Spain in the spotlight

Spanish M&A and PE activity in HY 2025

Gómez-Acebo & Pombo

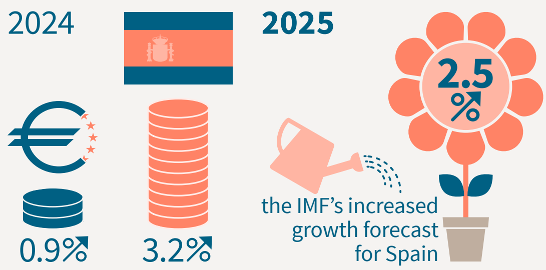
Mergermarket

Contents

Key findings

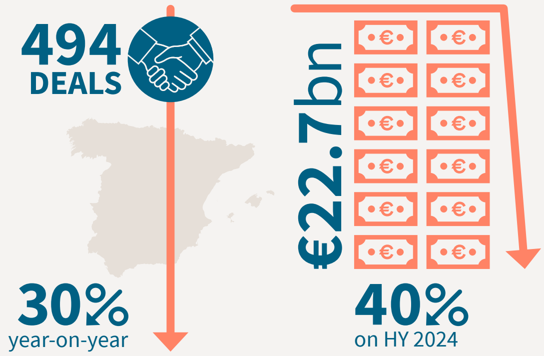
Economic powerhouse

The Spanish economy grew by 3.2% in 2024, well ahead of the 0.9% achieved by the Eurozone as a whole. And for 2025, the International Monetary Fund (IMF) has recently increased its growth forecast for Spain to 2.5%, pointing to the country's ability to deal with global disruptions.



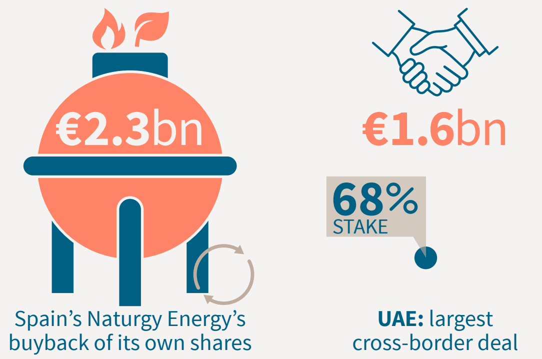
M&A: Volume and value

There have been 494 M&A transactions in Spain so far in 2025 – a 30% decrease compared to 2024 HY, which saw 709 transactions. With a total of €22.7bn in the first six months of 2025, value was down 40% on the same period in 2024 (€37.6bn). However, this should be set in the context of the current M&A environment. Dealmaking value and volume is down across the entire Eurozone. Meanwhile, in terms of national comparisons, M&A activity was affected by a turbulent second quarter; indeed, value in Q1 2025 was up by 80% on the same period in 2024.



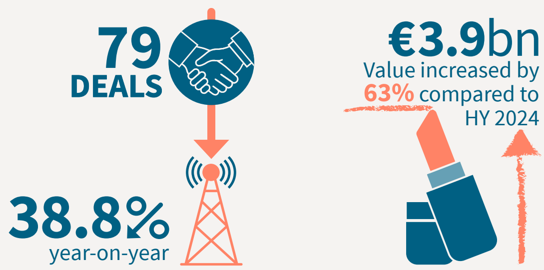
Big deals

The highest value transaction this year has been Naturgy Energy Group's €2.3bn buyback of its own shares. In the second biggest transaction, Co Sociedad de Gestion y Participacion, the Spanish investment holding company, agreed to pay €2.2bn for 38% of general insurer Grupo Catalana Occidente. The largest cross-border deal of the year saw Multiply Group of the United Arab Emirates acquire a 68% stake in Castellano Investments, the owner of Tendam Retail, for €1.6bn.



Sector watch

So far, the technology, media and telecommunications (TMT) sector has been the most dominant industry in Spanish M&A in 2025 by volume, recording 79 deals. In terms of value, consumer was the top sector with €3.9bn in total in 2025. The energy, mining and utilities sector followed closely, recording €3.8bn.



Foreword

After a strong year for Spanish M&A in 2024, expectations were high for even greater growth in 2025. The fundamentals were all in place. The Spanish economy is one of Europe's strongest performers. Spanish businesses represent attractive targets to both corporate buyers pursuing strategic objectives and private equity (PE) investors focused on high returns. And liquidity is improving, with interest rates in major markets worldwide falling back and PE investors sitting on near record levels of dry powder.

Given those solid foundations, Spain had a strong first quarter, outpacing the same period in 2024 in dealmaking value. However, as we entered the second quarter, the shadow of international geopolitics clouded global M&A markets as dealmaking slipped back across the Eurozone, with Spain being no exception.

While the shape of the Spanish economy – less dependent on exports, particularly to the US, than many of its peers – has left it less exposed to the US tariffs announced by President Trump in April, the US administration's trade policies have hit confidence at a global level. Conflicts in the Middle East and Ukraine have only added to the sense of unease.

Against that uncertain backdrop, this report seeks to assess Spain's M&A environment over the first half of 2025 and explore where it might be heading for the rest of the year and beyond.

A BRIGHTER FUTURE

Despite the drop-off in dealmaking experienced in the second quarter, the nuances of the Spanish M&A market point towards a more optimistic future.

Dealmaking activity is flourishing in certain sectors: the TMT space is one hot spot, as telecoms consolidation continues and a broad range of industries look to embrace technological innovation; the consumer sector has also been a strong performer, with domestic and international bidders alike looking for exposure to strong Spanish household consumption; energy is another exciting arena, with investment in renewable production continuing and arguments about resilience and reliability intensifying following the blackout that plunged much of Spain and Portugal into darkness earlier this year.

It's also crucial to keep the historical context in mind. The pandemic years of 2020 and 2021 were followed by three intensely busy periods for M&A in Spain. Comparisons with the boom years of 2022, 2023 and 2024, in which deal activity in Spain was consistently elevated, are potentially misleading. This year's first-quarter M&A data held up well when compared with long-term records, and the second-quarter slowdown is very much in line with the country's European neighbours.

The bottom line, as this report explores in more detail, is that there is every reason to be upbeat about the reminder of 2025 and beyond. The fundamentals are in place for a stronger second half for M&A – across global markets and in Spain in particular.

Only the bravest of forecasters would be prepared to promise a boom in dealmaking given the current levels of uncertainty; but if Spain can avoid further disruptions, there is every chance of renewed activity over the rest of the year and into 2026.

The Spanish M&A market in focus

So far, 2025 has been something of a rollercoaster for the Spanish M&A market. The value peaks of the first quarter of the year were followed by a dip in the second – in line with the global slowdown in M&A activity that followed President Trump's announcement of new US trade tariffs at the beginning of April. Transaction levels worldwide slowed as dealmakers attempted to analyse the likely impact of "Liberation Day".

€22.7 BILLION

The total value of transactions in the first half of 2025

STRONG FUNDAMENTALS

However, the economic backdrop in Spain has provided solid foundations for dealmaking. The Spanish economy grew by 3.2% in 2024, well ahead of the 0.9% achieved by the Eurozone as a whole. And for 2025, the International Monetary Fund has recently increased its growth forecast for Spain to 2.5%, pointing to the country's ability to handle global disruptions. The Spanish government has also sought to address the fallout from the Trump tariffs with a threefold approach: implanting a financial package that is worth more than €14bn; developing stronger trade ties with China; and continuing negotiations with the US.

Supportive monetary policy also provides a tailwind. The European Central Bank (ECB) has already cut its key interest rate four times in 2025. In Spain itself, long-term interest rates have also begun to come down, falling to 3.23% in April from 3.39% a month previously.

Those foundations proved fertile ground for M&A in the first quarter. Deal activity, in value terms, rose year-on-year by 80% during that period, though volumes fell back.

However, as global disruption took hold, second-quarter activity fell

SPANISH M&A BY YEAR, 2021-HY 2025

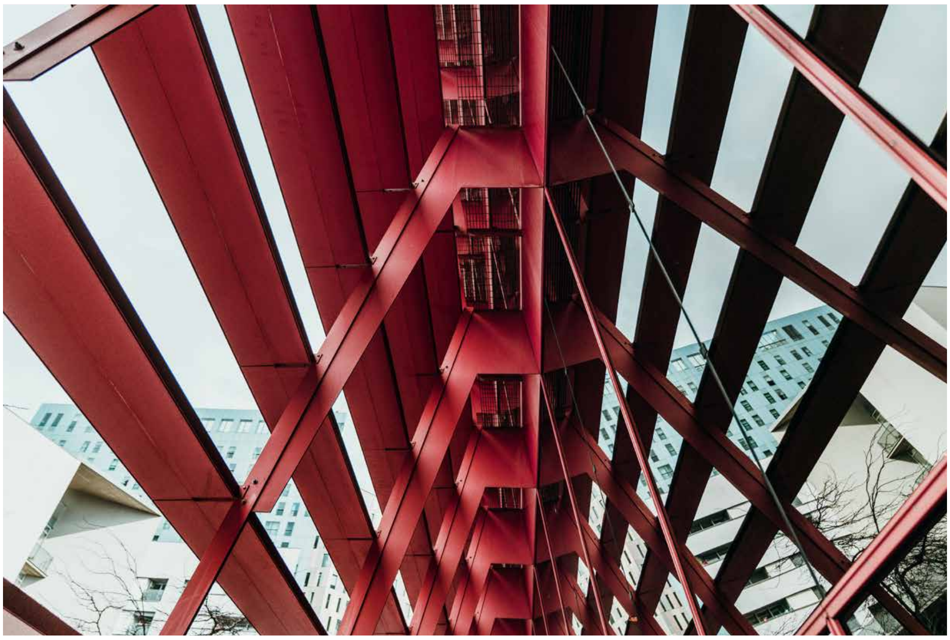
EU PLUS UK M&A BY YEAR, 2021–HY 2025

CROSS-BORDER SPANISH M&A BY YEAR, 2021–HY 2025

back. While there was a modest 7% decline in volume quarter-on-quarter, value dropped more substantially – 33%, from €13.6bn to €9.1bn.

