

ADVANT Altana | Beiten | Nctm



ADVANT M&A DEAL POINT STUDY

MAY 2026

OVERVIEW

OF MAIN FIGURES

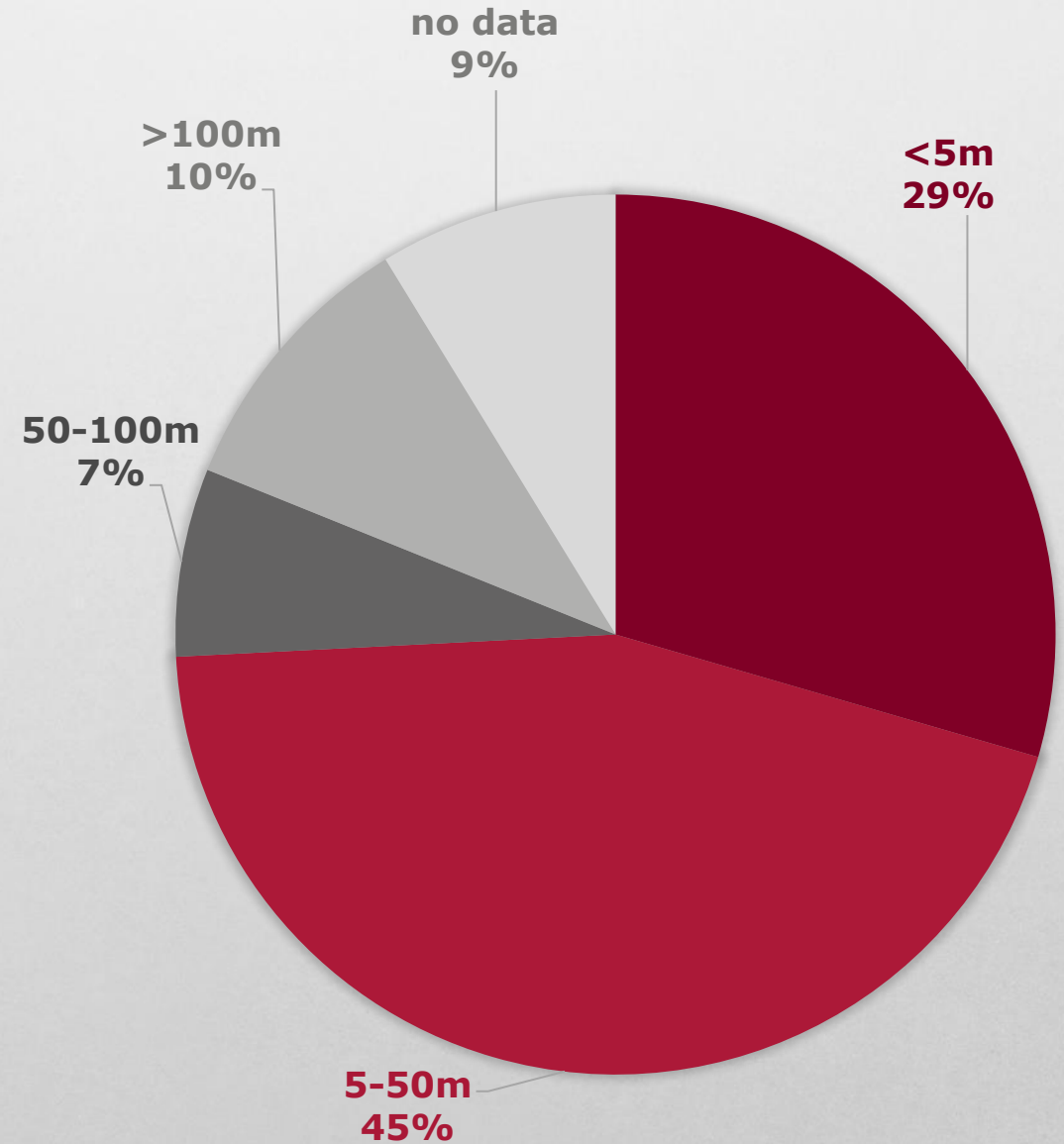
- DEAL COUNT
- DEAL VALUE
- SECTORS



ADVANT M&A DEAL POINT STUDY

DEAL COUNT & DEAL VALUE

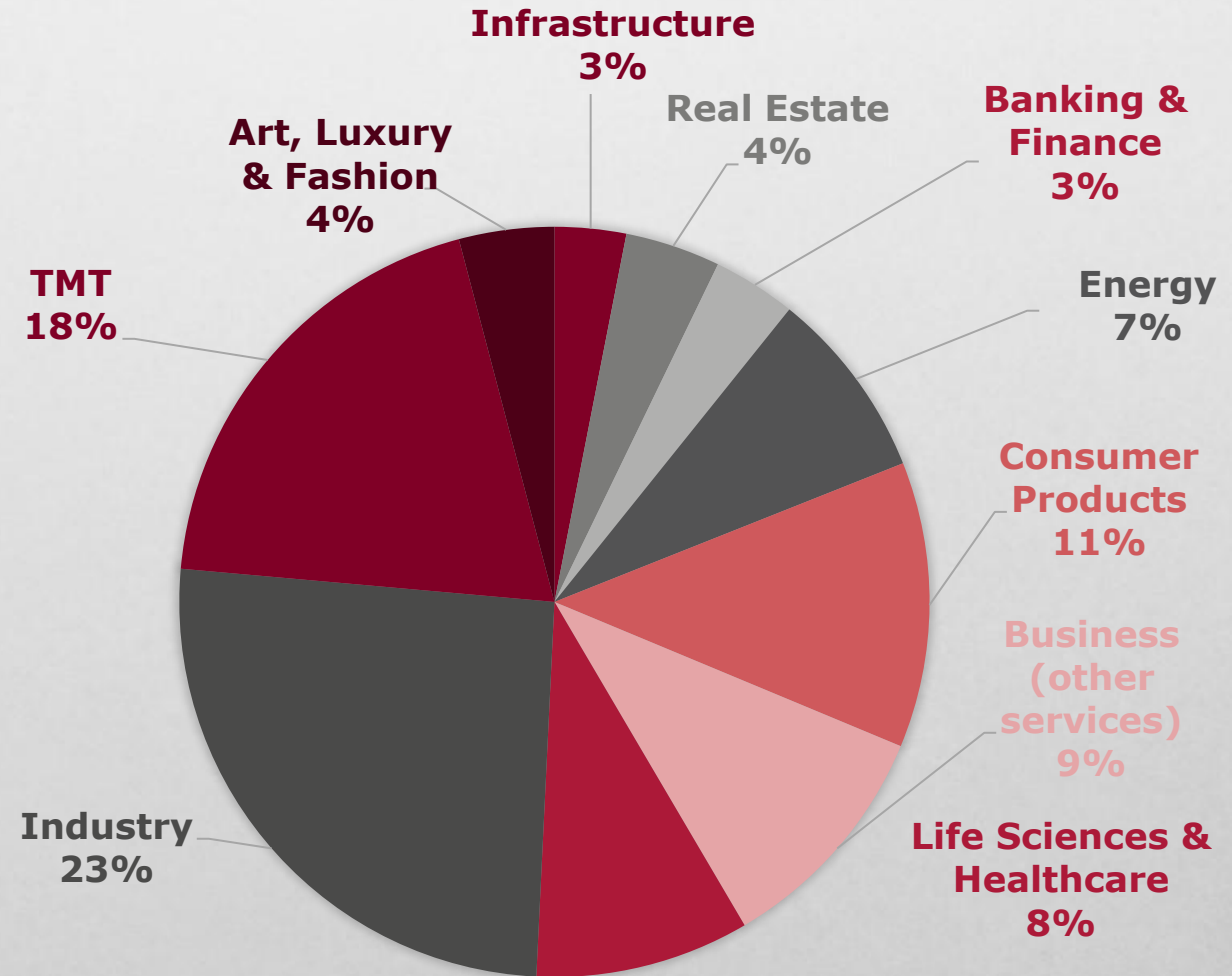
- ADVANT firms reported 217 deals in the 2025 M&A Deal Point Study, marking a 12% increase from 193 deals in 2024.
- The €5-50m range remained the leading deal cluster, accounting for 45% of transactions.
- Larger deals above €50m showed broad stability with a marginal adjustment, easing from 19% in 2024 to 17% in 2025.



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INDUSTRY SECTOR OVERVIEW

