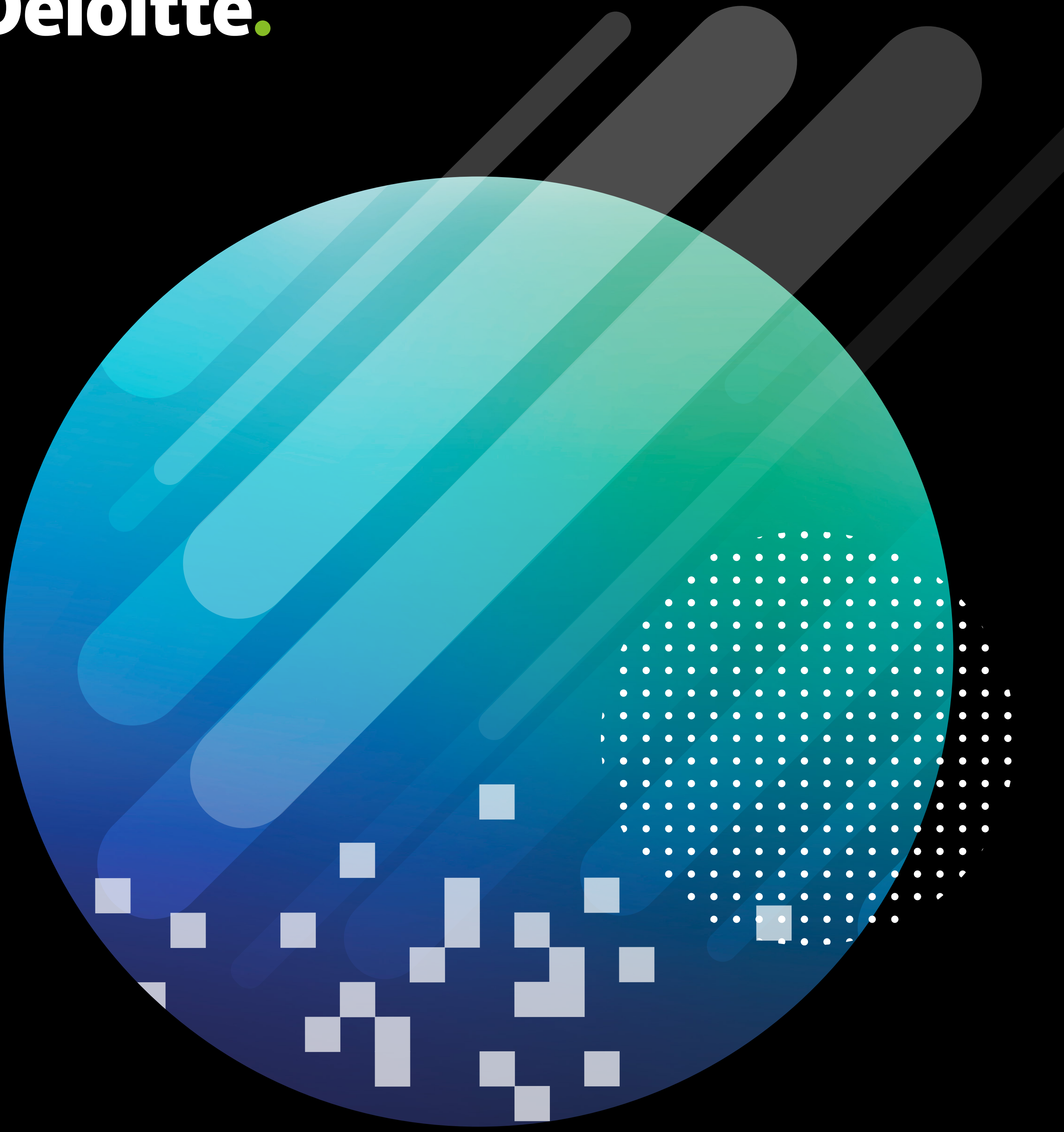
Deloitte.



M&A Index 2025 Q1:
Capture of Opportunity

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THE ECONOMIC REALITY IN 2024: A YEAR IN REVIEW

The year 2024 was defined by mitigating obstacles that hindered the global economy in past years. Effects of supply chain reconfiguration and diversification gained full momentum. Continuous adaptation to prior challenges helped to curtain inflation, which has fallen below 3% and was anticipated to continue to decline even more. As a result, central banks kept cutting their interest rates. Furthermore economies began to emerge from stagnation as GDP grew in the second half of the year and unemployment remained at a decades-long minimum.

Tensions around global politics maintain strain on the markets. The Russia-Ukraine conflict hangs in the balance with no end in sight. China maintains ambitions to invade Taiwan and tensions in the Middle East have shifted throughout the year as the Syrian regime fell, and additional parties joined the conflict between Israel and Hamas. While these geopolitical developments still impact supply chains and oil prices through circumvention of the Suez Canal, enough time has passed for all parties to accommodate necessary adjustments to mitigate its effects.

The European energy market is facing turbulences while it is in the middle of the process of green transformation. At the same time, it is over-reliant on seasonal wind and solar energy, trying to reduce coal usage, diversify gas supplies, and in Germany's case, phase out nuclear energy. While average energy prices slowly rises, their volatility increases and elevates risk for the European energy-intensive industrial power base.

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SHAPING ELEMENTS OF ECONOMIC REALITY IN 2024

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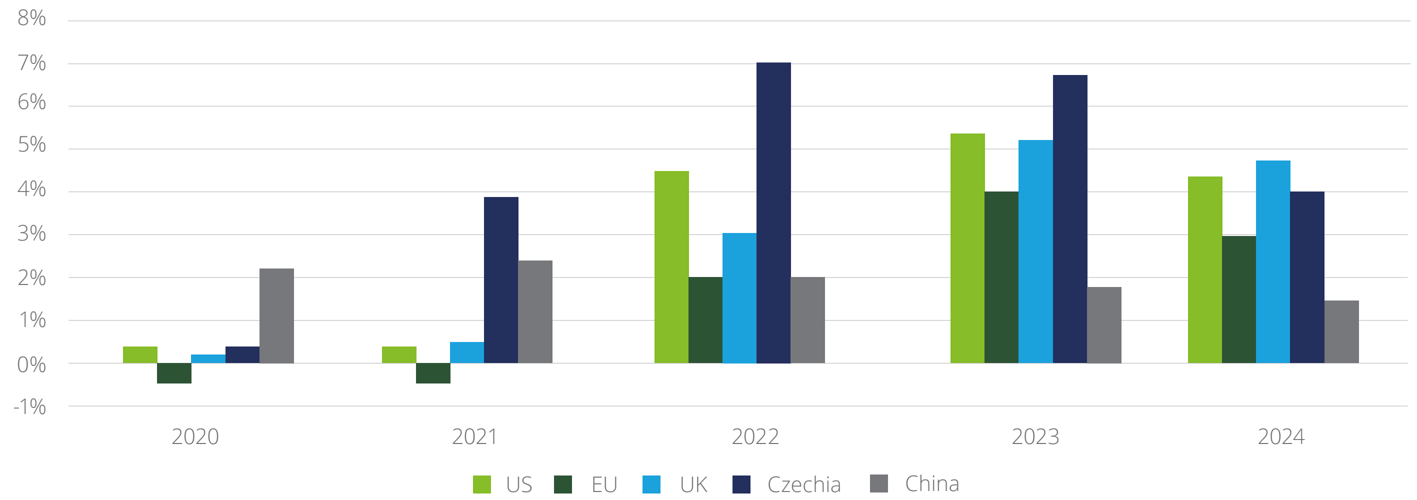
The European economy experienced a year that has been marked by indispensable stabilisation. Adaptation to new economic challenges stemming from geopolitical factors, notably the Russia-Ukraine conflict, helped to bring down high inflation rates and enabled central banks to cut interest rates in 2024. The ECB's key interest rate currently stands at 3 % and while the perception of monetary policies remains slightly hawkish, central banks are still expected to grapple with inflationary pressures and are expected to continue cutting down interest rates, even though at a slower pace than last year. This results in cheaper borrowing costs, which makes more potential investments profitable and fuels the reignited economic growth.

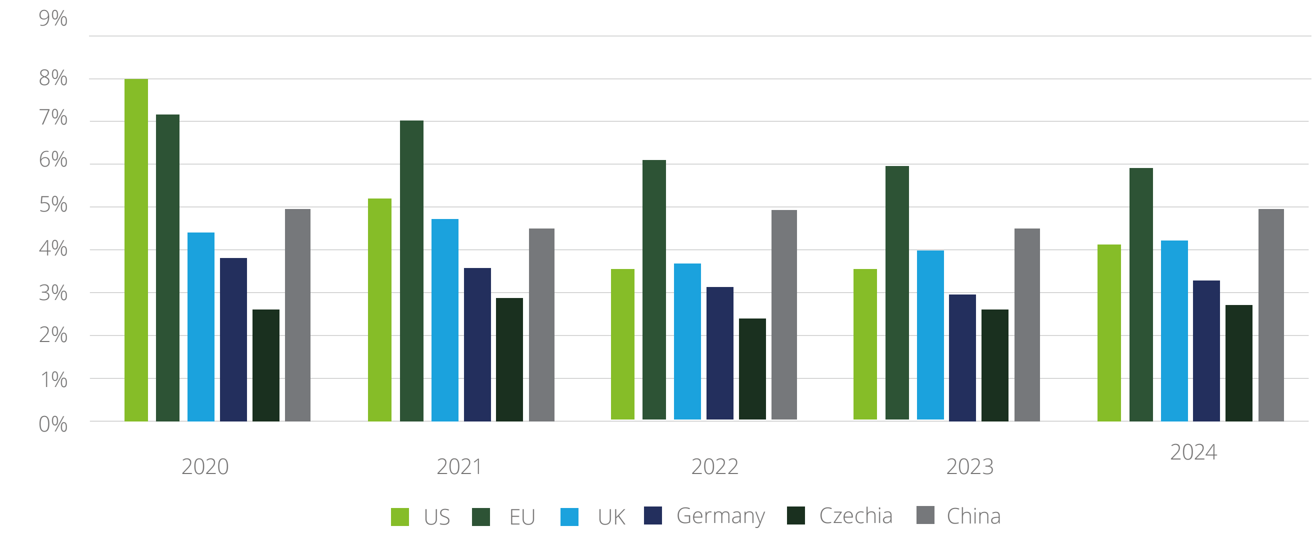
Another sign that economies are leaving behind turbulent yesteryears is the growth of real wages. After four years of decline, or stagnation, real wages have started to rise across Europe by 2.5 % and by 3 percentage points in the US, mitigating the strain on household income and boosting household consumption—the principal driver of economic growth.