Overall, Spain's M&A market recorded 494 transactions worth €22.7bn during the first half of the year. That was down 30% and 40% in volume and value terms respectively compared to the same period of 2024.

"The first quarter was pretty resilient, but April and May were extremely slow: it's difficult to remember two such quiet months in years gone by," says David González, a partner at Gómez-Acebo & Pombo. "The trade tariff controversy undoubtedly caused significant instability; we saw that in the Spanish market, as well as in other markets worldwide."



TARIFFS AND TENSION

Tariffs were not the only source of disruption during the first half; the military confrontation between Israel and Iran prompted significant volatility in oil prices, prompting fears of a global increase in inflation. Meanwhile, the conflict between Russia and Ukraine shows little sign of drawing to an early conclusion.

Still, focusing on tariffs in particular, the primary driver of the second quarter decline in M&A, there are reasons to be bullish, argues González. "The Spanish economy is not particularly industrial and while we do have significant exports, we're much less reliant on them than an economy such as Germany," he says. "Our biggest companies are in industries such as financial services, energy and tourism, where tariffs are much less relevant; that can help M&A bounce back."

Gómez-Acebo & Pombo partner Álvaro Mateo is also upbeat. "Spain has been the fastest growing economy in the EU over the past 12 months, and last year grew more quickly than any other OECD country; that attracts investment," he says. "We also have reasonable valuations compared to other countries, and less consolidation in many sectors, which means Spain has more opportunities – and more affordable opportunities – from an M&A perspective."

Indeed, quoted Spanish companies currently trade on a price to earnings ratio of around 13.4; that compares to 17.5 in the UK, and 21.6 in the US. In terms of privately-owned companies, analysts report that pricing has eased – and that sellers are beginning to lower their expectations accordingly.

DONE DEALS

Despite the drop in dealmaking activity, Spain recorded five billion-euro-plus transactions during the first half of 2025.

The biggest deal of all this year to date came in February, when Naturgy Energy Group announced a €2.3bn buyback of its own shares – equivalent to approximately 9% of its share capital. The buyback, supported by the power utility's largest shareholders, including Criteria, BlackRock and CVC, was aimed at ensuring the company would become eligible once again for Spain's leading stock market indices; Naturgy said it would resell the shares it bought on the open market in order to increase its free float to 15%.

In the second biggest transaction of the first half, Co Sociedad de Gestion y Participacion, the Spanish investment holding company, agreed to pay €2.2bn for a 38% stake in Grupo Catalana Occidente, which offers a range of general insurance products and services. The transaction was conducted through the Spanish company's business administration services subsidiary

TOP 10 SPANISH DEALS IN HY 2025

Announced date	Target company	Sector	Bidder company	Bidder dominant country	Deal value €(m)
20/02/2025	Naturgy Energy Group SA (9.08% Stake)	Energy, mining & utilities	Naturgy Energy Group SA	Spain	2,332
27/03/2025	Grupo Catalana Occidente SA (37.97% Stake)	Financial services	INOC SA; Co Sociedad de Gestion y Participacion SA	Spain	2,241
25/02/2025	Castellano Investments Sarl (67.91% Stake)	Consumer	Multiply Group PJSC	United Arab Emirates	1,616
16/06/2025	Aedas Homes SA (100% Stake)	Real estate	Neinor Homes SA	Spain	1,336
19/06/2025	Livensa Living SL (100% Stake)	Leisure	Nido Management UK Ltd	United Kingdom	1,200
31/01/2025	Hispasat SA (89.68% Stake)	TMT	Indra Sistemas SA	Spain	883
30/06/2025	VLex Networks SL (100% Stake)	TMT	Themis Solutions Inc	Canada	852
13/05/2025	FCyC SA (100% Stake)	Real estate	Realia Business SA	Spain	644
20/05/2025	Estacionamientos & Servicios SA (100% Stake)	Consumer	Tikehau Capital SCA	France	600
30/06/2025	Mare Nostrum Resort SLU (100% Stake)	Leisure	Spring Hotels	Spain	430

INOC, which was already the majority shareholder in the insurer, and is likely to lead to a delisting of Catalana Occidente's shares.

The largest cross-border transaction of the first half saw Abu Dhabi-based Multiply Group acquire a 68% stake in Castellano Investments, the owner of Tendam, best known for its Spanish clothing brands including Cortefiel and Springfield, for €1.6bn. The deal marks Multiply Group's first entry into the European retail sector – Tendam is Spain's third-largest fashion retailer – with PE groups CVC and Pai Partners, the previous owners, set to remain as minority shareholders.

€2.3 BILLION

The biggest deal in HY 2025 was Naturgy Energy Group's buyback of its own shares – equivalent to approximately 9% of its share capital

IN OR OUT OF THE FAMILY?

One potential avenue for greater activity for the rest of the year and beyond is deals involving large family-owned companies. Family-owned businesses have accounted for more than 40% of M&A transactions in recent years, according to the National Statistics Institute, a potential source of increased M&A that is less significant in most other countries.

Family-owned companies such as Inditex, Mercadona and El Corte Inglés have played a key role as acquirers, but there is also scope for increased deal activity as younger generations in Spain increasingly decide they are unwilling to take on businesses founded by their parents and grandparents.

"Previous generations were much more focused on growing the business in order to pass it on to the next generation," says Álvaro Mateo. "But that has changed – many younger Spanish family members don't want to take over, so the families are therefore exploring sales to strategic buyers or to PE funds; equally, they're much more prepared to partner with PE investors."

DISTRESSED DEALS SLOW BUT DON'T STOP

Distressed deals may also be a source of greater activity moving forward; however, this section of the market was slower during the first half of the year, reflecting the broadly supportive economic backdrop in the country. "We've seen some transactions driven by distress, particularly in sectors suffering with inflationary costs or trends such as the shift to online platforms," says Álvaro Mateo. "We've also seen distress in secondary assets such as real estate deals and, to a lesser extent, in transport and mobility, but overall, we've seen fewer distressed M&A transactions so far this year."

The data bears out this analysis. In total, the M&A market saw just five distressed transactions, including four administrations and one liquidation, during the first half of the year. These deals were collectively valued at €10.5bn, down 64% on last year's first-half figure of €28.9bn, though it is worth noting that only two of this year's transactions saw public disclosures of value.

In the most significant of these distressed transactions, the Spanish tourism and leisure business Groupe Lopesan acquired control of the Anfi Resort in the South of Gran Canaria, The deal should put an end to a long period of uncertainty for the tourist destination, which fell into bankruptcy in 2021.

DEAL CHALLENGES

Leaving aside the M&A headwinds of geopolitics and global macroeconomics, dealmakers in Spain are having to contend with several other hurdles that have the potential to undermine activity. Although, according to analysts, the market is adjusting to these.

One concern is the growing complexity and reach of both domestic and EU regulation. An extended review of Liberty Media's acquisition of Dorna Sports, for example, saw EU approval for a deal first announced in April 2024 not granted for a further 12 months. The Spanish government, meanwhile, took even longer to review BBVA's tie-up with Sabbadel in the banking sector, with eventual approval subject to strict conditions governing the timing of the merger process.

Similarly, in the energy sector, while the continuing shift to renewable energy is driving opportunities, uncertainties persist – not least in relation to how policymakers will respond to the blackouts caused by this year's grid outage. Spain will this year hold its first auction for offshore wind energy but has yet to set out the detail of the sale, potentially driving investors towards more mature offshore wind markets such as the UK.

Another question mark is over interventions in the M&A market related to foreign direct investment (FDI) screening. Foreign investments in several specific sectors have faced increased regulatory scrutiny since 2020; but a recent extension of the FDI regime for EU/EFTA-based investors until 31 December 2026, for investments exceeding €500m, could increase this pressure.

The other issue that dealmakers need to confront is funding. While the cost of financing deals is falling, in line with reducing interest rates, PE sponsors remain acutely conscious of the need to design deal structures in the most cost-effective way possible. Where corporates are unable to finance acquisitions from their balance sheets, similar pressures apply.