- For the first time in ADVANT Study's five years, Consumer Products entered ADVANT's top three sectors, surpassing Life Sciences & Healthcare: **Industry** 23%, **TMT** 18%, and **Consumer Products** 11% (up from 5% in 2024).
- **Life Sciences & Healthcare** followed at 8% (7% in 2024), closely trailed by **Energy** at 7%, continuing its growth (5% in 2024; 2% in 2023).
- Industry sector accounts for 40% of €5–50m deals and 35% of deals above €50m, while TMT leads with 23% of deals below €5m.



ANALYSIS

OF SPECIFIC DEAL POINTS

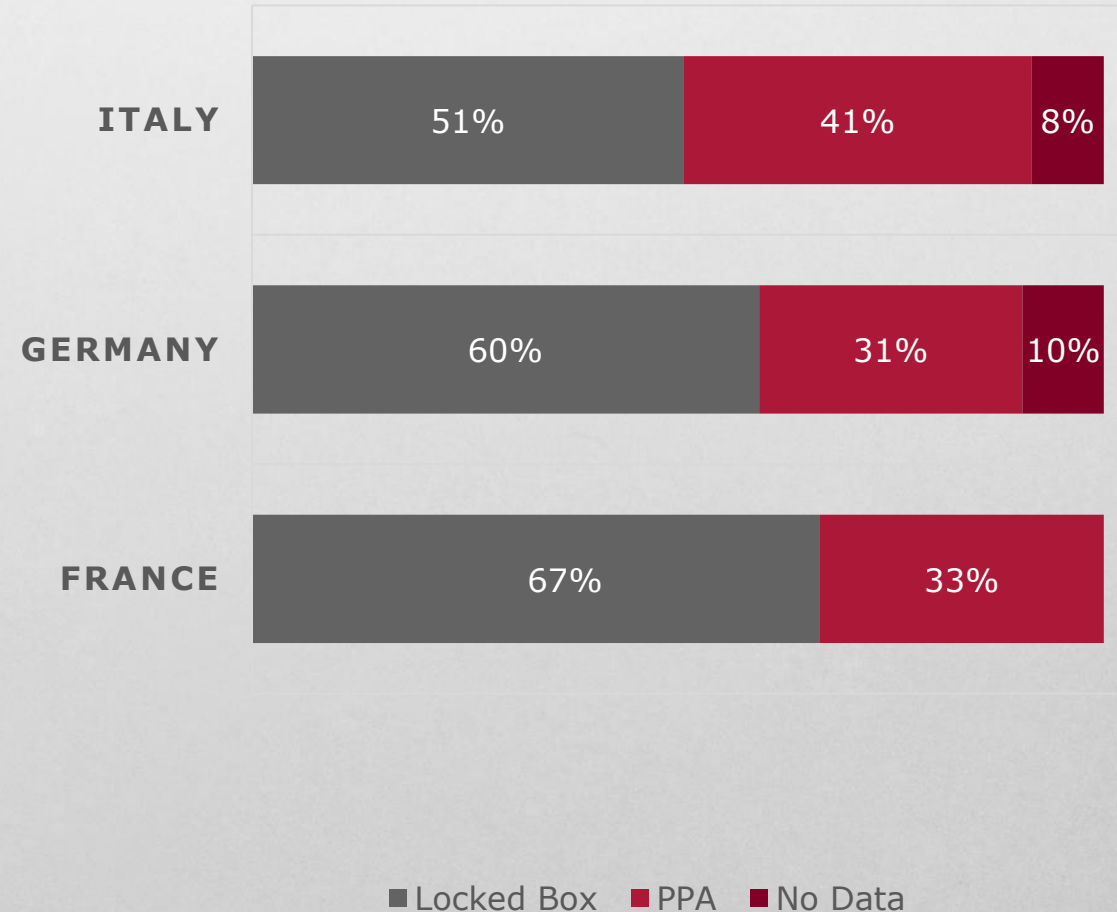
- Purchase Price Mechanics
- Earn-Outs
- Security for Claims
- Warranty & Indemnity Insurance
- De Minimis
- Basket Types & Sizes
- Liability Caps
- Sandbagging
- Material Adverse Change
- Limitation Period
- Dispute Resolution



