that is largely internally funded rather than ecosystem-financed.
- ▶ Bank lending is the clear second pillar (21%), but it remains far behind self-funding, implying that debt is available in some markets yet not the prevailing growth engine across Europe Central.
- ▶ Government grants/subsidies play a limited role (7%), suggesting public support mechanisms are either insufficient, hard to access, or not the primary lever used by entrepreneurs.
- ▶ Alternative sources are marginal (1%), reinforcing that the region's financing landscape is concentrated in a narrow set of channels rather than diversified funding stacks.

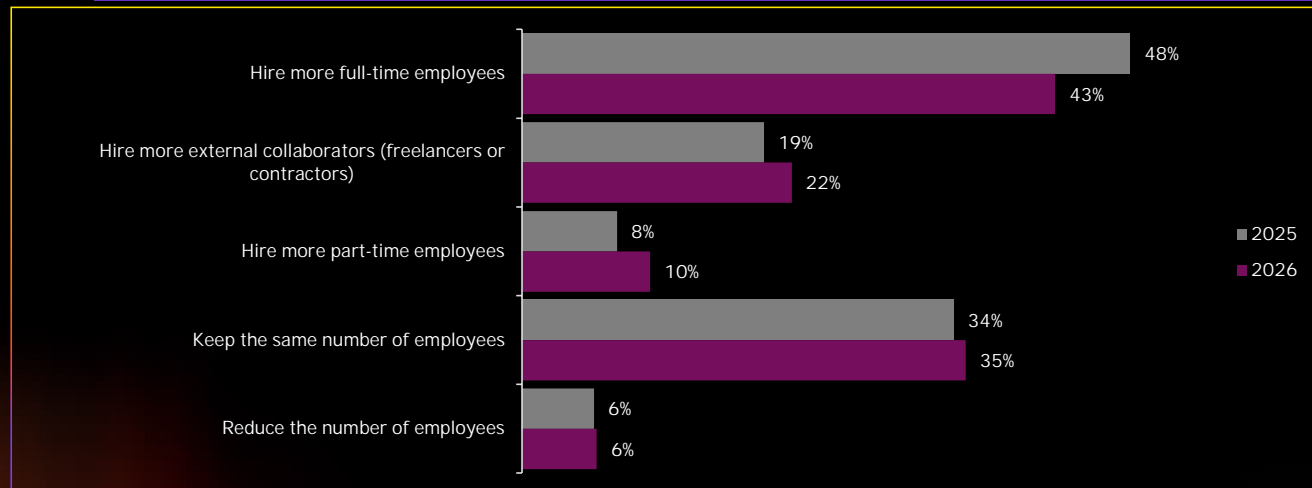
Regional vs country level observations:

- ▶ Malta (88%) is the strongest self-funding outliers, indicating exceptionally high reliance on internal capital and potentially lower dependence on banking or external investors.
- ▶ Croatia is the standout debt-financing market (41%), signaling that banks are a primary growth enabler there relative to peer countries. Serbia (27%) and Slovakia (26%) also exceed the regional average, indicating stronger credit reliance.
- ▶ Kazakhstan leads strongly (19%), signaling a distinctly more investor-driven financing profile than the region overall.

Europe Central hiring is moving away from adding permanent staff toward more flexible models, with full-time hiring declining and greater reliance on external or part-time roles

Q

What are your plans for hiring new employees in the next 12 months? Select all that apply



Comparative analysis (2026 vs 2025):

- Hiring intent is moderating on the core headcount lever. Hire more full time employees declines from 48% in 2025 to 43% in 2026. This points to tighter demand visibility and a higher bar for fixed cost additions.
- Flex is gaining share as a risk managed way to add capacity. Hiring external collaborators rises from 19% in 2025 to 22% in 2026, and part time hiring rises from 8% to 10%. This suggests firms still need skills and throughput, but they are choosing variable capacity to protect cash and stay adaptable.
- The baseline is stable and downsizing risk is contained. Keeping the same number of employees is broadly flat at 34% in 2025 versus 35% in 2026, and reducing employees stays at 6% in both years. This signals cautious steadiness rather than a broad pullback.

Regional observations:

- ▶ Hiring intent remains positive but has cooled, with 43% planning to hire more full-time employees, indicating growth ambition persists but with greater caution than last year.
- ▶ Workforce stability is now a co-dominant stance, with 35% planning to keep headcount the same, suggesting many firms are prioritizing consolidation and productivity over expansion.
- ▶ Flexible talent is increasingly part of the operating model, with 22% planning to hire external collaborators, implying a preference for agility and variable cost structures.
- ▶ Downsizing is limited but visible (6%), signalling that a small subset expects demand pressure or cost-containment needs.

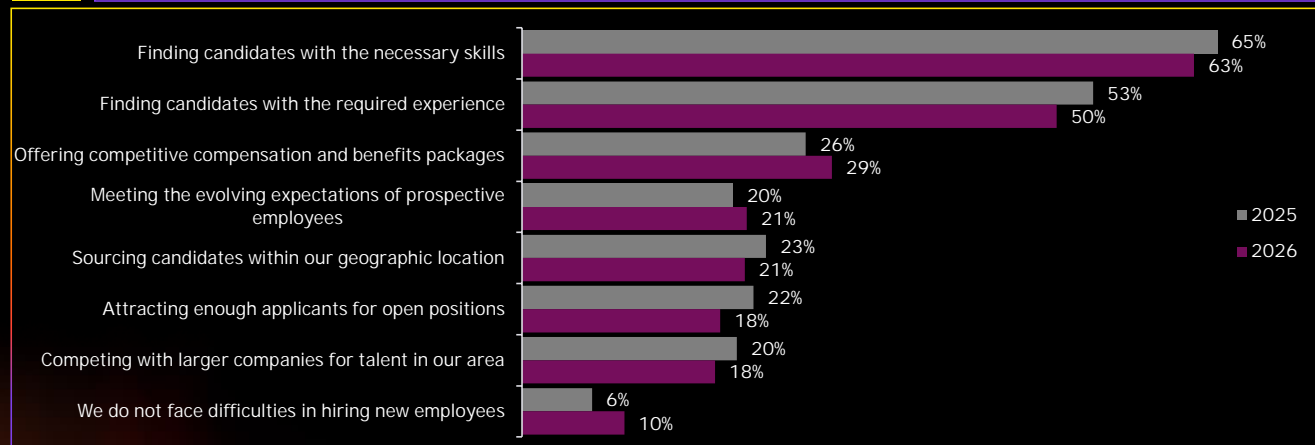
Regional vs country level observations:

- ▶ Croatia (78%) is the standout outlier, signalling the most aggressive growth hiring posture in Europe Central. Kazakhstan (55%) and Greece (53%) also exceed the regional benchmark, indicating stronger growth expectations.
- ▶ Malta (56%) is the clear flexibility leader, implying a structural preference for contractors/freelancers over permanent headcount. Bulgaria (34%) and Poland (30%) also over-index, suggesting rising "gig/contract" adoption as a scaling strategy.
- ▶ Romania (15%) shows elevated downsizing risk relative to the region, indicating localized pressure/restructuring.