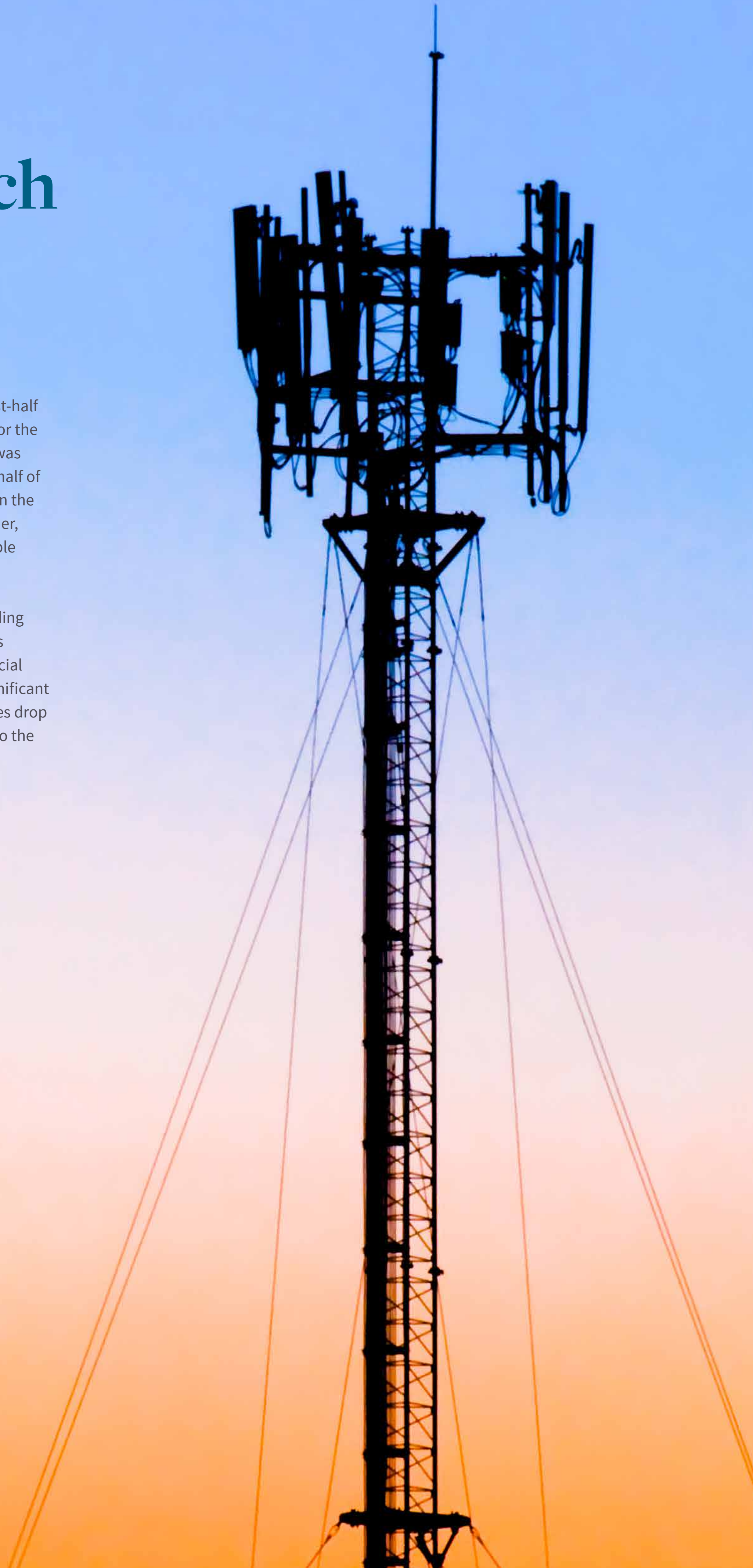
The good news, says Gómez-Acebo & Pombo partner Pablo Fernández Cortijo, is that Spain is adjusting. "Spain has become a good market in which to raise financing," he says. "It provides a safe and comfortable environment for financing entities with rules that provide important protections in the event of restructurings."

The boom in the private credit market worldwide – the size of the market grew from $1trn to $1.5trn between 2020 and 2024 – has also proved beneficial. "We have grown very used to working with credit funds and special opportunities funds," adds Fernández Cortijo. "They are very comfortable providing lending through more sophisticated structures that can be adapted to suit the individual circumstances of a deal."

> "We've seen some transactions driven by distress, particularly in sectors suffering with inflationary costs or trends such as the shift to online platforms."

Álvaro Mateo
Partner at Gómez-Acebo & Pombo

Sector watch

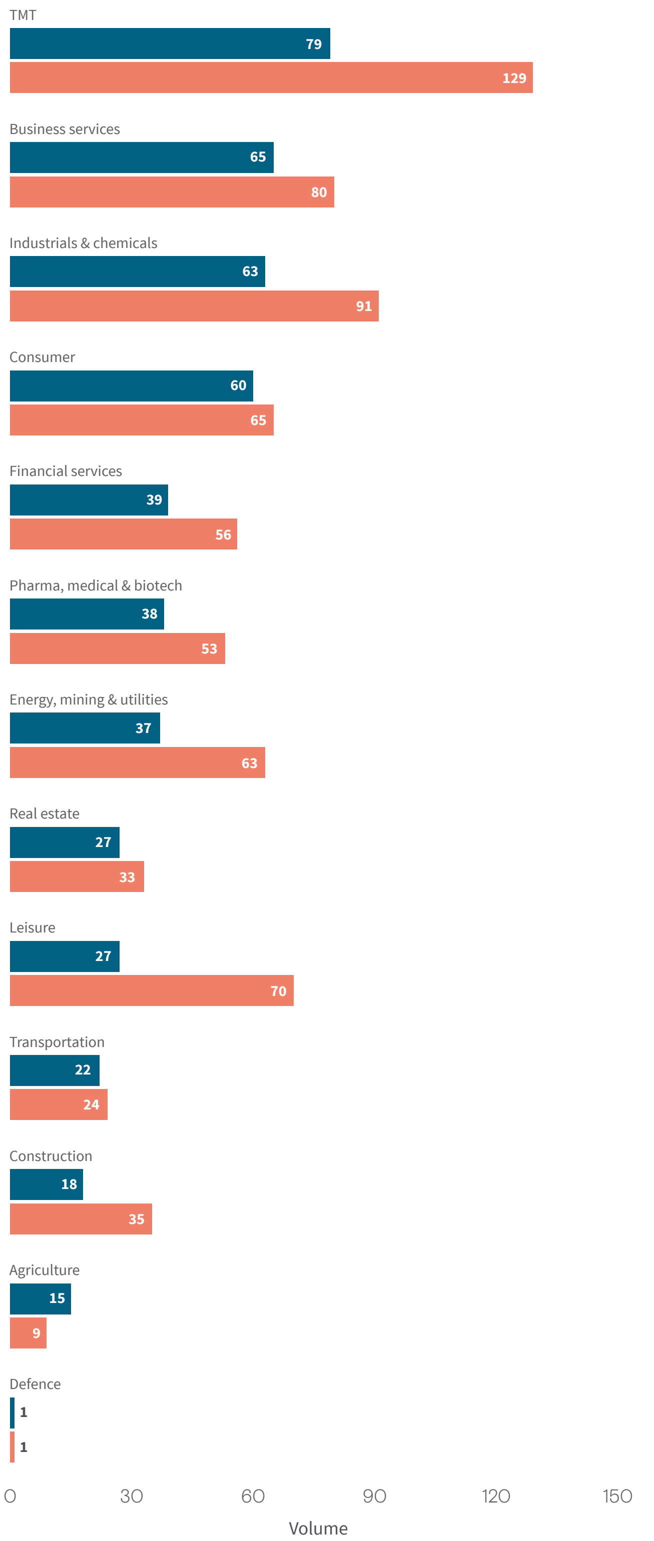


SECTOR OVERVIEW

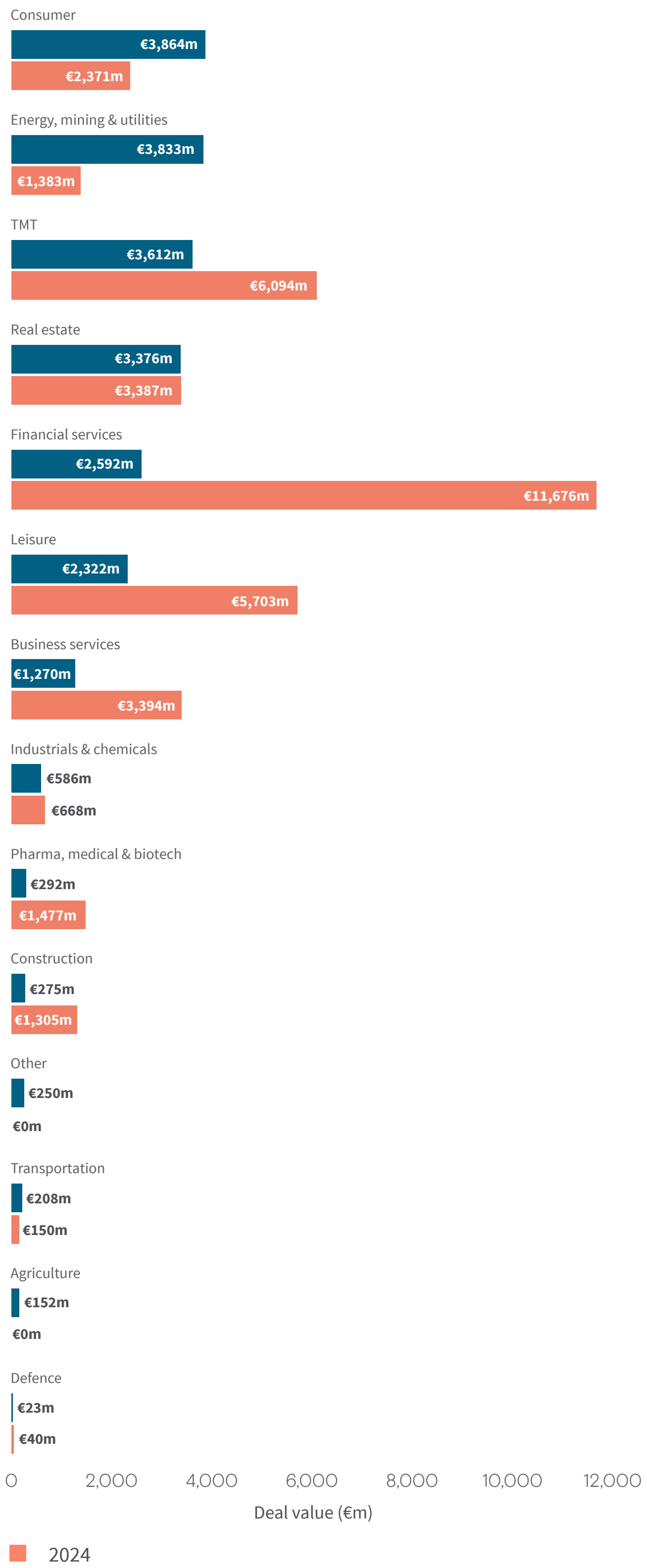
In volume terms, the TMT sector saw the most first-half activity, recording 79 deals. TMT led on volumes for the second successive year, though this year's figure was behind the 129 transactions seen during the first half of 2024. The business services sector, with 65 deals in the first half, and industrials & chemicals and consumer, with 63 and 60 deals respectively, were also notable contributors to deal volumes.