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PURCHASE PRICE MECHANICS

- Locked Box continues to be the predominant pricing structure, applied in 58% of transactions, while Purchase Price Adjustment mechanisms based on closing accounts are used in 38% of deals, reflecting a notable rise from 27% in 2024.
- All three ADVANT jurisdictions demonstrate a preference for Locked Box, with adoption rates of 51% in **Italy**, 60% in **Germany**, and 67% in **France**.
- Across ADVANT'S leading sectors, the highest adoption of Locked Box is in Consumer Products (67%), followed by Life Sciences & Healthcare (55%), TMT (52%), Energy (50%), and Industry (46%).



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EARN-OUTS

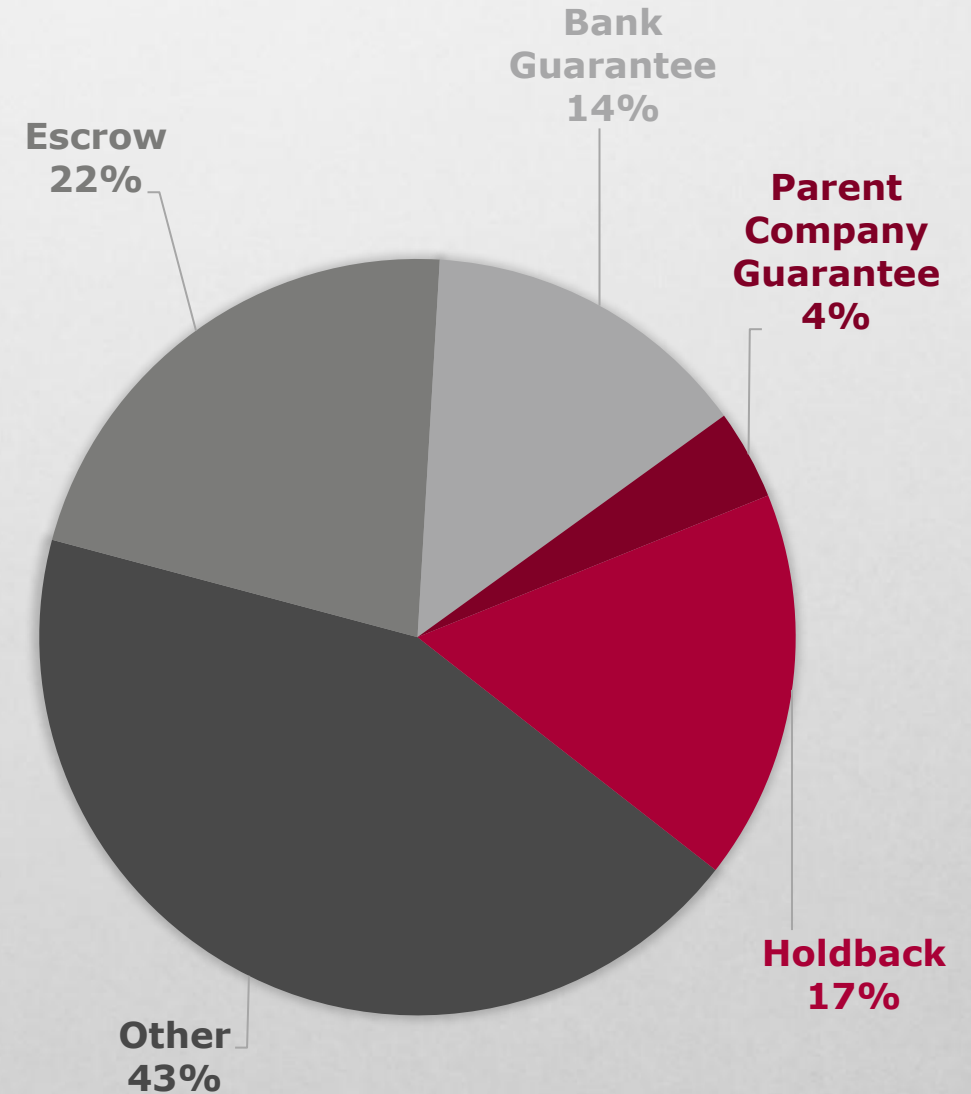
- Earn-out provisions were included in **32%** of transactions. This represents a 4% increase compared with 2024, although the use of earn-outs remains below the 2022 level, when they featured in 38% of deals.
- Jurisdictional trends varied in the use of earn-out mechanisms: **France** with 25% and **Italy** with 33% remained stable, while **Germany** saw a notable increase to 36%, up from 19% in 2024.
- The use of earn-out is fairly consistent across deal sizes, applying to 31% of deals below €5m, 32% of €5-50m transactions, and 36% of deals above €50m.
- The TMT sector continues to stand out for its frequent use of earn-out mechanisms, with 46% of transactions including an earn-out, significantly higher than other sectors.



