# M&A Index Poland

## M&A in 2Q 2025

Prepared by

**Navigator Capital** & **FORDATA**

Experts' comments to the 56th edition of the report can be found on the website: : **fordatagroup.com/blog**

July **2025**

## Total number of transactions*

87 (2Q 2025)

## The largest transaction**

EUR ~7 billion

(The acquisition of the control over Santander Bank Polska by Erste Group Bank AG)

* based on public data
** among transactions with disclosed prices

## About the report:

The M&A Index Poland report is a position that has become a permanent fixture in the calendar of the industry summaries in Poland. The reports are prepared quarterly by a consulting firm **Navigator Capital** and **FORDATA**, a leader in the field of IT solutions which support M&A transactions.

These reports are created to monitor the dynamics of Polish M&A market and to demonstrate the most interesting transactions. We also monitor the frequency of use of the Virtual Data Room during M&A processes in Poland.

## 01 . Introduction

In the second quarter of 2025, we witnessed 87 transactions on the Polish mergers and acquisitions market.This represents a 10% increase compared to the last quarter and a rise of 6% over the same period in 2024. The largest transaction was Erste Group Bank agreement to acquire 49% stake in Santander Bank Polska and 50% in Santander TFI for EUR 7 billion combined.

## 02 . Selected transactions

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Santander Bank Polska | Erste Group Bank | Banco Santander | 7000M |

Erste Group Bank AG has acquired a 49% stake in Santander Bank Polska and a 50% stake in Santander TFI for EUR 7 billion (at approximately EUR 137.5 per share; PLN 584), effectively taking control of the third-largest bank in Poland. Santander Bank Polska serves over 5.4 million customers, with a loan portfolio of approximately EUR 37 billion and deposits of around EUR 50 billion. Erste, an Austrian universal bank listed in Vienna, Prague and Bucharest, serves more than 16 million clients across Central and Eastern Europe.

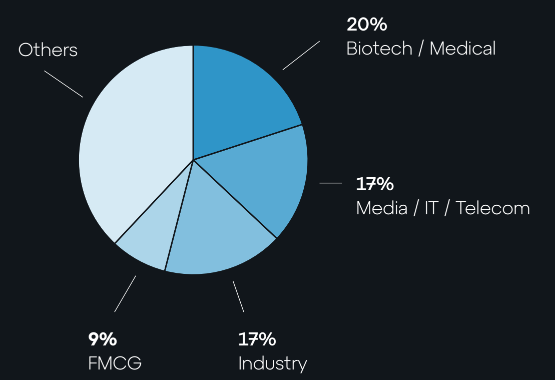
Thanks to the transaction structure, Erste has gained the right to appoint the majority of the Supervisory Board and to fully consolidate the results despite holding less than 50% of the shares. Furthermore, a strategic cooperation agreement in corporate banking and payments with the Santander Group will allow it to roll out new products and digital channels immediately.

The deal was financed entirely from Erste's own resources (forgoing a EUR 700 million buyback and temporarily capping the dividend at 10% of profit), which will raise the Common Equity Tier 1 (CET1) ratio above 14.25% and boost earnings per share by more than 20% by 2026. Completion, scheduled by the end of 2025, is subject to approval by Poland's Financial Supervision Authority (KNF) and the European Commission.

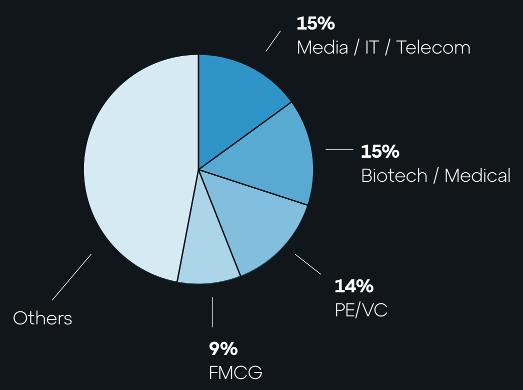
## By sector

Transactions with the participation of Polish companies grouped by sectors (by number of transactions)