By value, consumer was the leading sector, recording €3.9bn worth of deals. Energy, mining and utilities (EMU) followed closely with €3.8bn in total. Financial services (€2.6bn) and TMT (€3.6bn) also made significant contributions, though both sectors saw deal values drop during the first six months of the year compared to the same period of 2024.

SPANISH M&A DEAL VOLUME, SPLIT BY SECTOR, HY 2024 VS. HY 2025



SPANISH M&A DEAL VALUE, SPLIT BY SECTOR, HY 2024 VS. HY 2025



TECHNOLOGY, MEDIA AND TELECOMMUNICATIONS

The TMT sector's 79 first-half deals, collectively valued at €3.6bn, looked relatively modest compared to the 129 deals worth €6.1bn seen in the same period of last year. However, last year's figures for total value were skewed by two megadeals: Cinven's purchase of real estate platform Idealista and Liberty Media's deal for Dorna Sports.

By contrast, the biggest deal of the year so far in the TMT sector has been Indra Sistemas's €883m acquisition of satellite communications services provider Hispasat.

The second highest-value deal in sector was the acquisition of legal data firm VLex by Canadian legal software Themis Solutions (also known as Clio) for €852bn.

The third biggest deal, in the technology sub-sector, saw King St Capital agree to pay €400m for Room 00 Hostels and Hotels, a software company that supports reservation platforms.

In many ways, those deals exemplify current trends in the TMT sector, says Gómez-Acebo & Pombo's David González. He points to ongoing consolidation in the telecoms sector – with Telefonica and Vodafone pursuing a joint venture in the country, for example – as well as keen interest in specialist technology assets.

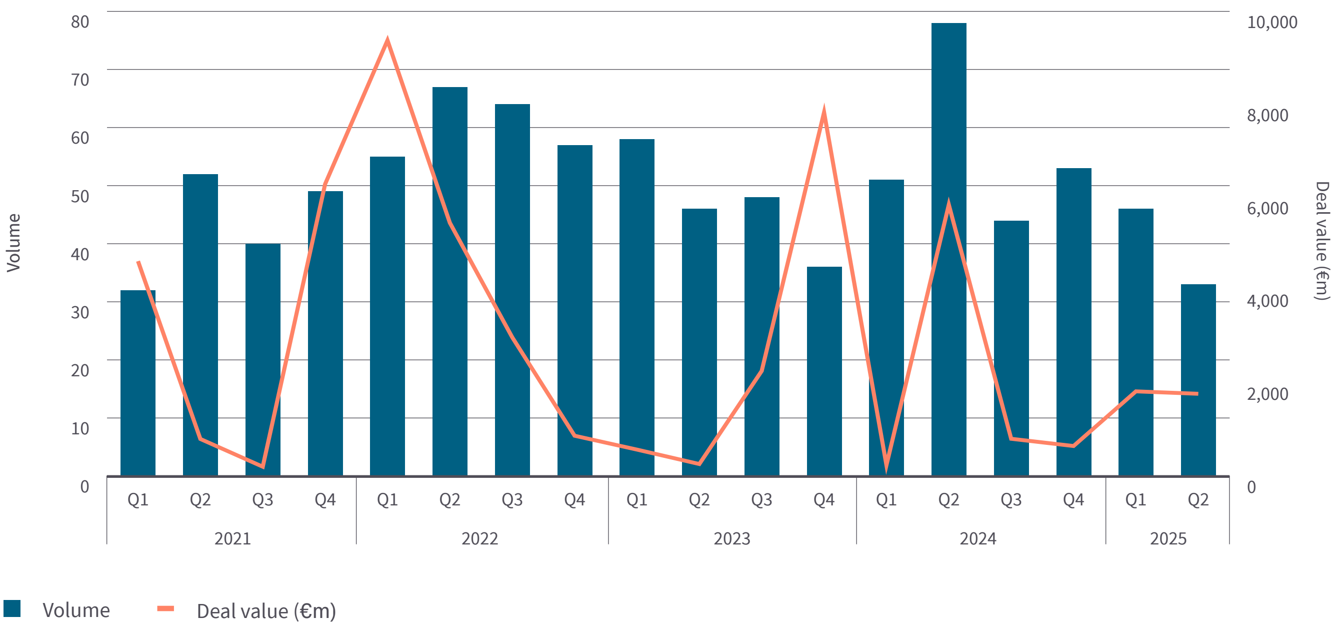
"We're seeing a significant amount of money being committed to telecoms technology, in areas such as fibre and data centres," says González. "In the technology space, there is real appetite for start-ups and scale-ups that work with our major industries; that includes cleantech businesses focused on the renewables sector and fintech players in the banking sector, though competition with London's fintech hub is challenging."

SPAIN TMT SECTOR, TOP DEALS IN HY 2025

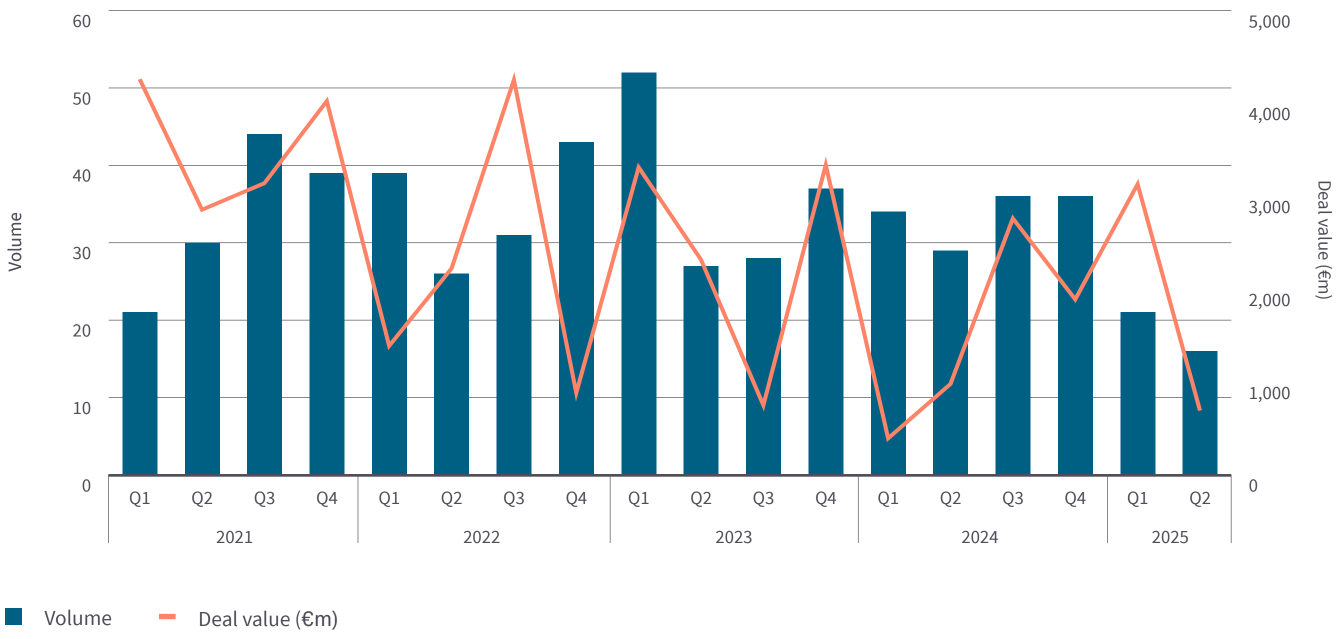
1. Indra Sistemas SA acquired an 89.68% stake in Hispasat SA for **€883m**
2. Themis Solutions Inc acquired VLex Networks SL for **€852m**
3. King Street Capital Management LP acquired Room 00 Hostels & Hotels SL for **€400m**

The other area of technology sector interest picked out by González is travel and tourism. "We're seeing more business-to-consumer start-ups in the travel-tech sub-sector," he says. "They may make interesting targets for legacy businesses in Spain's tourism industry."

