



Italian M&A Market Analysis 2025 & 2026 Outlook

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Methodological Notes

This document aims to examine the key trends in the M&A market involving companies headquartered in Italy—both as targets and as acquirers—in 2025.

The analysis is based on data available on Mergermarket, excluding certain transactions, such as debt portfolio disposals and other specific transactions.

The analysis focuses on transactions **announced** in 2025, which were not necessarily completed in the same year, and does not claim to be complete or exhaustive.

At a glance...

Italian M&A Market Analysis 2025
& 2026 Outlook



M&A 2025: Record deal volumes driven by the mid-market; aggregate deal values up sharply vs. 2024



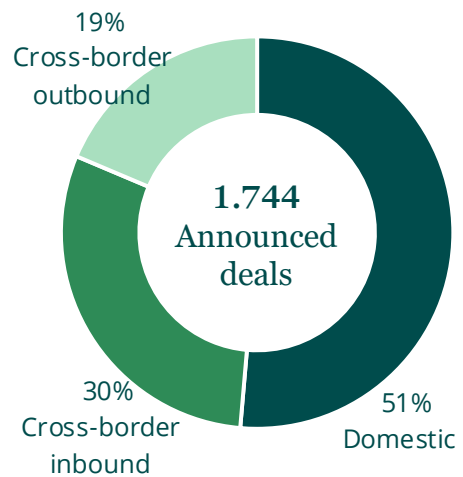
1,700+ announced deals with an aggregate value of **€109bn**

2025 is shaping up to be a **year of exceptional momentum** for the Italian M&A market. A total of **1,744 deals** have been announced (+7% vs. 2024), with an aggregate value of over **€109bn** (+19%), of which **€60bn relates to deals completed** as of January 2025.

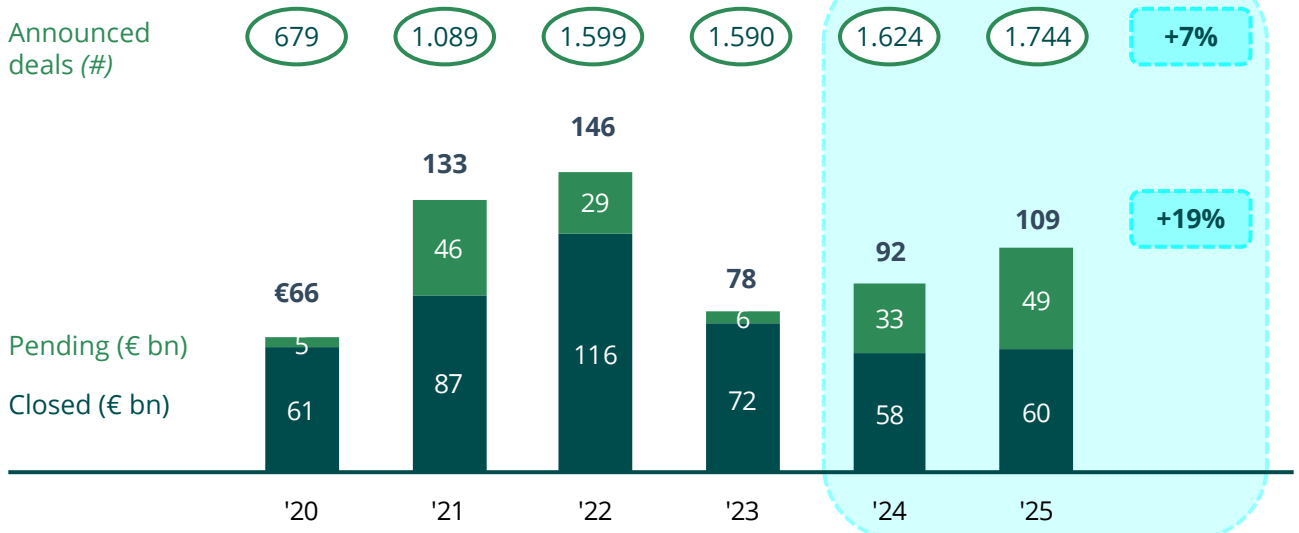
These 1,744 transactions are **predominantly domestic** (51%), followed by cross-border inbound (i.e., foreign companies acquiring Italian companies, 30%), and cross-border outbound (19%).

Deal activity **has risen sharply in the small** (EV < €50m) **and mid-cap** (EV €50m–€500m) segments, with 1,552 and 151 announced deals, respectively, up +6% and +17% vs. 2024.

Announced deals by acquirer/target (# deals)



Number of M&A deals involving Italian companies (as either target or bidder) and aggregate deal value



Domestic deals Italy-to-Italy

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Italian M&A Market Analysis 2025
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Domestic: stable volumes but rising deal value; Northern Italy remains the key driver of the market



896 announced deals
 (+51% y/y) for over €40bn
 (+17% y/y)

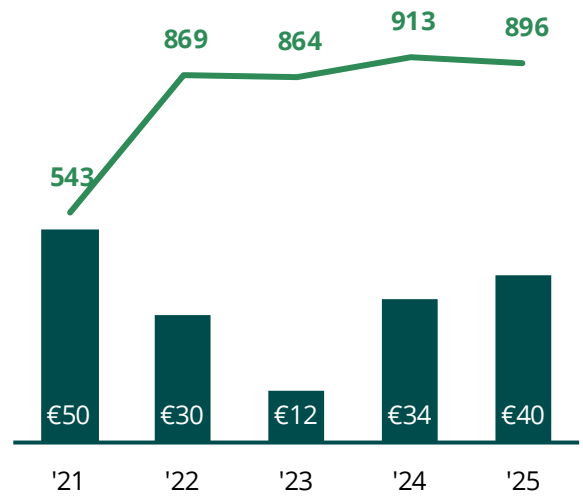
Announced domestic M&A deals in 2024 totalled **896** (c. 51% of the overall market), slightly down (-2%) vs. the prior year, with an **aggregate value of €40bn**, up +17% vs. the prior year (36% of total announced value).

Corporate investors increased their activity share by 8% and accounted for 79% of deals, with an aggregate value of €21bn.

In line with previous years, Central and Northern Italian regions **accounted for over 70%** of announced deals.