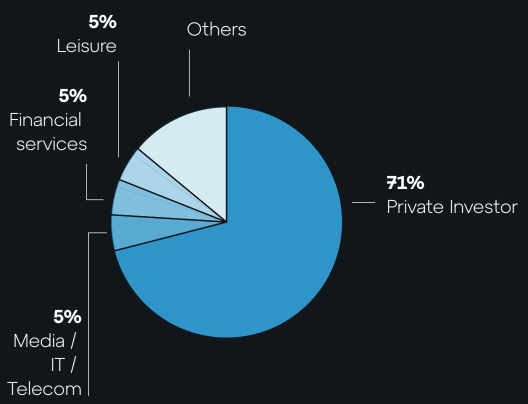
### TARGET (%)




### BIDDER (%)




### SELLER (%)




| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Retail Banking segment of Citi Handlowy | VeloBank | Citibank | ~235-260M |

VeloBank has signed a conditional agreement to acquire the retail banking business of Citi Handlowy, including wealth management, brokerage services, micro-enterprise banking, credit cards, consumer loans, retail lending, and its branch network. The transaction's value to Citi Handlowy shareholders is estimated at up to EUR 260 million. This amount comprises a cash payment of EUR 125 million from VeloBank (EUR 102 million base price plus up to EUR 23 million in earn-outs) and approximately EUR 134 million of released capital and profits generated up to closing. Completion is planned for mid-2026 and will be subject to regulatory approvals and full operational readiness.

Citi Handlowy, one of Poland's oldest financial institutions, is refocusing on corporate and institutional banking. The retail portfolio being transferred to VeloBank includes roughly EUR 1.4 billion in loans, EUR 5.2 billion in deposits, EUR 2.1 billion in assets under management, and a team of about 1,650 employees.

VeloBank, controlled by U.S. private-equity firm Cerberus Capital Management (80.2%) alongside EBRD and IFC (9.9% each), ranks among Poland's ten largest banks. It is known for its digital innovations and a broad offering for individuals, businesses, and public institutions. The deal is intended to accelerate VeloBank's growth, broaden its product range, and increase its share of the retail market, including private banking. The combined expertise of both institutions is expected to deliver high service quality and reinforce VeloBank's position as an innovative player in Polish banking. For Citi, the transaction aligns with its strategic focus on corporate banking; for VeloBank, with its expansion in the retail sector.

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Yodel | InPost | Private Investor | ~160M |

InPost has acquired 95.5% of shares in Judge Logistics Ltd (Yodel) by converting a EUR 123 million loan into equity, thus becoming the third-largest independent courier operator in the UK. Yodel, which employs around 10,000 people, handled 191 million shipments in 2023 (volume +3% year-on-year; revenues +3.4% year-on-year). After the acquisition, InPost UK expects to process over 300 million parcels annually, expand partnerships with more than 700 e-retailers, and reach an 8% market share, with revenues rising 164% y/y to EUR 287 million in 2024.

In 2024, the InPost Group reported revenues of EUR 2.56 billion, with its UK segment's revenues up 164% y/y to EUR 287 million. Thanks to synergies in logistics, IT and customer service, the transaction is expected to be EBITDA-accretive within 12 months.

By combining its network of 10,000 parcel lockers (over 18,000 OOH points) with Yodel's door-to-door service, InPost will achieve full "locker-to-door" integration under a single brand, drive EBITDA accretion within a year, and rapidly scale its operations. This marks the next phase of InPost's Western European expansion—following its October acquisition of Menzies Distribution—and underscores Rafał Brzoska's strategy to build a pan-European e-commerce delivery network. Completion, anticipated in Q2 2025, is subject to approval by the UK competition authority.

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Purcari Wineries | Maspex | Shareholders | ~170M |

Maspex Romania SRL, a subsidiary of the Polish Maspex Group, is awaiting approval from the ASL, the Romanian equivalent of the UOKiK, for its takeover of the Moldovan winery network Purcari Wineries, listed on the Bucharest Stock Exchange. Maspex is seeking to gain control of the company and has made a tender offer for up to 98% of the shares at EUR 4.15 per share, implying a market capitalization for Purcari of EUR 170 million.