Europe Central's main hiring constraint is still a shortage of skills and experience, but as pay pressures rise, compensation is becoming more binding and applicant volume is playing a smaller role

Q

What difficulties do you encounter when hiring new employees? Select all that apply :



Comparative analysis (2026 vs 2025):

- Skills shortage eased slightly at the regional level (65% to 63%), suggesting marginal improvement but still the dominant constraint. Applicant volume challenges declined (22% to 18%), reinforcing that hiring constraints are more about fit/quality than quantity.
- The rise in compensation pressure to 29% alongside a jump in “no difficulties” to 10% suggests the market is becoming more workable for some employers while becoming more expensive to win the talent that matters.
- Romania shows the biggest shift toward “no difficulty” (6% to 22%) while skills and experience constraints drop sharply (skills; 69% to 48%), suggesting reduced hiring pressure, changing hiring plans, or a narrower talent requirement footprint. Croatia intensifies into a high-friction labor market, with skills shortage rising (78% to 84%) & expectations pressure jumping (20% to 38%), indicating scaling ambition is colliding with talent availability & candidate expectations.

Regional observations:

- ▶ Skills scarcity is the dominant hiring challenge across Europe Central (63%), making capability availability, not demand, the primary constraint on scaling.
- ▶ Experience scarcity is the second-largest challenge (50%), indicating that even when candidates exist, “job-ready” depth is harder to find than basic availability.
- ▶ Compensation pressure is now material (29%), suggesting wage inflation and benefits expectations are increasingly constraining hiring decisions.
- ▶ Soft/frictional issues are meaningful but secondary, with meeting evolving employee expectations (21%) and sourcing within geographic location (21%) both affecting about one in five firms.

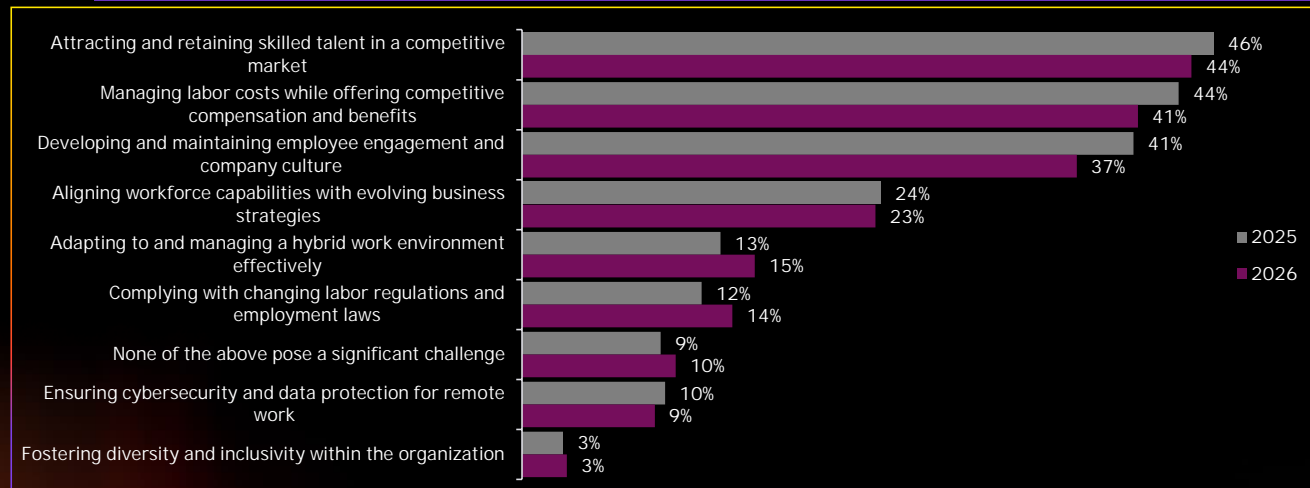
Regional vs country level observations:

- ▶ Croatia (84%), Czech Republic and Kazakhstan (both 77%), and Serbia (74%) are the strongest “skills shortage” markets, signalling acute capability gaps.
- ▶ Croatia (68%) is the clearest outliers, indicating deep “experience mismatch” challenges. Kazakhstan (42%) and Bulgaria/Poland (43% each) under-index, implying experience is less limiting or being substituted via training/onboarding.
- ▶ Türkiye (41%), Malta (44%), and Serbia (37%) show elevated pay pressure, indicating tighter wage competition or higher market expectations.

Europe Central's workforce agenda continues to center on talent, cost and culture, but constraints now vary sharply with hybrid work and compliance gaining importance and signaling that governance and operating-model execution are becoming more critical even as hiring slows

Q

Which of the following pose the greatest challenge to your organization in managing your workforce?
Select up to three :



Comparative analysis (2026 vs 2025):

- Talent attraction/retention declined slightly (46% to 44%), indicating marginal easing or reprioritization, but it remains the top challenge.
- Labor cost pressure fell modestly (44% to 41%), suggesting cost pressure is still high but slightly less dominant as a "top three" workforce issue.
- Bulgaria shows a major easing across the three biggest workforce challenges, with talent attraction/retention down (45% to 25%), labor cost pressure down (52% to 37%), and culture down (45% to 25%), while "none of the above" rises sharply (6% to 20%), implying either reduced workforce strain or a shift to non-listed issues.

Regional observations:

- ▶ Talent attraction and retention is the dominant workforce challenge in Europe Central (44%), confirming that the region's primary workforce constraint is competitiveness in the skilled talent market.
- ▶ Managing labor costs while staying competitive on pay is nearly as critical (41%), indicating sustained wage/benefit pressure and cost-to-serve tension.
- ▶ Employee engagement and company culture is a top-tier issue (37%), suggesting that retention risk is increasingly cultural and experiential, not only financial.
- ▶ Only 23% cite capability alignment with evolving strategy, implying many firms are still more focused on "getting and keeping people" than on proactive workforce planning and reskilling.

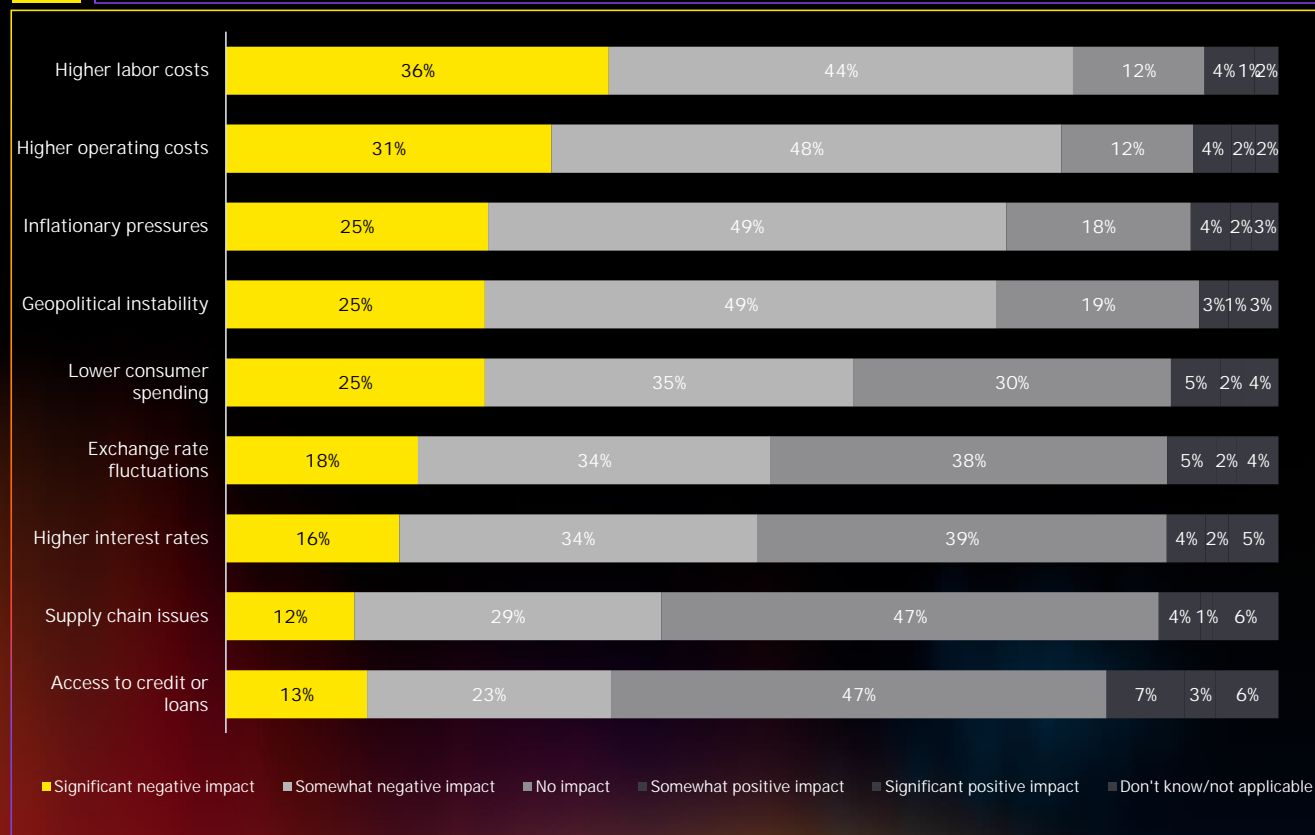
Regional vs country level observations:

- ▶ Croatia (59%), Serbia (53%), Kazakhstan (52%), and Greece (50%) significantly exceed the regional average, indicating a more acute "talent competitiveness" constraint. Bulgaria (25%) and Romania (19%) under-index sharply, suggesting either lower hiring intensity, different talent structures, or other constraints dominating workforce pain.
- ▶ Slovakia (49%) is the strongest culture/engagement outliers, suggesting retention and cohesion are defining issues in these markets.
- ▶ Poland (24%) is the strongest outliers, signaling remote-work security is a defining workforce-management concern in these markets.

2026 is still a margin-defense year in Europe Central, driven by labor and operating costs, with inflation and geopolitics keeping uncertainty elevated

Q

How much of an impact do you anticipate each of the following will have on the financial security of your business in the next 12 months? Select one for each row



Regional observations:

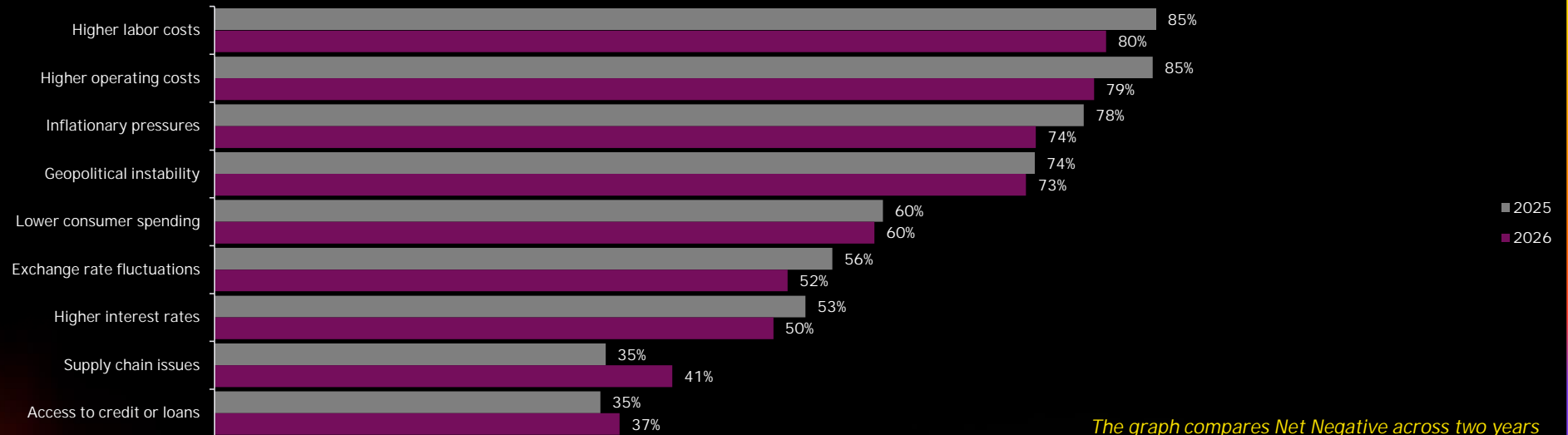
- ▶ Cost pressure is the dominant regional threat, with higher labor costs (80%) and higher operating costs (79%) leading all factors, indicating that margin compression is the central financial-security narrative across Europe Central.
- ▶ Macro volatility remains a high-salience risk, as inflationary pressures (74%) and geopolitical instability (74%) are both seen as strongly negative by roughly three-quarters of respondents.
- ▶ Demand risk is meaningful but clearly second-tier, with lower consumer spending (60%) suggesting that many firms expect revenue-side pressure, but less universally than cost-side pressure.

Regional vs country level observations:

- ▶ Croatia and Serbia (both 95%) and Slovakia (92%) are the most wage-risk exposed markets, implying acute compensation pressure and heightened risk of margin erosion.
- ▶ Romania (93%) and Kazakhstan/Serbia (both 90%) are the most inflation-exposed markets, pointing to severe expectations of price instability or input escalation.
- ▶ Romania (85%) and Türkiye (75%) see the strongest demand-shock risk, signaling elevated revenue vulnerability. Czech Republic (38%) and Poland (39%) are low outliers, indicating comparatively stronger confidence in demand conditions.

The most important change vs 2025 is the rise in supply-chain and credit-access risk, signaling an expanding set of constraints that can disrupt execution even when demand holds

How much of an impact do you anticipate each of the following will have on the financial security of your business in the next 12 months? Select one for each row