SPAIN M&A TRENDS – TMT SECTOR, 2021–HY 2025



SPAIN M&A TRENDS – ENERGY, MINING AND UTILITIES SECTOR, 2021–HY 2025



ENERGY, MINING AND UTILITIES

At €3.8bn, EMU sector deal activity in the first half of 2025 was up 177% on the same period last year. However, that largely reflected the €2.3bn share buyback deal by Naturgy Energy, the biggest transaction of all in the Spanish M&A market so far this year. Indeed, by volume, EMU sector deal activity fell back during the first half, with 37 transactions, down from 63 in the first half of 2024. Aside from the Naturgy transaction, deal activity has often been focused on individual assets, particularly in the renewable energy space.

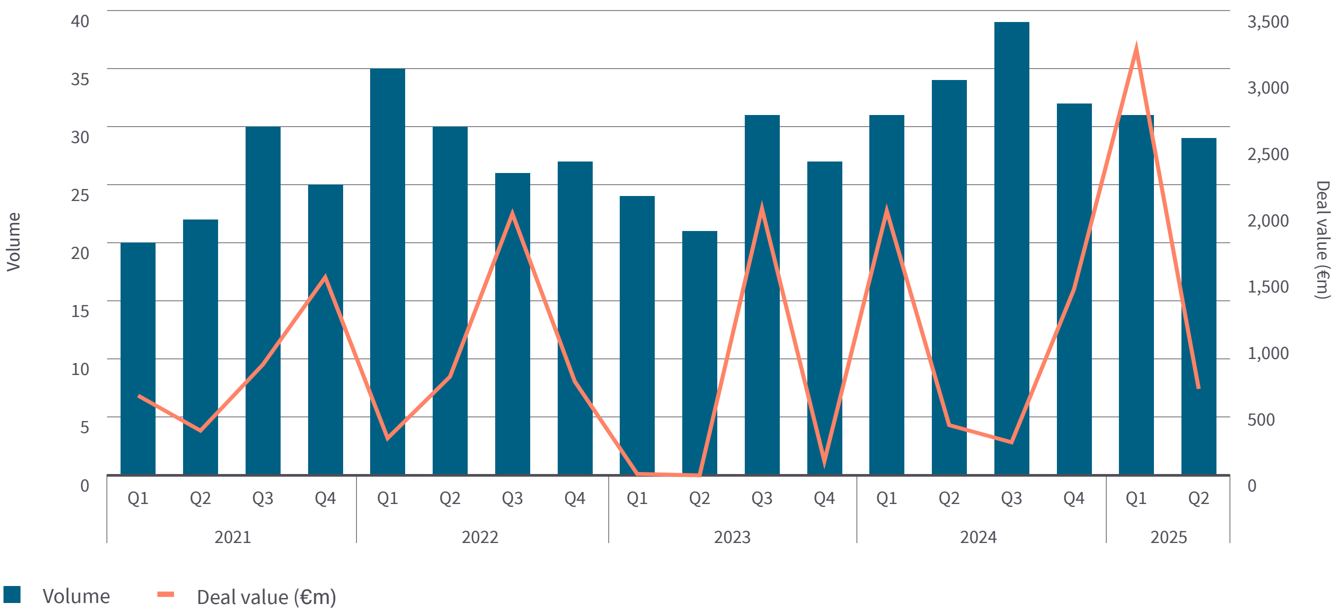
Looking forward, Gómez-Acebo & Pombo's Álvaro Mateo expects to see further activity in the EMU sector, particularly as Spain wrestles with the challenges of ensuring energy security and reliability amid the continuing need to decarbonise. While Spain is a European leader in renewable energy, with substantial wind and solar energy production, the dramatic outage in April, when much of Spain and Portugal was blacked out by an energy grid failure, has prompted difficult questions.

"The country still believes in energy transition but there is now a renewed focus on maintaining and supporting renewables capacity," says Mateo. "We will definitely see more transactions related to battery technology and the other structural components that can help to stabilise the energy that renewable plants produce."

SPAIN ENERGY, MINING AND UTILITIES SECTOR, TOP DEALS IN HY 2025

1. Share buyback deal (9.08% stake) by Naturgy Energy Group SA for **€2,332m**
2. Schroders plc and Schroders Greencoat LLP acquired a 49% stake in Power Station (400MW wind and solar portfolio) for **€284m**
3. Suma Capital SGECR SA acquired Gestcompost SL for **€250m**

SPAIN M&A TRENDS – CONSUMER SECTOR, 2021–HY 2025



CONSUMER

The consumer sector was a particularly bright spot for Spanish M&A during the first half of the year. While deal volumes slipped back somewhat, from 65 transaction in the first half of 2024 to 60 this year, the total value of 2025 first-half deals rose 63% to €3.9bn.

Strong levels of household consumption have been an important element of Spain's economic resilience in recent times, increasing the attractions of consumer-facing businesses to acquirers – including cross-border bidders. Abu Dhabi-based Multiply Group's €1.6bn investment in retail business Tendam was the biggest first-half deal in the consumer sector but was one of a number of international tie-ups. UK-based PE group Invest Industrial paid €234m for ice cream manufacturer Helados Alacant, for example.

M&A activity in the sector is also getting a boost from portfolio reviews being conducted by major Spanish consumer businesses following a tumultuous period of trading, adds Gómez-Acebo & Pombo's Álvaro Mateo. "After the Covid-19 pandemic and the high inflation of recent times, leading Spanish companies are reshaping, divesting non-core assets and carving out parts of their businesses they no longer consider interesting," he says. "This represents an opportunity for strategic buyers and private equity investors to pick up these assets."

SPAIN CONSUMER SECTOR, TOP DEALS IN HY 2025

1. Multiply Group PJSC acquired a 67.91% stake in Castellano Investments Sarl for **€1,616m**
2. Tikehau Capital SCA acquired Estacionamientos & Servicios SA for **€600m**
3. El Pozo Alimentacion, S.A. and Grupo Corporativo Fuertes SL acquired Uve SA for **€312m**

FINANCIAL SERVICES

Spain's financial services sector saw 39 deals worth €2.6bn during the first half of 2025, down from 56 transactions valued at €11.7bn in the same period a year previously. Moreover, most of this year's deal value is accounted for by a single transaction, Co Sociedad de Gestion y Participacion's €2.2bn investment in the general insurer Grupo Catalana. Blackstone's €215m purchase of assets from Mapletree Investments in the logistics investment space was the only other sizeable first-half deal in the sector.

In part, this year's slowdown in financial services dealmaking may simply be a pause in the consolidation seen in areas such as banking in recent times. Indeed, the industry is still trying to work through the ramificiations of last year's blockbuster €11bn bid by BBVA for its banking rival Sabbadel; that transaction hit another roadblock in June as the Spanish government ordered a delay in merging the two businesses.

That said, the digitalisation imperative is likely to drive deals in the sector for the foreseeable future, as technology evolves at pace and client demands in both the retail and institutional space continue to shift. "We are still seeing transactions driven by the need for digitalisation," says Gómez-Acebo & Pombo's Álvaro Mateo. "There is still a need for companies that have not moved as quickly as their rivals on digitalisation to make acquisitions that give them an opportunity to catch up."

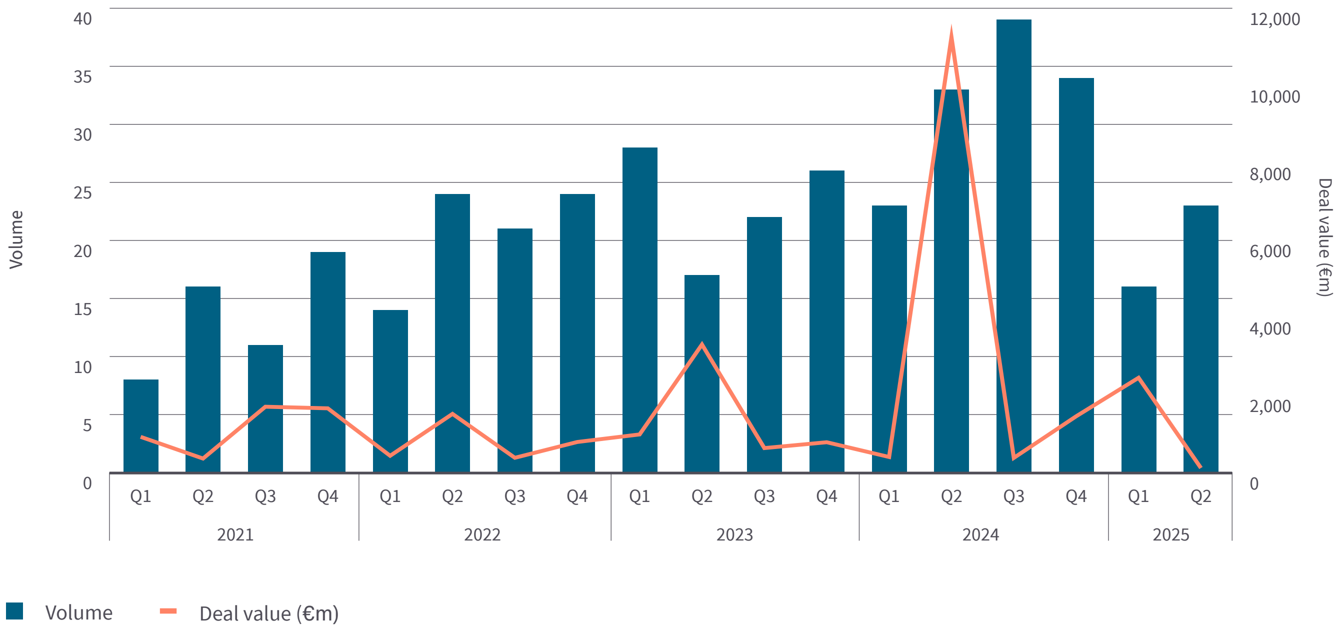
SPAIN FINANCIAL SERVICES SECTOR, TOP DEALS IN HY 2025