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SECURITY FOR CLAIMS

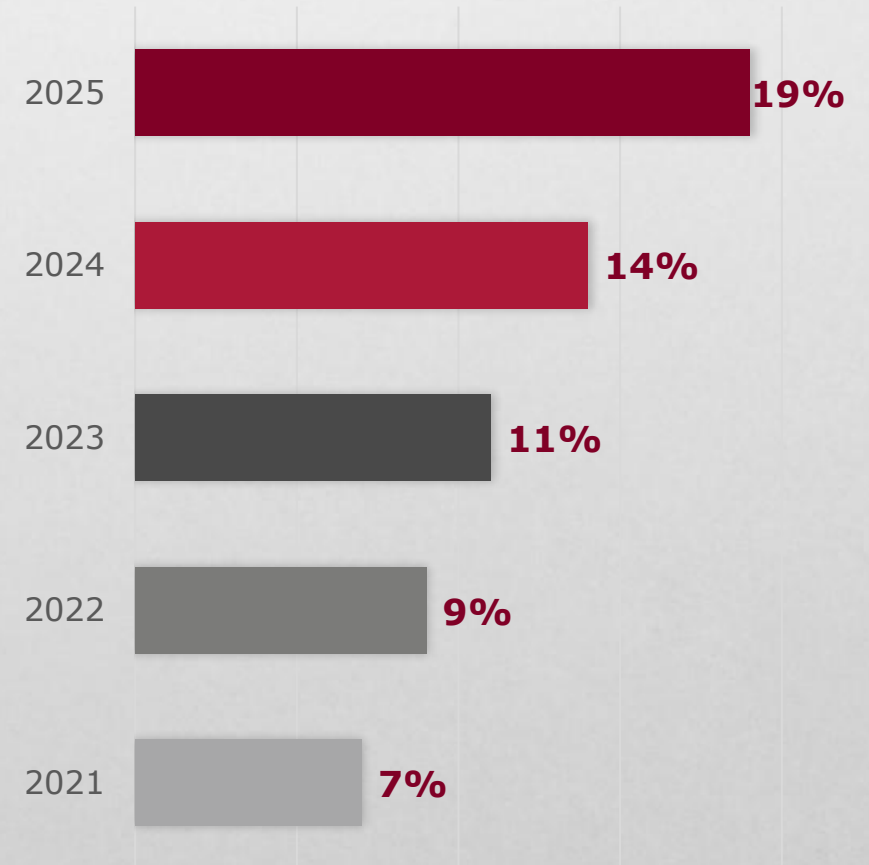
- 52% of transactions provided for some kind of security instrument in favour of the buyer.
- The use of security instruments shows a preference for escrow arrangements, which remain the most used instrument over the five years of the Study:
 - Escrow: 22%
 - Holdback: 17%
 - Bank Guarantee: 14%
 - Parent Company Guarantee: 4%
 - Other: 43% (incl. Vendor Loan, W&I, Individual Guarantee)
- None of transactions in **Germany** provided for bank guarantee, which is similar with data of previous four years.
- The adoption of security instruments varies across the three jurisdictions, with France reporting the highest use at 63%, followed by Germany at 57%, and Italy at 46%.



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WARRANTY & INDEMNITY (W&I) INSURANCE

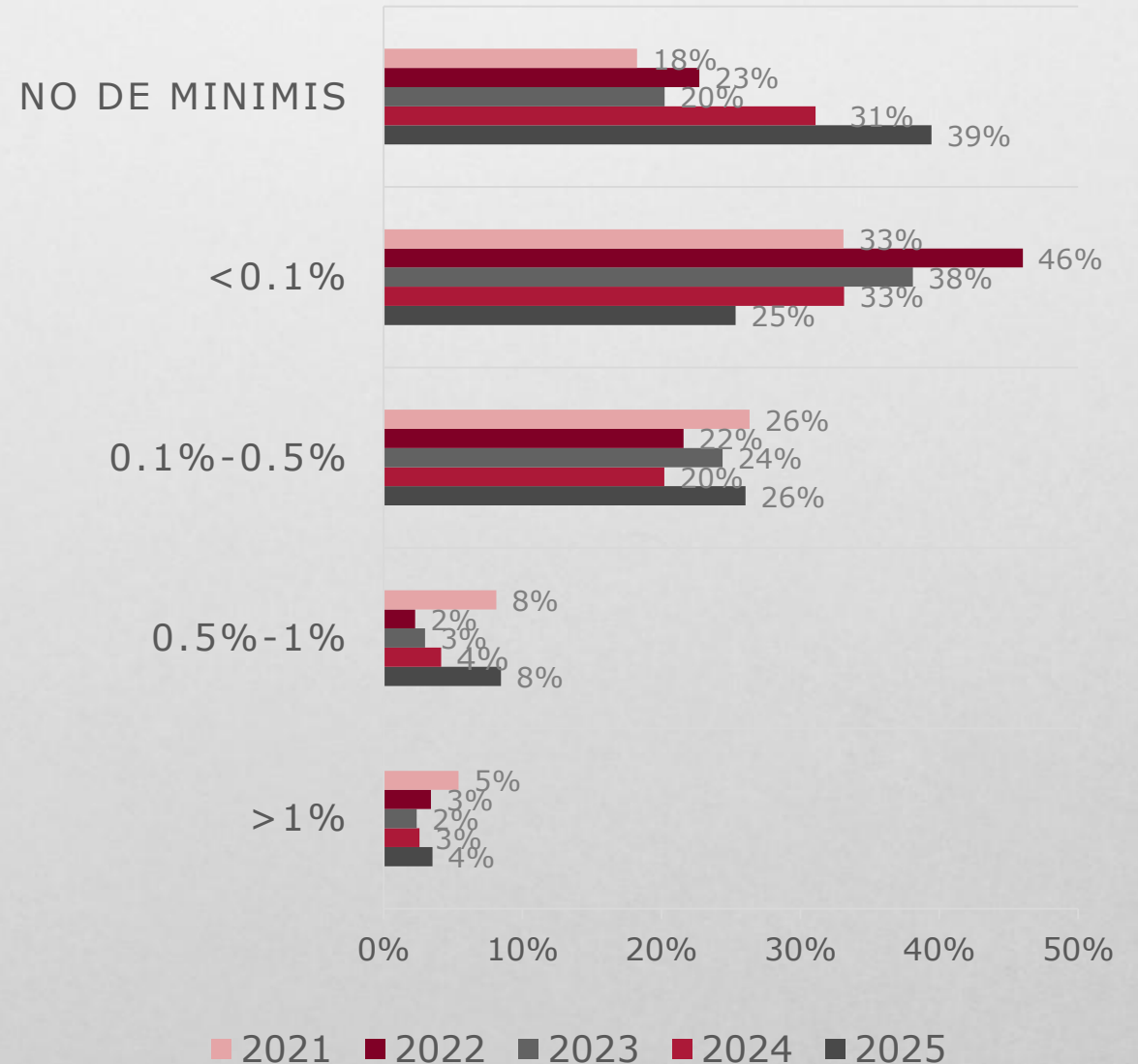
- W&I insurance was used in **19%** of deals, continuing its steady rise over the past four years (from 7% in 2021).
- Across ADVANT jurisdictions, the rising adoption of W&I insurance continues to be led by **Italy** for the third year in a row at 23%, while **France** and **Germany** show clear upward momentum, increasing to 8% and 17%, respectively, up from around 10% in 2023.
- W&I insurance is more often adopted in larger deals:
 - <5m: no W&I insurance
 - 5-50m: 8%
 - >50m: 49%