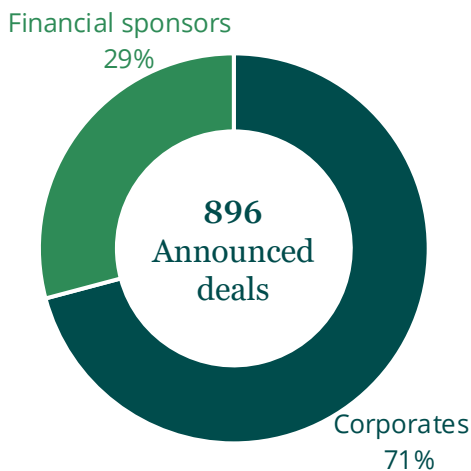
Number and aggregate value of Domestic M&A deals

(# deals, € bn)



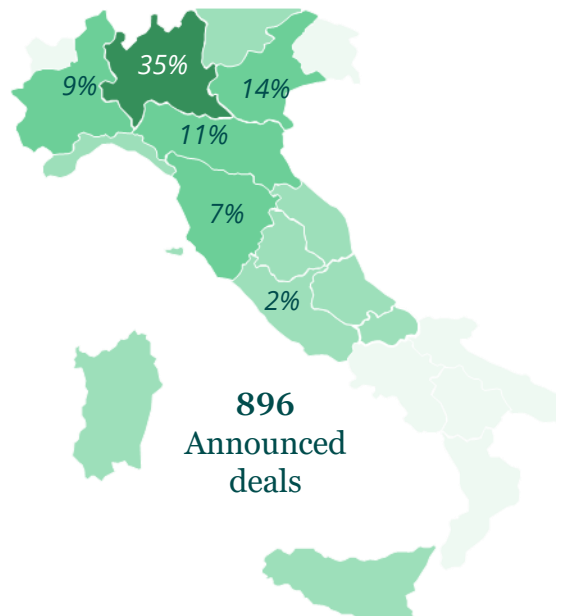
Announced M&A deals by investor type

(# deals)



Announced M&A deals by target region

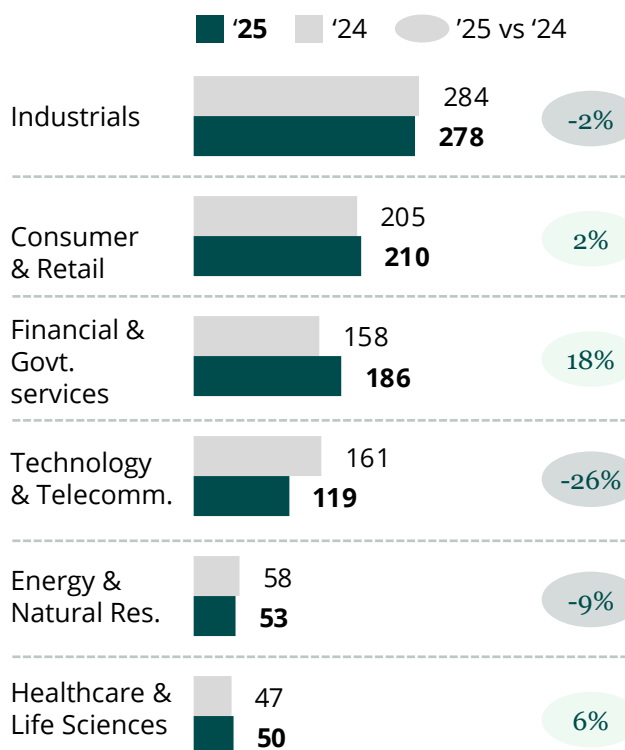
(# deals)



Sector dynamics: Industrials and Consumer lead volumes, while Financial Services leads deal value



Number of domestic M&A deals by target sector (# deals)

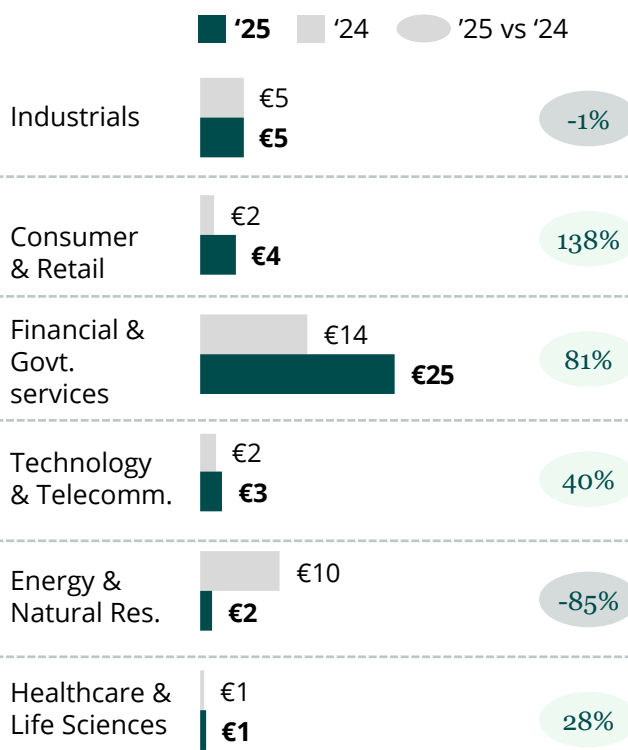


Industrials recorded 278 deals in 2025, slightly down vs. 2024.

Consumer & Retail and Financial & Govt. Services posted growth rates of +2% and +18%, respectively.

The Technology sector shows a clear contraction, with the number of announced deals down -26%.

Aggregate value of domestic M&A deals by target sector (€ bn)



In 2025, Financial Services regained the top position as the leading sector by aggregate deal value (€25bn), up +81% vs. 2024, driven by continued consolidation in the Italian banking sector.

Consumer & Retail also increased sharply (+138%), with over €4bn of announced deal value, supported by large transactions such as the sale of Versace and Carrefour Italia.

Top-10 Deals: Banking consolidation and strategic divestments take centre stage



Italian banking consolidation and the IVECO divestment are the most significant Italy-to-Italy transactions

Throughout 2025, domestic M&A activity has been particularly strong in the banking sector, with an aggregate deal value of €25bn. Of this total, €20bn is attributable to the acquisition of Mediobanca by MPS and BPER Banca's acquisition

of Banca Popolare di Sondrio. Other noteworthy transactions include the sale of IVECO's defence business to Leonardo, as well as the acquisitions of Versace and Carrefour Italia in the Consumer & Retail sector.

Top-10 announced domestic M&A deals in 2025 by deal value

#	Ann. date	Status	Target		Target sector	Bidder		Deal value (€ mn)
1	gen-25	Closed	Mediobanca		Financial & Government Services	Banca MPS		14.326
2	feb-25	Closed	BP Sondrio		Financial & Government Services	BPER Banca		4.618
3	lug-25	Pending	IVECO Group (Defense)		Industrials	Leonardo SpA		1.700
4	nov-25	Pending	BP Sondrio (81.34%)		Financial & Government Services	BPER Banca		1.262
5	apr-25	Closed	Versace		Consumer & Retail	Prada		1.250
6	mag-25	Pending	TNB		Financial & Government Services	FSI SGR		1.210
7	lug-25	Pending	Carrefour Italia		Consumer & Retail	NewPrinces		1.000
8	mag-25	Closed	SICIT Group		Industrials	TPG, LG1, NB Renaissance		1.000
9	ago-25	Pending	Tinexta		Financial & Government Services	Advent International		855
10	mar-25	Closed	TIM (15%)		Technology & Telecommunications	Poste Italiane		684
Totale top-10								27.905
<i>Share of total announced domestic value</i>								70%

Cross-border inbound

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Cross-border inbound M&A: 523 announced deals with over €45bn of aggregate value

Inbound deal activity is increasing; corporate acquirers are gaining share

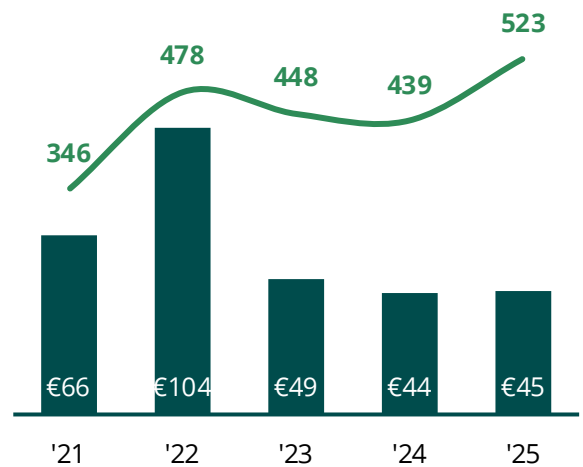
2025 marks a record year for acquisitions of Italian companies by foreign buyers: 523 announced deals (+19% vs. 2024), with an aggregate value of €45bn, broadly stable vs. the prior year.