DECLINING INTEREST RATES



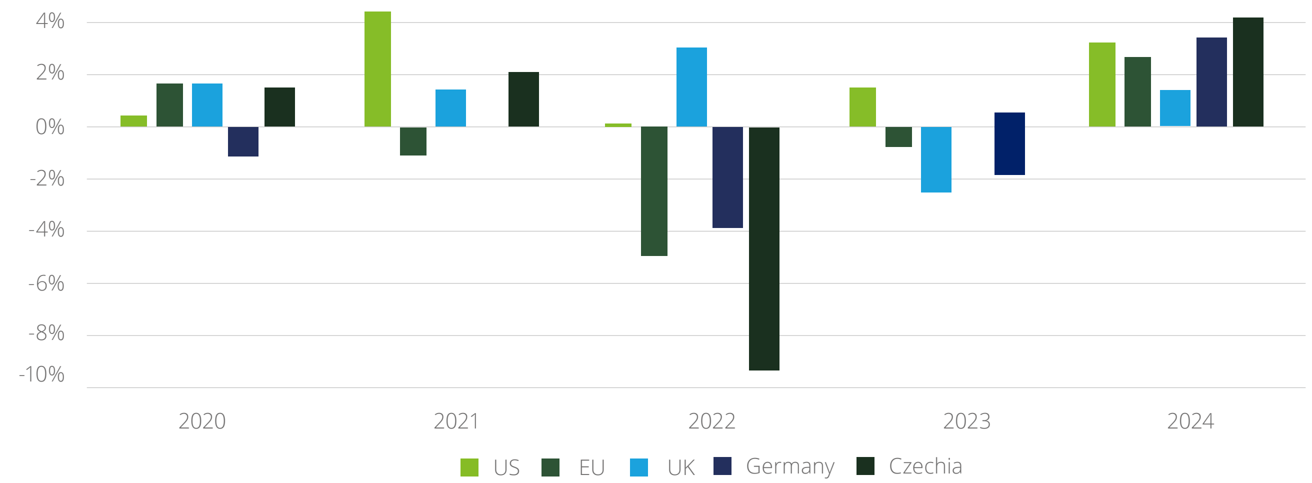
Source: IMF, 2025

STABLE LOW UNEMPLOYMENT



Source: DLook, Eurostat. Statista, 2025

REAL WAGE GROWTH

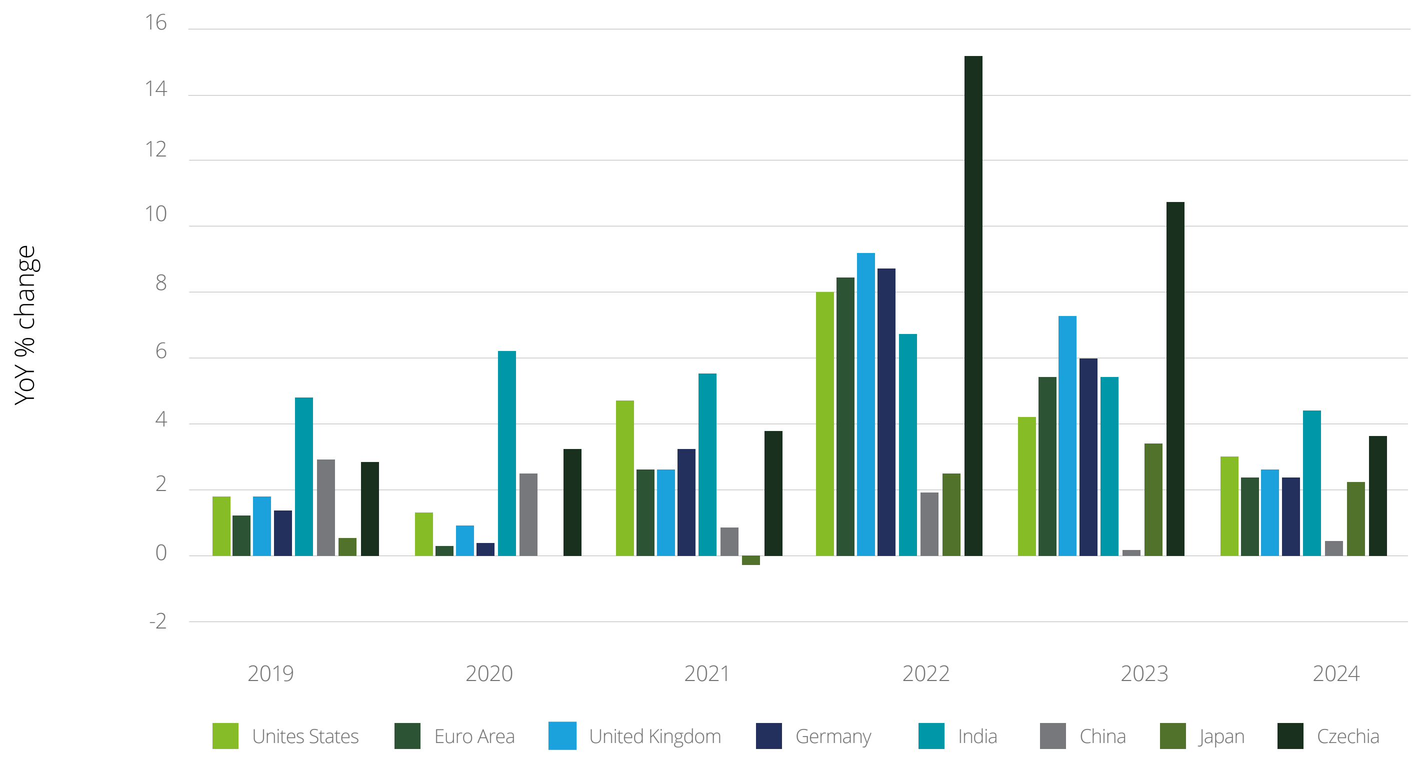


Source: DLook, Statista, ONS, 2025

At the same time, unemployment in the EU is at a decades-long minimum of 6.1%, even with six million Ukrainian refugees. While demand for qualified labour remains high, the available workforce is expected to slowly shrink due to demographic changes as a population continues to age and not enough young people are entering the workforce.

The slight 0.3% unemployment increases in the US and Germany can be mostly attributed to sector-specific shake-ups caused by delayed post-pandemic labour market adjustments. As a result, there is an abundance of newly unemployed workers who are unable to apply their expertise and need to requalify or relocate before reentering the workforce. This might locally and temporarily suspend the rise of labour costs, but in the long-term companies should take into account increases in the price of labour.

DECLINING INTEREST RATES



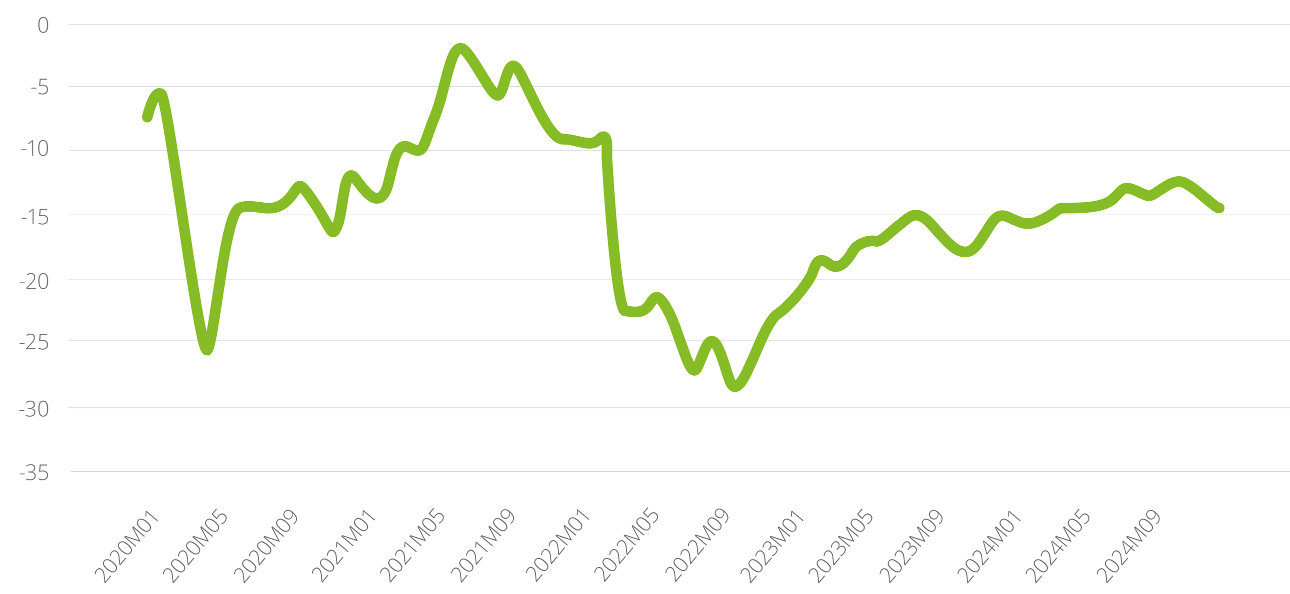
Source: IMF, 2025

Inflation continued its gradual decline from the 2022 peaks, thanks to easing of the energy crisis and addressing supply chain issues (though naval supply chains continue to experience the effects of the uneasy geopolitical environment – particularly in the Red Sea). European countries mostly managed to curtail inflation into the stated target range of 1-3%, but the rate is still hovering by 0.5 to 1 percentage points above the 2% target.

While grappling with the secondary effects of inflationary pressures and exposure to geopolitical tensions, European regions must persevere substantial efforts to effectively curb inflation rates as failing to do would put the last 2 years of costly efforts in vain and plummet economies back to recession.

Continuous adaptation of households to new price levels caused by the last few years of cumulative inflation encouraged the stabilisation of consumer confidence, which remains slightly pessimistic. The last two months saw additional degradation caused by fear of the potential implementation of tariffs by the new US administration. A lasting degraded appetite for significant purchases undercuts current possibilities for current economic growth, but its long-term recoil may assist with the realisation of economic potential.

CONSUMER CONFIDENCE INDICATOR (EURO AREA)



Source: Eurostat, 2025
Note: The survey data are published as balances, i.e., the differences between positive and negative answers (arithmetic average of balances)

The aforementioned factors create a nuanced and challenging environment for central banks and policymakers. In navigating this complex terrain, they must strike a delicate balance, avoiding measures that might halt emerging economic growth and keeping inflation below the hazardous levels of the last few years. This predicament is notably pronounced in Europe, specifically in Germany and the CEE region, where sluggish economic growth persists due to the enduring impacts of the energy crisis, particularly affecting the energy-intensive industries which have lost their competitiveness. While Asian economies continue to grow at high rates, European nations only started to exit stagnation. The United Kingdom, tied with Czechia, experienced the highest Gross Domestic Product Year-over-Year growth at +1.1%, with the Euro Area not far behind at 0.8%. Importantly for the CEE region, the German economy after last year's contraction of -0.3% shrank by an additional -0.2%.

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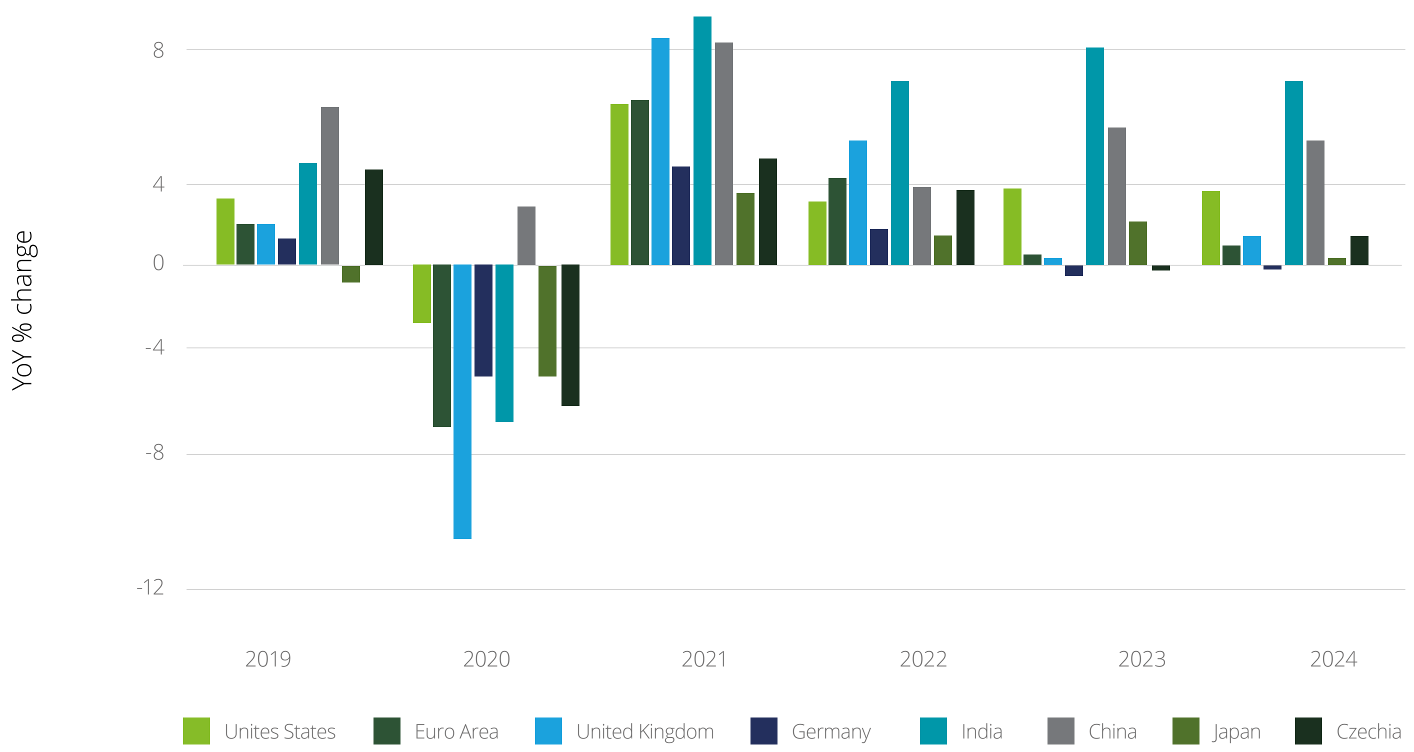
SLOWLY RECOVERING GDP GROWTH