Purcari Wineries is one of the leading producers of wine and brandy in the CEE region, operating six wineries across Moldova, Romania, and Bulgaria, covering more than 2,000 hectares in total. The Group oversees every stage of wine production, from grape cultivation to bottling and labeling, and generated EUR 74.7 million in revenue in 2024.

Maspex is a leader in the Polish food sector. This acquisition will strengthen Maspex's position as the largest Polish investor in Romania and is part of its ongoing strategy to expand in the alcoholic beverages segment. The 2021 purchase of CEDC International added brands such as Bols, Żubrówka, and Soplica to its portfolio, and the acquisition of the Czech company Becherovka (including its production facility) introduced the renowned herbal liqueur brand to Maspex's offerings.

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Poundland | Grodon Brothers | Pepco Group | 1,21 |

Gordon Brothers has taken over the British discount chain Poundland from Pepco Group for a nominal EUR 1.21, while simultaneously securing a GBP 80 million restructuring budget.

Poundland, which operates 825 stores across the UK and Ireland, offers a broad assortment, from groceries to clothing and power tools. The chain was acquired by Pepco Group in 2017. In 2019, Poundland began testing new pricing strategies and moved away from its fixed GBP 1 price model, which initially drove rapid network growth. However, from 2023 onward, as customer purchasing power declined, the new business model started to work against the chain, leading to a loss of loyal shoppers and triggering years of financial difficulties.

The new owner, Gordon Brothers, founded in 1903 and specializing in asset management. plans a deep restructuring that will include headcount reductions and store closures. For many quarters, Poundland had burdened Pepco Group's financial results and materially dragged down its profitability. Investors welcomed the disposal of this underperforming asset as a move to boost operational efficiency and refocus on core markets, sending Pepco's share price sharply higher.

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Gubor Schokoladen | Colian Holding | Private Investor | Undisclosed |

In April 2025, Colian Holding and Gubor Schokoladen joined forces, with Colian taking on a key role in Gubor Schokoladen, strengthening its position in the confectionery industry. Gubor, headquartered in Dettingen unter Teck, operates six production facilities—five in Germany and one in Poland. The company employs 1,702 people and exports chocolate products (including hollow figures, rice crisp treats, dragées, and gummies) to around 50 countries. Products are marketed under the Gubor, Riegelein, and Eichetti brands. In the 2023/24 fiscal year, the company generated revenues of EUR 312 million.

Colian, based in Opatówek, operates six factories—five in Poland and one in Ireland. The company employs over 2,500 people and manages well-known brands such as Goplana, Jeżyki, Elizabeth Shaw, and Lily O'Brien's. In the first three quarters of 2023, the company reported revenues of EUR 320 million and a net profit of EUR 23.7 million.

The new operational structure encompasses 12 production facilities across three countries, approximately 4,200 employees, and an annual production capacity of around 85,000 tons of confectionery and 140 million liters of beverages. Leveraging synergies in production, logistics, procurement, and innovation, and guided by the shared values of both family-owned businesses, the merger will enhance operational efficiency, enable scalability, and broaden the product offering—strengthening the company's position in the global confectionery market.

As Jan Kolański, President of Colian Holding, emphasizes: "This is a breakthrough moment that will allow us to bring new products to market more quickly and better respond to consumer expectations across Europe."

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Plastiwell | Jet Investments | Private Investor | Undisclosed |

Jet Investments is acquiring a majority stake of approximately 65% in Plastiwell International and its three subsidiaries: Tarnwell, Polplast and TMR Plastics, through its Jet3 fund. The transaction value has not been disclosed.

Plastiwell, manufactures a broad range of plastic products, from injection molds for the automotive industry to plastic accessories for pets. The company generates annual revenues of EUR 99 million and employs over 1,000 people.

This marks Jet Investments' first foray into the plastics sector. The Czech private equity fund intends to pursue further acquisitions in this industry and consolidate the CEE market, aiming to capitalize on the growing importance of plastic goods.

| **Target** | **Bidder** | **Seller** | **Value [EUR]** |
|---|---|---|---|
| **Paralela 45** | Rainbow Tours | Private Investor | **8M** |

Rainbow Tours, Poland's leading tour operator, has signed a preliminary agreement to acquire a 70% stake in the Romanian company Paralela 45 Turism, the oldest and most recognizable travel brand in Romania. The transaction has been valued at approximately EUR 8 million, with the remaining 30% stake to be purchased gradually by 2031.