The graph compares Net Negative across two years

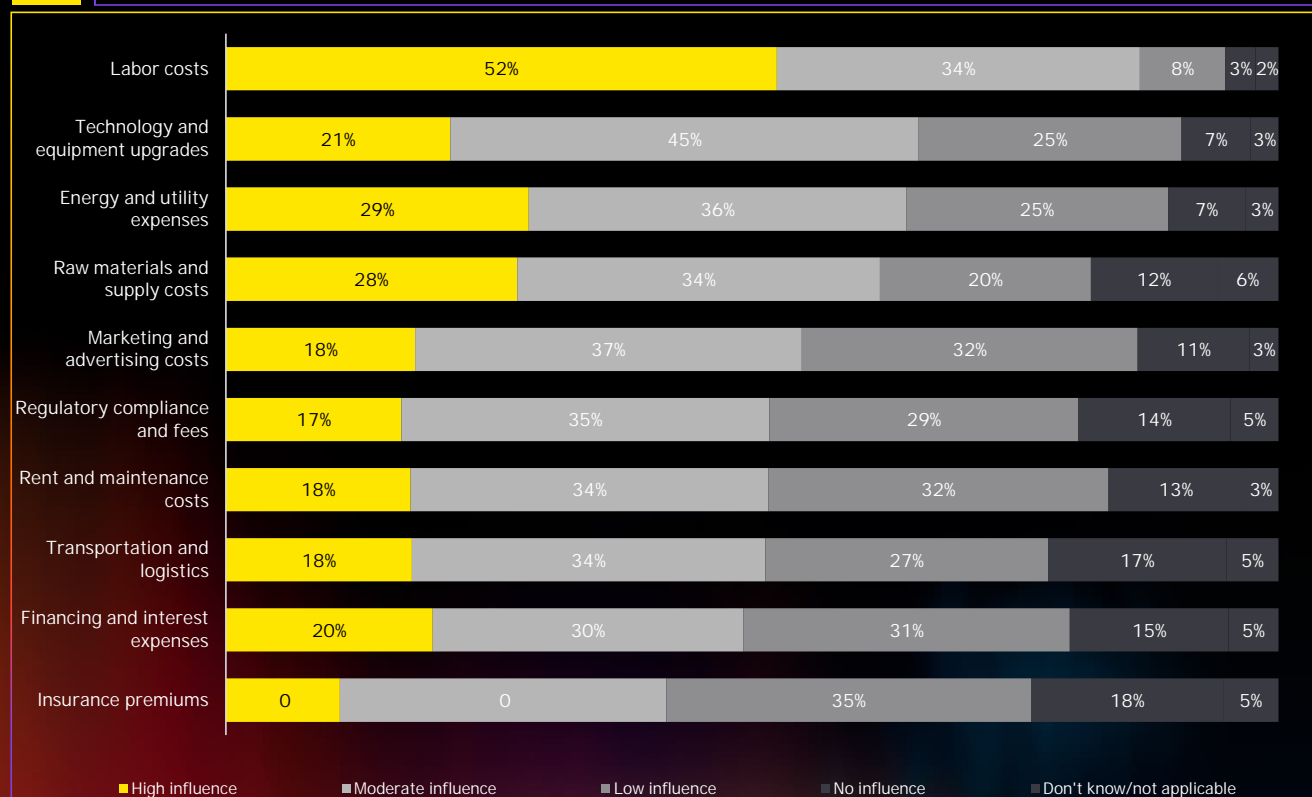
Comparative analysis (2026 vs 2025):

- Cost pressures remain the top risk, but they eased modestly, with higher labor costs falling from 85% to 80% and higher operating costs falling from 85% to 79%, implying slight relief or normalization from peak pressure.
- Financial risks improved slightly, with exchange-rate risk decreasing from 56% to 52% and interest-rate risk decreasing from 53% to 50%, suggesting marginal easing in financial conditions or reduced sensitivity.
- Supply chain issues are the only risk that worsens meaningfully year over year. Net negative for supply chain issues rises from 35% in 2025 to 41% in 2026. This suggests disruption risk is shifting from price to availability, with more businesses expecting delays, volatility, or fragility in upstream delivery.

2026 is a broad-based cost shock environment across Europe Central, led by labor but reinforced by technology upgrades, energy, materials, compliance, logistics, and financing costs

Q

Rate the level of influence each of the following factors has on increasing the costs for your organization?



Regional observations:

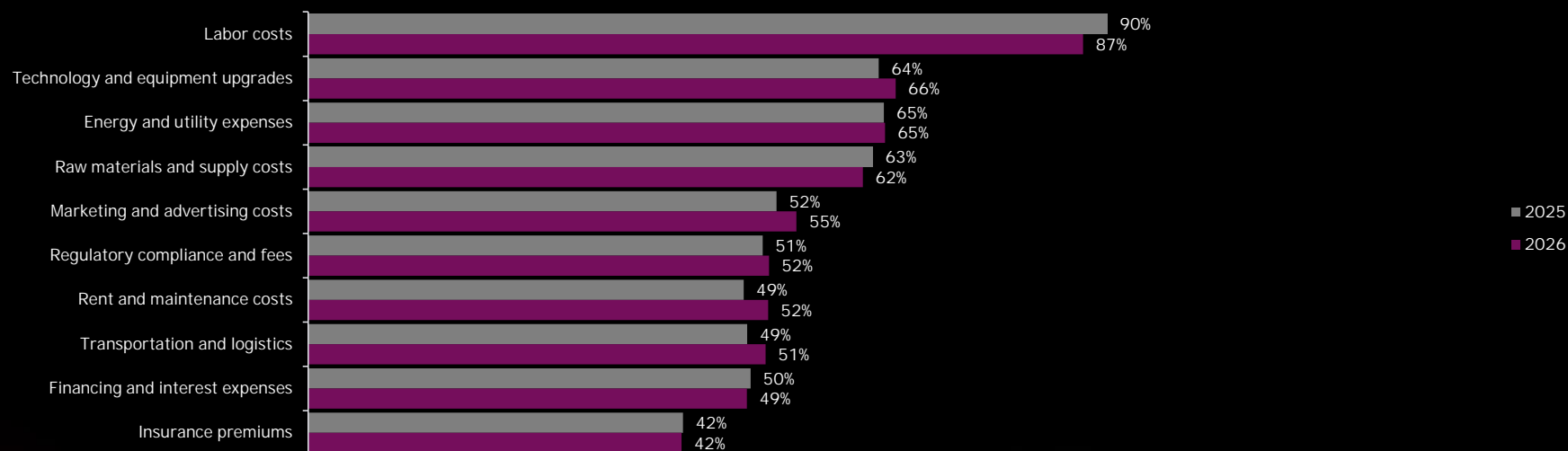
- ▶ Labor costs are overwhelmingly the #1 cost driver region-wide (86%), indicating wage pressure is the most pervasive and immediate source of cost escalation across Europe Central.
- ▶ The next tier of cost drivers is broad-based and operational, led by technology/equipment upgrades (66%), energy/utilities (65%), and raw materials/supply costs (62%), signalling multi-source cost inflation rather than a single-input shock.
- ▶ Marketing/advertising costs are a meaningful mid-tier driver (55%), implying demand generation and customer acquisition are becoming more expensive for a majority of firms.
- ▶ Transportation and logistics (51%) sits just below the overhead cluster, reinforcing that distribution and supply-chain execution continues to add cost friction.

Regional vs country level observations:

- ▶ Serbia (98%) and Slovakia (96%) are the strongest outliers, indicating extreme wage pressure in these labor markets. Malta (56%) is a structural low outlier, suggesting labor cost is materially less prominent there relative to other cost drivers (or that cost pressures are concentrated elsewhere).
- ▶ Serbia (81%) and Croatia (73%) are the most exposed, implying higher input-cost sensitivity and supply inflation. Malta (31%) is the strongest low outlier, indicating supply inputs are far less influential on cost increases there.
- ▶ Poland (70%) and Romania (67%) are the strongest logistics-cost outliers, suggesting distribution and delivery are materially influencing cost increases.

Cost inflation is stabilising in Europe Central but increasingly embedded, shifting margin protection toward structural redesign and investment

Rate the level of influence each of the following factors has on increasing the costs for your organization?