By buyer type, c. 75% of announced deals involve corporate/strategic acquirers, a marked increase from 67% in 2024.

In value terms, foreign corporate buyers account for 63% of aggregate deal value, implying a lower average ticket size compared with financial investors.

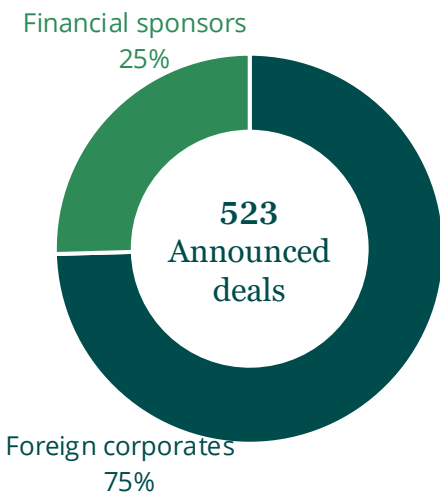
Number and aggregate value of cross-border inbound M&A deals

(# deals, € bn)



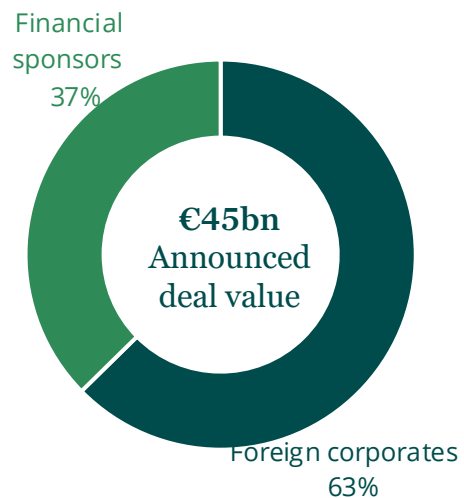
Announced M&A deals by investor type

(# deals)



Announced M&A deals by investor type

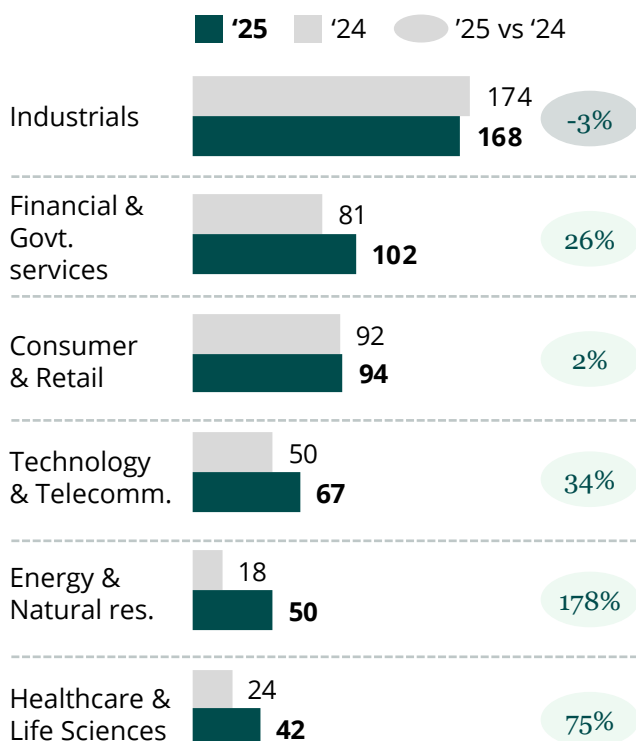
(€ bn)



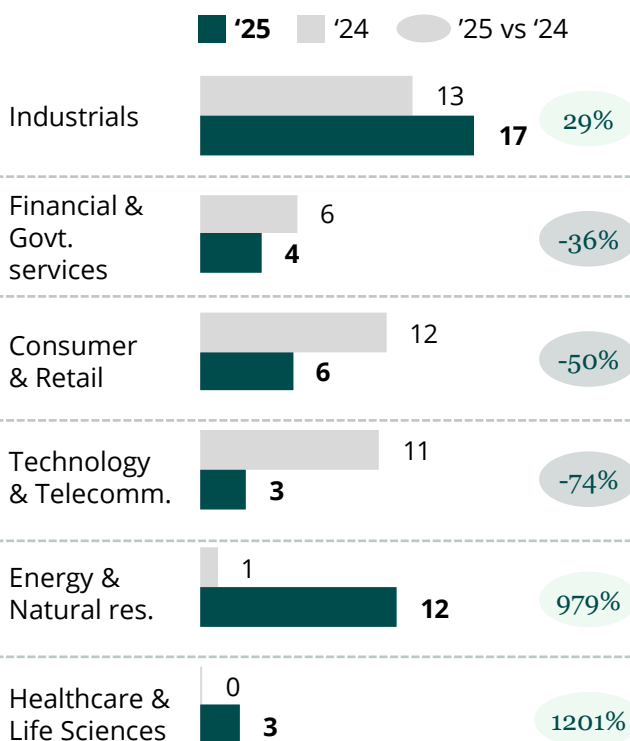
Industrials leads by deal count and value; Energy stands out on value driven by *large-cap deals*



Number of cross-border inbound M&A deals by target sector
(# deals)



Aggregate value of cross-border inbound M&A deals by target sector
(€ bn)



Industrials remains the primary area of focus for foreign investors, recording the highest number of deals. Energy & Natural Resources shows the strongest increase, up +178% vs. 2024, followed by Healthcare & Life Sciences, up +75%. Technology & Telecommunications (+34%) and Financial Services (+26%) also post moderate growth. Consumer & Retail remains broadly stable, with a +2% increase in deal count.

Industrials ranks first by aggregate deal value, also up +29%. Energy ranks second, up +979% vs. 2024, with total value boosted by a number of large-cap deals (discussed in more detail below). Financial Services (-36%), Consumer & Retail (-50%) and Technology & Telecommunications (-74%) decline vs. the prior year.