Rainbow Tours, listed on the stock exchange, has been operating in the tourism market for over 35 years, offering a wide range of foreign trips not only to Polish clients but also to clients from Central and Eastern Europe. In 2024 the company generated revenues of about EUR 0.94 billion and an EBITDA of EUR 88.4 million, serving nearly 690 000 clients, a 26% year-on-year increase. Paralela 45, one of Romania's oldest and best-known travel brands, serves over 100 000 customers annually, offering leisure and escorted tours and holding a strong position in the domestic tourism market. The company employs 220 people, operates 50 branches across Romania, and in 2023 achieved revenues of EUR 11 million and an EBITDA of EUR 2 million.

The acquisition aims to strengthen Rainbows position in the fast-growing Romanian market by expanding its customer base, product offering, and introducing new segments and innovative business solutions. The transaction aligns with Rainbow's long-term foreign expansion strategy, enhancing its competitiveness and ability to adapt to evolving customer expectations.

**Navigator Capital served as exclusive financial advisor to Rainbow Tours.**

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Eisberg sp. z o. o., Eisberg Hungary kft, Eisberg Srl | Green Factory | Eisberg Group | Undisclosed |

Green Factory sp. z o.o., headquartered in Załuski, has signed an agreement to acquire three subsidiaries of Eisberg Holding AG: Eisberg sp. z o.o. (Poland), Eisberg Hungary Kft, and Eisberg Srl (Romania). The transaction value has not been disclosed. The deal will be finalized upon receiving approvals from relevant antitrust authorities.

Green Factory, controlled by Artur Rytel, specializes in the production and distribution of vegetables (including chilled ready meals) as well as in the transport sector. In 2023, the company generated EUR 125 million in revenue and reported EBITDA of EUR 17 million.

The acquired Eisberg companies focus on fresh salads, herbs, and cut vegetables and fruits, serving both retail and wholesale clients. In 2024, Eisberg Poland reported revenue of EUR 30 million and EBITDA of EUR 0.5 million. Eisberg Hungary generated EUR 47 million in revenue and EUR 3.5 million EBITDA, while Eisberg Romania recorded EUR 23 million in revenue and EUR 1.7 million EBITDA.

The purpose of the transaction is to strengthen Green Factory's position in the European market by leveraging a modern production base, improving supply chain efficiency, and expanding its product offering. The planned integration also includes maintaining current employment levels and scaling operations further across the region.

| Target | Bidder | Seller | Value [EUR] |
| --- | --- | --- | --- |
| Polska Grupa Biogazowa | HitecVision | TotalEnergies | 190M |

TotalEnergies has agreed to sell a 50% stake in Polska Grupa Biogazowa (PGB) to Norwegian private equity fund HitecVision for EUR 190 million. Completion of the transaction is subject to regulatory approvals. The partnership aims to accelerate the development of PGB through greenfield projects, further mergers and acquisitions, and joint scaling of operations in the rapidly growing biogas and biomethane market in Poland.

PGB, fully acquired by TotalEnergies in 2023, is the leading player in Poland's biogas sector. The company operates 20 agricultural biogas plants with a total production capacity exceeding 450 GWh of biomethane equivalent and employs over 200 people. Two additional projects are currently under development, and the company is targeting biomethane production capacity of 2 TWh by 2030.

TotalEnergies has been operating in Poland since 1992, focusing on the development of its renewable energy portfolio. HitecVision is a private equity fund with 40 years of experience in the energy sector and approximately EUR 9 billion in assets under management. The joint investment aims to enhance the value of PGB as a key player in the energy transition in the region and support the decarbonization of Poland and the European Union.

## Navigator Capital

Navigator Capital along with Dom Maklerski Navigator (Navigator Brokerage House) is the leading independent financial adviser, specializing in mergers and acquisitions and public and private issues of stocks and bonds.