The graph compares (High + Moderate) Influence across two years

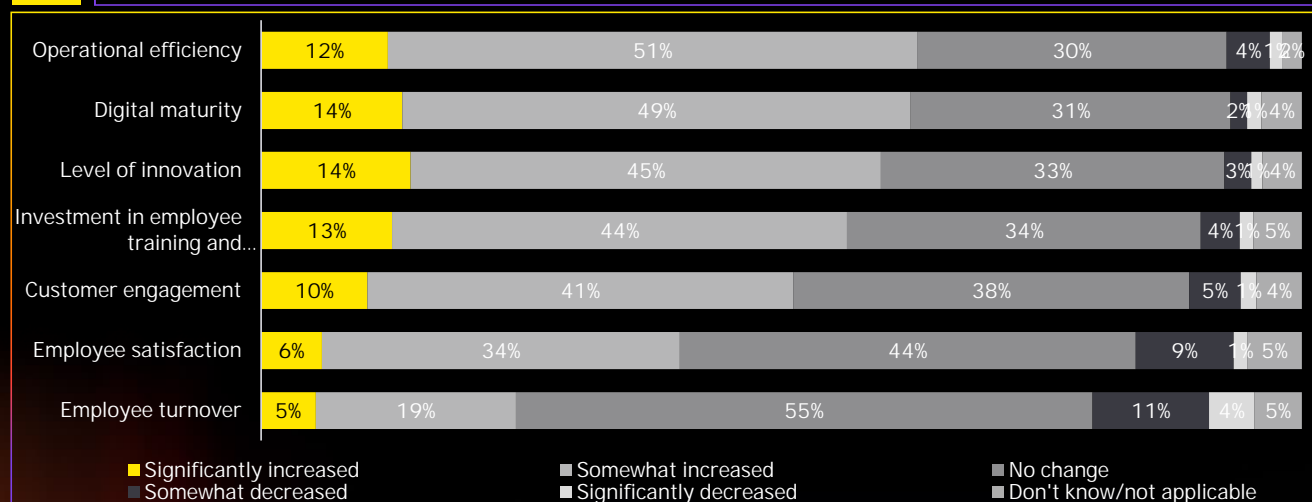
Comparative analysis (2026 vs 2025):

- Labor costs remain the largest cost driver, but pressure is easing slightly. Labor costs move from 90% in 2025 to 87% in 2026, which suggests wage inflation is still widespread but no longer accelerating at last year's intensity.
- Cost pressure is broadening beyond inputs into overhead and capability spend. Rent and maintenance rises from 49% to 52%, regulatory compliance and fees rises from 51% to 52%, transportation and logistics rises from 49% to 51%, and technology and equipment upgrades rises from 64% to 66%. This points to a shift where firms are absorbing not only variable cost inflation, but also higher structural costs and more required investment to stay competitive.
- Input cost inflation is stabilising while go to market costs are rising. Raw materials and supply costs dip from 63% to 62% and energy stays flat at 65%, while marketing and advertising increases from 52% to 55%. This suggests some easing in core input inflation, alongside rising spend to protect demand, defend share, and sustain pipeline in a tighter market.

Europe Central's transformation efforts are strongest in efficiency, digitalization, and innovation, but the weakest in employee satisfaction and retention, suggesting that the pace of change is exceeding the organization's capacity to absorb it

Q

How have the following areas of your business changed over the past 12 months? Select one for each row



Regional observations:

- ▶ Europe Central shows strong "performance-system" momentum, with operational efficiency net-increasing for 63% and digital maturity for 63%, indicating broad-based execution improvement rather than isolated pockets of progress.
- ▶ Innovation is also rising meaningfully (59%), suggesting that the region's productivity gains are being complemented by new ideas and change initiatives—not just cost cutting.
- ▶ Training and development investment is net-up for 57%, implying that capability building is happening, but at a lower intensity than efficiency and digital uplift.
- ▶ Customer engagement improvements are less widespread (51%), indicating that internal transformation is outpacing customer-facing impact for a sizable portion of firms.

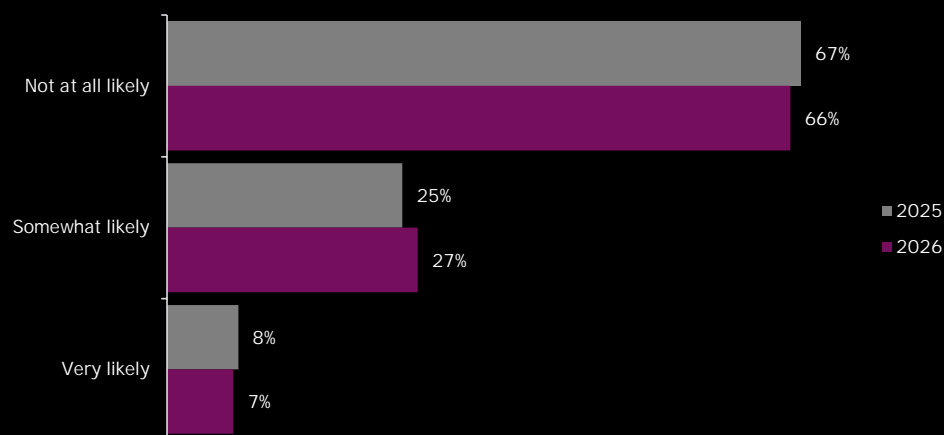
Regional vs country level observations:

- ▶ Czech Republic (80%) and Kazakhstan (77%) are clear efficiency leaders, indicating superior execution uplift versus the regional norm. Romania (41%) is structural laggard, suggesting limited operational uplift and potentially weaker transformation traction.
- ▶ Slovakia (77%) and Kazakhstan (74%) stand out as innovation acceleration markets, suggesting stronger forward-looking change agendas.
- ▶ Croatia (73%) and Serbia (68%) lead on capability investment, signaling a proactive talent upskilling push. Hungary (36%) is the largest under-performer, suggesting a capability-building deficit that may constrain productivity and innovation over time.
- ▶ Malta (81%) and Türkiye (73%) are standout customer-engagement improvers, suggesting customer-facing benefits are being realized more visibly in these markets. Czech Republic (34%) is a clear laggard on customer engagement despite strong efficiency gains, implying transformation may be internally focused rather than translating to customer experience.

Europe Central remains predominantly “hold” oriented, but exploratory interest in partial sales is inching up, implying a larger pool of entrepreneurs may be open to strategic investors under the right conditions

Q

How likely are you to sell part of your company in the next 12 months? Select one by Please select your country from the drop-down menu below:



Comparative analysis (2026 vs 2025):

- The regional base is stable, with “not at all likely” essentially unchanged (67% to 66%), indicating no major regional swing toward exits. “Somewhat likely” increased modestly (25% to 27%), suggesting slightly more exploratory openness to partial sales, even if not translating into high-conviction intent. “Very likely” declined slightly (8% to 7%), indicating marginal softening in immediate transaction intent at the regional level.
- Bulgaria shows the strongest shift toward sale openness, with “not at all likely” dropping sharply (90% to 63%) and “somewhat likely” rising (10% to 32%), indicating a major change from near-universal reluctance to meaningful consideration. Poland shifts toward higher transaction openness, with “not at all likely” down (66% to 57%) and “very likely” up (10% to 12%), reinforcing a more active partial-sale mindset.

Regional observations:

- ▶ Europe Central shows low near-term divestment appetite overall, with 66% “not at all likely” to sell part of the company, implying most entrepreneurs are prioritizing control, continuity, and organic growth over partial exits in the next year.
- ▶ However, a meaningful minority is open to transactions, with 27% “somewhat likely” and 7% “very likely,” indicating a non-trivial pipeline of potential partial-sale activity across the region.
- ▶ The dominant posture is “optional but not committed,” as the “somewhat likely” segment is nearly 4x the “very likely” segment (27% vs 7%), suggesting interest is conditional on valuation, strategic fit, or financing needs rather than imminent sale intent.