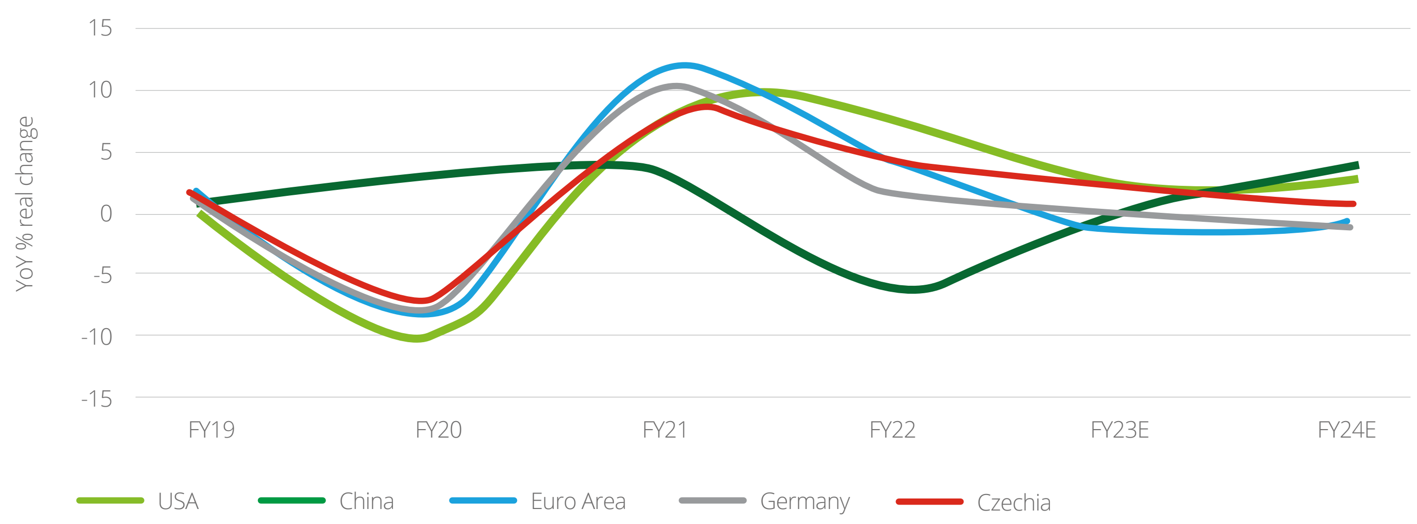


Source: IMF, 2025

The German economy, intricately linked with the economic dynamics of the CEE region, finds itself mired in a prolonged phase of stagnation, primarily attributed to slow adaptation to the factors outlined above. This situation is further complicated by the absence of nuclear energy power sources and a subdued appetite in foreign markets. Export-oriented sectors are facing increased competition in the automotive sector, besides undergoing transformative shift towards electrification, they have to tackle diminishing demand from China and other key markets.

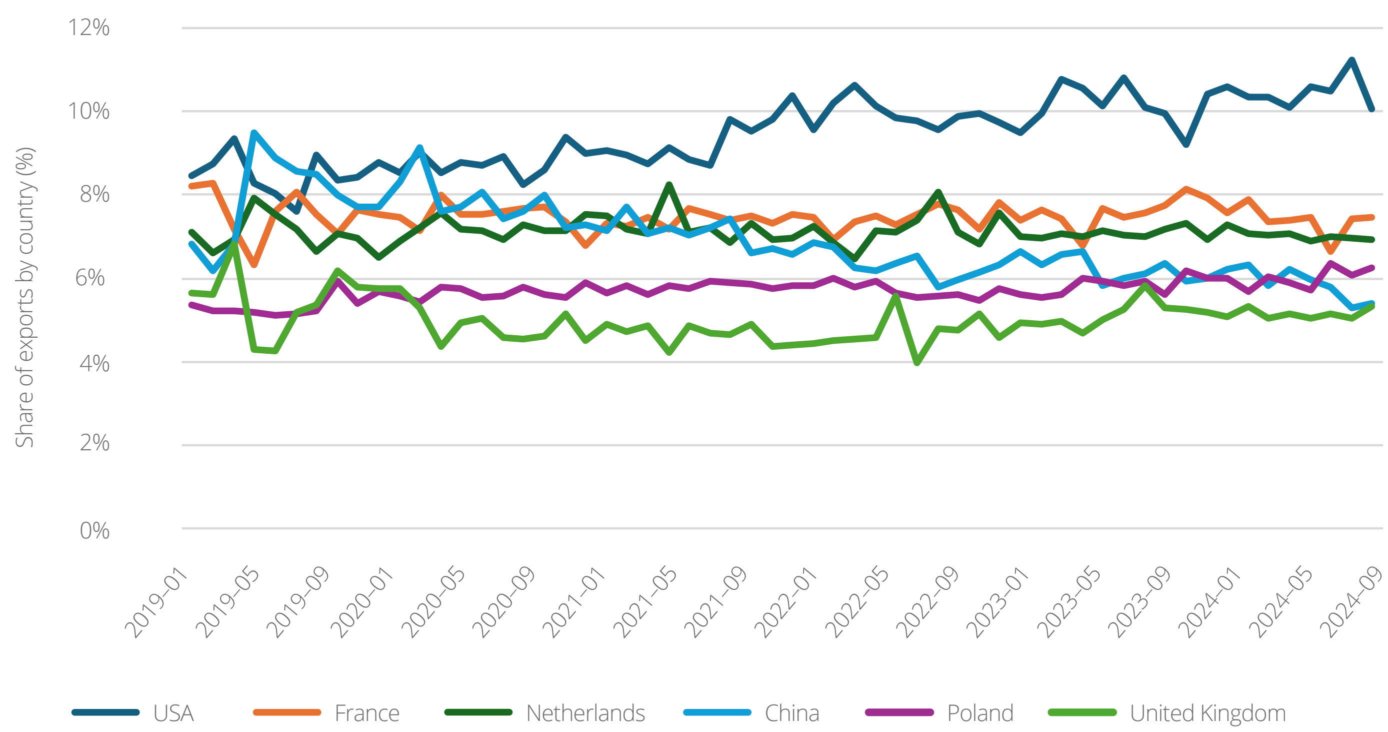
The economic landscape is additionally marked by capital outflows, a consequence of elevated corporate taxes and among other pertinent issues the ongoing disputes between the European Union and China. Moreover, Germany struggles with the complexities of sustaining energy-intensive industries amidst global shifts toward sustainable practices and challenges posed by its rapidly ageing population, amplifying pressures on social systems and labour markets. Entwined by all of these factors, a nuanced approach is required, addressing both current concerns and the long-term structural overhauls imperative for sustained economic growth and fortitude.

GOODS AND SERVICES EXPORTS



Source: EIU, 2025

GERMAN TRADE PARTNERS – CHINESE LOWER DEMAND



Source: Federal Statistical Office, 2025

GERMAN ELETRICITY PRICES

Source: Deloitte Analysis, Ember, 2025

After a period of uncertainty caused by reliance on LNG exports, elevated crude oil prices and Germany ‘s nuclear phase-out, the European energy market has entered a period of relative stabilisation. While the average price of electricity is stable or slowly increases across Europe, increased price volatility due to over-reliance on wind and solar power combined with the elevation of emission permit prices poses a risk to inflexible energy-intensive industries.

Emissions permit prices have fallen from record highs in 2023, remaining below €75 per tonne of carbon dioxide equivalent, which is still three times the price in 2019. In the coming years, permits will gain even more significance and attention, as the year 2024 marked the start of enrollment of mandatory reports disclosing ESG factors, including green gas emissions.

Last year saw a gradual decline in crude oil prices to $73 per barrel by December 2024. Renewed tensions in the Middle East resulted in short-term hikes and a persistent Red Sea risk premium, which has been offset by a steady increase of US oil production through 2024, giving a promising outlook for a stable 2025.

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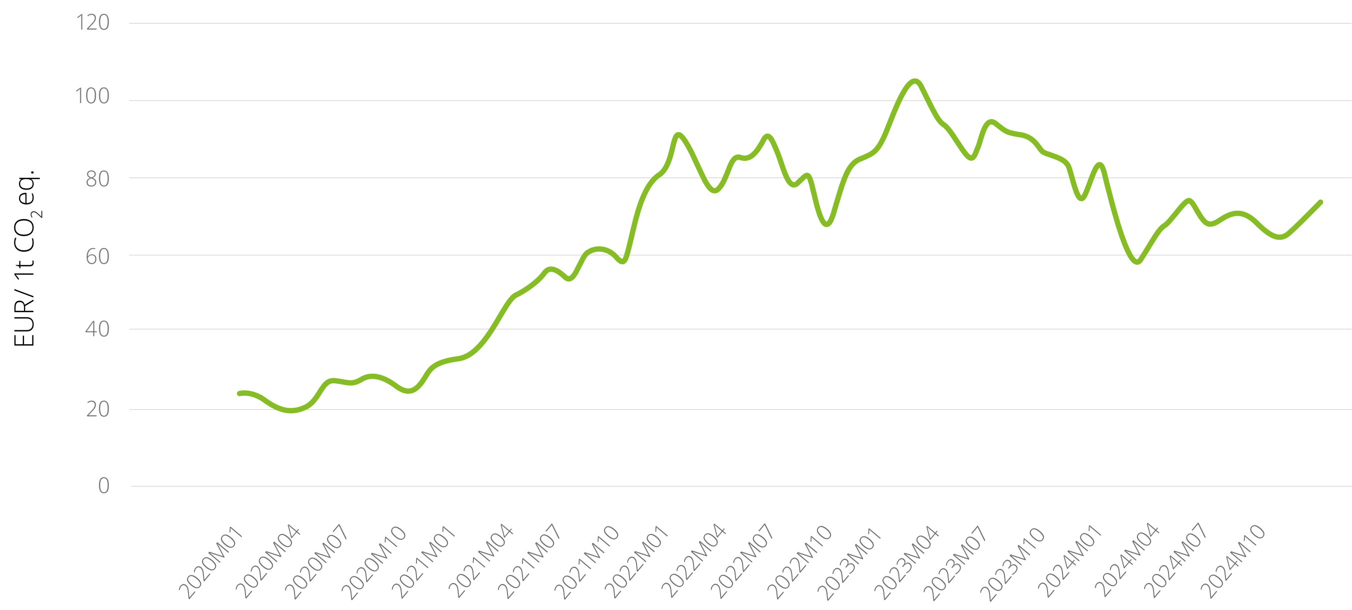
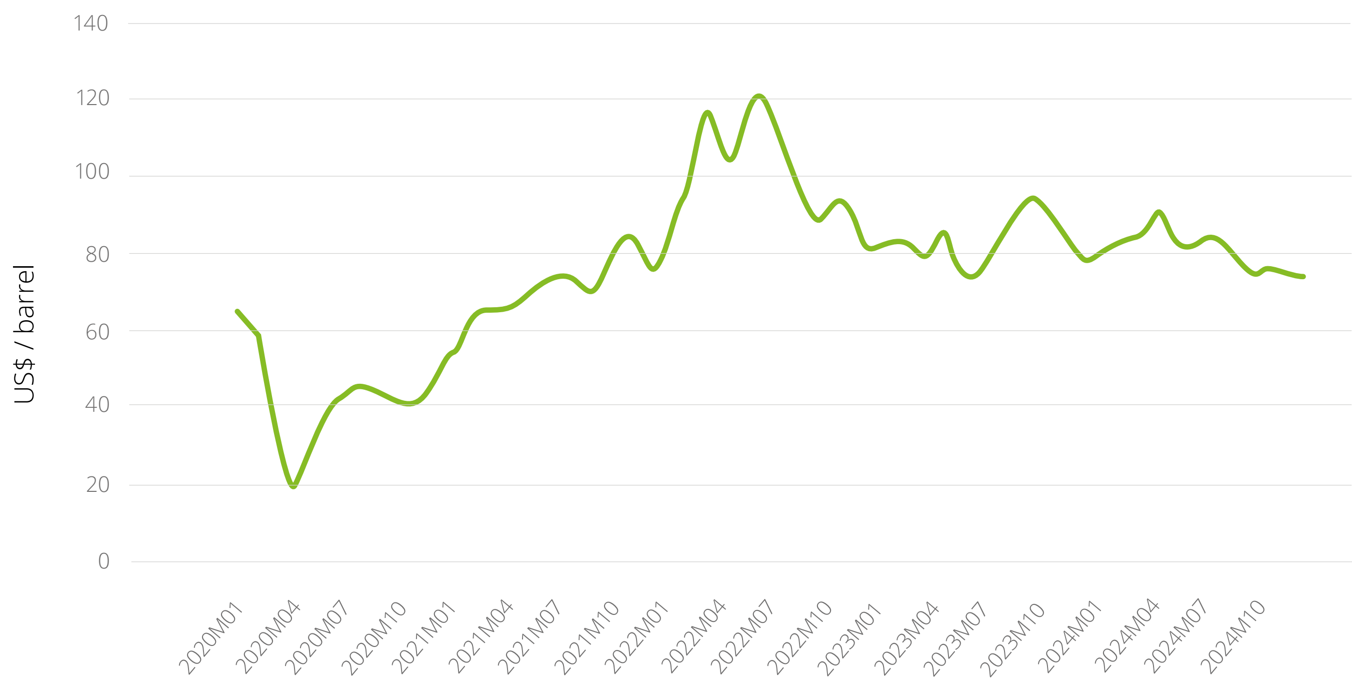
EU CARBON PERMIT PRICE