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DE MINIMIS

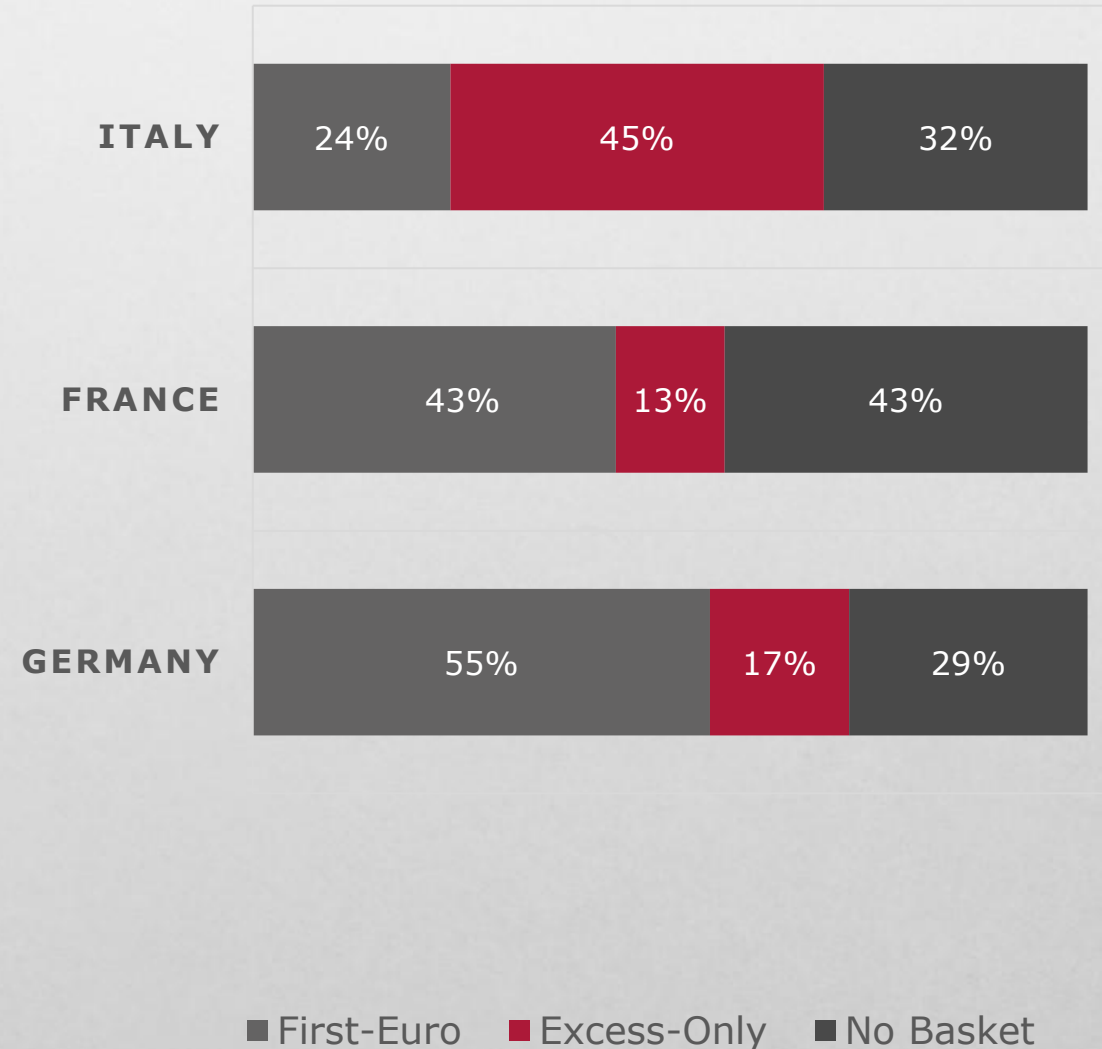
- De minimis thresholds were included in **63%** of deals, marking a slight increase from 60% in 2024. Over a longer period, however, the data shows a declining trend, down from 73% in both 2021 and 2022, and 68% in 2023.
- The leading de minimis amounts:
 - between 0.1% and 0.5% of the purchase price (26%)
 - less than 0.1% of the purchase price (25%)
- Preferences for de minimis thresholds vary by ADVANT jurisdiction: Italy favors thresholds below 0.1% in 32% of deals, followed by France at 21%, while deals in Germany most commonly apply de minimis between 0.1% and 0.5%, used in 33% of transactions.