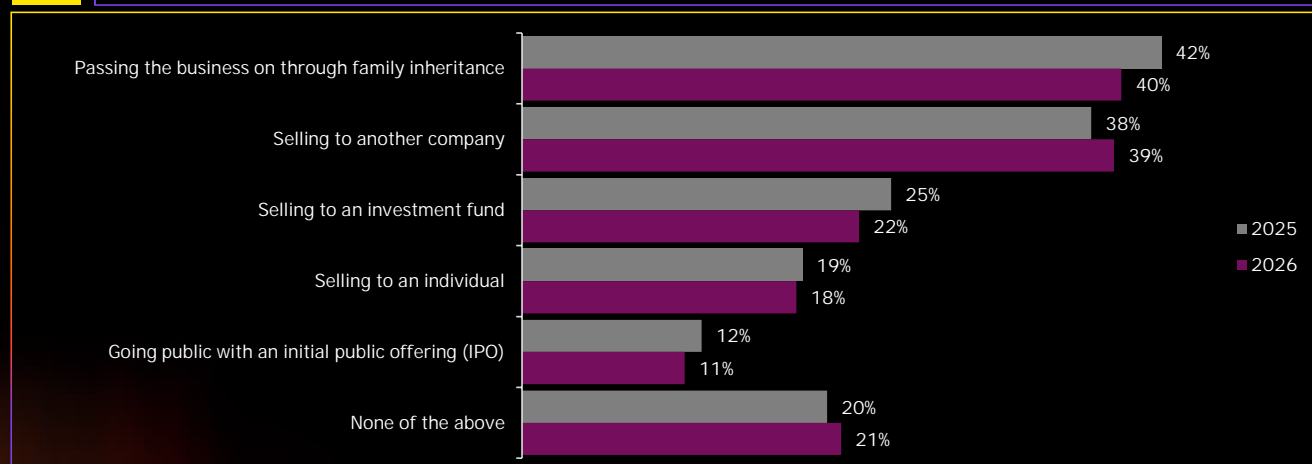
Regional vs country level observations:

- ▶ Hungary (81%), Malta (81%), and Czech Republic (78%) are the strongest “hold” markets, indicating the lowest near-term appetite for partial exits. Kazakhstan (77%) and Greece (69%) also lean strongly toward retaining ownership/control. Serbia (48%) and Türkiye (50%) are the most open to selling (lowest “not at all likely”), suggesting comparatively higher willingness to consider partial divestments.
- ▶ Serbia (46%), Romania (41%) and Türkiye (43%) are the strongest “exploring a transaction” markets, implying a high level of conditional openness to partial sales.
- ▶ Malta (13%), Poland (12%), and Slovakia (11%) are the clearest “high-conviction” markets where partial-sale intent is most concentrated.

Europe Central succession planning is still largely centred on family transitions or strategic sales, with private funds and IPOs remaining niche and unevenly developed across countries

Q

Which of the following legacy planning options for the future management of your company would you consider?



Comparative analysis (2026 vs 2025):

- Family inheritance fell slightly from 42% (2025) to 40% (2026), indicating a modest move away from succession as the default, but it remains the leading option.
- Selling to an investment fund declined from 25% to 22%, implying a modest cooling in institutional-exit appetite at the regional level.
- IPO interest edged down from 12% to 11% while none of the above rose from 20% to 21% which implies low commitment so implement a decision framework with clear triggers timelines and accountability.

Regional observations:

- ▶ Europe Central's legacy planning is anchored in two mainstream pathways, family succession (40%) and sale to another company (39%), showing that continuity and strategic trade exits dominate the regional mindset.
- ▶ Third-party capital routes remain secondary, with only 22% considering a sale to an investment fund and 11% considering an IPO, indicating that institutional/market exits are still niche compared to trade or family options.
- ▶ Selling to an individual (18%) is a smaller but meaningful route, suggesting some appetite for management buy-outs, entrepreneur-to-entrepreneur transfers, or private handovers.

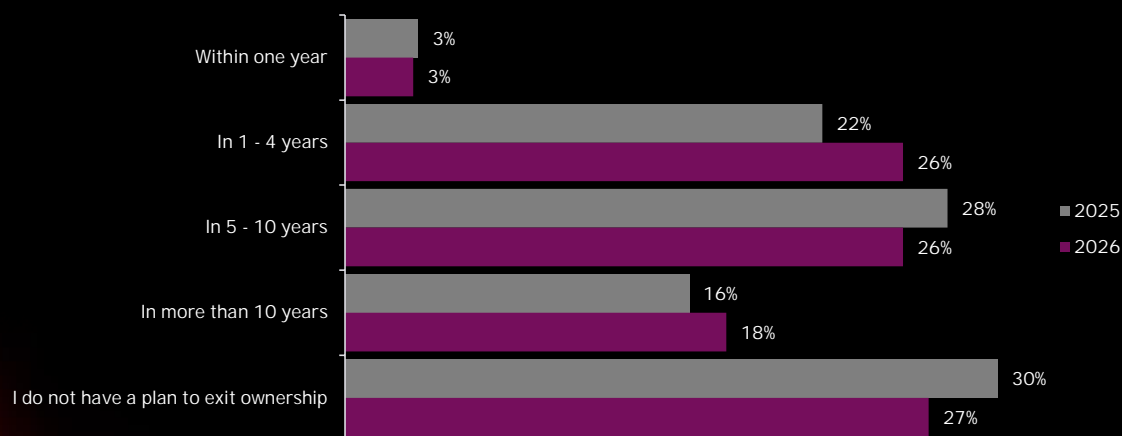
Regional vs country level observations:

- ▶ Serbia (62%), Croatia (54%), Czech Republic (53%), and Kazakhstan (52%) are the strongest succession markets, signalling higher preference for continuity and family stewardship. Malta (19%), Slovakia (24%), and Romania (26%) under-index sharply, indicating weaker reliance on family inheritance as a legacy pathway.
- ▶ Poland (26%) and Malta (25%) stand out as "individual-buyer" markets, implying greater consideration of private transfers or entrepreneur-to-entrepreneur sales. Croatia (8%) is the clearest low outlier, suggesting private individual sales are relatively uncommon in its planning set.
- ▶ Greece and Romania (both 19%), Malta (19%), and Türkiye (18%) show the highest IPO consideration, indicating pockets where public markets are a more credible aspiration.

Europe Central is still not a near-term exit market, but it is increasingly focused on exit planning with fewer firms reporting no plan and more defining clear time horizons

Q

When would it be realistic for you to exit the ownership structure of your company? Select one



Comparative analysis (2026 vs 2025):

- The region shifts toward earlier exits, with 1-4 years increasing from 22% (2025) to 26% (2026), indicating greater near-term exit realism. The 5-10 year horizon declines slightly from 28% to 26%, suggesting some exit timelines are being pulled forward. Long-horizon planning increases, with "more than 10 years" rising from 16% to 18%, indicating polarization between earlier exits and very long holds.
- Czech Republic becomes significantly more "near-term exit" oriented, with 1-4 years rising (31% to 35%) and no plan increasing slightly (21% to 23%) while longer horizons soften, implying more concentrated planning around medium-term options. Croatia increases early exit realism, with 1-4 years rising (31% to 38%) and no plan rising (18% to 24%), indicating a more bifurcated stance of either active planning or no plan. Hungary shifts toward long holds, with more than 10 years rising sharply (12% to 30%) while no plan drops (43% to 27%), suggesting owners are moving from "unplanned" to "explicitly long-term."