1. INOC SA and Co Sociedad de Gestion y Participacion SA acquired a 37.97% stake in Grupo Catalana Occidente SA for **€2,241m**

2. Mapletree Investments Pte Ltd acquired Blackstone Inc (Logistics warehouses in Catalonia, Valencia and Madrid) for **€215m**

3. Grupo Galilea Puig Corredurias de Seguros Asociadas SA and PO Soderberg & Partner AB acquired Filiassur Espana S for **€50m**

SPAIN M&A TRENDS – FINANCIAL SERVICES SECTOR, 2021–HY 2025



DEFENCE

Given the precarious state of the geopolitical climate, it is worth asking whether Spain's defence industry could become a hot spot for M&A activity in the months and years to come. Deal activity in the sector has been muted in recent times, with just one deal in the first half of the year and only two transactions in the whole of 2024. However, as Spain increases defence spending, in common with its European peers, and the uncertainties of geopolitics and security continue to shine a light on the sector, there is the potential for substantial growth in the sector.

Certainly, Spain has some interesting businesses, particularly in the early-stage space. Last year, for example, saw Indra Systems pay €107m for a majority stake in combat vehicle developer Tess Defence. Adjacent industries are also attracting interest; Pangea Aerospace, has just raised €23m to support its development of rocket engines for use in spacecraft.

Moreover, government support is increasing, with Spain committing to raising defence spending to 2.1% of GDP at the recent NATO summit. While Spain's promises fall short of those made by other NATO members, which are aiming for 5%, increases could still boost funding for military suppliers but also businesses in areas such as cybersecurity and infrastructure.

"The trend is towards consolidating to build national champions in the defence sector," says Gómez-Acebo & Pombo's Álvaro Mateo of the potential for further M&A. "We've also seen the launch of a couple of defence-focused PE funds in recent months, which is an interesting development." Nazca, for example, launched an aerospace and defence fund earlier this year, and aims to raise €400m from investors.

Private equity

PE activity in the Spanish M&A market fell back during the first half of the year – but the declines were broadly in line with the overall slowdown in Spanish M&A and with slower PE dealmaking in other markets. Overall, the first half saw 112 deals worth €7.4bn; that represented falls of 24% and 53% in volume and value terms, respectively.

The secondary buy-out market was relatively resilient with 14 transactions worth €2.1bn during the first half of the year; the same period of 2024 saw 12 secondary deals worth €6.4bn.

112

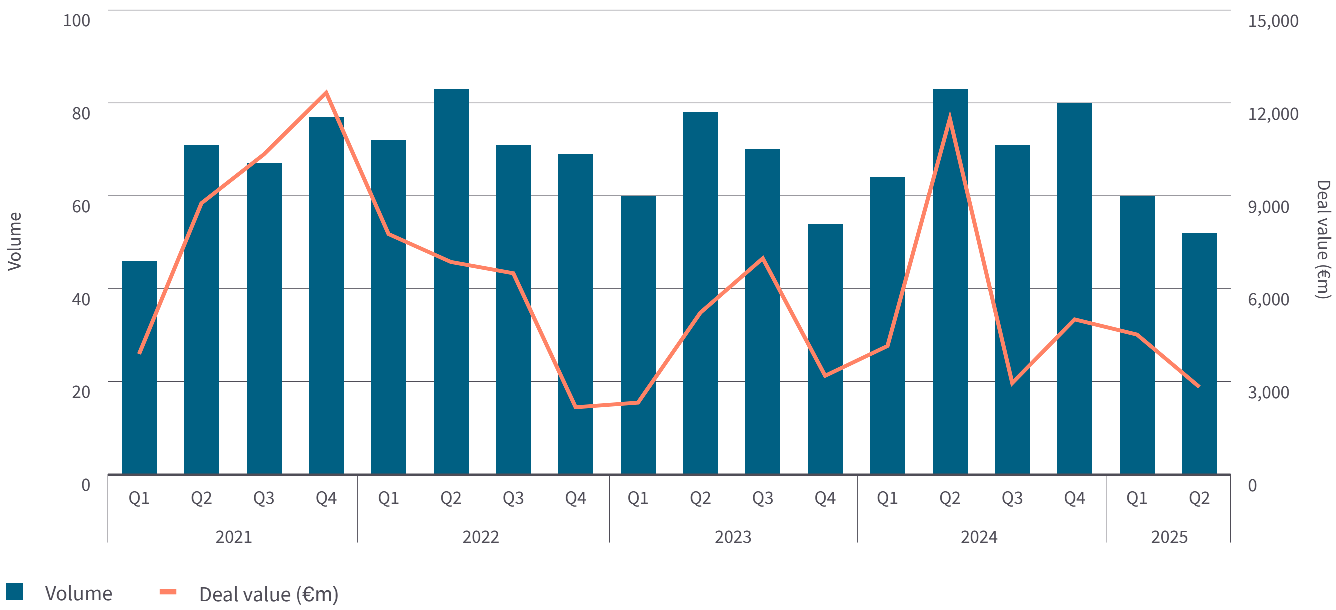
PE transactions changed hands during the first half of 2025, down 24% on HY 2024

While this year's slowdown is disappointing, the appetite for dealmaking remains strong, says Gómez-Acebo & Pombo's Pablo Fernández Cortijo. "With interest rates falling and sponsors, including large international sponsors, holding significant dry powder and facing pressure to deploy that capital, we were upbeat at the beginning of 2025," he says. "We saw a real uptick in the number of processes getting underway."

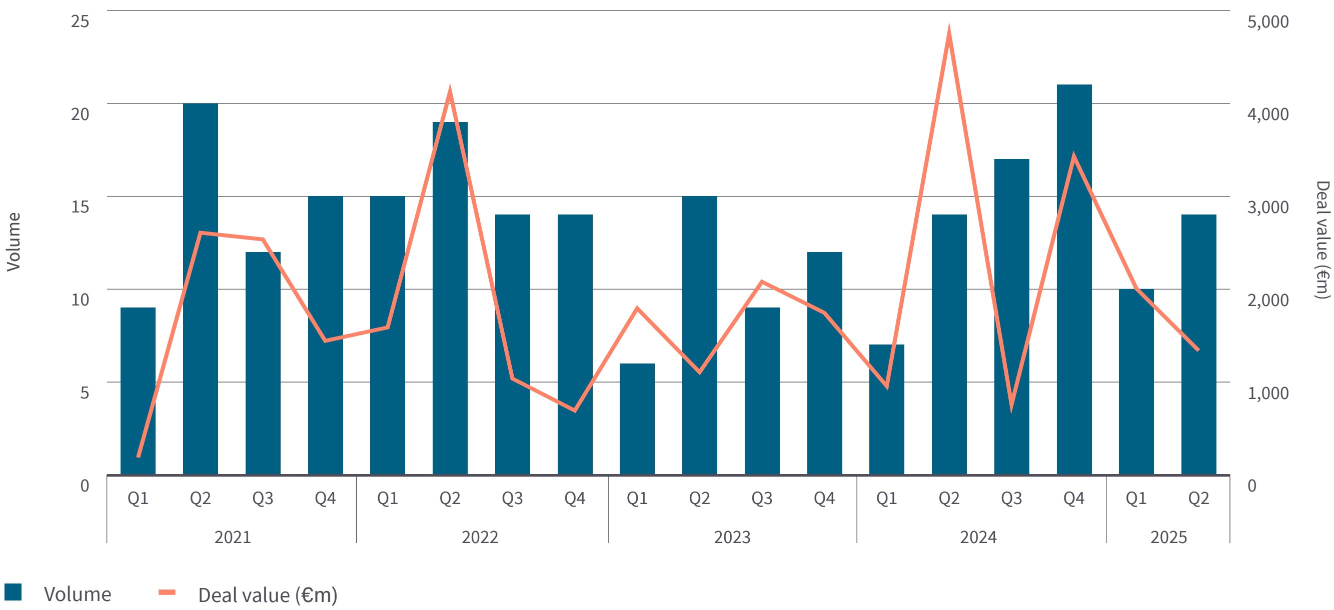
However, the tariff announcements in the US saw many of those processes halted. "Investors in multiple sectors had to rethink their approach to existing assets and new opportunities," Fernández Cortijo adds. "There is still appetite to invest, but processes are taking much longer, with tougher due diligence and more potential for those deals to fail."