Source: EEX, 2025

BRENT CRUDE OIL

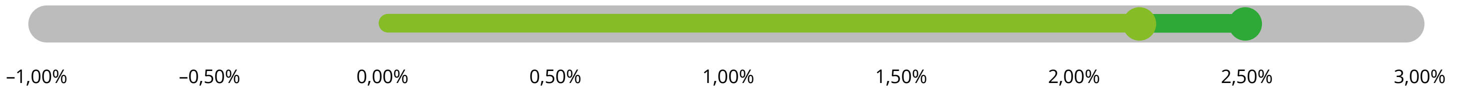


Source: EIA, 2025

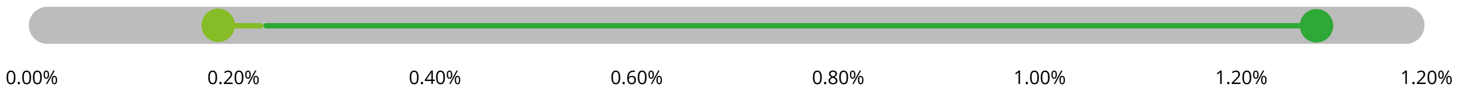
Deloitte M&A Barometers seeks to present key insights into European markets in Mergers and Acquisitions in a consolidated, comprehensive form. The model portrays recent developments in key factors affecting dealmaking in Europe on a q/q basis, and further positions the results in the context of historical maxima.

The model seeks to provide relevant information in a direct form to investors and other market actors, in order to improve market efficiency and overall financial health.

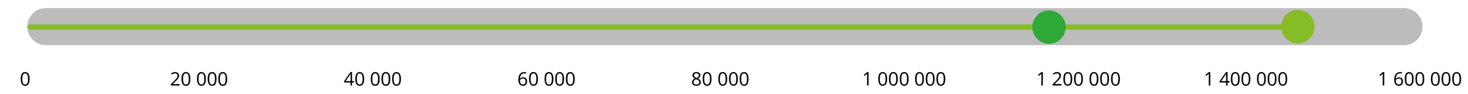
Bond Prime Yield (Germany)



GDP

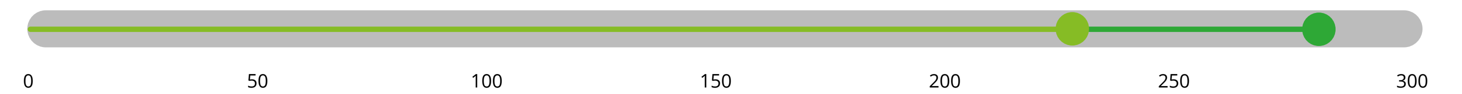


Transaction Value (USD MM)

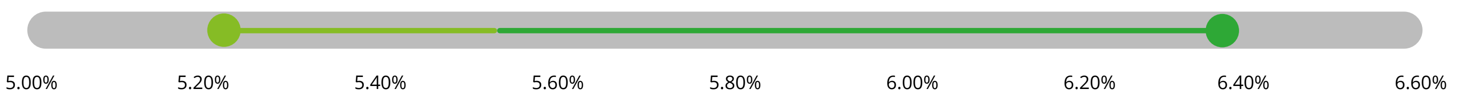


Implied TEV/ADJ EBITDA (Mean)

Average Transaction Size (USD MM)



STOXX Europe 600 Performance



M&A Index 2025 Q1: Capture of Opportunity

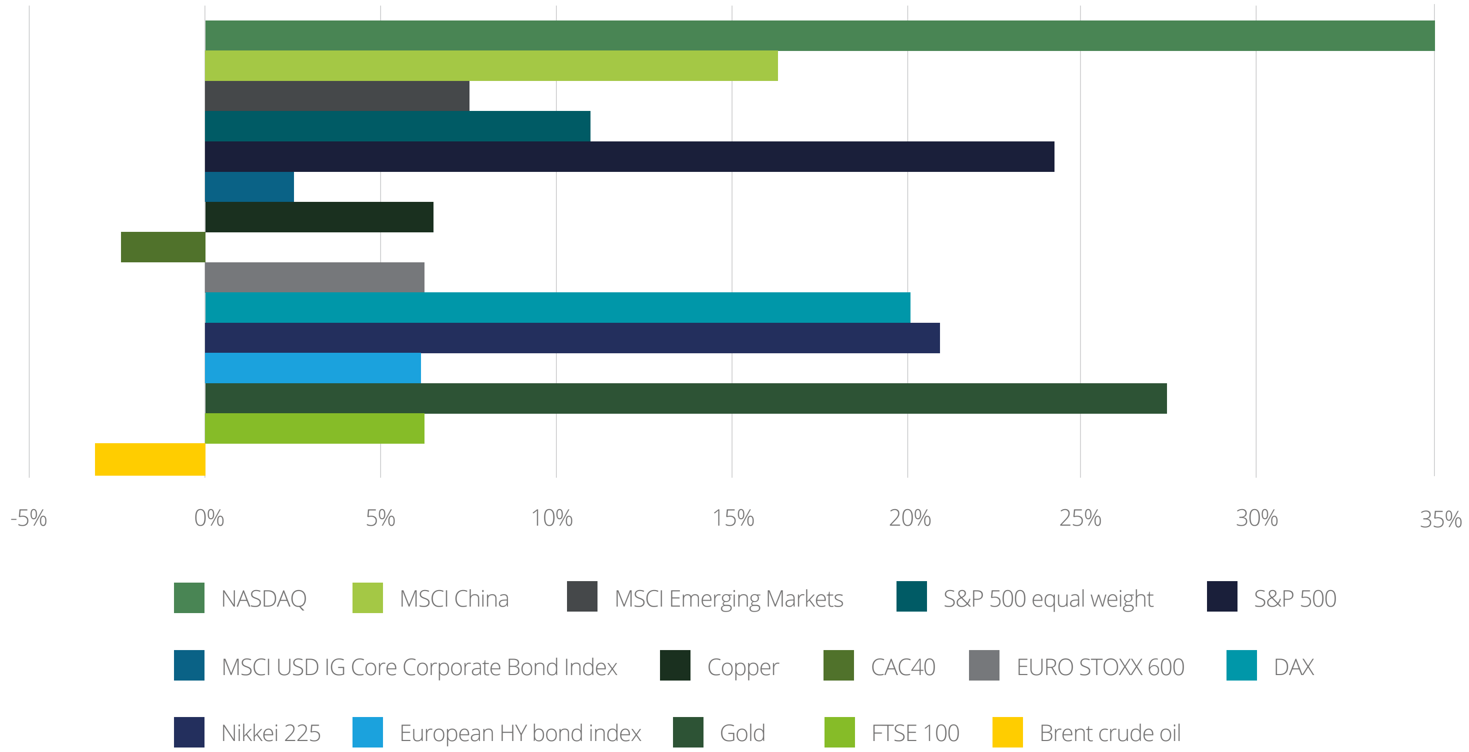
STOCK MARKETS

The S&P 500 Index in 2024 continued to be heavily influenced by major tech players, though a more diverse group of companies shared the spotlight this year. The "Magnificent Seven"—Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta Platforms, and Tesla—remained central to market dynamics, but their stock performance was more tempered compared to the explosive gains of 2023. Their collective impact on the S&P 500's 24.4% gain in 2024 was still significant, though their contribution decreased slightly to approximately 57%. By contrast, the equal-weight S&P 500 index outperformed last year's results, gaining 10.6%.

The shift in market dynamics was driven by several key trends. While AI enthusiasm persisted, the market increasingly factored in broader technological innovation, including advances in quantum computing and clean energy. The US economy showed resilience despite early-year fears of a slowdown, supported by a stabilised inflation rate of around 3.0% and further clarity from the Federal Reserve, which implemented two moderate rate cuts during the year. The disparity within the stock market narrowed somewhat compared to 2023, though sectoral gaps remained. Approximately 70% of S&P 500 stocks underperformed the benchmark in 2024, a slight improvement over last year.

European indices exhibited positive growth but trailed behind the U.S., with the Euro Stoxx 600 posting a 6.7% gain. After experiencing a sharp spike in volatility during August, European markets have softened in the latter half of the year as investors weigh the implications of the U.S. election and the potential introduction of tariffs. Germany's DAX index once more gained 20%, outperforming most regional peers due to improving sentiment in its industrial sector and a recovering domestic economy. UK's FTSE 100 trailed behind the mainland market, registering only a 5% gain amid ongoing political and economic uncertainties. However, France's CAC 40 was the worst regional performer, down 2%, as global demand for luxury goods contracted.

WORLDWIDE STOCK MARKET RALLY



Source: Yahoo Finance, 2025

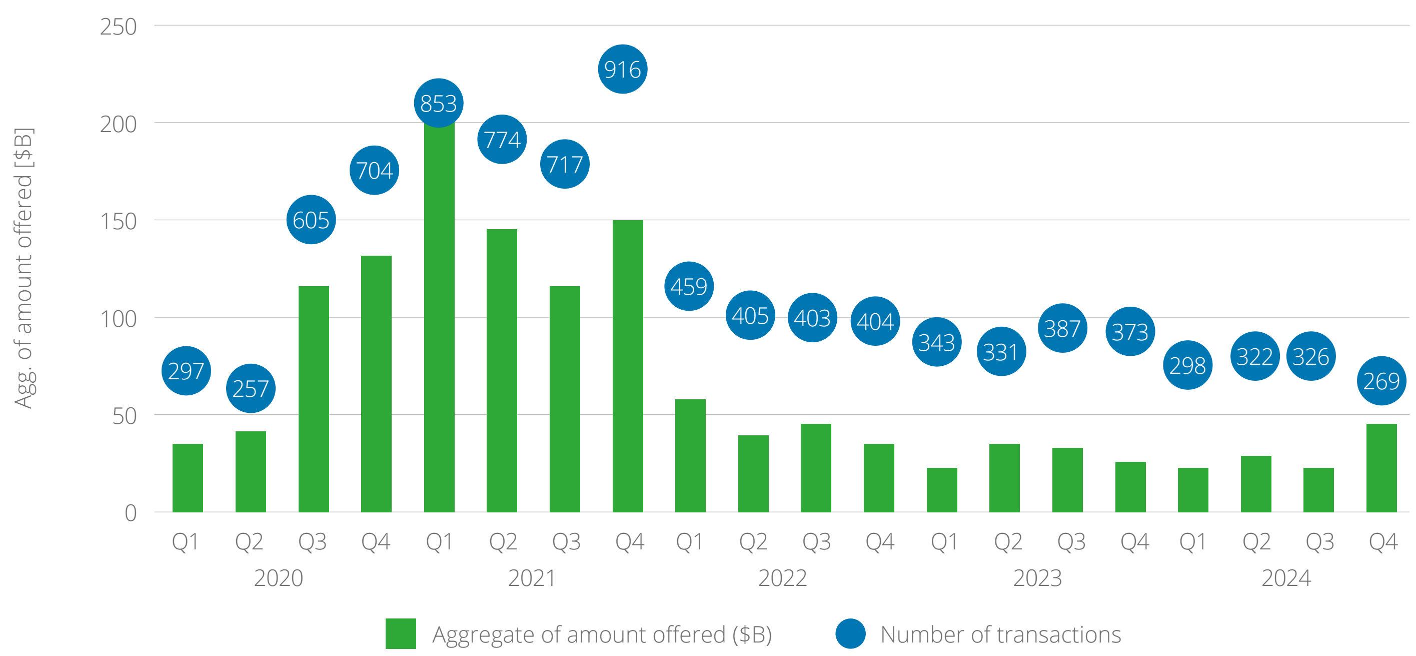
Stock	Q4 2024	2024	2020 – 2024
Alphabet	+14,14%	+38,06%	+187,31%
Amazon	+20,08%	+46,52%	+136,83%
Apple	+8,46%	+33,01%	+236,12%
Meta	+2,03%	+67,87%	+185,23%
Microsoft	-0,68%	+13,82%	+168,08%
Nvidia	+11,69%	+175,19%	+2178,06%
Tesla	+48,51%	+55,99%	+1278,45%
Magnificent Seven	+10,91%	+49,80%	+263,60%
Rest of the S&P 500	-2,27%	+14,53%	+29,54%

Source: Yahoo Finance, 2025

M&A Index 2025 Q1: Capture of Opportunity

While the global IPO continued the underwhelming performance of the previous two years, the US and European IPO markets showed signs of recovery and steady growth, while the Indian market surged forward, increasing IPO proceeds by 150% and elevating its market on par with Europe. This year saw a revival in the number of listings, with several high-profile companies choosing to go public, including car manufacturer Hyundai Motor India and logistic corporation Lineage. Most newly public companies outperformed expectations, reflecting a more favourable valuation environment. However, some challenges persisted, with cautious pricing strategies and heightened scrutiny from investors continuing to restrain increasingly optimistic market sentiment.