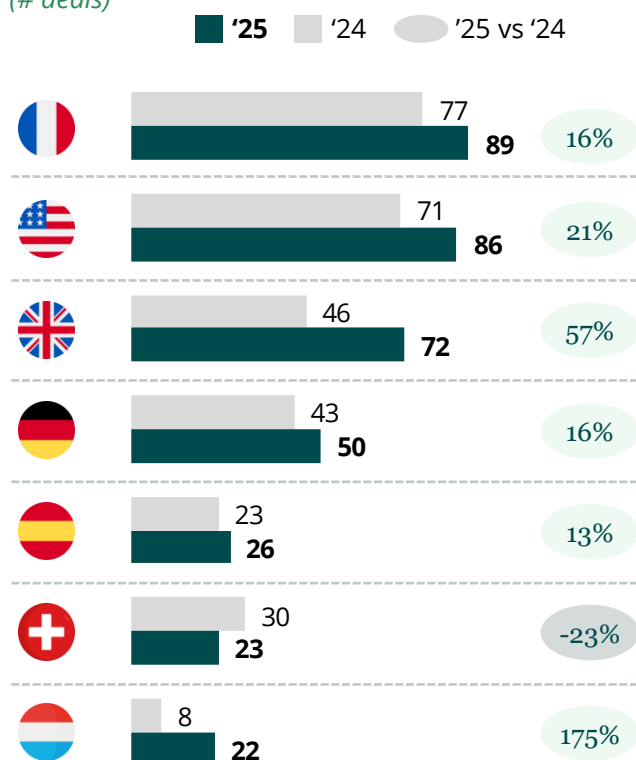
France and the US remain the leading bidder countries; growing interest from Asian buyers



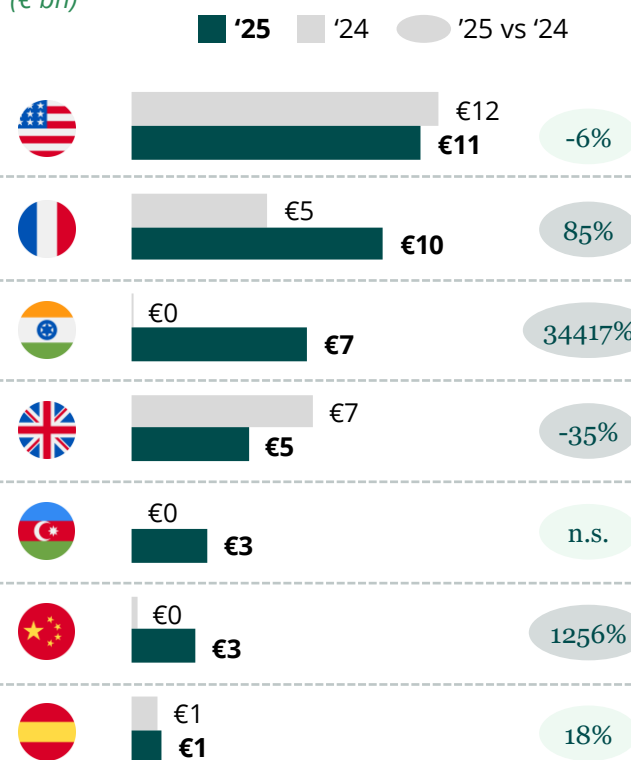
In 2025, France confirms its position as the leading country by number of transactions in Italy, with 89 announced deals (+16%), reflecting the long-standing interest in Italian industrial assets. U.S. investor activity remains significant, with 86 announced deals in Italy in 2025 (+21%). A material increase is also observed for transactions involving bidders from the UK, Germany and Spain, up +57%, +16% and +13%, respectively.

By aggregate deal value, U.S. investors rank first (€11bn), despite a -6% decline vs. 2024. The aggregate value of deals involving French investors increased sharply (+85%), in line with the higher number of announced transactions. India (€7bn), China (€3bn; +1,256%) and Azerbaijan (€3bn) enter the top 7, primarily attracted by the Energy and Industrials sectors.

Number of cross-border inbound deals by bidder country (# deals)



Aggregate value of cross-border inbound deals by bidder country (€ bn)



Energy and Industrials dominate the Foreign-to-Italy top 10; renewed Private Equity interest in large-cap deals



IVECO, the EPH/Total JV, Italia Petroli and Golden Goose: a vibrant year for Italian large-cap transactions

2025 was a particularly active year for the Energy sector, with four large deals in the top 10 for an aggregate value of €12bn. Key transactions include EPH's asset contribution to the JV with Total (€5bn) and the sale of Italia Petroli to the State of Azerbaijan (€3bn).

Private Equity also remained a key driver, with

contributions from leading players such as Ardian, Ares Management, Sixth Street and Lone Star Global.

Other notable transactions include the sale of IVECO's Truck division to Tata Motors and Permira's exit from Golden Goose.

Top-10 announced cross-border inbound M&A deals in 2025 by deal value

#	Ann. date	Status	Target	Target sector	Bidder	Deal value (€ mn)
1	lug-25	Pending	Iveco Group (100%)	Industrials	Tata Motors	6.959
2	nov-25	Pending	EPH Energy	Energy & Natural Resources	TotalEnergies	5.364
3	set-25	Pending	Italiana Petroli	Energy & Natural Resources	State Oil (Azerbaijan)	3.000
4	dic-25	Pending	Golden Goose	Consumer & Retail	Temasek / HongShan / True Light	2.500
5	ott-25	Pending	Milione SpA	Industrials	Ardian / Finint	2.000
6	mag-25	Closed	Eni Plenitude	Energy & Natural Resources	Ares Management	2.000
7	ago-25	Closed	Sorgenia	Energy & Natural Resources	Sixth Street Partners	1.386
8	set-25	Pending	Marcolin Spa	Healthcare & Life Science	Vision Service Plan	1.000
9	feb-25	Pending	Radici Partecipazioni (Chem.)	Industrials	Lone Star Global	1.000
10	mag-25	Pending	Optima Spa	Consumer & Retail	Abu Dhabi Investment Auth.	900
Totale top-10						26.110
Share of total announced cross-border inbound value						58%

Cross-border outbound

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Record year for Italian companies abroad: 325 announced deals with €24bn of aggregate value



2025 up in both deal count (+19% y/y) and aggregate value (+74% y/y)

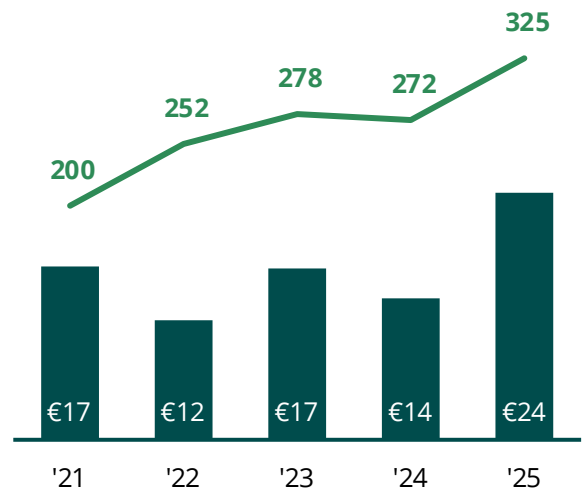
Outbound M&A activity has been steadily increasing since 2021, reaching 325 announced deals in 2025. Aggregate deal value rose sharply to €24bn (+74% vs. 2024).

M&A activity is primarily driven by corporate/strategic buyers, which are involved in over 90% of transactions; direct investments by Italian financial investors in overseas markets remain more limited.