PE dealmaking may also have to rely on more imaginative structures, Fernández Cortijo says, with international investors in particular prepared to pursue different types of arrangements. "Sponsors in the UK and the US, for example, are very comfortable with deals that involve a mix of debt and equity, which is something we haven't always seen in Spain."

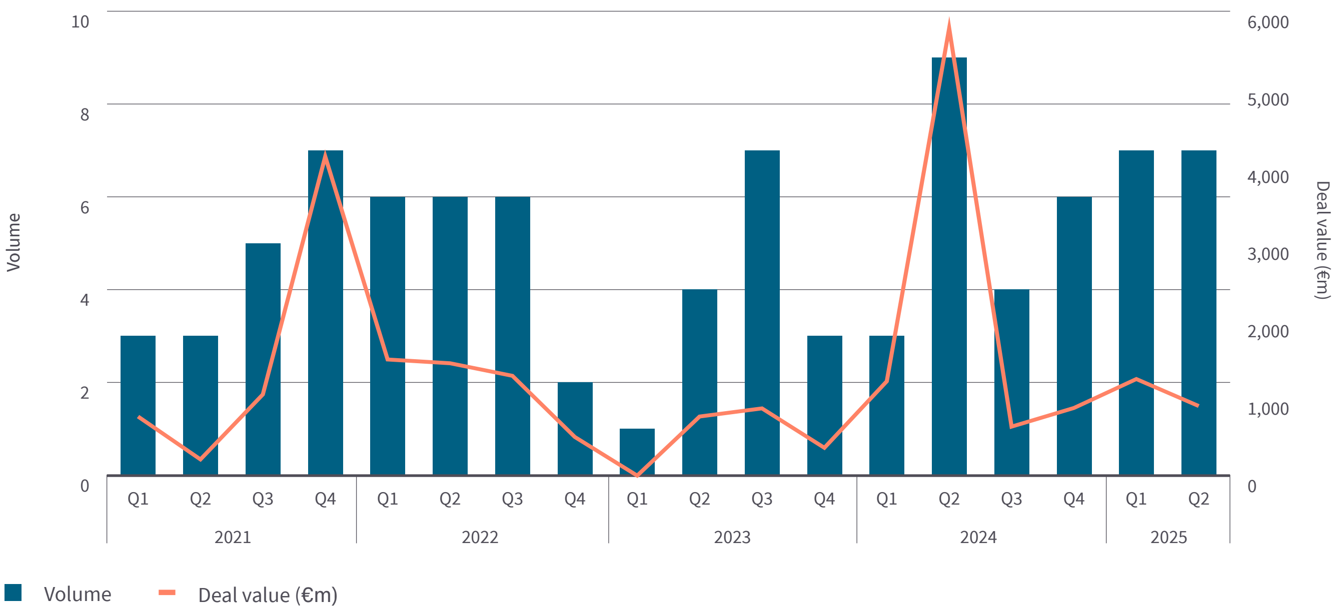
SPANISH PRIVATE EQUITY DEAL ACTIVITY BY YEAR, 2021–HY 2025



SPANISH PRIVATE EQUITY EXITS BY YEAR, 2021–HY 2025



SPANISH PRIVATE EQUITY SECONDARY EXIT ACTIVITY BY YEAR, 2021–HY 2025



NOTABLE PE DEALS

The strength of Spain's consumer sector is underlined by the fact that it recorded three of the 10 largest PE investments of the first half of the year, including the biggest deal of all, February's €1.6bn investment in retail business Castellano Investments-owned Tendam by Multiply Group.

Another notable deal in the sector saw Tikehau Capital acquire Madrid-based EYSA from HIG Capital, for €600m. EYSA offers a broad range of technology-driven services in the consumer transportation and mobility space with a particular emphasis on sustainable solutions.

The Multiply and Tikehau transactions also accounted for, respectively, the biggest PE exit and the biggest secondary buy-out deal of the year so far.

Looking forward, Pablo Fernández Cortijo expects sectors including healthcare, financial services, energy and defence to be keen areas of interest for PE investors. He also points to a new source of cross-border interest in Spanish businesses. "In the last year, we've started to see much more interest from Asian and Middle Eastern investors, particularly in the energy and infrastructure sectors."

€3.4 BILLION

Value of the 24 Spanish PE exits in HY 2025, compared to 21 transactions valued at €5.7bn during the same period of 2024

EXIT ACTIVITY

While exit volume increased in Spain, value has fallen in line with other markets worldwide; indeed, global PE exit activity slumped to its lowest level in two years during the first quarter of the year as geopolitical uncertainty rattled investors.

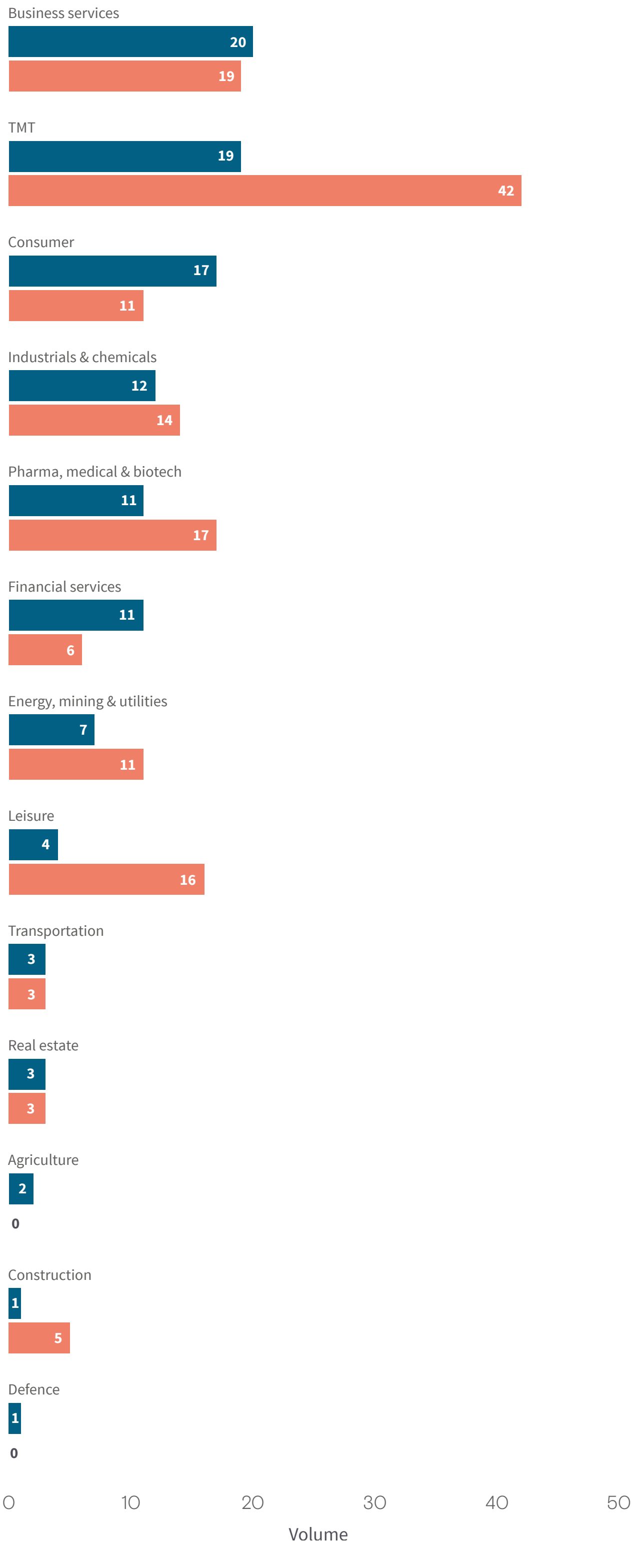
There were 24 exits worth €3.4bn over the first half, compared to 21 transactions valued at €5.7bn during the same period of 2024.

Financial services saw most exits with five, followed by consumer (four) and transportation and business services (with three each).