During 15 years of its market presence, Navigator Capital Group conducted over 100 transactions, of over PLN 15 billion total value.

Through cooperation with international network of advisory firms associated in the Pandion Partners, Navigator Capital effectively handles international transactions.

## Fordata

FORDATA is a pioneer on the Polish capital market. Based on Virtual Data Room technology, we support our clients in managing documents and communication during complex transactional processes.

We support the largest M&A, IPO transactions, private equity investments, restructurings, projects associated with obtaining financing and privatizations in Poland and other countries of Central and Eastern Europe.

FORDATA systems increased safety and efficiency of hundreds of different types of transactions with a total value of over PLN 35 billion

FORDATA services are used by the industry leaders in Poland and abroad, including largest advisory companies, banks, legal advisors or Private Equity/Venture Capital funds, ie. Enterprise Investors, Enea SA, Home.pl, Grupa LOTOS, Grant Thornton, NFI Empik, ZELMER, Bank DNB, BOŚ Bank, Polimex Mostostal, Budimex, DM PKO Banku Polskiego, Deloitte Advisory, EY, KPMG Advisory, JSW, HAITONG and many others.

### Business Partners

### Authorised Adviser

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Grupa Niewiadów | Polska Grupa Militarna | Private Investor | ~30M |

Polska Grupa Militarna (PGM) is acquiring 100% of the shares in Grupa Niewiadów (GN) in exchange for issuing registered PGM shares with a total value of EUR 24 million to GN's current owners.

Grupa Niewiadów, with roots dating back to 1920, employs approximately 95 people and generates annual revenues of around EUR 18 million. The company specializes in the production of military equipment, particularly ammunition, and has repeatedly collaborated with PGM, becoming a key partner.

Polska Grupa Militarna is a joint-stock company listed on the NewConnect market, specializing in civil-military solutions. Its portfolio includes, among other things, the production of weapons and ammunition, as well as unmanned technologies such as drones.

Both companies have secured joint funding of EUR 59 million from the Forum 119 FIZ fund for a joint venture investment aimed at constructing a state-of-the-art 155 mm ammunition assembly plant.

| Target | Bidder | Seller | Value [EUR] |
|---|---|---|---|
| Pupil Foods | Animex | Private Investor | Undisclosed |

On May 30, 2025, Animex Holding sp. z o.o. signed an agreement to acquire 100% of the shares in Pupil Foods sp. z o.o., a leading Polish producer of dog and cat food, exporting to 25 countries across four continents. Completion of the transaction is subject to approval by the Polish Office of Competition and Consumer Protection (UOKiK).

Pupil Foods offers a broad range of wet and dry pet food products. In 2023, the company generated revenues of approximately EUR 47 million and is targeting growth to around EUR 54 million in 2024.

Animex Group, Poland's largest meat producer and owner of the Morliny, Berlinki, and Krakus brands, is expanding its portfolio to include the pet food segment. Entering this new category will allow the company to leverage existing synergies in sales and distribution. Animex is part of WH Group Limited, a Hong Kong Stock Exchange-listed corporation with annual revenues of approximately EUR 22 billion.

Through integration with Animex's extensive sales network, Pupil Foods will gain access to over 5,000 retail outlets in Poland and abroad, which is expected to accelerate revenue growth in the pet food segment and improve margins through economies of scale.

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## 03 . Experts' comments

**The second quarter of 2025 saw a strong performance in the Polish M&A market. The total number of transactions amounted to 87, representing a moderate increase both quarter-on-quarter (vs. 79 transactions in 1Q2025) and year-on-year (82 transactions in 2Q2024). Despite the unfavorable environment - persistently high financing costs at the beginning of the quarter and the economic slowdown in Western Europe - investor activity remained noticeable.**

The market was influenced by the first signs in a long time of monetary easing (the National Bank of Poland lowered its reference rate to 5.25% in May), gradually declining inflation and Poland's stable GDP growth against the backdrop of stagnation in the eurozone. Against this backdrop, clear differences between sectors became apparent: the medical sector recorded a transaction boom, TMT remained solid despite a slight decline, while the financial sector scored some significant deals despite a lower q/q number. The services sector, on the other hand, slowed noticeably. The propensity for consolidation deals persisted despite political uncertainty related to Poland's presidential election, which temporarily cooled investor sentiment in line with analysts' predictions.