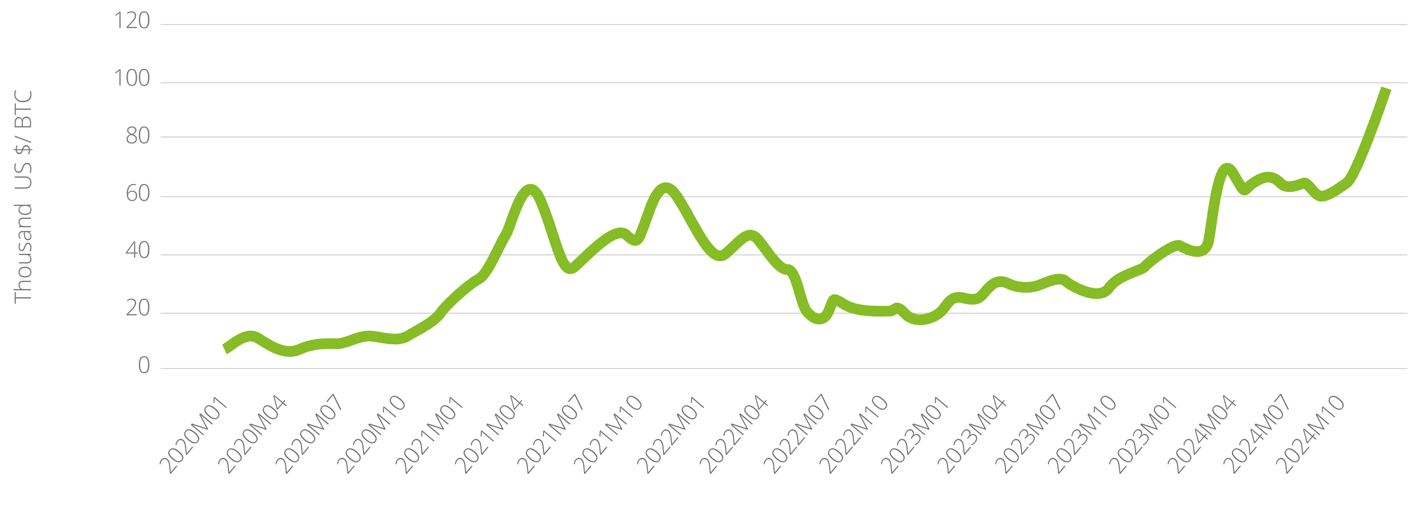
GLOBAL IPO ACTIVITY SINCE 2020



Source: S&P Global Market Intelligence, 2023

In the context of AI and technological advances, bitcoin and other cryptocurrencies began to be regarded more seriously by institutions and businesses alike. At the start of the year, the US approved Bitcoin exchange-traded funds. Subsequently Bitcoin experienced staggering growth and after US presidential election won by Trump, a cryptocurrencies supporter, it had surpassed the $100,000 mark. Bitcoin's market capitalisation reached $1.8 trillion, putting it on similar level to Amazon or Saudi Arabian Oil. Nevertheless, it is important to approach cryptocurrencies with vigilance, given their high volatility and the potential risks posed by future regulatory pressures.

BICOIN PRIZE



Source: Yahoo Finance, 2025

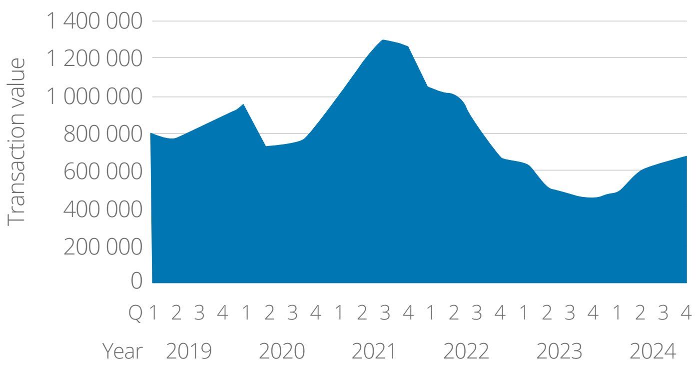
M&A Index 2025 Q1: Capture of Opportunity

M&A MARKETS

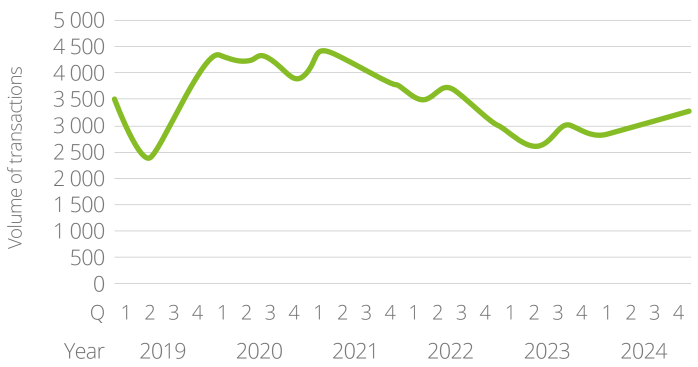
The year 2024 brought a recovery of M&A markets. From 11,629 transactions in year 2023 we saw slight rise to 12,682 transactions, marking a growth of 9.1 % (y/y). This increase, combined with larger transactions values, resulted in the overall transaction value increase of 48.0% (y/y) in the same period and returned to 2022 levels by Q4.

Capital IQ's published data shows that number of transactions increased from 3163 in Q3 to 3328 in Q4, a growth of 5.2%. Total value of transactions (measured as the sum of the value of transactions executed in the last twelve months) increased from $655.5 billion to $685.4 billion. The overall recovery in market activity can be attributed to interest rate's cuts, adapting to continued geopolitical tension and cautiously optimistic outlook in Europe.

TRANSACTION VALUE (LTM USD MIL.)



NUMBER OF TRANSACTIONS

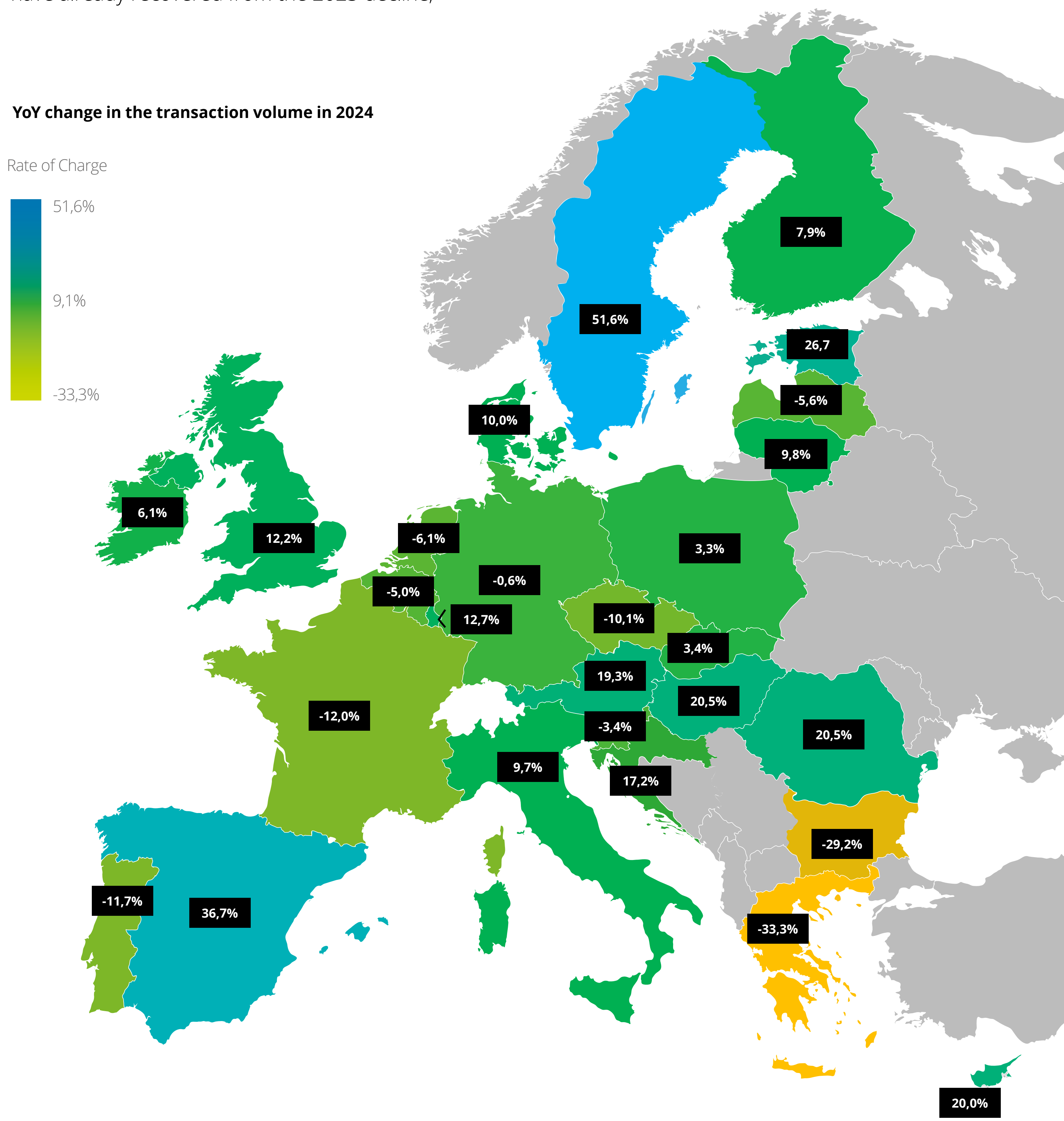


The US market grew by 7.8 % in transaction volume, mirroring global increase of 7.5 % in 2024. The European market managed to outperform both with increase of 9.1%. At the same time the Asia/Pacific market experienced grow of 11.8 % and surpassed the amount of transactions in 2022.

Region	2021	2022	2023	2024	y/y
World	57997	49923	39959	42947	7.5%
US	21602	18250	15778	17016	7.8%
Asia/Pacific	11500	9878	9277	10373	11.8%
Africa/Middle East	1534	1424	1107	1248	12.7%
Latin America	1660	1354	1056	1029	-2.6%
EU 27 + UK	17017	15249	11629	12682	9.1%

Overall growth of European market was mainly driven by recovery of transaction volume in UK (+12.2% y/y), Sweden (+51.6% y/y) and Spain (+36.7% y/y), which together accounted for 38 % of all EU 27+UK transactions. While many regions have already recovered from the 2023 decline, 10 countries have experienced a delayed decline, including major EU markets of France (-12.0% y/y) and Netherlands (-6.1% y/y).