Regional observations:

- ▶ Exit urgency is low across Europe Central, with only 3% saying an exit is realistic within one year, indicating limited short-term transaction pressure.
- ▶ The dominant planning horizon is mid-term, with 26% targeting an exit in 1-4 years and another 26% in 5-10 years, implying that about half of entrepreneurs see exit as plausible within a decade.
- ▶ A sizeable 27% report having no plan to exit ownership, signaling that long-term control and continuity remains a core entrepreneurial preference across the region.
- ▶ Overall, the region reflects a "patient owner" profile, where optionality exists but the median entrepreneur is not positioning for immediate ownership transition.

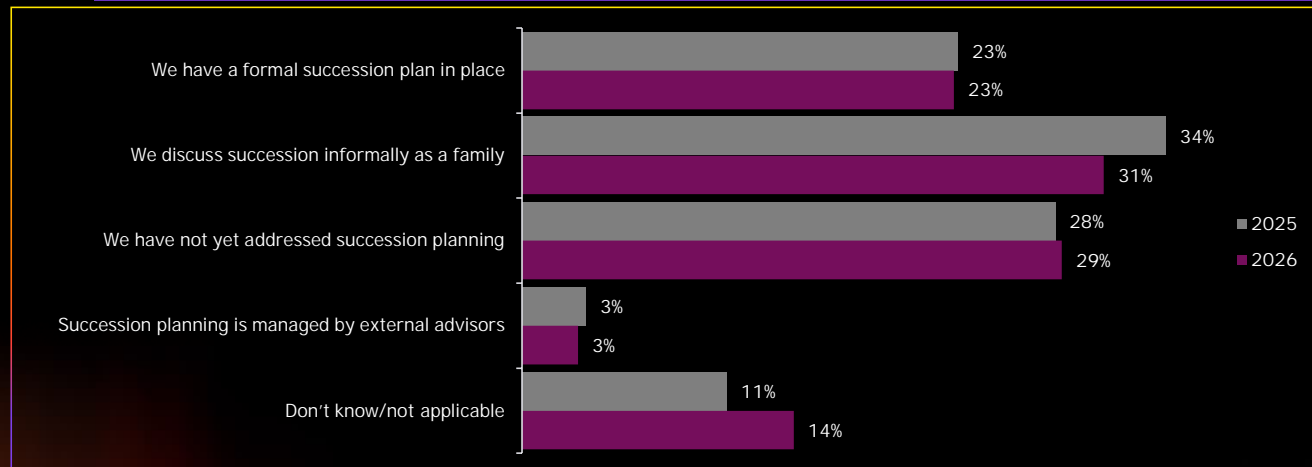
Regional vs country level observations:

- ▶ Serbia (12%) stand out as the only markets with a materially higher near-term exit expectation, signalling higher transaction readiness or sharper pressure to change ownership structure. Kazakhstan (6%) and Türkiye/Romania (4% each) are above the region but far below Serbia, indicating limited but elevated near-term intent.
- ▶ Poland (33%) and Romania (30%) lean more strongly toward the 5-10 year horizon, indicating a classic "medium-term build then exit" mindset.
- ▶ Hungary (30%) and Greece (21%) show the strongest long-hold preference, suggesting ownership continuity or delayed exit planning.

Europe Central is not progressing on formal succession readiness, with formal planning flat and a persistent ~30% planning gap

Q

How do you manage succession planning in your family business? Select one



Comparative analysis (2026 vs 2025):

- Formal succession planning is flat at the regional level (23% to 23%), indicating no measurable improvement in structured governance maturity year-on-year. Informal family discussions decline slightly (34% to 31%), suggesting a small shift away from informal approaches. "Not yet addressed" increases marginally (28% to 29%), implying the planning gap is not closing and may be persistent. External advisor-led succession remains unchanged (3% to 3%), indicating professionalization has not scaled region-wide.
- Serbia shows a strong increase in formal planning (13% to 25%), but also a rise in "not addressed" (27% to 38%), suggesting bifurcation between a maturing segment and a lagging segment. Romania improves formal planning (20% to 27%) yet simultaneously sees a sharp rise in "don't know/not applicable" (16% to 27%), indicating growing polarization or respondent-base changes.

Regional observations:

- ▶ Succession planning maturity is mixed across Europe Central, with only 23% having a formal succession plan, indicating that structured continuity planning remains the exception rather than the norm.
- ▶ Informal succession discussions are the most common approach (31%), suggesting many family businesses rely on relationship-led planning rather than codified governance.
- ▶ A sizeable 29% have not yet addressed succession planning at all, signalling a material continuity risk that can translate into value leakage during leadership transitions.
- ▶ External advisor-led succession is rare (3%), implying limited use of professional governance, tax, legal, or family office structures to professionalize succession.

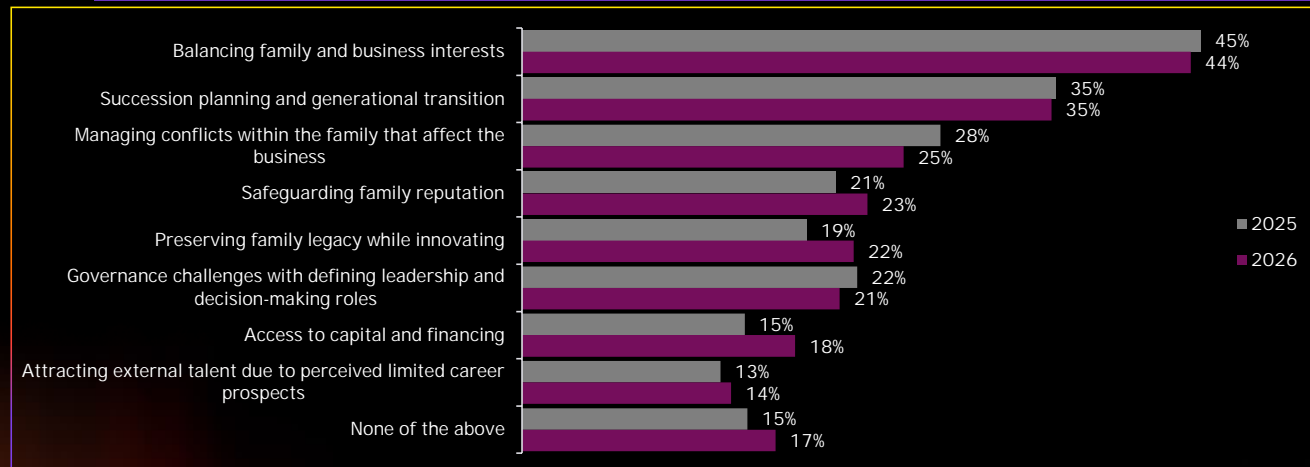
Regional vs country level observations:

- ▶ Czech Republic (36%), Croatia (33%), and Greece (31%) are the strongest "formalization" markets, signalling higher governance maturity. Malta (0%) is a structural low outlier, indicating minimal formal planning penetration (or potential survey applicability/mix effects).
- ▶ Bulgaria (48%), Slovakia (43%), Czech Republic (43%), and Kazakhstan (42%) over-index, indicating strong reliance on informal family-led processes. Greece (16%) and Romania (20%) under-index sharply, implying a weaker "informal planning culture" or a shift toward other responses (e.g., not addressed).
- ▶ Malta (17%) is the standout "advisor-led" outlier, signalling a more professionalized approach among those for whom succession is applicable.