In 2025, 92% of aggregate deal value is attributable to acquisition offers by corporate buyers.

Number and aggregate value of cross-border outbound M&A deals

(# deals, € bn)



Announced M&A deals by investor type (# deals)



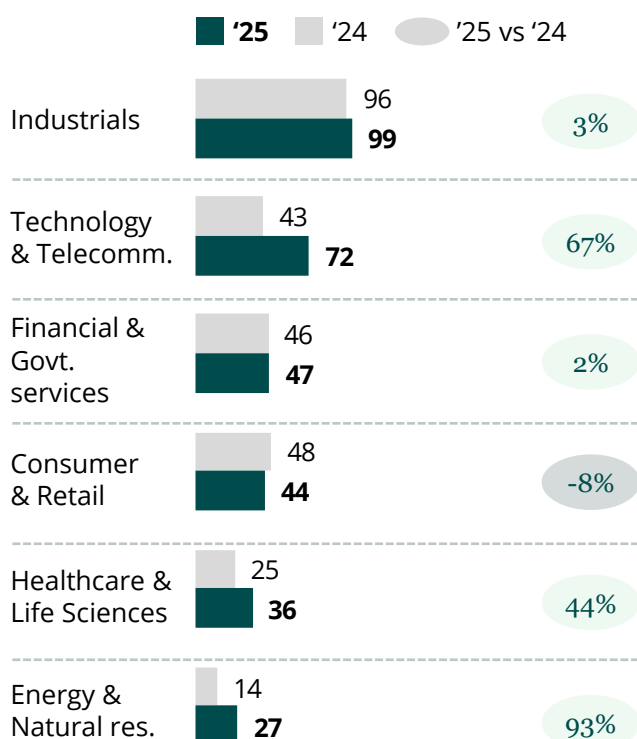
Announced M&A deals by investor type (€ bn)



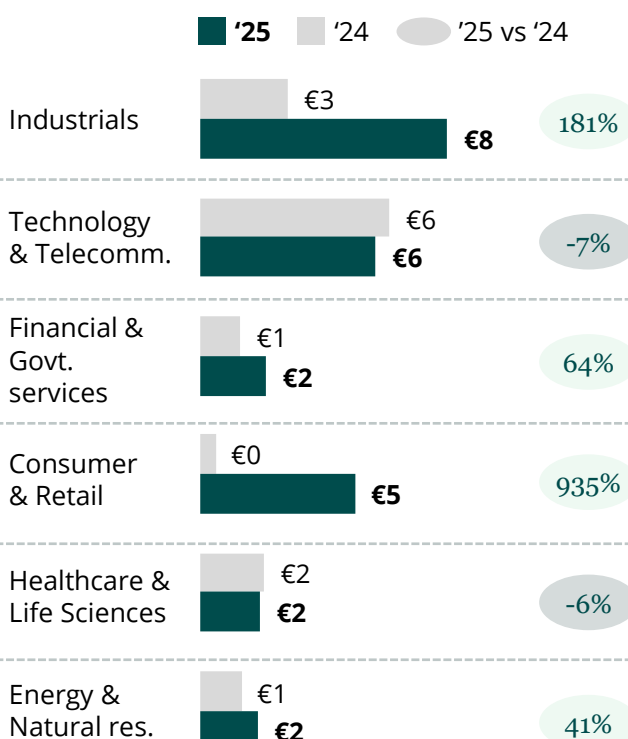
Industrials and Technology are the key outbound sectors; Consumer & Retail follows in terms of deal value



Number of cross-border outbound M&A deals by target sector (# deals)



Aggregate value of cross-border outbound M&A deals by target sector (€ bn)



Industrials remains the main area of focus, with 99 announced deals.

Technology & Telecommunications recorded 72 announced deals, up significantly vs. 2024 (+67%), followed by Healthcare & Life Sciences (+44%).

Energy & Natural Resources shows the strongest growth in deal count, with 27 announced deals (+93% vs. 2024).

By aggregate deal value, Consumer & Retail posts the sharpest increase (+935% vs. 2024), despite a lower number of transactions in 2025 (-8%).

Industrials remains at the top of the ranking with €8bn of announced deal value, up +181% vs. the prior year.

The U.S., Spain and the UK lead as target countries; the U.S. dominates by deal value

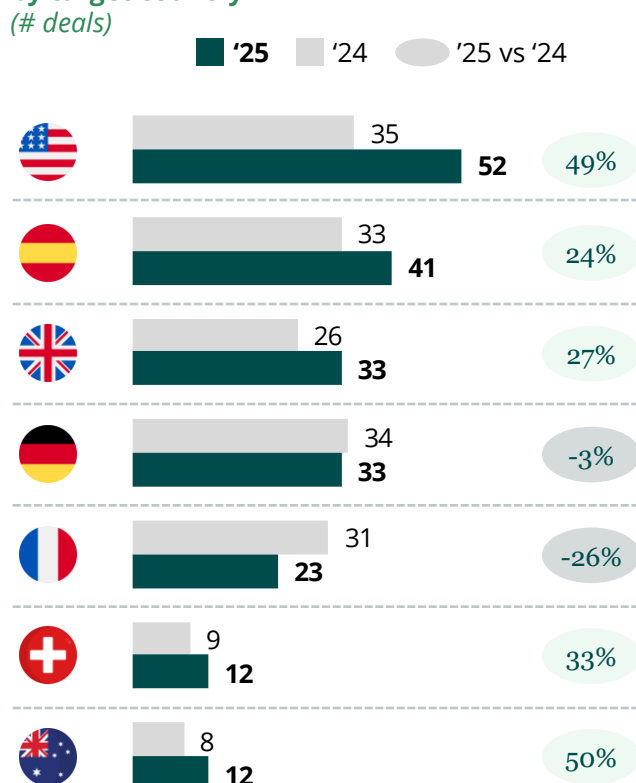


The U.S. remains the top destination by deal count and records a +19% increase in transacted value

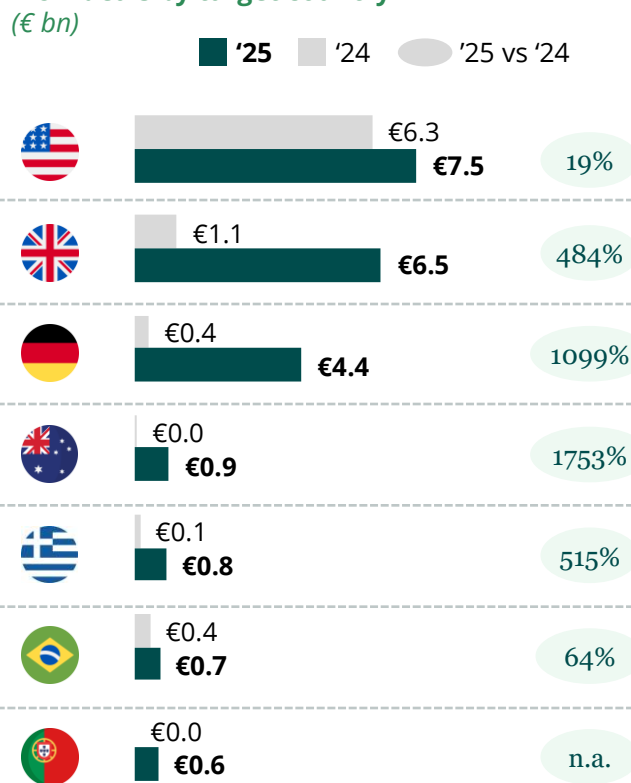
Italian investors' interest in U.S. targets is increasing, with the number of transactions up +49% vs. 2024. Deal activity towards Spain and the UK also rises, up +24% and +27%, respectively. Germany (33 deals) and France (23 deals) are slightly down this year, with decreases of -3% and -26%, respectively.