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BASKET TYPES & SIZES

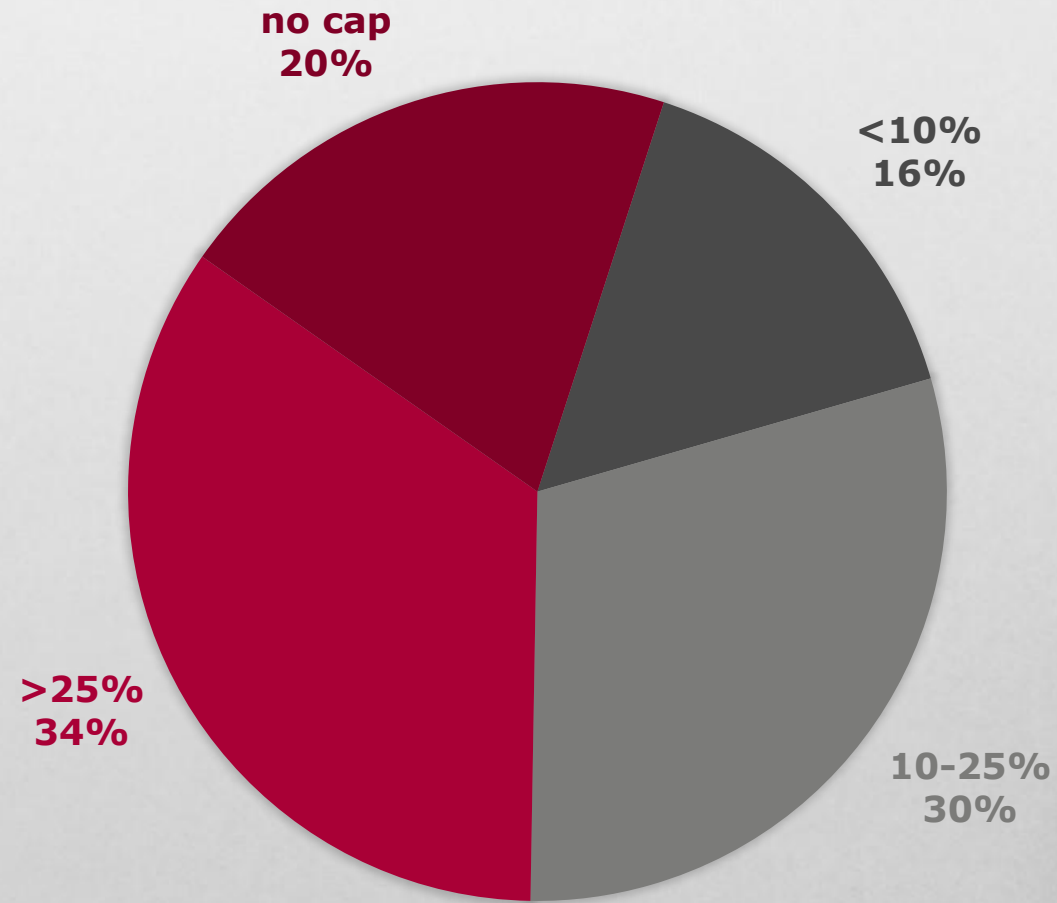
- As in previous years, most baskets in 2025 were on “first euro” basis:
 - First-Euro Basket: 36%
 - Excess-Only Basket: 31%
- The 35% majority of first-euro baskets are within the window of 0.5-1.0% of the purchase price.
- The use of basket structures varies across jurisdictions: excess-only baskets were used in 45% of deals in Italy, while first-euro baskets are leading in France (43%) and Germany (55%).
- Different basket sizes are represented as follows:
 - <0.5%: 22%
 - 0.5-1.0%: 31% (vs 44% in 2024)
 - 1.0-2.0%: 26% (vs 19% in 2024)
 - >2.0%: 19% (vs 12% in 2024)



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LIABILITY CAPS

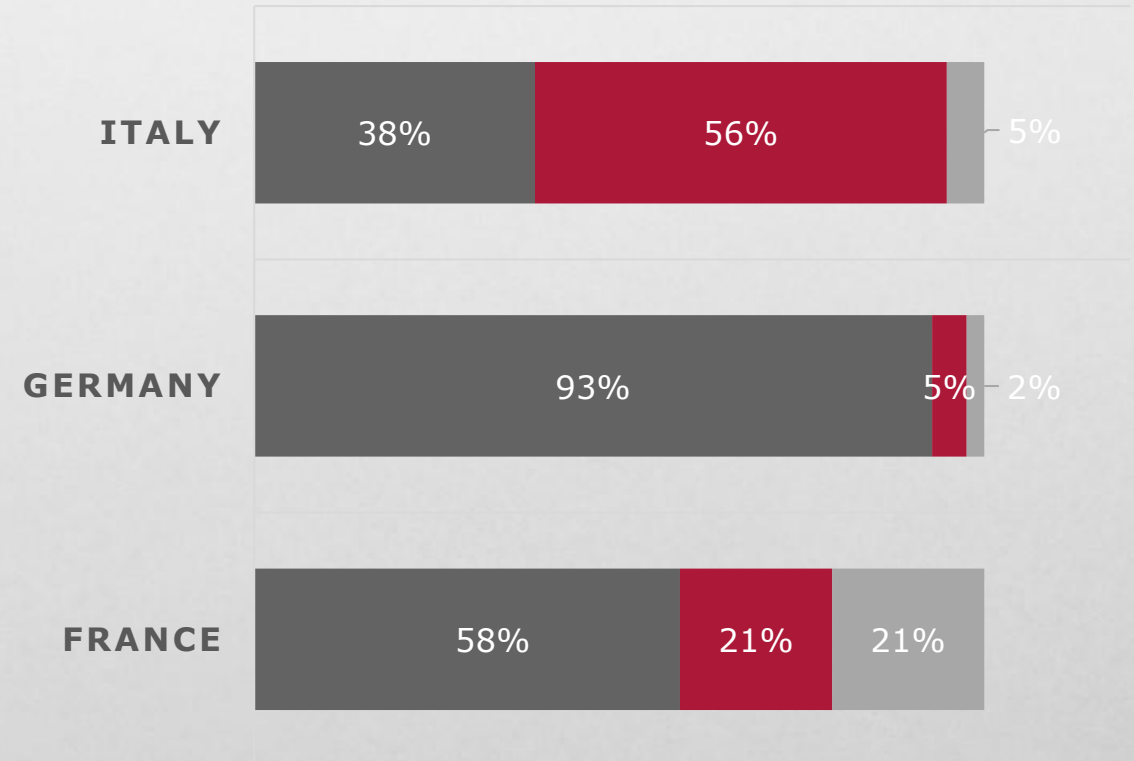
- The allocation of Liability Caps in 2025 is as follows:
 - small caps of <10%: 16%
 - medium caps of 10-25%: 30%
 - larger caps of >25%: 34%
 - no cap: 20%
- Liability caps across jurisdictions:
 - **France**: medium caps of 10-25% are present in 52% of deals.
 - **Italy**: larger caps of >25% are preferred in 33% of deals.
 - **Germany**: larger caps of >25% are used in 52% of deals.
- Liability caps when compared with deal sizes are distributed as follows:
 - 30% of larger deals (>€50m) stipulate for medium caps of 10-25%
 - 37% of small deals (<€5m) have larger caps of >25%



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SANDBAGGING PER JURISDICTION

- **Italy: Pro-Sandbagging**
 - 56% of Nctm's transactions allowed sandbagging, entitling the buyer to pursue post-closing indemnification even if the buyer is aware of the breach of representations and warranties before closing.
- **Germany: Anti-Sandbagging**
 - Contrastingly, 93% of Beiten's deals were anti-sandbagging, thus providing for limitation of liability for warranty claims.
- **France: Anti-Sandbagging**
 - Altana's practice shows similar inclination, with 58% of deals being anti-sandbagging.