### Medical sector on top

The medical sector proved to be a growth leader in 2Q2025. The number of deals in healthcare and pharma rose to 18 (from just 7 a quarter earlier and 12 a year ago). The dynamic consolidation of the medical services market was driven by both strategic and financial investors. One example is the acquisition of diagnostic laboratory chain Eurodiagnostic by market leader Diagnostyka - a continuation of the consolidation trend in the laboratory testing segment. Private equity funds were equally active. Enterprise Investors acquired Internus Medical Center (a clinic in Pulawy) and invested in pharmaceutical company Formeds, expanding its healthcare portfolio.

In the dental services market, Dentity Group continued its buy-and-build strategy with the acquisition of Ekstradent clinic as part of the construction of a nationwide network. The increased interest in the medical sector is due to its defensive nature and long-term structural factors: an aging population, growing demand for healthcare services and attractive opportunities to consolidate a fragmented market. The sector has become a hotspot for investors, which is part of a broader trend observed in the CEE region and confirms earlier predictions about the growing role of healthcare in M&A.

### TMT sector slows down

In the TMT sector, transaction activity remained high, although the number of deals fell slightly to 13 (from 14 in 1Q2025 and from 16 in 2Q2024). The technology sector remains at the forefront of investor interest, but some normalization is apparent after a period of very intense acquisitions in previous years. There continued to be a number of mid-sized

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acquisitions, especially involving foreign buyers interested in Polish IT know-how. The Finnish company Digia Plc acquired the software and consulting firm Savangard, and the American Solvd Inc acquired the Wroclaw-based software company Tooploox, confirming the continuing interest of foreign capital in the Polish software house market. In parallel, local consolidation is taking place: hosting company cyber_Folks expanded its scale through the acquisition of Hosterion, while iteo SA joined forces with Qarbon IT, consolidating the development services segment.

The dominant motives are the search for specialized competencies (e.g., cloud, AI, cyber security) and the digitization of the economy, which is driving demand for IT solutions. Despite a slightly lower number of deals, TMT still ranks among the most active M&A sectors. Moreover, the stabilization of technology company valuations and the expected gradual improvement in macro sentiment may lay the groundwork for a resurgence in tech deals in the second half of the year.

**Financial sector still stable**

The financial sector recorded 6 transactions in 2Q2025. This is less than in the previous quarter (9) but slightly more than a year earlier (5). Although the number of transactions fell, the sector delivered some of the most talked-about events of the quarter. A key highlight was the entry of Austria's Erste Group into Santander Bank Polska. The deal sold a 49% stake in one of Poland's largest banks for about €6.8 billion. This strategic investment, one of the largest cross-border transactions in Europe in recent years, underscores the attractiveness of the Polish market (high growth and profitability of banks in an environment of higher interest rates) even in a period of European stagnation.

In addition to banking, consolidation continues in the insurance and brokerage sectors. This is a continuation of the trend seen in previous quarters. The British PIB Group acquired the RCU Insurance brokerage network, and Polish multiagency leader Unilink finalized another acquisition abroad (Slovenia's Priori Zavarovanje), strengthening its position in the region.

Private equity funds remain relatively active: Innova Capital in 1Q2025 consolidated the direct insurance market (including acquiring a package of companies like Punkta and others), which prepared the ground for further acquisitions in this segment. The dominant theme in finance is scale and specialization. Companies are seeking to increase coverage and offerings in response to increasing regulatory requirements and margin pressures. Despite the decline in the number of transactions q/q, investor interest in the sector is not waning, and decisions by large players like Santander to redistribute capital show that Poland remains a key market in the strategies of regional giants.