YoY change in the transaction volume in 2024



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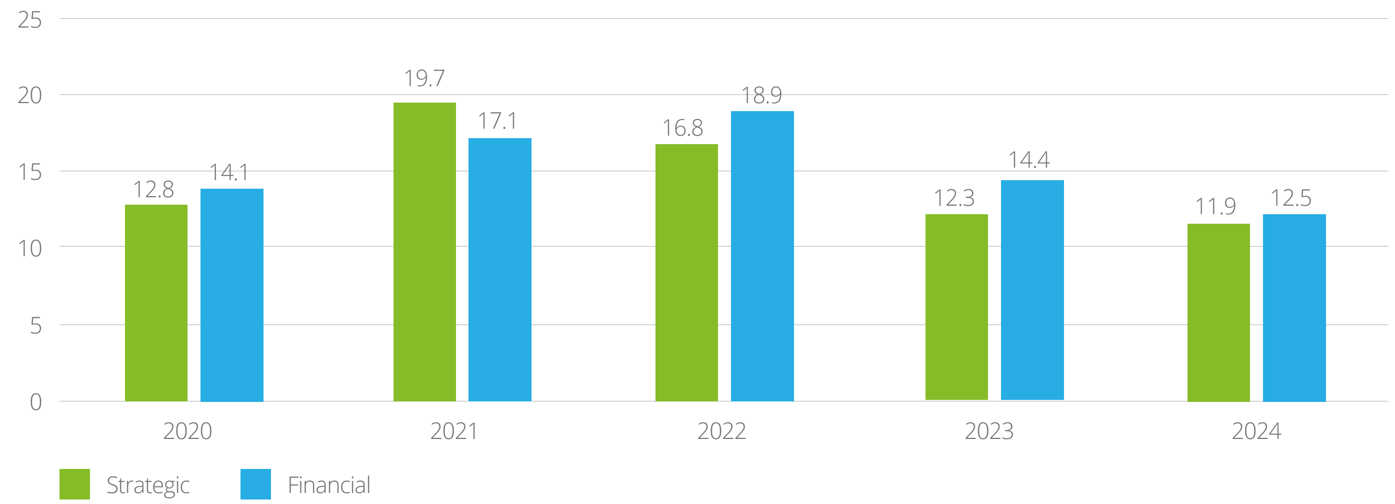
VALUATION ANALYSIS

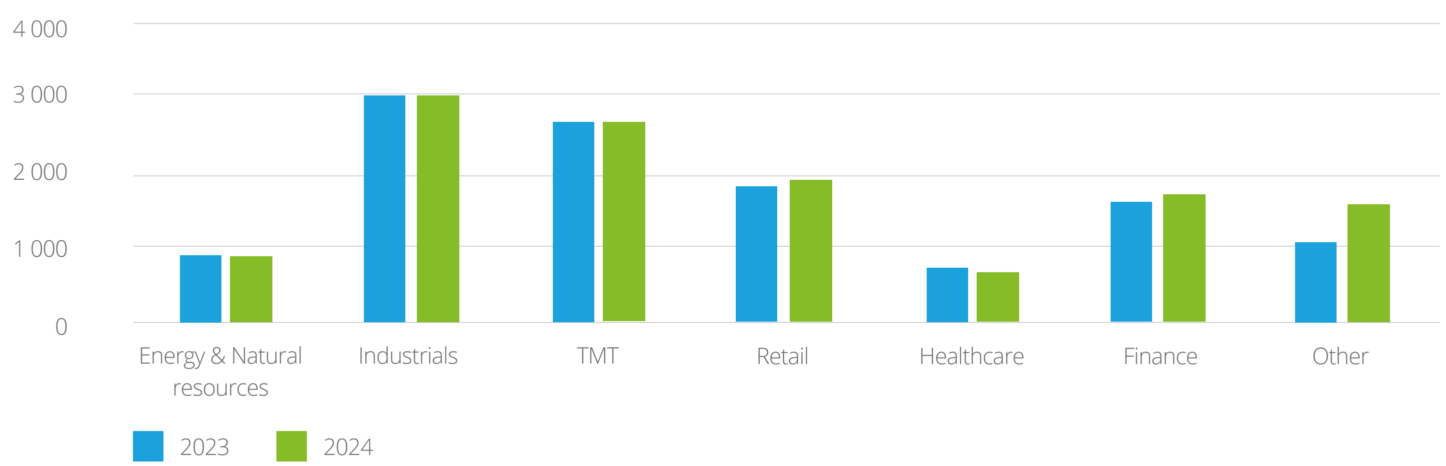
EV/EBITDA market multiples of EU transactions, adj. Mean



Source: Deloitte Analysis, Mergermarket, Capital IQ, 2025
* Adjusted Mean was calculated as the average of published EU 27+UK transactions excluding the top and bottom 5%

Stabilisation of a volatile market paired with lower interest rates are reasons for investors to consider acquisitions. Another clear indicator is the continuous downward trajectory of market EV/EBITDA multiples, particularly for financial investors. From a record high of 18.9 in 2022 the EV/EBITDA multiple has fallen to 14.4 in 2023 and further to 12.5 in 2024. In contrast market multipliers for strategic investors slowed their decline – moving from 16.8 in 2022 and 12.3 in 2023 to 11.9 in 2024, marking only a 0.4 difference. For companies and investors who can decode these trends, the picture is clear. Faster return of an investments is an opportunity for M&A activity, as companies can take advantage of current developments to consolidate, diversify, and expand their portfolios with lucrative acquisitions.

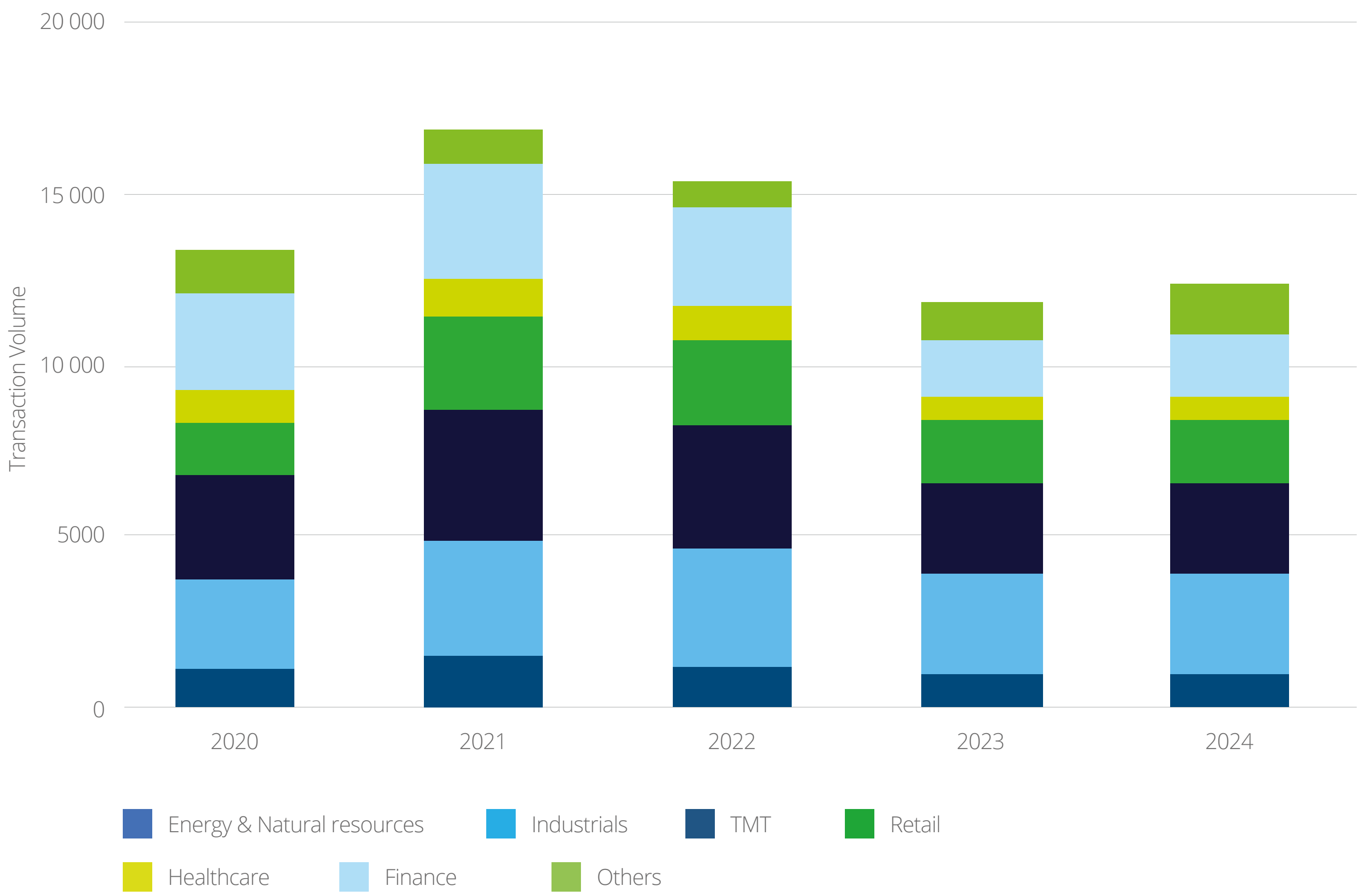
NUMBER OF TRANSACTION BY INDUSTRY



Source: Capital IQ, 2025

Manufacturing and TMT remained dominant industries on the M&A landscape, accounting for 24% and 21%, respectively, of the total number of transactions last year. In contrast to previous years, the proportion of transactions by industry remained remarkably stable. The biggest change between 2023 and 2024 was the increase in other transactions from 1070 to 1555.

DEVELOPMENT OF NUMBER OF TRANSACTIONS BY THE INDUSTRY (2020 – 2024)

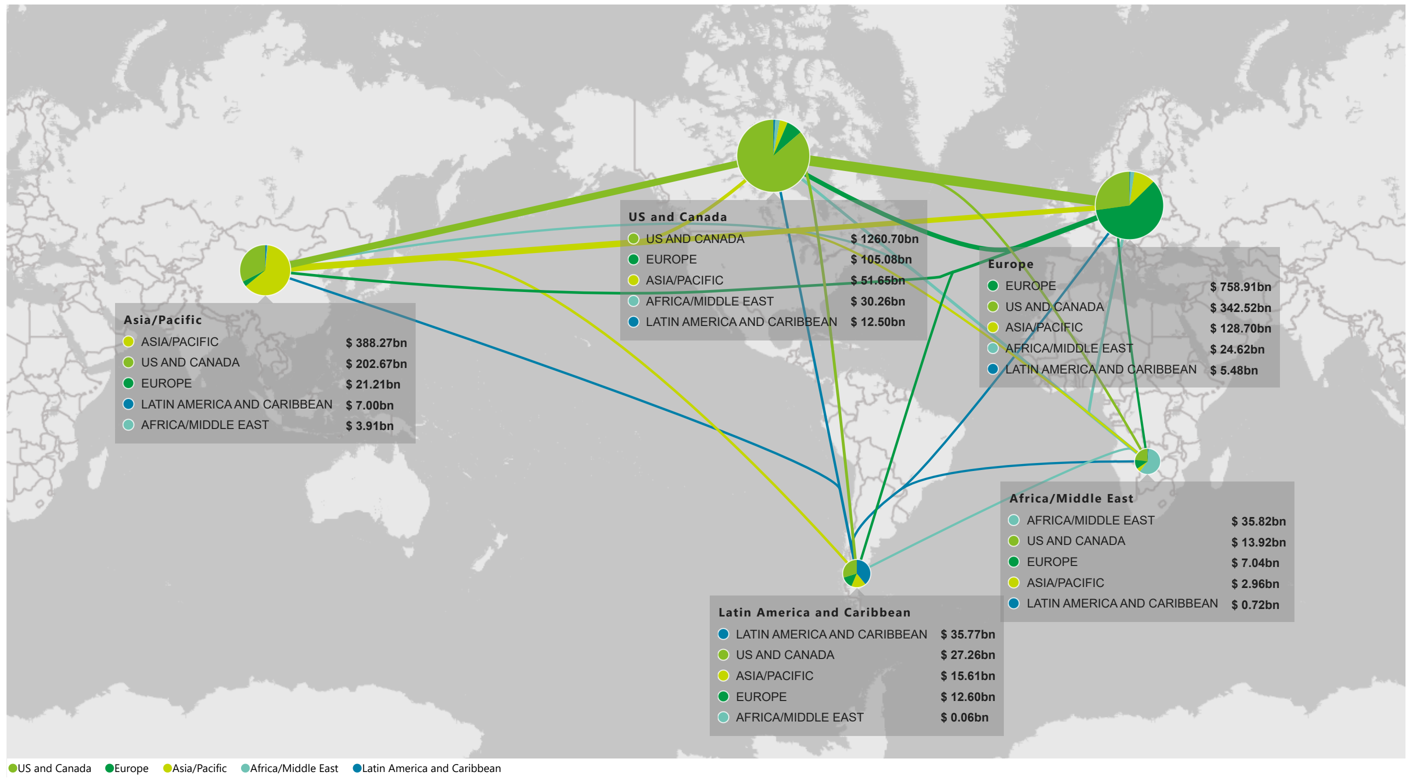


Source: Capital IQ, 2025

Mergers and acquisitions activity bounced back from the setbacks of 2023, namely high interest rates, uncharted global tensions, and an insecure outlook for the macroeconomic environment.