In line with the higher deal count in the U.S., aggregate deal value increased materially to €7.5bn, up +19% vs. 2024. The UK is attracting growing interest from Italian investors, with aggregate deal value up +484% to c. €6.5bn of transacted value.

Number of cross-border outbound M&A deals by target country (# deals)



Aggregate value of cross-border outbound M&A deals by target country (€ bn)



Technology & Telecommunications tops the ranking: unicorn Bending Spoons leads the year



In 2025, outbound M&A activity by Italian groups shows a high concentration in terms of deal value, with the top 10 transactions accounting for c. 67% of total announced value for the year. This confirms a pattern observed in recent years: a limited number of large transactions drive cross-border activity, alongside a higher number of mid- and small-sized deals.

Technology & Telecommunications and Consumer & Retail are the most active sectors, supported by strategic transactions in Industrials, Energy and Financial Services, highlighting a selective approach focused on strengthening international presence.

Top 10 announced cross-border outbound M&A deals in 2025 by deal value

#	Ann. date	Status	Target		Target sector	Bidder		Deal value (€ mn)
1	feb-25	Pending	Subsea 7		Industrials	Saipem		6.054
2	mar-25	Closed	ProSiebenSat1		Consumer & Retail	Mediaset		3.172
3	ott-25	Closed	AOL		Technology & Telecommunications	Bending Spoons		1.294
4	set-25	Closed	Vimeo		Technology & Telecommunications	Bending Spoons		1.148
5	mar-25	Closed	Channel Commercial Corp		Technology & Telecommunications	Prysmian		1.065
6	dic-25	Closed	Official Feature		Consumer & Retail	Franco Derin		1.000
7	mag-25	Pending	Alpha Services (9.7%)		Financial & Government Services	UniCredit		637
8	feb-25	Closed	Power Station		Energy & Natural Resources	Enel / INPEX		604
9	nov-25	Pending	Oferta Genuina		Consumer & Retail	Nexture		600
10	mag-25	Closed	GRIN Therapeutics		Healthcare & Life Science	Angelini Pharma		502
Totale top-10								16.076
<i>Share of total announced cross-border outbound value</i>								<i>67%</i>

Focus on the Italian
mid-market

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Italian M&A Market Analysis 2025
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Mid-market M&A: deal count and value up in 2025



Breakdown of announced M&A deal count by deal value bracket

(# deals)

	'24				'25			
	Domestic	Cross-border inbound	Cross-border outbound	Total	Domestic	Cross-border inbound	Cross-border outbound	Total
<50	851	363	244	1.458	837	440	275	1.552
Middle market	51	55	23	129	47	64	40	151
50-100	22	16	6	44	15	17	11	43
100-150	12	11	6	29	11	14	11	36
150-300	10	17	5	32	13	25	12	50
300-500	7	11	6	24	8	8	6	22
>500	11	21	6	38	12	19	10	41
Total	913	439	273	1.625	896	523	325	1.744

Breakdown of announced M&A deal value by deal value bracket

(€ bn)

€ bn	'24				'25			
	Domestic	Cross-border inbound	Cross-border outbound	Total	Domestic	Cross-border inbound	Cross-border outbound	Total
<50	1	1	1	3	2	1	1	4
Middle market	8	11	5	23	9	12	7	27
50-100	2	1	0	3	1	1	1	3
100-150	1	1	1	4	1	2	1	4
150-300	2	3	1	7	3	6	3	11
300-500	3	4	2	9	3	3	2	9
>500	24	33	9	66	29	32	16	78
Total	34	44	14	92	40	45	24	109

In the small-cap segment, renewed interest from foreign buyers is observed (+77 deals, +21% y/y).

The increase in mid-market deal activity is primarily driven by the rise in acquisitions of foreign targets by Italian companies (+17 deals, +74% y/y).

This increase is particularly pronounced in the €150–300m bracket (+7 deals) and in the €50–150m bracket (+10 deals).

In 2025, Industrials and Financial Services drive mid-market deal activity and value

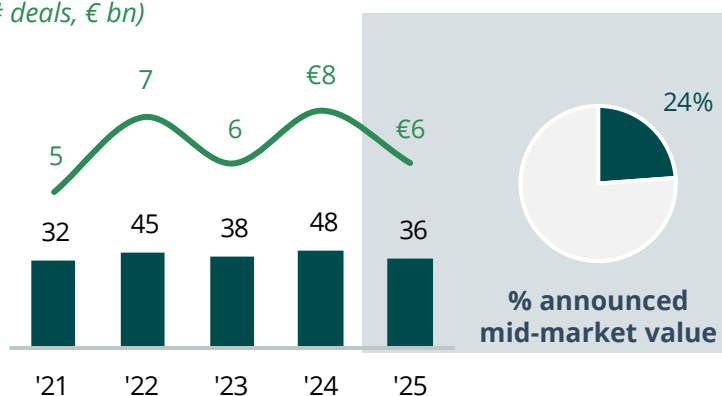


Industrials leads mid-market M&A...

...despite a **decline of 12 deals** and **€2bn** in aggregate **deal value**, it remains the #1 sector by both deal count and value.

Key 2025 transactions include Int. Holding's acquisition of **Isem Srl** (€500m) and the sale of **Antares Vision** to Crane NXT (€444m).

Industrials – Mid-Market M&A Focus
(# deals, € bn)

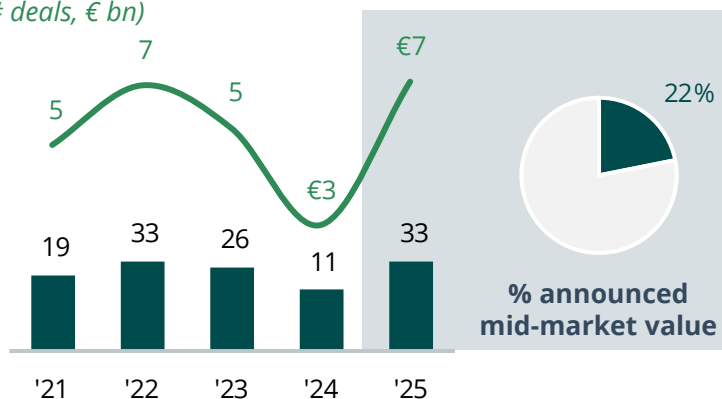


...followed by Financial Services & Govt.

which records an **increase of 22 deals** in 2025, adding **€4bn of deal value** (total **€7bn**).