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Financial markets expert

### Moderate optimism

To sum up, in Poland the first three months of 2025 brought moderate optimism. Experts point to the good condition of the market and the stabilization of economic indicators. The PMI index shows moderate growth, and analysts predict a further decline in inflation, which is conducive to improving investor sentiment. Although hopes for a significant reduction in interest rates by the National Bank of Poland may not be fully realized, the market is counting on smaller but still significant reductions, which will have a positive impact on the economic situation. In addition, the results of the NBP's macroeconomic survey indicate stabilization and a favorable climate for further development of the M&A market in Poland.

### Service sector stagnated

The service sector (other B2B and professional services) saw a marked slowdown in activity. There was only 1 transaction in this category in 2Q2025, compared to 8 in 1Q2025 and 9 in the same period last year. Such a significant decline suggests investor caution toward service companies amid economic uncertainty. In previous quarters, we saw a series of acquisitions in professional services (legal and HR consulting in 1Q2025) and outsourcing. It is possible that this demand was temporarily satisfied or investment decisions were postponed until a more favorable time. The only recorded transaction was the acquisition of the Thames British School chain of private English-language schools by an industry investor, indicating that niche opportunities can still attract capital. Overall, however, the low level of activity in services is likely due to a combination of factors: persistently high financing costs at the start of the quarter (which particularly hit service SMEs in financing deals), pre-election uncertainty, and a lack of large players consolidating this fragmented sector.

Many service companies have adopted a wait-and-see attitude, waiting for the macro environment to improve. It can be expected that with the stabilization of the economic and political situation, interest in services transactions may rebound, but 2Q2025 represented a clear low in activity in this industry.

### Outlook for 2H2025

In summary, the outlook for the second half of 2025 is cautiously positive: we expect continued high activity in medical and technology, further clean-up in the financial market, and a possible rebound in services, provided the macroeconomic environment improves. Investors remain selective, but have considerable resources and are waiting for a favorable moment. Hence, in the baseline scenario, 2H2025 may bring an acceleration in the pace of M&A, especially when the dust of political uncertainty settles, which has historically been a signal for a resumption of bolder strategic moves in the M&A market.

**Artur Wilk**

M&A Manager **Navigator Capital**

In Q2 2025, 87 transactions were recorded, representing a 6% increase compared to the same period last year. Nevertheless, this figure was 9 transactions lower than the record high for this period, which was set in Q2 2023.

This indicates that investors continue to adopt a cautious approach, driven by ongoing geopolitical uncertainty both within and beyond Europe. Particularly important are the effects of ongoing conflicts, which impact regional stability (the war in Ukraine) and energy commodity prices (the conflict in the Middle East). U.S. trade policy also plays a significant role, influencing transaction dynamics for companies with considerable exposure to the American market.

That said, the slight increase in deal volume may signal the early stages of renewed transaction activity in Poland and across Europe, especially in light of positive indicators such as the anticipated interest rate cuts and the expected easing of geopolitical tensions. Additional momentum for the M&A market may come from increasing investments in the defense industry and projects financed through the National Recovery Plan. However, the impact of these investments on deal flow will likely become visible in upcoming quarters.

The challenging situation in Europe's automotive sector may also lead to a higher number of restructuring transactions due to financial difficulties faced by many companies in the industry.

The most significant deal of the past quarter was the acquisition of a controlling stake in Santander Bank Polska and Santander TFI by Austria's Erste Group for EUR 7 billion. Another noteworthy transaction in the banking sector was VeloBank's acquisition of Citi Handlowy's retail division for approximately PLN 1.1 billion.

Both transactions are expected to significantly shape the future direction of Polish retail banking, particularly in terms of digital product offerings.

An encouraging highlight of the last quarter was the strong number of strategic foreign acquisitions carried out by leading Polish companies. Notable examples include: Maspex's acquisition of Romanian winery network Purcari, InPost's takeover of independent British courier network Yodel, Rainbow Tours' acquisition of Romanian travel brand Paralela 45, and the merger between Colian and Germany's Gubor Schokoladen.

Such transactions reflect the ambitious strategies adopted by Polish businesses, which are increasingly looking beyond the domestic market for opportunities to scale and build strong regional positions.

We anticipate that the coming quarters will not bring any major shifts, and that the Polish M&A market will gradually return to the performance levels seen in 2023.