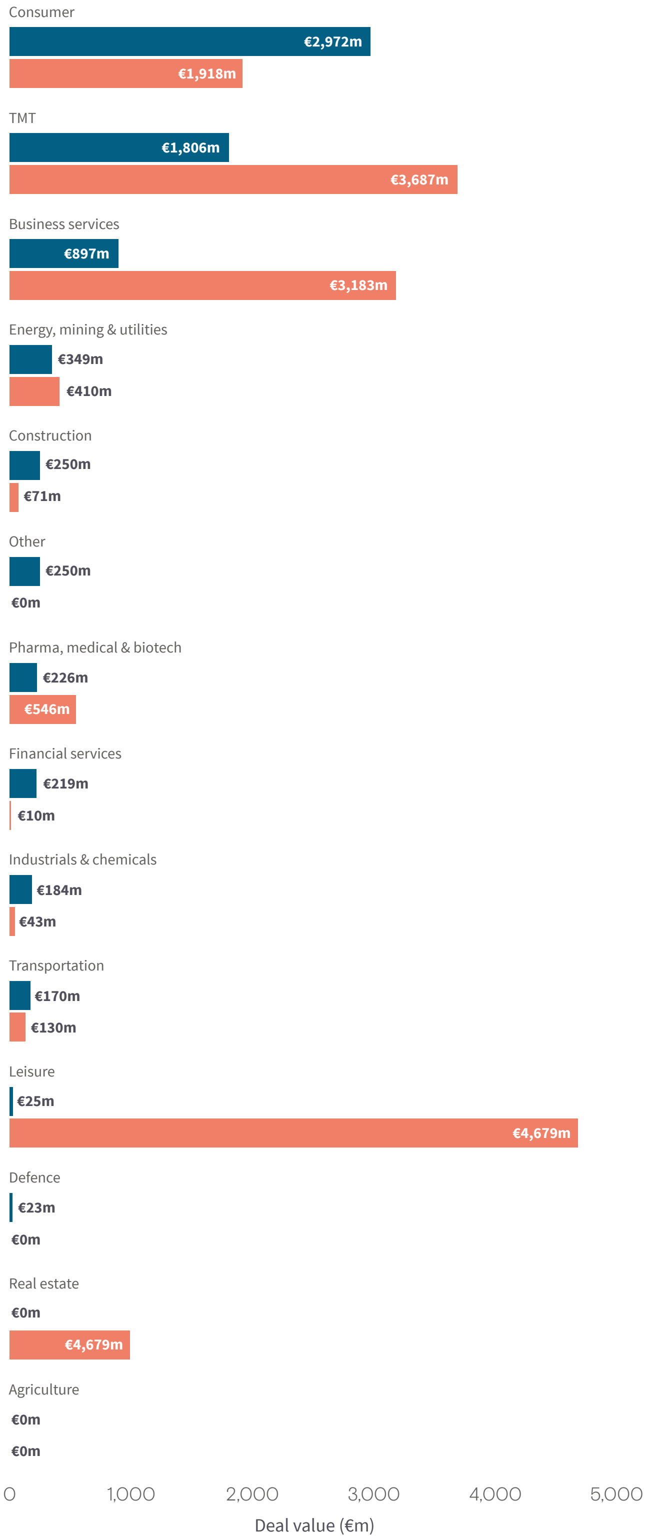
TOP 10 PRIVATE EQUITY DEALS IN HY 2025

Announced date	Target company	Sector	Bidder company	Bidder dominant country	Deal value €(m)
25/02/2025	Castellano Investments Sarl (67.91% Stake)	Consumer	Multiply Group PJSC	United Arab Emirates	1,616
30/06/2025	VLex Networks SL (100% Stake)	TMT	Themis Solutions Inc	Canada	852
20/05/2025	Estacionamientos & Servicios SA (100% Stake)	Consumer	Tikehau Capital SCA	France	600
25/02/2025	Proeduca Altus S.A. (30.41% Stake)	Business services	Sofina SA; Portobello Capital Gestion, SGECR, S.A.	Belgium	426
28/02/2025	MAPAL Software SL	TMT	Eurazeo SE; Existing Management	France	312
06/02/2025	Samy Road SL (100% Stake)	Business services	Bridgepoint Advisers Ltd; Existing Management	United Kingdom	300
13/03/2025	BlueSun Consumer Brands SLU (100% Stake)	Consumer	PHI Asset Management Partners SGEIC SA	Spain	287
03/04/2025	Gestcompost SL	Energy, mining & utilities	Suma Capital SGECR SA	Spain	250
04/02/2025	Serveo Servicios SA (100% Stake)	Construction	Portobello Capital Gestion, SGECR, S.A.	Spain	250
30/05/2025	Property Portfolio (Planeta Office, located on Barcelona's Diagonal Avenue) (100% Stake)	Other	Pontegadea Inversiones SL	Spain	250

SPANISH PRIVATE EQUITY DEAL VOLUME, SPLIT BY SECTOR, HY 2024 VS. HY 2025



SPANISH PRIVATE EQUITY DEAL VALUE, SPLIT BY SECTOR, HY 2024 VS. HY 2025



2025 2024

THE BIGGEST SPANISH CONTINUATION FUND DEALS OF 2024 AND 2025

Filing/ Announcement Date	Target	Target Business Description (Primary)	Target General Industry Group (GIG) (Primary)	Acquirer
08/04/2025	Soluciones Totales De Biometano (100%)	Company performing the development, construction, installation, and operation of biogas enrichment production facilities to transform said biogas into biomethane.	Chemicals	Suma Capital SGECR SA
03/04/2025	Gestcompost SL (Stk%)	Provider of treatment and energy recovery of organic and biodegradable non-hazardous waste, such as agri-food, livestock, industrial or urban. Renewable Energy: Biomass.	Utility & energy	Suma Capital SGECR SA
13/03/2025	BlueSun Consumer Brands SLU (100%)	Manufacturer of household cleaning products.	Consumer products	PHI Asset Management Partners SGEIC SA
04/02/2025	Serveo Servicios SA (100%)	Provider of construction services.	Construction/ building	Portobello Capital Gestion SGECR SA
20/11/2024	Hotels & Resorts Blue Sea SL (100%)	Hotels & resorts owner and operator.	Dining & lodging	Portobello Capital Gestion SGECR SA
05/04/2024	Proclinic SA (100%)	Dental instruments supplier.	Healthcare	Miura Partners SGEIC SA Manuel Alfonso (Private Individual) Raneda de la Hoz family (Private Individual)

By value, the consumer sector saw exits worth €1.8bn, including the disposals by Castellano Investments and HIG at Tendam and EYSA. TMT, with €852m was was also notably busy.

In addition, PE firms have continued to pursue alternative realisation strategies; in particular, they are launching continuation funds with a mandate to buy assets from existing funds nearing maturity. These vehicles provide a means for firms to provide liquidity to existing investors while maintaining the ongoing management of assets not yet regarded as ready for sale.

Such continuation funds disclosed four such transactions during the first half of the year, the same number recorded over the whole of 2024. “Perceptions of continuation funds in Europe have changed,” says Pablo Fernández Cortijo. “There was a time when they were regarded as representing a failure, but there is a growing awareness of the value of these funds in terms of offering more flexibility to limited partners and general partners alike.”

Such shifts are prompting advisers to spend more time thinking about exit possibilities as they support PE firms with the launch of new funds. “When you’re focusing on areas such as management incentive plans, it’s critical that you’re planning for a whole range of exit scenarios,” Fernández Cortijo adds.

> “Perceptions of continuation funds in Europe have changed.”
>
> **Pablo Fernández Cortijo**
> **Partner at Gómez-Acebo & Pombo**

M&A outlook

Several factors have the capacity to help the Spain's M&A market put a tough first half of the year behind it – however, international challenges still have the potential to disrupt M&A in markets all around the world.

"Lower interest rates, plentiful liquidity and the substantial amount of dry PE powder should all be very favourable for dealmaking, and we've even seen the gap between the expectations of buyers and sellers begin to close," says Gómez-Acebo & Pombo's David González. "But the possibility of further tension and conflict, such as an escalation in the Middle East, still looms large; that has the potential to drive up oil prices and force a return to higher inflation, which would have an adverse impact on M&A activity."

If such issues can be avoided, there are good reasons to be optimistic, adds Pablo Fernández Cortijo. "By the end of the second quarter we were starting to see the launch of more processes; even if not all of them come to fruition, there is enough activity to suggest we could see a strong second half," he says. "The onus on advisers is going to be help dealmakers get past some of the potential barriers – to offer new solutions and strategies that can ease the blockages."

Dealmakers are prepared to be more imaginative, Fernández Cortijo adds. He points to the growing number of deals involving consortia of bidders, with sponsors working together to share risk. Earn-out terms, indemnities and warranties can help buyers and vendors bridge valuation differences and diligence concerns. Continuation funds also offer PE investors a way to ensure deal flow.

On a sectoral basis, many of the drivers that have prompted higher levels of dealmaking in industries such as TMT, consumer and business services remain in place. There is also scope for increased activity in up-and-comings areas – notably defence – as other drivers come into play. The EU Recovery Fund support – worth €140bn to Spain by 2026 – could also provide a boost to sectors such as energy, healthcare and biotechnology.

Data from Mergermarket provides intelligence on where M&A is most likely to take place in the coming months. Based on analysis of media articles covering companies potentially coming to market, the TMT, business services and consumer sectors look likely to generate the largest number of transactions over the rest of the year. But there is also speculation about deals in the I&C, transportation, and pharmaceuticals, medical & biotechnology sectors.

There are no guarantees. In this ongoing 'VUCA' period – with elevated levels of volatility, uncertainty, complexity and ambiguity – there is always the possibility of another unforeseen crisis adversely affecting Spain's M&A market. However, the strength of the Spanish economy and the breadth and depth of Spanish businesses augurs well; the M&A market began the year showing resilience and the second-quarter slowdown may simply have pushed processes into the second half of the year.

"Advisers should be ready for more complicated processes, even for strong assets," says David González. "But interest in M&A is increasing once again – there is genuine appetite to do deals in Spain."

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The number of TMT sector 'companies for sale' stories published in the first six months of 2025

SECTOR SPECULATION: "COMPANY FOR SALE" STORIES

TMT	41
Business services	29
Consumer	22
Industrials & chemicals	20
Pharma, medical & biotech	13
Transportation	12
Leisure	12
Construction	8
Financial services	6
Energy, mining & utilities	5
Agriculture	4

NB: Data above is based on Mergermarket data for 'companies for sale' stories published between 01/01/2025 and 30/06/2025.

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