Key transactions include the acquisition of **Cronos Vita** by a consortium of primary insurers (€500m) and **Banca IFIS'** acquisition of **illimity Bank** (€337m).

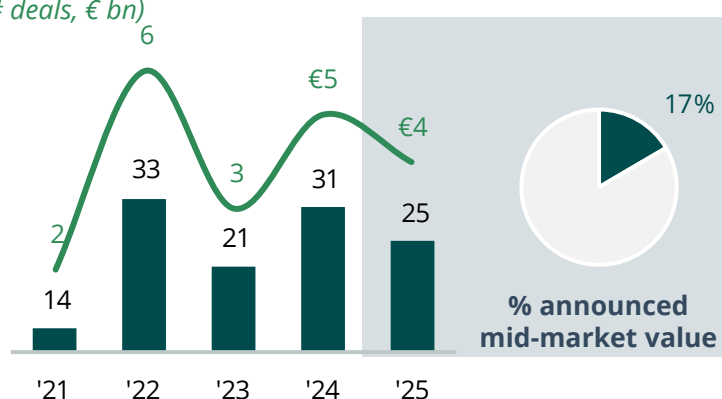
Financial & Govt. Services – Mid-Market M&A Focus
(# deals, € bn)



2025 was also a strong year for Consumer & Retail...

...reaching **€5bn** of aggregate deal value and **25 announced deals**. Key transactions include Harg Central's acquisition of 65% of La Rinascente (€254m) and the acquisition of Twinset by a pool of investors (€200m).

Tech & Telco – Mid-Market M&A Focus
(# deals, € bn)



Tech & Telco, Energy & Nat. Resources and Healthcare & Life Sciences all up in both deal count and value

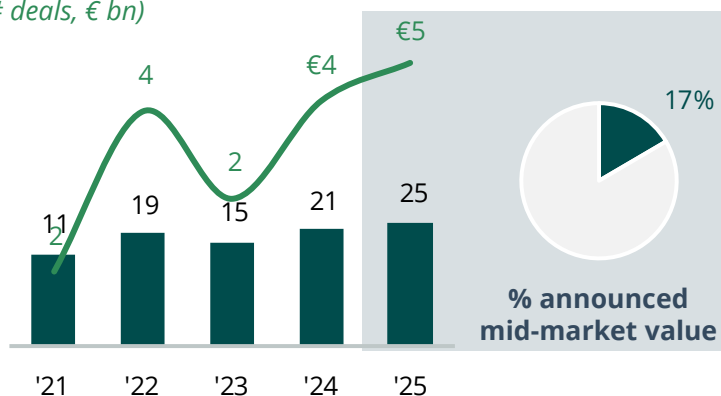


Tech & Telco records 25 announced deals with €5bn of aggregate value. Key transactions include Poste Italiane's acquisition of PagoPA (€500m) and Bending Spoons' acquisition of Eventribe (€470m).

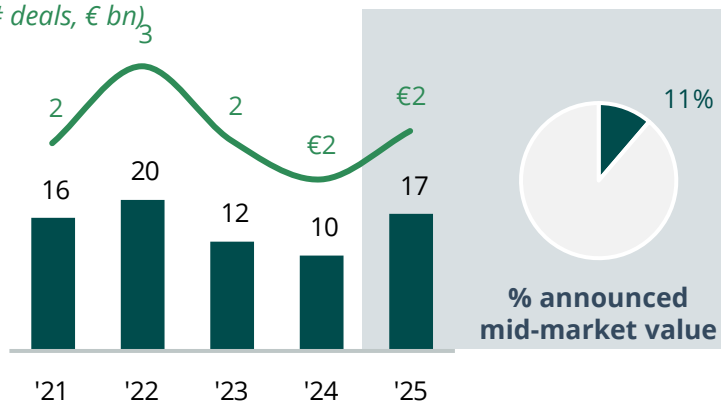
Energy, up +7 deals vs. 2024 with over €2bn of aggregate value, includes Ardian's acquisition of a 116MW Power Station portfolio (€300m), ENI's acquisition of 300MW of solar PV from EDP Renováveis, and the acquisition of a 40% stake in IREN Acqua by IREN SpA.

Healthcare & Life Sciences is also back in the spotlight, with +8 announced transactions worth over €2bn. Notable deals include Faes Farma's acquisition of SIFI SpA (€351m) and Gruppo San Donato's acquisition of a 28% stake in American Heart of Poland (€250m).

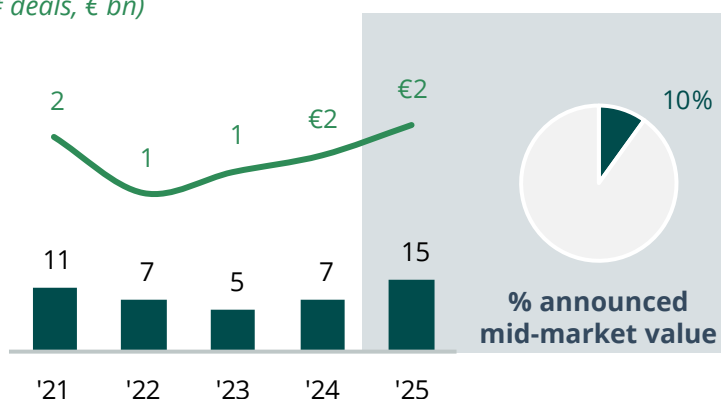
Tech & Telco - Mid-Market M&A Focus
(# deals, € bn)



Energy & Nat. Res. - Mid-Market M&A Focus
(# deals, € bn)₃



Healthcare & Life Sciences - Mid-Market M&A Focus
(# deals, € bn)



Outlook
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Italian M&A Market Analysis 2025
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2026: What to expect? M&A market outlook in Italy (1/4)



The global macroeconomic backdrop is expected to remain broadly consistent with 2025, with moderate growth and relative stability supporting M&A activity, particularly in the mid-market.

In 2026, mid-market M&A will take place against a backdrop of moderate global growth, with the euro area still characterised by restrictive monetary conditions in real terms, partly offset by increasingly targeted fiscal and industrial policies. In Europe—and particularly in Italy—programmes such as NextGenerationEU, alongside initiatives linked to the energy transition and industrial competitiveness, will continue to steer investment.

Globally, 2026 growth is expected to remain moderate (c. 2.5–3.0%), supported by the U.S. and selected Asian economies, while China is expected to slow gradually (c. 4.3%). Europe is also expected to post moderate growth, in line with more advanced Asian economies. Geopolitical and trade risks are likely to remain elevated; however, they are not expected to materially affect M&A activity. Global inflation should stabilise, with central banks remaining cautious and potential rate easing if growth slows, supporting credit availability.

Europe is expected to deliver moderate GDP growth in 2026 (c. 1.0–1.2%), with inflation under control (c. 1.5–2.0%) and a stable ECB monetary stance. Policy rates are expected to remain around 2% throughout 2026 (with a potential rate hike postponed to mid-2027), supporting favourable financing conditions for corporates and investors. Public investment is expected to focus on infrastructure, digitalisation and the energy transition, while private capital should increasingly target innovative industrial segments, green technologies and high value-added services—particularly B2B.