Europe Central family businesses continue to grapple with governance trade-offs around balance and succession, but pressures are increasingly shifting toward modernization and financing as tensions between legacy and innovation, along with capital access needs, rise across the region

Q

What unique challenges does your family business face compared to non-family businesses? Select all that apply



Comparative analysis (2026 vs 2025):

- Balancing family and business interests is stable (45% to 44%), reinforcing it as the persistent top challenge. Succession planning remains unchanged at the regional level (35% to 35%, flat), indicating no improvement in perceived succession complexity. "Preserving legacy while innovating" rises (19% to 22%), signalling increasing tension between tradition and modernization.
- Bulgaria shows a major re-weighting from succession/governance to financing and balance, with balancing 46% to 63%, succession 46% to 15%, governance 46% to 19%, and capital access 0% to 19%. Romania shifts sharply toward "none of the above" (8% to 27%) while several classic family-business challenges fall, including balancing 48% to 27%, succession 20% to 13%, and governance 24% to 13%, suggesting either base effects or changing perception of what is "unique" to family firms.

Regional observations:

- The defining family-business challenge across Europe Central is balancing family and business interests (44%), reinforcing that governance and decision trade-offs remain the primary differentiator versus non-family firms.
- Succession planning and generational transition is the second-largest regional challenge (35%), confirming that continuity planning is a persistent structural pressure point.
- Interpersonal friction remains material but not dominant, with 25% citing family conflicts affecting the business, indicating that conflict is real but less universal than governance and succession.

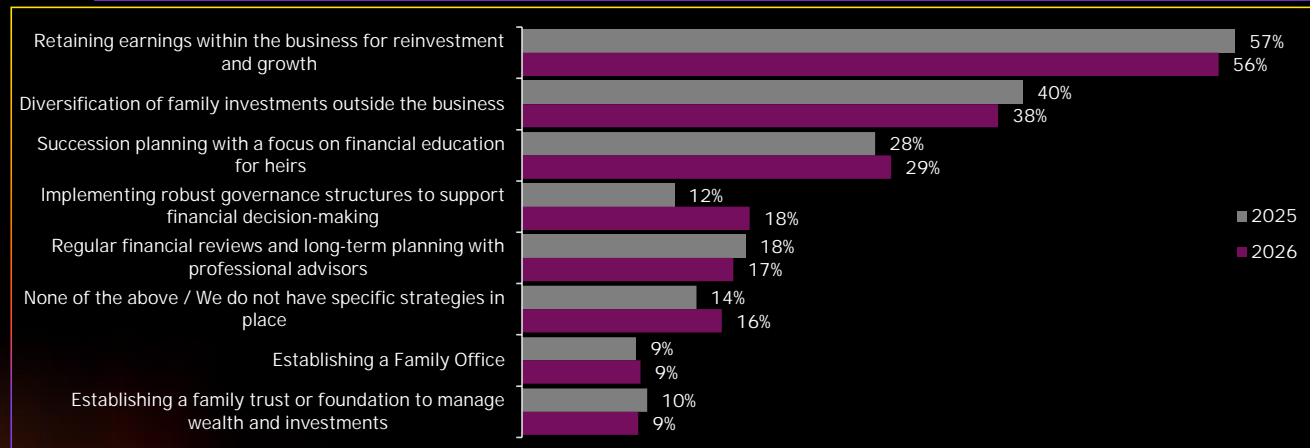
Regional vs country level observations:

- Romania and Kazakhstan (33% each) and Türkiye (33%) show elevated conflict pressure. Malta (0%) is extreme low, suggesting either stronger conflict controls, different response patterns, or base/applicability effects.
- Kazakhstan (42%) and Poland/Malta (33% each) show a strong "reputation stewardship" profile.
- Croatia and Malta (33% each) are the clearest outliers, indicating a strong professionalization/ employer-brand challenge for family firms. Kazakhstan, and Türkiye (0%) are structural lows, implying external talent attraction is not seen as a key differentiator there.

Europe Central family-wealth sustainability still relies mainly on reinvesting business earnings, with some diversification to reduce risk, while formal governance structures and next-generation education remain underdeveloped despite significant succession and continuity risks across the region

Q

What strategies do you use to preserve family wealth and ensure the long-term financial sustainability of the family business? Select all that apply



Comparative analysis (2026 vs 2025):

- Retaining earnings remains stable to slightly lower (57% to 56%), reinforcing reinvestment as the enduring default strategy. Diversification softens modestly (40% to 38%), suggesting slightly less emphasis on external hedging at the regional level.
- Governance structures show the most material regional improvement (12% to 18%), signalling a meaningful shift toward formal decision frameworks.
- Türkiye shows the strongest strategic reconfiguration, with diversification up sharply (35% to 67%) and advisor-led reviews surging (15% to 39%), while succession education collapses (20% to 0%), implying a pivot toward financial structuring rather than heir development. Romania records the largest drop in succession education (32% to 7%) and a rise in "none" (16% to 27%), suggesting weakening intergenerational sustainability discipline.






Regional observations:

- ▶ The dominant regional wealth-preservation strategy is retaining earnings for reinvestment (56%), signalling that most family businesses prioritize compounding value internally rather than distributing capital externally.
- ▶ Diversification outside the business is the second most common approach (38%), indicating a sizeable share is actively reducing concentration risk in the family asset base.
- ▶ Succession planning linked to financial education for heirs is selected by 29%, showing that generational capability building is recognized but still not mainstream across the region.

Regional vs country level observations:

- ▶ Czech Republic (74%) and Croatia (71%) are the strongest reinvestment-led markets, indicating disciplined internal compounding as the primary sustainability lever. Türkiye (67%) and Greece (62%) also exceed the regional norm, reinforcing a strong "reinvest to grow" posture. Kazakhstan (25%) is the most extreme low outlier, implying that internal reinvestment is far less central there than diversification or other mechanisms.
- ▶ Slovakia (39%) and Türkiye (33%) are the strongest "advisor-led planning" markets, signalling higher reliance on professional long-term planning discipline.

Recommendations

<p>Shift from digital adoption to value realization</p>	<ul style="list-style-type: none">➤ Move beyond pilots by institutionalizing scaling mechanisms (clear business owners, ROI thresholds, change management).➤ Prioritize customer-facing and revenue-linked use cases, not just internal efficiency.➤ Create country-specific AI playbooks that address regulation, data, and skills constraints.	
<p>Target regulatory friction with evidence-led advocacy</p>	<ul style="list-style-type: none">➤ Use survey insights to quantify regulatory impact on revenue, hiring, and investment, not just compliance cost.➤ Equip country teams with fact-based regulatory narratives for policy dialogue and stakeholder engagement.➤ Differentiate markets into high-friction vs low-friction clusters and tailor interventions accordingly.	
<p>Rebalance investment toward resilience and optional growth</p>	<ul style="list-style-type: none">➤ Encourage modular, quick-payback investments (automation, analytics, process digitization) under uncertainty.➤ Develop blended financing pathways (grants, co-investment, structured debt) for markets heavily reliant on self-funding.➤ Embed ROI discipline and scenario planning to counter rising investment hesitation.	
<p>Redesign the workforce model around scarcity</p>	<ul style="list-style-type: none">➤ Treat skills scarcity as a structural constraint, not a cyclical issue—invest in upskilling and internal mobility.➤ Normalize hybrid talent models (core & flexible workforce) with clearer governance and performance metrics.➤ Align digital transformation with employee experience, not just productivity, to reduce turnover risk.	
<p>Professionalize succession, ownership & family governance</p>	<ul style="list-style-type: none">➤ Actively promote formal succession planning as a value-protection tool, not a legacy discussion.➤ Encourage early use of external advisors for succession, governance, and wealth structuring.➤ Segment family businesses into “prepared vs at-risk” cohorts and design targeted support journeys.	

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