CAPITAL FLOWS WITHIN REGIONS (USD BN.)

The list classifies transactions in specific areas by the domicile country of the Investors partaking in the transactions.



Source: Deloitte Analysis, Capital IQ, 2025

After last year's contraction of the global market, cross-border remained a significant force in market activity. Foreign capital invested in European acquisitions amounted to approximately $501.3 billion, accounting for 40% of transaction value in Europe. Likewise, European sponsors invested $146 billion in foreign markets for acquisitions.

The biggest driver of the cross-border market was the restored appetite of US companies. Their acquisition volume in Europe doubled and accounted for 27% of European transaction values and in Asia/Pacific it tripled to 33% of Asian and Pacific transaction values.

CZECH MARK IN M&A MARKETS

NUMBER OF TRANSACTIONS IN THE CZECH REPUBLIC

Source: Capital IQ, Mergermarket, 2025

Last year in the Czech Republic saw a decline in transaction volume from 111 transactions to 102. This decline can be mostly attributed to an exceptional Q4 in 2023 that brought 45 transactions, while for the last 3 years this value ranged between 20 and 30 transactions per quarter. In the last quarter the same number of transactions was announced as in Q3 – 28, including several large or interesting transactions.

Target: CT Real Estate
Buyer: Blackstone
Seller: TPG Real Estate

470 million euros

In one of the biggest European Real Estate transactions US company Blackstone expanded its logistic portfolio by acquiring CT Real Estate, a portfolio of 10 Czech and Slovak logistic parks at important highway junctions with total area of 500 thousand square meters.

Target: Novo Nordisk
Seller: Novavax, Inc.

200 million US dollars

Danish Pharmaceutical firm Novo Nordisk bought a 50,000-square-foot state-of-the-art recombinant protein manufacturing facility in Central Bohemia that produces vaccine components.

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Buyer: Českomoravská Nemovitostní
Seller: NOVA Real Estate fund

200 million euros

Investment group ČMN acquired 5 premium office buildings in Prague with a total leasable area of over 37,000 sqm and 11 retail parks, spread across the Czech Republic with a leasable area of 72,000 sqm.

Target: Invia Group
Buyer: WP Holding
Seller: Rockaway Capital

240 million euros

Polish WP Holding expanded its e-commerce branch by acquiring the online travel booking platform Invia, which offers services to 2 million annual customers across Central Europe.

Target: SeneCura
Buyer: Penta Hospitals

UNDISCLOSED

Czech operator of a network of healthcare facilities Penta Hospitals, with Deloitte's assistance, acquired SeneCura and its 17 nursing homes, increasing the number of provided beds from 3,500 to 6,000.

Target: Betonarna Lesonice
Buyer: Wienerberger

UNDISCLOSED

Czech manufacturer of construction materials Wienerberger has expanded its portfolio with Betonarna Lesonice, a Czech producer of concrete paving with a newly installed automated production.

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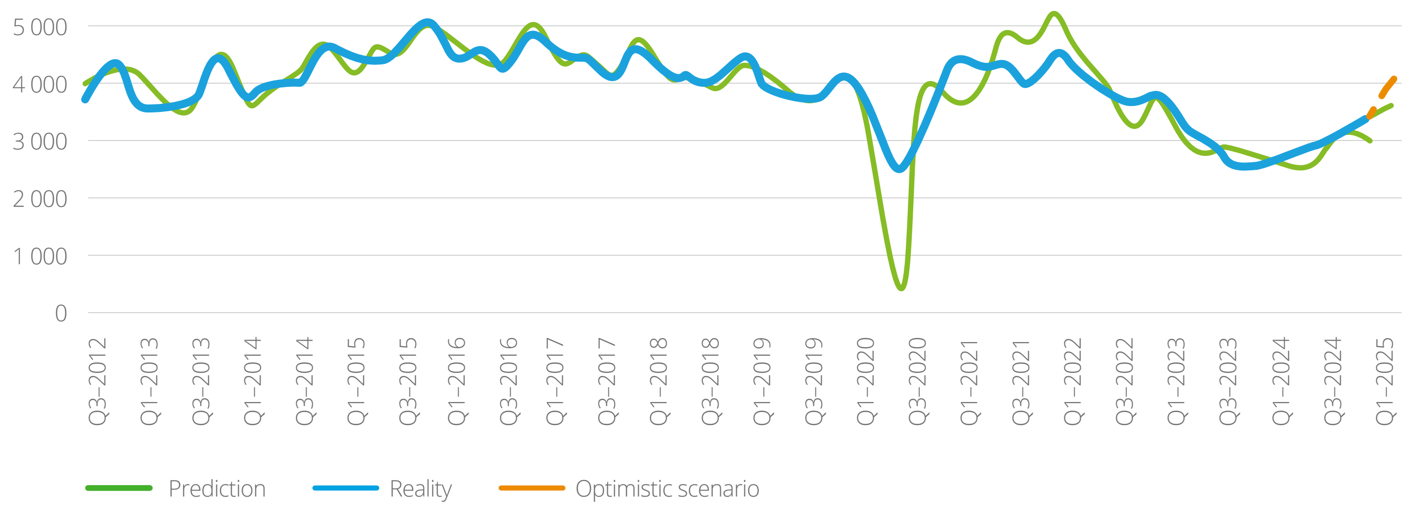
M&A INDEX 2025 PREDICTIONS

Given the steady expansion in preceding quarters and consistent improvement of economic environment, our model projects a slight rise in transaction volumes. The forecast expects 3481 transactions in first quarter of 2025, a number consistent with the improvement of last year, with an optimistic prediction of 3996 transactions.

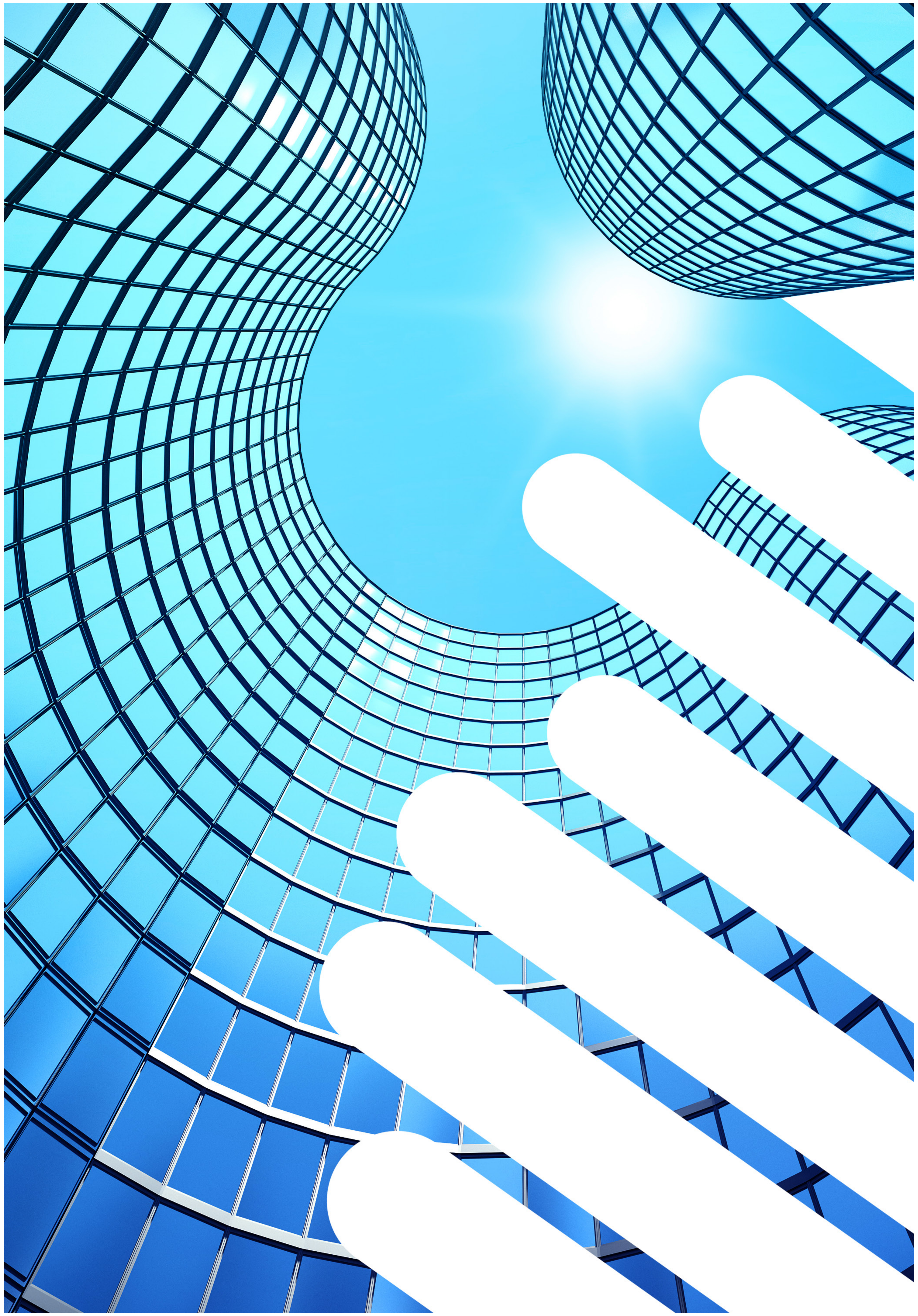
The letter is linked with a continued decline in inflation and further interest rate cuts, reduced energy market fluctuations and dwindling of geopolitical tensions, providing more secure environment for companies to make strategic and financial acquisitions. However, while all these conditions may not unfold to their full potential and additional challenges may arise, the overall economic outlook remains positive and gives every reason for steady increase of transaction values throughout the year.

HISTORICAL PREDICTION AND SUBSEQUENT REAL STATE OF TRANSACTION VOLUMES + PREDICTION OF TRANSACTION VOLUME FOR Q1 2025



Source: Deloitte Analysis, Capital IQ, 2025

With ongoing stabilization of the current market, active portfolio management remains the key to improving corporate strategies and optimizing business models. Current market conditions give opportunities for making long-term strategic acquisition and investing in mid to small-cap market alike. Thorough evaluation of company's development plan, analyzing new prospects and making sound decisions will help companies to adapt and thrive in an ever-changing environment. Careful evaluation of corporate portfolios, and subsequent divestiture of non-core assets as part of ongoing transformation strategies, will create wide array of openings for adaptive and perceptive investors, that might reap benefits of blooming market coming from long period of hibernation. M&A markets are still supported by cash balances of unallocated private capital ("dry powder") on the side of private equity funds, where at the end of last year, PE funds held a total of approximately $2.51 trillion in dry powder. Both financial and strategic sponsors are expected to re-enter the market at an accelerated pace this year and - supported by a surprisingly good condition of the banking sector - continue to seek investments in high-quality assets - firms with a strong market position, a long history, and a functional business strategy.