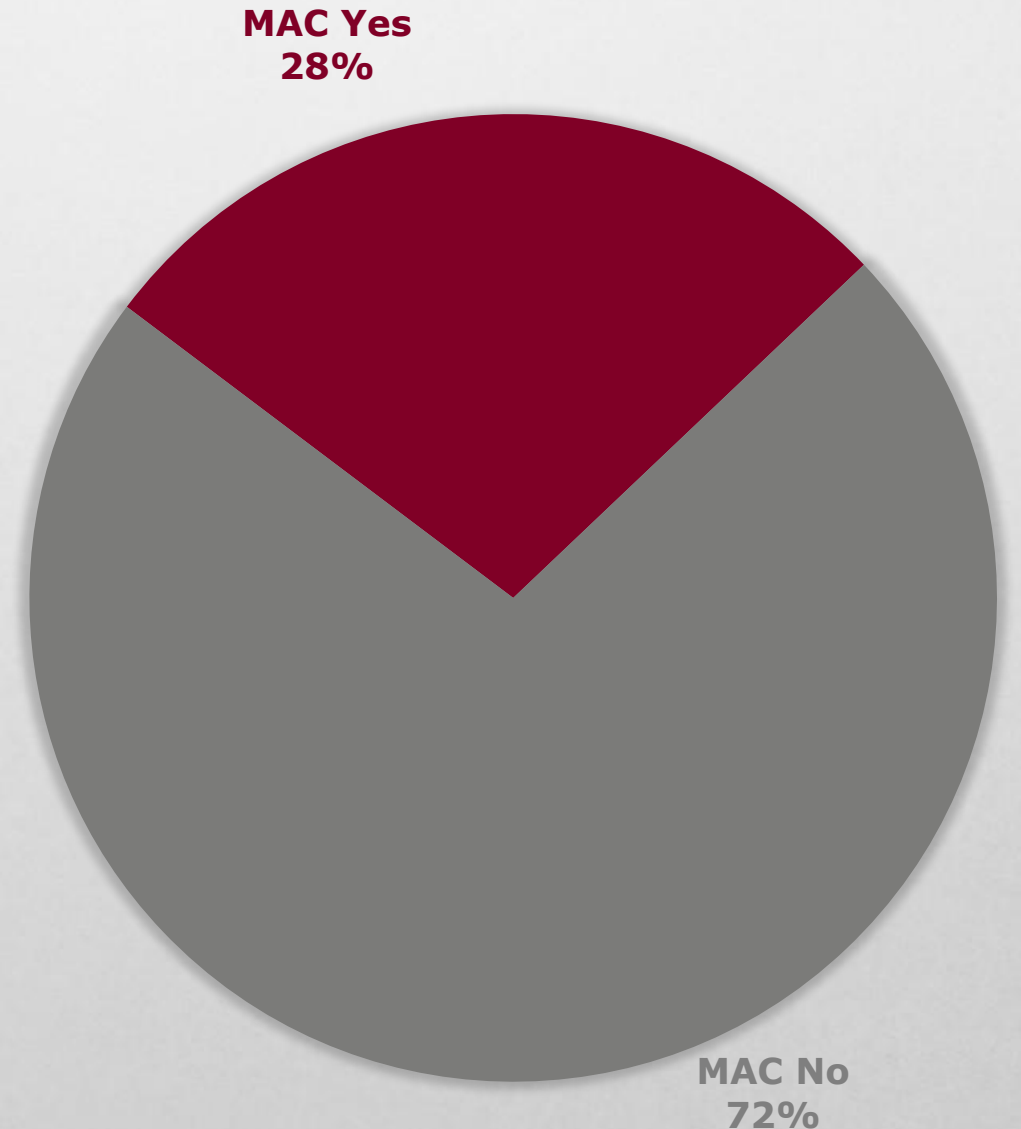


■ Anti ■ Pro ■ No data

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MATERIAL ADVERSE CHANGE

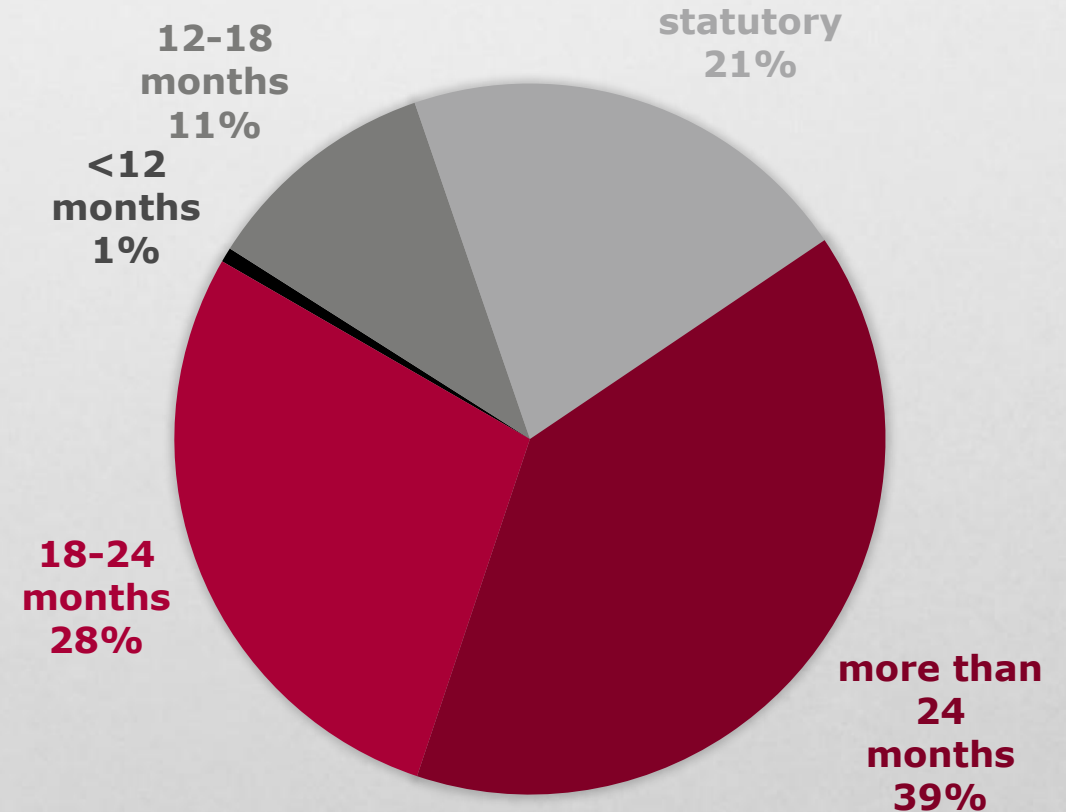
- 28% of deals provided for a Material Adverse Change ("MAC") clause.
- Transactions in **Italy** show the highest frequency of MAC clause in comparison with other two jurisdictions:
 - 41% of deals in **Italy** use a MAC clause
 - 10% of deals in **Germany** and 13% in **France** use a MAC clause
- MAC clauses appear across deal sizes with some variation: they are included in 20% of transactions below €5m, rise to 33% in the €5–50m segment, and are present in 27% of deals above €50m, down from 39% in 2024.



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LIMITATION PERIOD

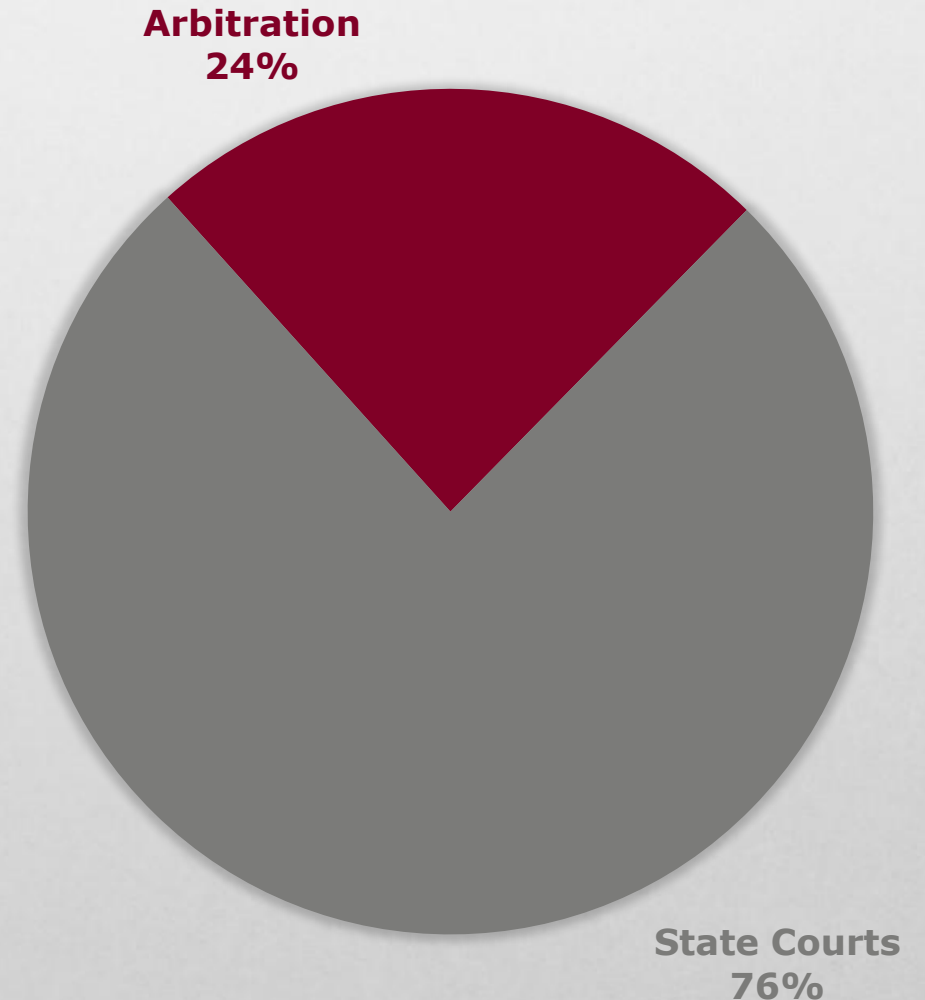
- The following types of limitation periods were agreed:
 - statutory limitation period: 21% (vs 8% in 2024)
 - limitation period of up to 12 months: 1%
 - limitation period of 12-18 months: 11%
 - limitation period of 18-24 months: 28%
 - limitation period of more than 24 months: 39%
- Increase of longer limitation periods (>24mo and statutory) might be indicative of buyer-friendly market.
- Among limitation period of longer than 24 months (incl. statutory) the deal clusters are present as follows:
 - <€5m: 31%
 - €5-50m: 42%
 - >€50m: 19%



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DISPUTE RESOLUTION

- Arbitration clauses were included in **24%** of transactions, representing a 3% increase compared with previous two years.
- Across the three jurisdictions arbitration is chosen as a forum as follows:
 - **Italy:** 32%
 - **Germany:** 19%
 - **France:** 4%
- The larger the deal size the more parties are inclined to opt for arbitration: only 9% of transactions below €5m included arbitration clauses, compared with 18% of €5-50m deals (down from 28% in 2024), rising further to 32% in transactions exceeding €50m.



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