Persistent U.S.–China tensions, Europe’s economic interdependence with both the U.S. and China, and fragmented European policymaking will sustain the current uncertainty, increasing the need to strengthen competitiveness and defence to protect growth and stabilise markets—requiring greater selectivity in risk assessment. European export competitiveness remains constrained by Chinese competition, relatively high energy costs and tariff/trade barriers, with particularly visible effects in the automotive, chemicals and energy-intensive manufacturing sectors. As a result, exports are expected to contribute less to growth, with the recovery relying primarily on domestic demand (consumption and domestic investment), the strength of which remains uncertain.

In Europe, 2026 is expected to feature significant infrastructure investments, including the first disbursements of SAFE defence loans (a c. €150bn credit facility), a roadmap to close defence capability gaps by 2030, measures to reduce single-market barriers and bureaucracy, and progress on the Capital Markets Union / Savings and Investments Union (including a strengthening of ESMA and pan-European pension products).

2026: What to expect?

M&A market outlook in Italy (2/4)



This backdrop should be supportive for mid-market M&A, with increased consolidation and roll-up activity in fragmented industries, opportunities for strategic cross-border acquisitions, and rising private equity activity focused on platform build-ups. The most dynamic sectors are expected to include industrial automation, B2B services, logistics, managed IT services and data centres, healthcare services and renewables.

In particular:

Germany: after a period of stagnation, GDP is expected to return to moderate growth of c. 1.0–1.5% in 2026 and 2027, supported by an expansionary fiscal stance (c. 1% of GDP in 2026) and higher public spending, including investment plans for defence and infrastructure (notably a c. €500bn infrastructure and climate programme) to support domestic demand. Germany is expected to continue to face weak external demand and the need for reforms to strengthen competitiveness and productivity. The M&A environment is therefore likely to be centred on consolidation and optimisation, with most activity in the mid-market rather than large, aggressive acquisitions, focusing on industrial automation, engineering and machinery, B2B services and logistics, and energy / the green transition.

France: with contained GDP growth of c. 0.9–1.0%, still-elevated public debt and an uncertain political backdrop, a modest fiscal tightening is expected in 2026–2027 amid political and fiscal risks. Relatively low inflation could support selective mid-market transactions; however, we do not expect France to be a key driver of M&A activity.

United Kingdom: real GDP growth is expected at c. 1.2% in 2026, reflecting weak domestic demand and persistent fiscal pressures, with inflation at c. 2.5%.

Italy: in 2026, Italy offers a stable macro backdrop, with moderate GDP growth around 0.8% and inflation under control (c. 1.6%), targeted public investment and supportive rates—creating fertile ground for mid-market M&A. Deal activity is expected to focus on consolidation, roll-ups and strategic growth across industrial and technology sectors.

The government aims to exit the Excessive Deficit Procedure in 2025; defence spending is expected to increase by c. 0.15% of GDP in 2026, partly financed by €15bn of SAFE loans. The NGEU (NextGenerationEU) programme remains a meaningful support through 2026.

Rest of Europe (HSBC/CE): public investment is expected to reach c. 3.7% of GDP in 2026 (the highest level since the Global Financial Crisis).

Mid-Market M&A 2026: stable rates, adequate liquidity and support from private equity and private debt as key drivers of growth and sector consolidation

In 2026, the European macroeconomic backdrop is expected to provide favourable conditions for mid-market M&A, supported by liquidity that is moderating but still ample, helping keep financing costs broadly stable.

2026: What to expect?

M&A market outlook in Italy (3/4)



European and UK banking systems remain resilient (particularly the Italian one, which may continue its consolidation path), while more flexible lending standards should improve access to credit for corporates and sponsors.

A meaningful factor could be the increased role of private debt funds—largely focused on Europe—which may support M&A in two ways: (i) by providing financing for private-equity-led LBOs, and (ii) through direct transactions with companies, offering an alternative to equity investment in targets.

Public and private investment in infrastructure, digitalisation and green sectors is strengthening demand for strategic acquisitions. European median EBITDA multiples appear to be trending upward, narrowing the bid-ask spread and facilitating deal completion. Private equity funds are also expected to accelerate exits, releasing liquidity and creating new investment opportunities. The combination of stable rates, adequate liquidity and moderately higher multiples should make the mid-market more dynamic yet increasingly selective. Overall, we believe the European macro backdrop can support an expansion in M&A activity—particularly in the mid-market—with a focus on consolidation and roll-up strategies in key sectors.

Mid-Market M&A 2026: Positive momentum and a broad-based recovery across Europe and Italy

After the 2025 rebound—largely concentrated in mega-deals—2026 is expected to mark a broader, more widespread recovery in mid-market M&A, both in Europe and in Italy.

This momentum should be supported by improved access to financing, a narrowing of valuation gaps between investors and entrepreneurs, and an acceleration in portfolio reallocation and rationalisation by major industrial and financial groups.

In this context, Italy could outperform the European average in terms of deal count, supported by the reopening of the mid-market segment, which may return to full activity after a period of greater caution. The momentum seen in the second half of 2025 is expected to carry into 2026, aided by lower financing costs, normalised valuation parameters and a narrower valuation gap between investors and entrepreneurs, with a gradual broadening of mid-market activity.

In summary, supported by a robust pipeline at the end of 2025, a higher number of transactions, increased willingness among mid-sized companies to pursue M&A, better alignment of multiples and higher average deal sizes—together with stable or improving financing conditions—the M&A market is expected to enter 2026 with positive momentum already in place.

Mid-Market M&A in Italy 2026: consolidation, private equity and sector opportunities

In 2026, the Italian mid-market M&A segment is expected to consolidate and broaden the recovery that began in the second half of 2025, benefiting from more stable financing conditions, lower rates, a narrowing valuation gap between buyers and sellers, and greater capital availability from private equity and private debt funds.

2026: What to expect?

M&A market outlook in Italy (4/4)



After a slowdown in the first half of 2025—driven by tariff-related uncertainty and geopolitical tensions, with a decline in both deal count and value and a strong domestic component dominated by financial investors—the second half of the year saw a meaningful rebound in announced deals, pointing to improving prospects.

The Italian market remains structurally fragmented and dominated by family-owned businesses. As such, the role of funds as catalysts for business continuity, facilitators of professionalisation/managerialisation, and promoters of buy-and-build strategies remains central.

The most dynamic sectors are expected to include industrial automation, digitalisation and managed IT services, HVAC and energy efficiency, logistics and infrastructure, healthcare, and renewables—alongside traditional fragmented industries where private equity can support consolidation and the build-up of mid-market platforms. These include specialty chemicals, the production and distribution of innovative materials, selected packaging segments, waste management and circular-economy services, as well as food processing and agri-food.

On the investor side, private equity and family offices are expected to continue driving a large share of transactions, while industrial groups will focus on targeted acquisitions aimed at strengthening their competitive positioning or integrating existing platforms. Advisor activity is expected to remain strong, with a meaningful international component, as Italian companies continue to attract cross-border interest.

In summary, 2026 could see a more active, selective and strategic Italian mid-market, with sector consolidation led by funds, valuation normalisation and greater deal certainty, supported by a more favourable capital markets and credit environment.



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