M&A Index 2025 Q1: Capture of Opportunity

HEADWINDS AND TAILWINDS FOR 2025 AGE

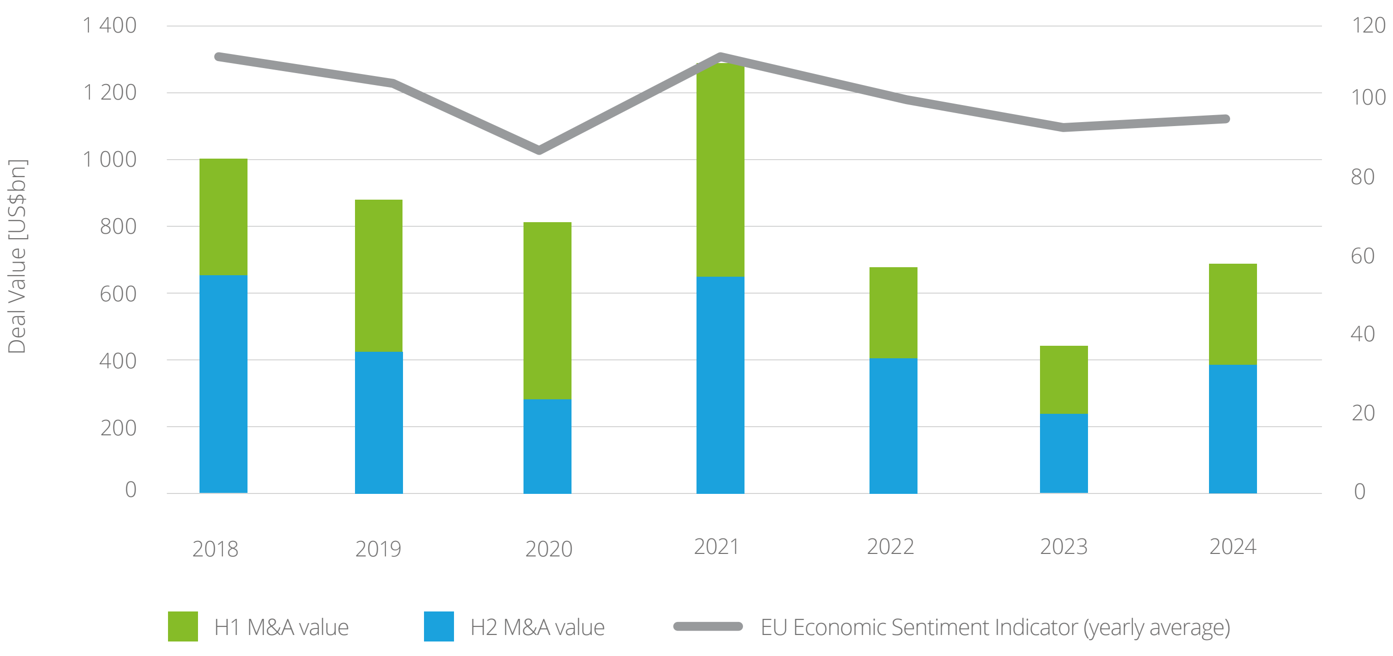
M&A Index 2025 Q1: Capture of Opportunity

HEADWINDS

Dealmakers are navigating a shifting landscape marked by stricter regulations and longer timelines. Regulators in major jurisdictions, such as the US, Europe, and the UK, are adopting more aggressive approaches to oversight. Simultaneously, nations are introducing protectionist policies, frequently aimed at safeguarding strategic industries.

- In 2024, global geopolitical tensions have persisted. The ongoing Russia-Ukraine war continues to challenge European energy security, while the Israel-Hamas conflict exacerbates instability in the Middle East. In the Asia-Pacific, the South China Sea is anticipated to witness increased nonmilitary confrontations. These overlapping conflicts highlight the interconnected nature of global dynamics, demanding sophisticated approaches to navigate their complexities.

M&A MARKETS REACT TO UNCERTAINTY



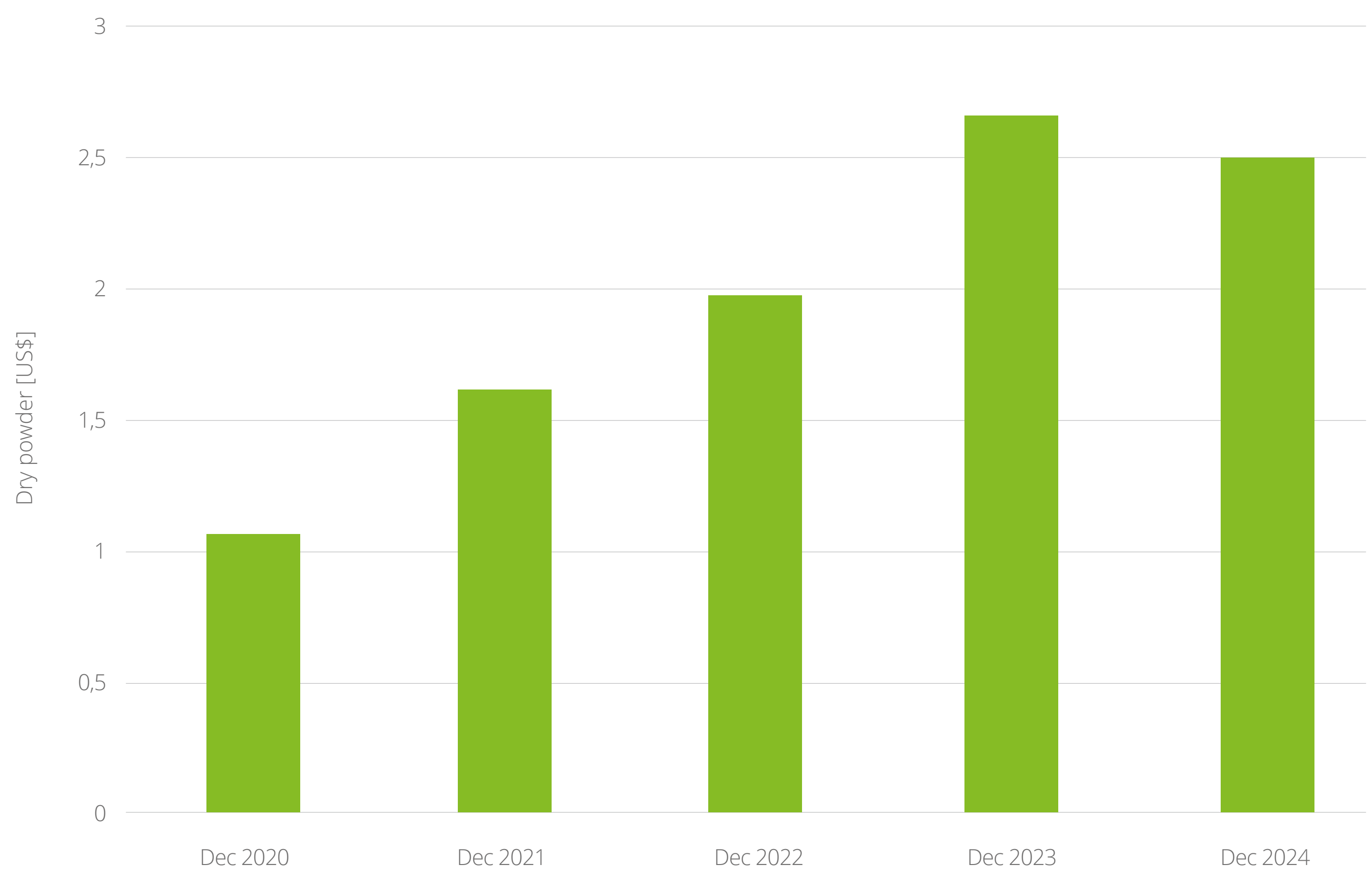
Source: Deloitte Analysis, DG ECFIN, 2025

TAILWINDS

As a busy year of global elections comes to an end, dealmakers will soon have a clearer picture of the political outlook.

- In December this year, the unallocated balances of PE firms („dry powder“) amounted to approximately USD 2.51 trillion. Investors currently holding record amounts of capital are begining to use these funds to make strategic acquisitions.
- Swift technological advancement and its widespread adoption will help companies to increase operational effectiveness and promises new opportunities in countless industries for start-ups and establish firms alike.
- The European Central Bank cut interest rates again by 25 basis points in December, for the third time in about four months, as inflation in the euro area fell faster than expected. In September, prices rose just by 1.7%, falling briefly below the bank's 2% target for the first time in three years.

GLOBAL PRIVATE EQUITY AND VENTURE CAPITAL DRY POWDER



Source: S&P Global Market Intelligence, 2025

PATH FORWARD: NAVIGATING THE FUTURE LANDSCAPE OF MERGERS AND ACQUISITIONS

"Macroeconomic conditions and market volatility have always been key factors driving M&A activity. With stabilisation of inflation and restarted growth of European economies we are expecting further increase of the number of transactions in the forthcoming quarter as businesses capitalize on improved economic conditions to pursue expansion, diversification, or consolidation opportunities."

Miroslav Linhart
Partner in Charge | Financial Advisory

"Unallocated private equity capital amounting to USD 2.5 trillion continues to encourage M&A markets. While geopolitical tensions and structural challenges remain, cheaper borrowing costs and renewed consumer confidence are creating fertile ground for dealmaking. The M&A landscape is poised to benefit from these favourable conditions as opportunities emerge across Europe."

Jan Vomacka
Partner | Transaction Services

In 2025, technology will remain a pivotal driver in mergers and acquisitions, as companies increasingly pursue deals to integrate advanced AI capabilities. Key areas of focus include automation, cloud computing, and cybersecurity. Businesses will leverage M&A to accelerate innovation, enhance operational efficiency, and future-proof their operations against rapidly evolving technological landscapes.

We should also experience rise in mid-market transactions, driven by industry consolidation across various sectors. Companies are seeking to achieve scale, operational synergies, and market share by targeting smaller but strategically significant firms. This trend reflects a shift in focus toward creating value through precision acquisitions rather than mega-deals, as businesses adapt to evolving market dynamics.

Economic conditions in 2025 have stabilised after years of uncertainty, providing a more favourable environment for dealmaking. Improved investor confidence, steady interest rates, and more predictable global markets have rejuvenated activity in the M&A space. This stabilisation is encouraging firms to revisit growth strategies, expand into new markets, and capitalise on emerging opportunities through strategic acquisitions.

Acclimatisation to global tensions acknowledged the importance of diversification and the creation of more robust supply chains, which will help to soften the impacts of potential international disturbances that might arise in the future. Consequently, many companies broaden their perspective and search for solutions in previously unexplored sectors and regions. These cooperations will be eventually transferred into strategic partnerships and acquisitions which will boost the cross-border M&A market.

Private equity firms began to dissolve the first fragments of hoarded unallocated capital reserves as with the stabilisation of economic conditions their risk diminishes and appetite amplifies. In doing so they propel renewed rise of M&A activities.

Despite the promising forecast, valuation pragmatism amid uncertainties should lie at the forefront of any M&A rationale, as M&A is inherently a long-term strategy. Investors need to carefully define their expectations, and recognise opportunities and risk of transactions grounded in realistic estimates while pursuing of genuine and sustainable value. The path forward involves a nuanced approach to assessing valuation metrics, aligning with the ever evolving economic landscape.

In summary, the future of M&A necessitates an intricate comprehension of changing market trends. It encourages investors to utilise their expertise in blending realism in valuations, strategical deployment of capital, and vigilance for emerging deal types. As the economy changes, those who adapt will be well-placed to manage the complex M&A landscape, uncovering distinct opportunities for growth and value creation.

ABOUT M&A INDEX

Deloitte M&A index is a forward-looking indicator that forecasts future M&A deal volumes – the number of announced transactions over the observed period – and identifies the key factors influencing the dealmaking conditions on the European Market (characterised as 27 countries of the EU + the United Kingdom).

Compiling data from various global databases, including Capital IQ, Mergermarket, Pitchbook, Eurostat, and many more, the model utilises a combination of statistical and algorithmic tools to provide a comprehensive review of the M&A market activity. The Index is created from a composite of market indicators – specifically pertaining to macroeconomic reality, liquidity, and general market dynamics. These variables are then tested for statistical and economic significance to M&A market volumes. The result is a dynamic, evolving, and up-to-date model allowing Deloitte professionals to accurately access and analyse factors influencing M&A market activity, as well as predict – with a high degree of certainty – the market activity in subsequent periods.

CONTACTS

Miroslav Linhart
Partner in Charge | Financial Advisory
Deloitte Advisory s.r.o.
mlinhart@deloittece.com

Jan Vomacka
Partner | Transaction Services
Deloitte Advisory s.r.o.
jvomacka@deloittece.com

Roman Lux
Partner | Financial Advisory
Deloitte Advisory s.r.o.
rlux@deloittece.com